

Name of Committees:	Cabinet Full Council		
Committee Date:	14 th February 2024 28 th February 2024		
Report Title:	COUNCIL TAX SUPPORT SCHEME 2024/25		
Responsible Officer:	Steven Pink – Chief Finance Officer & S151 Officer		
Cabinet Lead:	Councillor Bowdell – Cabinet Lead for Finance		
Status:	Non-Exempt		
Urgent Decision:	Yes / No	Key Decision:	Yes/ No
Appendices:	None		
Background Papers:	None		
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Report Number:	HBC/ 78/2024		

Corporate Priorities:

The Council Tax Support Scheme supports our People First – Wellbeing priority, by delivering support mechanisms / initiatives to help our residents such as the distribution of grant schemes.

Executive Summary:

This report highlights recommendations for the coming years Council Tax Support Scheme. The Council Tax Support Scheme sets out how we want to help those on low income pay their Council Tax. The report outlines the legal framework, available options and the cost to the Council involved in the administration of the scheme.

Recommendations:

Cabinet recommends to Council that Council:

- 1) Approves that the current scheme is amended so that the allowances and premiums used in determining entitlement for working age claims are uplifted in line with the figures applied by the Department for Works and Pensions, (DWP), for the Housing Benefit Scheme in 2024/25.
- 2) Approves that the current scheme is amended so that the non-dependant deductions used in determining entitlement for working age claims are adapted in line with the rates as set by the Department of Levelling Up, Housing and Communities for non-dependant pension age claims.
- 3) Approves that The Council continues to facilitate a Council Tax Support Hardship Fund.
- 4) Approves all remaining elements of the current 2023/24 scheme are retained.
- 5) Approves that the necessary amendments are made to the Council Tax Support Scheme document and that it is then published in accordance with Local Government Finance Act 1992 Section 13A(2).

1.0 Introduction

- 1.1 Since 1 April 2013 local authorities in England have been responsible for administering their own Council Tax Support Schemes subject to the “Council Tax Reduction Schemes(England) Regulations 2012”
- 1.2 The Council Tax Support Scheme operates by offering a discount to residents who need help paying their council tax. This scheme is particularly important this year in light of the financial challenges residents are facing due to the ongoing economic impacts of the cost-of-living crisis, including the rising fuel and food prices, and the significant inflationary increases in overall living costs. Residents are facing challenging times and the Council is committed to ensuring that we continue to support our residents with the maximum amount of support we can, through the Council Tax Support Scheme.

2.0 Background

- 2.1 The localised Council Tax Support scheme was introduced by the Local Government Finance Act 2012 to replace the national Council Tax Benefit Scheme from 1/4/2013.
- 2.2 The legislation imposes a duty on each Council to adopt a scheme by 11 March each year to apply for the forthcoming financial year.
- 2.3 Local authorities are required to publish the scheme setting out Council Tax Support in their area, detailing the classes of individuals eligible, the reductions they may receive, the procedures through which they can apply, and an appeals process.
- 2.4 The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 state councils must make reductions for certain classes of pensioners. No other groups are required to receive reductions under the Regulations.
- 2.5 This report puts forward a recommended approach for 2024/25 which is largely the same that was approved for 2023/24.

3.0 The Council's current scheme

- 3.1 The Council's current scheme is based on the Department of Levelling Up, Housing and Communities, (DLUHC), default scheme, (which mirrored the former council tax benefit scheme), but with a reduced maximum amount of support available for certain working age households.
- 3.2 The scheme requires a minimum payment of 8.5% of the council tax liability from all working age households apart from those in receipt of disability related incomes. For these households, the scheme offers a slightly reduced level of support compared to the former council tax benefit scheme.
- 3.3 Since April 2022, following the COVID pandemic and related additional help through government funding, we saw a return to a reducing caseload both in working age and pensioners. However, we are fully aware with the cost-of living crisis worsening and the unprecedented times ahead, we are contemplating an increase in caseload, due to businesses failing and unemployment levels expected to rise.

Council Tax support scheme caseload and expenditure

	Cases as at 31 March	Amount of benefit paid	Note
2012/13	11,118	£9,174,118	last year of council tax benefit
2013/14	10,569	£8,632,007	
2014/15	10,059	£8,207,832	
2015/16	9,788	£7,916,713	
2016/17	9,654	£8,013,050	
2017/18	9,298	£8,341,559	
2018/19	9,123	£8,392,266	
2019/20	8,883	£8,463,841	
2020/21	8,856	£8,812,938	
2021/22	8,731	£9,105,459	
2022/23	8,287	£8,955,310	
2023/24	8,137	£9,472,385	Estimated cost for the year
2024/25	8,100	£9,898,642	Estimate

4.0 2024/25 scheme and Hardship Fund

- 4.1 The estimated cost of retaining the current scheme for 2024/25 is £9.8m. This estimate assumes that the current caseload pattern continues for the remainder of 2023/24 and through 2024/25. The estimate also takes account of the possibility that the relevant precepting authorities will levy the same increase in their Council Tax precept from 1 April 2024 as was levied in 1 April 2023.
- 4.2 Uprating is the process under which various elements, (Personal Allowances, Premiums and Non-Dependant deductions), are altered

to reflect inflation and changes to the level of pensions and other benefits.

- 4.3 Personal Allowances and Premiums – the arrangements for pensioners within our scheme are prescribed by the DLUHC and they will be advising Councils of the new figures that must be included in our scheme for 2024/25. However, for working age claims it is for the Council to decide. The Personal Allowances and Premiums in our current scheme match those that are used to calculate Housing Benefit for working age claimants. To retain this consistency with the Housing Benefit scheme, it is recommended that the Council adopts the same figures that the Department for Work and Pensions, (DWP), will be specifying for the Housing Benefit scheme for 2024/25. The DWP will advise councils of these in due course.
- 4.4 Non-dependant deductions – our current Council Tax Support scheme includes the same levels for non-dependant deductions for both pension age and working age claims. DLUHC will be prescribing the revised non dependant deduction levels for pension age claims and, to retain consistency, it is recommended that the revised figures set for pension age claims for 2024/25 are also adopted for working age claims for 2024/25. DLUHC will advise councils of the amounts in due course.
- 4.5 It is proposed that the Council continues to facilitate a Council Tax Support Hardship Fund to support the most vulnerable Council Tax Support customers to:
- i. Allow a short period of time to adjust to unforeseen short-term financial circumstances whilst the applicant seeks alternative solutions.
 - ii. Support the applicant in managing their finances.
 - iii. Help the applicant through personal circumstances and difficult events that affect their finances.
 - iv. Prevent exceptional hardship.
 - v. Support those who are trying to help themselves financially.

The expected cost of this fund will be circa £5,000.

5.0 Options

- 5.1 Do nothing: Failure to provide a Council Tax Support Scheme would cause significant financial hardship to a number of households within the Borough. This would cause additional costs to the Council overall as at present adjustments are made to the Council Taxbase to take

this support into account. It is also a legislative requirement to provide a level of Council Tax Support.

5.2 Leave the scheme as is: The scheme currently supports the most vulnerable residents within the Borough at a level prescribed by Central Government.

5.3 Review current scheme: At present the scheme meets the current need but will be reviewed on an annual basis going forward.

6.0 Relationship to the Corporate Strategy

6.1 Fits with the Wellbeing part of the strategy by delivering support mechanisms / initiatives to help our residents such as the distribution of grant schemes, and where necessary support specific groups through support schemes. Council Tax Support is to help provide financial support for people on low incomes, which has a knock-on benefit for health and wellbeing.

7.0 Conclusion

7.1 To agree the recommendations as set out and look to fully review the scheme next year.

8.0 Implications and Comments

8.1 S151 Comments

The scheme plays a vital role in supporting the borough's community, but it does mean agreeing that a reduced amount of overall Council Tax will be received, and this should not be overlooked. However, it is highly likely that the Council would find it difficult to collect these amounts due to the individual financial circumstances of the residents, and administering the scheme is both more cost effective than the likely unsuccessful tax collection processes and also allows the support to be received by those most in need.

The cost of the scheme is already accounted for in the Tax Base workings and therefore already included in the 2024/25 budget workings.

8.2 Financial Implications

There is a small revenue implication in administering this scheme which is budgeted for. Although the scheme means the Council foregoes approximately £1m of Council Tax, it is highly unlikely we

would receive this Council Tax and would increase collection costs whilst putting additional stress upon our most vulnerable residents.

8.3 Monitoring Officer Comments

It is a matter for Full Council to agree the Council Tax Support Scheme. The Council has a statutory duty to set the council tax each year and this report is part of this process.

8.4 Legal Implications

Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the Council Tax Support scheme is to be revised or replaced.

8.5 Equality and Diversity

These recommendations comply with our internal Equality and Diversity policy and practises where applicable.

8.6 Human Resources

There are no direct Human Resource implications arising from this report as existing staff are already in place to administer this scheme.

8.7 Information Governance

These recommendations have been considered in line with current information and governance guidelines.

8.8 Climate and Environment

There are no direct climate and environmental impacts from the report.

9.0 Risks

9.1 A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2024/25 differs only marginally from the 2013/14 scheme.

9.2 If the increase in caseload expected is greater than that used in the above calculations it will lead to an increase in the cost of the scheme. This is difficult to predict in the current economic climate as it is expected that due to the cost-of living crisis worsening and the

unprecedented times ahead, businesses may fail and an increase in unemployment is expected.

- 9.3 The Council will keep caseload and demand for this scheme under regular review and will report back through Cabinet and Council as part of routine budget monitoring.

10.0 Consultation

- 10.1 Hampshire County Council will be advised of the proposed scheme for 2024/25 on behalf of the major precepting authorities. As the proposed scheme for 2024/25 retains comparable levels of support to those in the 2023/24 scheme, it is considered unnecessary to undertake any further public consultation.

11.0 Communications

- 11.1 Published as part of the 2024/25 Budget Report.
- 11.2 The approved Council Tax Support Scheme document is then published in accordance with Local Government Finance Act 1992 Section 13A(2).

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr N Bowdell	06/02/2024
Executive Head:	Matt Goodwin	06/02/2024
Monitoring Officer:	Jo McIntosh	06/02/2024
Section151 Officer:	Steven Pink	30/01/2024