



REPORT TO:	Executive Board
DATE:	10 January 2024
SUBJECT:	Local Council Tax Support Scheme 2024/25
PURPOSE:	To determine the Council Tax Support scheme, 2024/25
KEY DECISION:	<i>N</i>
PORTFOLIO HOLDER:	Councillor Richard Fry, Executive Portfolio Holder for Finance
REPORT OF:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)
REPORT AUTHOR:	Sharon Hammond, Head of Revenues and Benefits
WARD(S) AFFECTED:	All
EXEMPT REPORT?	<i>N</i>

SUMMARY

This report seeks Executive Board decision on the final proposals for the 2024/25 Council Tax Support scheme, to be presented to Council for approval on 28 February 2024.

RECOMMENDATIONS

1. That Executive Board recommends Full Council approves: -
 - i) the continuation of the current Council Tax Support scheme, including uprating in line with DWP's annual update of allowances and premiums for 2024/25, and
 - ii) the provision for Care Leaver support under this scheme to be increased to age 25.
2. That Executive Board delegates approval for the 2024/25 final scheme policy to the Section 151 Officer in consultation with the Portfolio Holder for Finance, including administrative and minor changes.

REASONS FOR RECOMMENDATIONS

Full Council must make any revision to its scheme, or any replacement, and agree its final scheme no later than 11 March 2023 in respect of the 2024/25 financial year.

Continuation of the current scheme will align the CTS scheme and uprating for working age customers with DWP provisions for Housing Benefit and the CTS scheme for pensioners. This has been consistent each year since the introduction of the local scheme, and will maintain that position for 2024/25, pending a fundamental review of the scheme for future years.

OTHER OPTIONS CONSIDERED

The 'do nothing' option was considered, which would see the current scheme retained without uprating.

1. BACKGROUND

- 1.1 The Council Tax Support (CTS) scheme, which replaced the previous national Council Tax Benefit scheme from April 2013, provides financial assistance to households on low incomes or benefits through a reduction in Council Tax. Each year the Council is required to consider whether to revise its CTS scheme.
- 1.2 The Local Government Finance Act 2012 sets out the process by which Councils must approve a local Council Tax Support scheme. Regulations continue to prescribe the scheme for pensioners, allowing up to 100% support against Council Tax liability.
- 1.3 East Lindsey District Council has retained a Council Tax Support Scheme since April 2013 that requires all working age households to pay at least 25% of their Council Tax liability. The scheme continues to protect War Disablement Pensioners, War Widow and War Widowers.
- 1.4 Some scheme changes were made in 2016/17 including restriction of CTS to Band D Council Tax liability. In 2019/20 a new class for Care Leavers was introduced, and in 2020/21 an earnings tolerance was introduced for Universal Credit claimants. From 2022/23 a provision was made in the local scheme for discretion to disregard national schemes introduced during a financial year in the calculation of support.

2. CURRENT ECONOMIC POSITION

Cost of Living

- 2.1 As part of this years' review, there is recognition of the cost of living and energy cost crises, and the uncertainty and difficulties that households are experiencing.
- 2.2 We are likely to see fluctuations in numbers of CTS claimants, potentially increasing due to the current economic challenges, leading to a subsequent increased demand for benefits and local support for low-income households.

- 2.3 Any change to a CTS scheme must be considered alongside wider challenges faced by local authorities; the need to strike a balance between a local fair and affordable CTS scheme which provides support to those in most need, and the cost of the scheme to all residents is essential. As such, the importance of maintaining current levels of support, providing consistency and continuity for customers, has been a priority consideration in the proposals for the next financial year.

Further Support

- 2.4 The government provided local authorities with an allocation of a £100million Council Tax Support Fund. This Councils allocation was £324,427. This funding provided up to £25 additional reduction in 2023/24 council tax bills for all CTS recipients at the start of the year, with the balance as a discretionary hardship fund being used to support economically vulnerable households with a reduction in council tax bills.
- 2.5 In cases of exceptional personal circumstances or hardship, the council has discretionary powers to award a one-off Council Tax discount to support. In line with local policy, applications are determined on a case-by-case basis, therefore ensuring due consideration is given to the unique circumstances of the applicant. It is anticipated, due to the current crisis, that the council may see greater demand on the discretionary scheme.
- 2.5 ELDC provides information on a range of wider support schemes which are delivered, or signposted, by the council. Full details are published, and maintained, on the website and include the current Household Support Fund schemes.
- 2.6 People who are struggling to pay their Council Tax are encouraged to make contact with the council. This helps to ensure households are receiving any discounts and reductions that they may be eligible for. Alternative payment arrangements can also be made, for example helping with frequency of payment, or extending over a longer period.

3. 2024/25 SCHEME CONSULTATION

- 3.1 Executive Board resolved at its meeting on 20 September 2023 for consultation on continuation of the current Council Tax Support scheme, including uprating in line with DWP's annual update of allowances and premiums for 2024/25.
- 3.2 The consultation took place between 3 October 2023 to 17 November 2023.
- 3.3 Major precepting authorities have been consulted on the proposals.

Lincolnshire County Council has responded that it is supportive of the proposal for the core characteristics of the scheme to remain unchanged, and aligned with uprating applied by DWP.

It noted ELDC plans to undertake a more fundamental review and would appreciate being contacted early in the process to understand the financial implications of any proposed changes.

The Police and Crime Commissioner noted the proposal to retain the current scheme, aligned to the DWP uprating.

3.4 The wider public consultation included publicity through media release, website and social media. A total of 103 responses were received. Although an increase on last year, with such a low response rate it has to be recognised that the results cannot be relied upon as being wholly representative or statistically significant.

3.5 High level findings are summarised: -

- The majority of respondents, (64%) agreed that the council should retain the main characteristics of the current Council Tax Scheme.
- 50% of respondents felt that the current scheme is fair and provides support to those most vulnerable.
- 62% of respondents agreed we should increase the scheme in line with DWP provisions for 2024/25 and future years.

3.6 The full consultation report is shown at Appendix A.

4. CARE LEAVERS

4.1 In 2019/20, East Lindsey introduced a new class for Care Leavers, aged 18 – 21 years into its Council Tax Support scheme. This recognised that young people leaving care constitute one of the most vulnerable groups in society.

4.2 In consideration of the duty on local authorities to provide personal advisor support to all care leavers up to age 25, it is proposed that East Lindsey updates its scheme from April 2024 to extend the support it provides to this group from age 21 up to the individuals 25th birthday.

4.3 There are currently 5 Care Leavers being supported under this scheme, at a total annual cost in 2023/24 of £5,694 which is shared between the major preceptors. The indicative cost to this council is £484 (8.5%).

5. FUNDAMENTAL REVIEW

5.1 In line with the decision made by Executive Board in January 2023, a fundamental review of the scheme will be carried out, to feed into the development of the scheme for 2025/26.

6. CONCLUSION

6.1 Having regard to the current economic climate, the recommendation to retain the current scheme for 2024/25 along with uprating and harmonisation with DWP annual update of allowances and premiums will continue to align the CTS scheme for working age customers with DWP provisions for Housing Benefit and the CTS scheme for pensioners. This is supported by the consultation feedback, and this approach will provide consistency for claimants. There will be no new additional impacts on current levels of expenditure as a result of the recommendation.

6.2 Increasing the 100% CTS for Care Leavers up to age 25 will demonstrate East Lindsey's commitment to support this vulnerable group.

6.3 The commencement of a fundamental review will help to inform future scheme development.

7. EXPECTED BENEFITS TO THE PARTNERSHIP

7.1 There are no benefits to the partnership as a direct result of this report.

7.2 Whilst recognising that each sovereign council will retain responsibility for deciding its own local CTS scheme, there is an opportunity for S&ELCP to work together on a fundamental scheme review, to modernise and simplify future schemes.

8. IMPLICATIONS

8.1 SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

8.1.1 None

8.2 CORPORATE PRIORITIES

8.2.1 Health and Wellbeing

8.3 STAFFING

8.3.1 None

8.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

8.4.1 The Local Government Finance Act 2012 introduced the framework for localism of Council Tax Support. The Local CTS scheme for 2024/25 must be approved by Full Council by 11 March 2024. Any change to CTS schemes must be subject to proper process, including consultation to protect the scheme from judicial review.

8.5 DATA PROTECTION

8.5.1 None

8.6 FINANCIAL

8.6.1 Although the recommendation is for continuation of the current scheme into 2024/25, the overall expenditure may be affected by several factors, including increase (or reduction) in demand, council tax increase, and the annual DWP uprating. The impacts upon the Council's budgets once Council approval has been given, will be included in the 2024/25 Budget and Medium-Term Financial Strategy.

Current CTS scheme expenditure is £11,387,496. Of this the cost to East Lindsey District Council is around £968k (8.5%). The following table provides a breakdown of the split between working age and Pensioner age expenditure and caseload, in November 2023.

	2023/24 Expenditure	Caseload
Working Age	£5,071,764.72	6,287
Pensioner	£6,315,731.66	5,620
Total	£11,387,496.38	11,907

8.7 RISK MANAGEMENT

8.7.1 None

8.8 STAKEHOLDER / CONSULTATION / TIMESCALES

8.8.1 The Section 151 Officer and Portfolio Holder for Finance have been consulted.

8.8.2 Legislation requires consultation to be carried out with major precepting authorities, the public and other stakeholders where changes to the scheme are proposed. Consultation has been carried out, as detailed in Section 3 of this report.

8.9 REPUTATION

8.9.1 None

8.10 CONTRACTS

8.10.1 None

8.11 CRIME AND DISORDER

8.11.1 None

8.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

8.12.1 The existing Council Tax Support scheme continues to be delivered on the basis of the DWP’s previous Council Tax Benefit scheme regarding protection for vulnerable groups, including children and the disabled. An equality impact assessment is not considered necessary at this time.

8.13 HEALTH AND WELLBEING

8.13.1 None

8.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

8.14.1 None

8.15 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

8.15.1 None

9. ACRONYMS

CTS – Council Tax Support

DWP – Department for Work and Pensions

APPENDICES

Appendices are listed below and attached to the back of the report: -

Appendix A

Consultation Report

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL

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