

Report title	Council Tax Support Scheme 2024/25
Report author	Linda Norman Corporate Head of Customer, Digital & Collection Services
Department	Housing Benefits
Exempt?	No
Exemption type	not applicable
Reasons for exemption	not applicable

Purpose of report:

- **To recommend to full Council Runnymede’s Council Tax Support scheme for 2024/25**

Synopsis of report:

Review of the 2023/24 Council Tax support scheme for those of working age, ensuring it remains up to date, relevant, cost effective and incorporates the continuing migration to Universal Credit for Runnymede’s residents.

To demonstrate that the existing Council Tax Support scheme has delivered members expectations of a simplified scheme making it easier for the Council’s most vulnerable residents to receive financial assistance towards their Council Tax liability.

Recommendation(s):

The Committee to approve to full Council the continuation of the current Council Tax Support scheme for 2024/25 financial year which includes the provision to automatically apply the legislative changes for the annual uprating of the prescribed applicable amounts for 2024/25 financial year as set by the Department of Work and Pensions (DWP).

1. Context and background of report

- 1.1 In April 2013 Council Tax Benefit was replaced by a prescribed Council Tax Support (CTS) scheme for those of pension age. The prescribed scheme ensured that pensioners were not affected, at all, by the reduction in funding for CTS.
- 1.2 Each local authority was then required to adopt its own locally designed and funded scheme for Working Age customers.
- 1.3 Any changes to the Housing Benefit regulations will be considered and where appropriate reflected in this Council Tax Support Scheme.
- 1.4 Previous local schemes omitted the requirement to allow changes to be made to reflect amendments to legislation. This meant legislative changes had to be delivered through Sec13a Council Tax regulations for local discounts where the total cost would then be borne by the Council. The 2023/24 scheme includes delegated authority to the Assistant Chief Executive (Sec 151) in consultation with the Chair of the Corporate Management Committee to ensure legislative changes including annual uprating amounts can be implemented in a timely manner.

- 1.5 If a local authority wishes to make fundamental changes to its Council Tax Support scheme, it needs to consult the public and other affected groups. The scheme also needs to be approved by full Council by 11th March of the preceding financial year.
- 1.6 Annual reviews will continue to be undertaken to ensure the scheme remains compliant, affordable and continues to support our most vulnerable residents.
- 1.7 Should any residents not qualify and need assistance on hardship grounds, the Council can remit Council Tax under Section 13A of the Local Government Finance Act 1992, taking into consideration the impact on all taxpaying residents.

2. Report and, where applicable, options considered and recommended

2.1 In November 2022, following public consultation, the Council approved a revised CTS scheme to be introduced from 1st April 2023.

2.2 The new scheme made some changes to make administration easier and to make best use of Universal Credit data shared by the Department for Work and Pensions (DWP) to make it easier to grant the support someone is entitled to.

2.3 When the council tax bills were issued in March 2023, the Council awarded around £4.05 million in CTS, shown in the tables below:

TABLE 1

Claimant Group	Number of Claims	Total Annual Award.
Pensioners	1,379	£1,984,714
Vulnerable / Disabled Claimants	966	£1,384,310
Working Age Other	593	£687,915
Totals	2,938	£4,056,939

2.4 In comparison, the figure in February 2022 was around £4.1 million in CTS, shown in the table below:

TABLE 2

Claimant Group	Number of Claims	Total Annual Award.
Pensioners	1,437	£2,000,168
Vulnerable / Disabled Claimants	892	£1,233,734
Working Age & Employed	65	£65,650
Working Age Other	674	£789,234
Totals	3,068	£4,088,786

2.5 Current expenditure on the CTS scheme for the financial year 2023/24 is £4,106,199 with around 3,040 claims in payment.

2.6 The Department for Levelling Up, Housing & Communities (DLUCH), are responsible for The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations. This statutory instrument prescribes the rules for calculating entitlement for pension age CTS claims.

It may also prescribe some aspects of the working age schemes.

2.7 Every December, the premiums, personal allowances and some deductions that someone is entitled to are uprated by statutory instrument for pension age residents by the DWP. This is to ensure that vulnerable customers are not excluded from financial support through small increases in various allowances.

2.8 It has always been the intention that this annual uprating of prescribed amounts for pensioners, would also be applied to Runnymede's CTS Scheme for working age residents so the amounts mirror those in the prescribed regulations where appropriate or uses the Housing Benefit rates. This ensures that both schemes follow the same rules for calculating support whether it is for housing costs or Council Tax liability.

2.9 Each year, the Council is required to review their local CTS scheme prior to 11 March of the following year to consider whether the existing scheme remains affordable, efficient and continues

to support vulnerable customers. The current scheme was introduced on 1st April 2023, with the following aims:

- To stabilise entitlement for those in receipt of Universal Credit by ignoring changes of £3.25 or less in weekly entitlement.
- To use Universal Credit data to assess entitlement without the need for a separate application
- To introduce flat rate non-dependent deductions for claimants in receipt of Universal Credit.
- To remove the additional earnings disregard for those in receipt of Universal Credit.
- To reduce the minimum weekly entitlement from £10 to £5 for all working age groups.
- To align the scheme with Housing Benefit uprating annually and with any future legislative changes.
- To disregard local welfare payments for all working age groups

2.10 These amendments that were introduced in April 2023 are maintaining a significant level of protection for a high number of vulnerable residents whilst ensuring that the Council does not overspend against the CTS budget especially in the current economic crisis and rising cost of living.

2.11 Claims for both Council Tax Support and Housing Benefit are being processed much faster, due to the use of UC data in the assessment of CTS. New claims processing times have fallen from 27 days to less than 19 days and changes being made in less than 3 days which ensures vulnerable residents receive support much earlier under the current scheme.

2.12 Around 360 fewer notifications have been issued since April 2023 and fewer council tax bills have been amended which ensures Council Tax instalments remain stable and payment plans are achievable as they are not constantly changing every time there is a small change within UC entitlement.

2.13 The current scheme is transparent and easy to understand and has resulted in a small reduction in calls on CTS enquiries which has enabled the team to change focus prioritizing the administration of the various tranches of the Household Support Fund for those in most need.

2.14 In addition, there have been no formal appeals or challenges against the scheme for the period 1 April 2023 to 30 September 2023 which suggests that customers are satisfied with the scheme in its current format.

2.15 The Council also has a Council Tax Discretionary Hardship policy which will provide short term help to alleviate financial hardship to support those residents who may not qualify for Council Tax Support. Approximately £11k has been paid in additional support for Council Taxpayers 2023/24 year.

3. Policy framework implications

3.1 The Corporate Plan includes in its overarching strategies; Health & Wellbeing and Community Engagement. The Council is committed to supporting vulnerable residents particularly through the current cost of living crisis and by maintaining the current CTS scheme for a further year will ensure continued support for the Council's most vulnerable residents in an affordable and efficient manner.

4 Resource implications/Value for Money (where applicable) (Have you consulted finance?)

4.1 A full years data is not currently available as the scheme has only been in place since April 2023. However, early indicators are:

- The introduction of the £5 minimum entitlement for all working age groups was estimated to increase annual CTS expenditure of £50,000 per year. Current expenditure on this parameter has increased to £10,000.
- The actual overall spend for the first six months has increased by around £17,400 which is within the parameters expected.
- Overall expenditure may increase over the next six months depending on the current economic climate and officers will continue to monitor this to ensure the estimated budget for CTS remains achievable.

5. Legal implications (Have you consulted legal?)

- 5.1 When Council Tax Support was introduced, local authorities were obliged to have a scheme in place by the 11th March preceding the start of the following financial year.
- 5.2 Following a public and stakeholder consultation, Corporate Management Committee at the November 22 meeting recommended to full Council the current CTS scheme be adopted and implemented for 2023/24. This was approved at the full Council meeting in December 2022.
- 5.3 Schedule 1A, paragraph 5 of the Local Government Finance Act 1992 states:
- For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme
- 5.4 In addition to any local variations, each year the Government issues regulations amending the default scheme. Amendments in respect of pensioners must be incorporated into any local scheme. Whether these amendments need to be included in a local scheme for working age residents are for each local authority to decide. Delegated Authority to the Chief Financial Officer was approved by in December 22 to enable any legislative changes to be reflected in the current scheme.
- 5.5 Where local authorities decide to amend/revise their local scheme, as part of that review, formal consultation with stakeholders must be undertaken. Following the 2023/24 review it is recommended to maintain the existing scheme for a further year and therefore a formal consultation is not required. However, the decision to maintain or revise a CTS scheme still requires Full Council approval.

6. Equality implications (Have you consulted Emmanuel Alozie?)

- 6.1 Councillors need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty, as set out in Section 149 of the Equality At 2010, as part of the decision-making process. The three aims the authority must have due regard for are:
- eliminate discrimination, harassment and victimisation
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic
- 6.2 The Council must pay due regard to any obvious risk of such discrimination arising from the decision before them. There is no prescribed manner in how the equality duty must be exercised though producing an EIA is the most usual method. An EIA for 2023/24 scheme has been completed, and as the fundamental elements of the scheme are unchanged it remains relevant.
- 6.3 An EIA was presented to the Council meeting of 8th December 2022. If it is apparent that CTS policy would have an adverse effect on equality, then adjustments should be made to seek to reduce that effect and this is known as mitigation. The options and proposals consulted on in 2023/24 CTS scheme have gone some way to help mitigate the impact on vulnerable groups.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 The stabilisation of CTS entitlement has led to a reduction in printing and postage costs, as has the use of Universal Credit data. This has meant a reduction in calls from customers around CTS information and evidence and enabled the team to focus on administering other important grants.

8. Other implications (where applicable)

- 8.1 There are none

9. Timetable for Implementation

- 9.1 1 April 2024

10. Conclusions

- 10.1 The new CTS scheme implemented from 1 April 2023 has delivered everything members expected from the changes but within a cost that the Council can afford.

- 10.2 The Council is able to administer the scheme in a very efficient manner eliminating the requirement for separate formal applications which has resulted in a significant reduction in times from 27 days to 19 days for new claims. The legislative requirement is to process new claims within 28 days.
- 10.3 Processing changes in circumstances has also improved with a reduction to 3 days from 9 days bringing the Council in line with national benchmarking requirements. These improved processing times means that the Council can get support to those who need it when they need it.
- 10.4 An unexpected benefit of the scheme has created capacity within the team to administer the much-needed Household Support Fund (Tranche 4).
- 345 households have received approximately £90k of this funding to date.
- 10.5 . Should members wish to consider fundamental changes to the existing scheme for 25/26 year, a formal consultation is required with all stakeholders and as such, the annual review will commence in July 2024 when a more detailed analysis of the 23/24 data will be available.

11. Background papers

- There are none

12. Appendices

Appendix 1 – Council Tax Support Scheme Working Age

Appendix 2 – Council Tax Support Scheme Pensioners