

**Council Tax Reduction Scheme 2024/25**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Corporate Services Policy Advisory Committee	11 October 2023
Cabinet	25 October 2023
Council	27 November 2023

<b>Will this be a Key Decision?</b>	Yes
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service</b>	Georgia Hawkes, Director of Mid Kent Services
<b>Lead Officer and Report Author</b>	Zoe Kent, Interim Head of Revenues and Benefits
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

Each year Full Council has to approve the Council Tax Reduction Scheme for the following year. This report makes a recommendation for the scheme to be implemented for 2024-25.

This report has been considered by the Corporate Services Policy Advisory Committee, before being passed to Cabinet for approval. The final decision on the scheme will be made by Full Council.

**Purpose of Report**

Recommendation for Decision

**This report makes the following recommendations to the Cabinet;**

1. To note the progress of the income banded scheme;
2. To consider recommending to Council that the scheme continues with the principles of the existing scheme and the percentage awards (maximum award of 80%) continue for 2024/25;
3. To consider recommending to Council that the grid amounts be amended in-line with the DWP annual percentage increase of welfare benefits for 2024/25.

# Council Tax Reduction Scheme 2024/25

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council needs to balance the needs of low-income households with the wider interest of local taxpayers to ensure that vulnerable residents are protected whilst providing a scheme that is affordable.</p>	Zoe Kent, Interim Head of Revenues and Benefits
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>The report recommendations support the achievements of the Deprivation and Social Mobility cross cutting objectives by providing support to low-income households.</p>	Zoe Kent, Interim Head of Revenues and Benefits
<b>Risk Management</b>	<p>The risks associated with implementing and operating the scheme are not considered high. Endorsement of a scheme helps reduce the risk but the overall cost of the CTRS is subject to the risk of household incomes falling, as may be the case if the cost-of-living crisis leads onto an increase in unemployment.</p>	Zoe Kent, Interim Head of Revenues and Benefits

<b>Financial</b>	The cost of the CTRS impacts on the Council Tax base and thereby the Council Tax yield. If the cost of awards were to increase, this would mean the Council Tax base and overall Council Tax income would reduce. Any change in the cost of the scheme is shared through the collection fund between the Council and preceptors.	Adrian Lovegrove, Head of Finance
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Zoe Kent, Interim Head of Revenues and Benefits
<b>Legal</b>	Section 13A of the Local Government Finance Act 1992 requires the Council to adopt a Council Tax Reduction Scheme. Schedule 1A of the Act requires the Council to consider each financial year whether to revise or replace its scheme.  The Act contains a statutory duty to consult on a proposed scheme, with guiding principles for fair consultation set out in case law. As there are no changes proposed for the 2023-24 scheme further consultation will not be necessary unless the scheme is not approved.	Robin Harris, Team Leader Contentious and Corporate Governance
<b>Information Governance</b>	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Georgia Harvey, Senior Information Governance Officer
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Nicola Toulson, Equalities & Communities Officer
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Zoe Kent, Interim Head of Revenues and Benefits
<b>Crime and Disorder</b>	There are no implications to Crime and Disorder	Zoe Kent, Interim Head of Revenues and Benefits

<b>Procurement</b>	No impact	Zoe Kent, Interim Head of Revenues and Benefits
<b>Biodiversity and Climate Change</b>	There are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

2.1 The Council Tax Reduction Scheme (CTRS) was introduced in April 2013 as a replacement for Council Tax Benefit (CTB), a national scheme administered on behalf of the Department for Works and Pensions (DWP).

2.2 Since its introduction in April 2013, our local scheme has been reconsidered on an annual basis. In 2020 a full review and consultation was carried out to take account of the increase in claimants moving into Universal Credit. The consultation sought views on moving to a banded scheme from April 2021 for working age claimants.

2.3 Council Tax Reduction provides financial assistance in the form of a rebate on the Council Tax bill, the cost of the scheme generally reduced before the Covid pandemic. In 2020/21 there was an increase in claims due to the pandemic and the number of people claiming Universal Credit. The figures below give the cost of the scheme to the public, in the amount of CTR awarded annually rather than collected as Council Tax.

2017/18 - £8,385,298  
2018/19 - £8,616,425  
2019/20 - £8,652,758  
2020/21 - £10,694,613  
2021/22 - £10,264,367  
2022/23 - £10,037,337  
2023/24 - £10,428,677 (estimated)

2.4 From April 2021, a new income banded scheme was introduced which has an in-built, simplified claiming process with wide income ranges. The new banded scheme means that frequent liability changes have been avoided, and revised bills are only being issued where income crosses into another earnings band. This has made it less cumbersome for customers and has allowed us to convey a relatively simple eligibility message to residents.

2.5 Feedback from the Customer Services team and Citizens' Advice has been positive with fewer enquiries being made about eligibility and understanding of the income banded scheme for households with no children, 1-2 children and 3 plus children.

2.6 Table 1 shows the banded scheme which awards a maximum of 80% support for those on a passported benefit. Bands 2 to 5 give a maximum award of between 65% and 10% based on a person's earnings. All other

income is disregarded. An extra 5% support is given to those in Bands 2 to 5 if a disability benefit is in payment.

Table 1

Band	Household size and earnings threshold			Maximum Award
	No Children	1 -2 Children	3+ Children	
Band 1	*Passported/Max UC	*Passported/Max UC	*Passported/Max UC	80%
Band 2	Less than £316	Less than £387	Less than £441	65%
Band 3	£316 - 631.99	£387 - £774.99	£441 - £882.99	50%
Band 4	£632 - £947.99	£775 - £1,162.99	£883 - £1,324.99	25%
Band 5	£948 - £1,263.99	£1,163 - £1,550.99	£1,325 - £1,766.99	10%

2.7 \*Passported in the table refers to legacy benefits (job seekers allowance, income support, employment support allowance) for customers who have not migrated to Universal Credit.

### 3. AVAILABLE OPTIONS

- 3.1 To make no changes to the Council Tax Reduction Scheme for 2024/25. The advantages of this are that claimants have got used to this simplified scheme, they are aware of how much they need to pay. It also makes no change to the budget.
- 3.2 To revise the current scheme. This would require consultation with the other preceptors and with those affected by any changes. There could also be additional costs if the payment towards the administration of the scheme was withdrawn by the major preceptors.

### 4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That no changes be made to the Council Tax Reduction Scheme for the year 2024/25, except to increase the amounts within the banded income grid by the rate of inflation as used by the Department for Work and Pensions for their annual uprating of welfare benefits for 2024/25.
- 4.2 This is the third year of the income banded scheme, it may be advisable due to the continuing cost of living crisis and the scheme working well, not to make any changes to the scheme.

### 5. RISK

- 5.1 The risks associated with implementing and operating the scheme are not considered high.

## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 A public consultation was carried out in 2020 before the decision was taken to move to a banded Council Tax Reduction scheme. As changes to the scheme are not being recommended a public consultation is not mandatory.
  - 6.2 The public consultation results were considered as part of the decision-making process when the banded scheme was put forward in 2020.
  - 6.3 The matter was considered by the Corporate Services Policy Advisory Committee on 11 October 2023, with the report recommendations supported.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 The scheme will be published on the website once a decision has been made by Full Council.
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## **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix 1: Draft Council Tax Reduction Scheme 2024/25 – to follow for Full Council
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## **9. BACKGROUND PAPERS**

None