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| REPORT TO: | Cabinet |
| DATE: | 16 January 2024 |
| SUBJECT: | Local Council Tax Support Scheme 2024/25 |
| PURPOSE: | To determine the Council Tax Support scheme for 2024/25 |
| KEY DECISION: | N/A |
| PORTFOLIO HOLDER: | Councillor Sandeep Ghosh, Portfolio Holder for Finance |
| REPORT OF: | Christine Marshall, Deputy Chief Executive – Corporate Development (S151) |
| REPORT AUTHOR: | Sharon Hammond, Head of Revenues and Benefits (PSPS) |
| WARD(S) AFFECTED: | All |
| EXEMPT REPORT? | No |

SUMMARY

This report seeks Cabinet decision on the final proposals for the 2024/25 local Council Tax Support scheme, to be presented to Council for approval on 4 March 2024.

RECOMMENDATIONS

1. That Cabinet recommends Full Council approve the Council Tax Support scheme for 2024/25 as follows: -
 - i) 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 introduction of a class for Care Leavers, up to the age of 25, within the scheme.
2. That Cabinet delegates approval for development of the 2024/25 final scheme policy to the Section 151 Officer in consultation with the Portfolio Holder for Finance, including administrative and minor changes.

3. That Cabinet notes a fundamental review of the scheme will be undertaken during 2024/25.

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 2024 in respect of the 2024/25 financial year.

Continuation of the current scheme will align the Council Tax Support scheme and uprating for working age customers with DWP provisions. 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.

The inclusion of Care Leavers as a dedicated class within the scheme will demonstrate the council's commitment to support this vulnerable group.

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 income 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 local authorities 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. Boston Borough Council has retained a local Council Tax Support Scheme since April 2013, providing up to 75% support for working age households, requiring working age households to pay at least 25% of their Council Tax liability. The local scheme continues to protect War Disablement Pensioners, War Widow and War Widowers, providing up to 100% relief in eligible cases.

2. CURRENT ECONOMIC POSITION

Cost of Living

- 2.1 Recognising the current cost of living and energy cost crises and the uncertainty and difficulties that households are experiencing, the importance of maintaining current levels of support for working age households, providing consistency and continuity, has been a priority consideration in the proposals for the next financial year.

- 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. 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.

Further Support

- 2.3 Some additional support has been provided to CTS recipients in 2023/24. The government provided local authorities with an allocation of a £100million Council Tax Support Fund. Boston's allocation was £113,325. 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.
- 2.4 Whilst the additional support referred to in 2.3 above is a one-year scheme for 2023/24, legislation, supported by local policy, provides discretionary powers for local authorities to provide additional support in cases of exceptional hardship through a reduction in Council Tax.
- 2.5 In terms of other support for households, this council 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.
- 2.6 Households who are struggling to pay their Council Tax are encouraged to contact the council. This helps to ensure they 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 Consultation for the 2024/25 scheme proposal, as agreed with the Portfolio Holder for Finance, took place between 21 September 2023 and 17 November 2023, and sought views on 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.

- 3.2 Major precepting authorities have been consulted on the proposals.

Lincolnshire County Council commented that any changes to the scheme could have a significant impact on the Council Tax income it receives, and confirmed it is supportive of Boston's proposal to retain the current scheme, and uprating.

The Police and Crime Commissioner response noted Boston's proposals.

- 3.3 The Corporate and Community Committee received a report at its meeting on 9 November 2023, providing an opportunity to provide feedback to Cabinet on the proposals.
- 3.4 The wider consultation was publicised through media release, website and social media. In addition, an email was sent to a number of groups that represent individuals with

characteristics identified in the Equality Act. Further details are provided in Appendix A to this report.

3.5 A total of 35 responses were received, being a decline in response rate from the previous year. With such a low response rate it must be recognised that the results cannot be relied upon as being wholly representative or statistically significant.

3.6 High level findings are summarised: -

- The majority of respondents, 71%, agreed that the council should retain its current scheme for the next financial year to provide continuity.
- 71% of respondents also agreed that the council should increase the scheme in line with DWP provisions for 2024/25 and future years.

3.7 The full consultation report is shown at Appendix A.

4. CARE LEAVERS

4.1 Since 2018, this council has provided 100% reduction in Council Tax liability for Care Leavers aged 18 – 21 years. 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 Boston updates its scheme from April 2024 to extend the current 100% reduction in Council Tax from age 21 up to the individuals 25th birthday.

4.3 In order to simplify access to this support, it is proposed that a new class for Care Leavers is included in the Council Tax Support scheme from 2024/25.

4.4 There are currently 7 Care Leavers being supported within the borough, costing £8,805. Under the current arrangements the cost to BBC is £4,425. Introducing a Care Leaver class into the CTS scheme from 2024/25 will mean the full cost will be part of the collection fund, with BBC bearing around £1,145 (13%).

5. FUNDAMENTAL REVIEW

5.1 The CTS scheme is entering its 12th year, and other than some adjustments over the years the scheme continues to be based on the previous means tested national Council Tax Benefit scheme as the basis of calculating and awarding support.

5.2 As part of this year's review, additional activity has been undertaken to analyse and evaluate the current scheme, including independent observations, benchmarking exercise of schemes across Lincolnshire and an internal client workshop.

5.3 The findings from this work provide a strong endorsement of the need to carry out a fundamental review of the scheme, for implementation in future years. This fundamental review of the scheme will be carried out during 2024/25 and this will feed into the

development of the scheme for 2025/26. The objectives will include modernisation, simplification, and efficiency as outcomes.

- 5.4 Whilst recognising that each sovereign council will retain responsibility for deciding its own local CTS scheme, this is an opportunity for S&ELCP to work together on a fundamental review of schemes for future implementation. Engaging a single provider may help the councils identify their objectives for a future scheme, and for data modelling and scheme costings as a joined-up project. This may provide some economy of scale, and will present an opportunity, should the councils wish, to align their schemes. The fundamental review also provides the opportunity to simplify scheme administration and increase the use of technology.

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. 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 Including Care Leavers up to age 25 as a class within the CTS scheme will demonstrate this council's commitment to supporting this vulnerable group.
- 6.3 The commencement of a fundamental review will help to inform future scheme development.

EXPECTED BENEFITS TO THE PARTNERSHIP

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

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.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

WORKFORCE CAPACITY IMPLICATIONS

There are no workforce capacity implications as a direct result of this report.

In terms of the fundamental review to be undertaken, any capacity implications that fall on the council's service provider, Public Sector Partnership Services Ltd (PSPS), will be managed through agreed contract procedures.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

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.

DATA PROTECTION

None

FINANCIAL

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 will be included in the 2024/25 Budget and Medium-Term Financial Strategy.

The 2023/24 current total CTS scheme expenditure is £4,052,432. Of this, the cost to Boston Borough Council is around £527k (13%). The following table provides a breakdown of the split between Working Age and Pensioner age expenditure and caseload, in December 2023.

| | Caseload | 2023/24 Expenditure | Estimated cost to BBC |
|-------------|-----------------|----------------------------|------------------------------|
| Working Age | 2,530 | £1,925,241 | £250,281 |

| | | | |
|-----------|-------|------------|----------|
| Pensioner | 2,013 | £2,127,191 | £276,535 |
| Total | 4,543 | £4,052,432 | £526,816 |

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

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

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 referred to in Section 3 of this report.

The full consultation report is provided at Appendix A.

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

The existing Council Tax Support scheme continues to be delivered based on the DWP's previous Council Tax Benefit scheme regarding protection for vulnerable groups, including children and the disabled.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

None

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

None

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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