

## Corporate and Communities Committee – 14 November 2024

### Draft Minute – Local Council Tax Support Scheme (Consultation) 2025/26

The Portfolio Holder Councillor Sandeep Ghosh presented the report supported by the Head of Revenues and Benefits. The report updated Members on the performance of the current Council Tax Support (CTS) scheme and provided details of the fundamental review in respect of 2025/26.

Boston's scheme currently provided for a maximum 75% support. Since its introduction in 2013, some changes to the scheme had been made, including restriction to Band D Council Tax liability, and discretion to assess Universal Credit earnings claims every three months. In 2024/25, a new class for Care Leavers was introduced.

Cabinet had previously recognised the need for a fundamental review of the scheme, with the current scheme now dated, being relatively unchanged since its introduction in 2013, and, having regard to the rollout of Universal Credit which replaced legacy benefits (including Housing Benefit).

The report provides information on the scheme review, and the options for 2025/26.

The total caseload and expenditure, at July 2024, was:

2024/25	Number of live claims	Amount of CTS
Working Age	2,703	£2,155,294.78
Pensioner	1,997	£2,224,798.49
<b>Total</b>	<b>4,700</b>	<b>£4,380,093.27</b>

A caseload comparison of data from 2023 showed a small overall increase of 190 live claims, being a reduction of 2 in pensioner group and an increase of 192 Working Age group, which may reflect the economic pressures on households.

The cost of Council Tax Support was shared across major preceptors as part of the collection fund accounting process:

Current Council Tax Support 2024/25	BBC	LCC	PCC
£4,380,093.24	£450,930.62	£3,294,366.52	£634,796.13
	10.30%	75.21%	14.49%

The analysis undertaken identified the make-up and distribution of CTS across Working Age (WA) household types, using data from May 2024. The data identified that almost 75% of the WA caseload received the current scheme maximum 75% support.

## Appendix 1

Household Type	Working Age Caseload	Of which on Max 75% CTS	Current Expenditure
Single	1196	990	£957,743
Single with Child(ren)	845	549	£578,617
Couple	280	214	£283,553
Couple with Child(ren)	264	178	£246,939
	<b>2585</b>	<b>1931</b>	<b>£2,066,852</b>
		74.70%	

A further analysis of the correlation between households currently receiving Council Tax Support and the level of Council Tax arrears in financial 2023/24 but did not include households currently on CTS with arrears in earlier years, nor did it include arrears for households which received CTS at some point previously but were not currently in receipt of CTS. As such the actual overall position of arrears in relation to CTS households would be greater than indicated. The data showed that almost 55% of the amount of arrears in CTS recipient households was in households with children.

The fundamental review had provided Boston BC with the opportunity to look at its current scheme and consider how it wishes to better support residents in the future, having regard to affordability. Engagement through the review has provided Members with information on scheme approaches and modifications, and the options proposed from the steer provided will enable consultation on proposals that provide a balance of recognising the need for increasing support for families, and the need for administrative simplification.

Household Type	Working Age Caseload	With 2023/24 arrears	Amount of 2023/24 arrears
Single	1196	288	£88,562
Single with Child(ren)	845	342	£112,604
Couple	280	64	£17,219
Couple with Child(ren)	264	84	£33,069
	<b>2585</b>	<b>778</b>	<b>£251,454</b>
		30.10%	

Member deliberation followed which included:

Members were encouraged by the proposals. It was noted that within the proposal of maximum relief, as a result of the percentage which applied, many families would save around £300 extra a year.

Members followed suit in providing support to this proposal referring to the need of showing solidarity and humanity to residents of Boston.

A query was raised regarding the reduction of maximum capital allowance to £10,000 or less. The Head of Revenues and Benefits advised that based on the analysis of data and benchmarking of other authorities, the consultation had been based on two figures, £8000 and £10,000, and a steer had been taken to consult on those two potential values of reduction.

Members noted that 100% was currently offered by Lincoln City Council. However, the proposals for 2025/26 were yet to be confirmed. Additionally, it was noted that East Lindsey and South Holland are currently set at 75%, the same as Boston, and both were currently consulting on a potential increase.

The Chairman congratulated the administration for finding a balance within the parameters of the proposal.

Looking through the recommendations, Members agreed on 100% for households with children, 85% for other households, and that the maximum capital allowance should be reduced to £10,000, as detailed within the report.

The Chairman noted his preference on the Committee having received the report following completion of the consultation.