

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF REVENUES AND BENEFITS - SHARED SERVICE	EXECUTIVE COMMITTEE	30 JANUARY 2024	4
COUNCIL TAX REDUCTION SCHEME 2024/25			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources (Councillor Ellie Gaunt).

PURPOSE OF THE REPORT

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The scheme that operates within Fylde borough for 2023/24 was approved by this Council in December 2022 for 2023/24 only.

This report sets out the proposals in respect of the scheme for 2024/25. At the February Council meeting Members will be requested to approve the details of a CTRS for 2024/25.

RECOVERABILITY

This decision is not recoverable because it relates to:

- A recommendation to the council or to any other committee or sub-committee of the council

RECOMMENDATIONS

Having due regard to the Equality Analysis as detailed in section 5 of this report the Committee is requested to:

1. Recommend to Council the continuation of the existing CTRS scheme for 2024/25 as set out in section 3 of this report;
2. Recommend to Council the continuation of Discretionary Hardship Relief for 2024/25 to provide additional support for claimants in exceptional circumstances;
3. Recommend that Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2024/25 onwards; and
4. Authorise the Deputy Chief Executive to make any necessary final amendments to the scheme arising from changes in Government guidance or elsewhere and to bring any such changes to the next full Council meeting for approval.

REPORT

1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2023/24

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS)

with effect from 1st April 2013. Accordingly, the Council introduced such a scheme and has updated the scheme annually since that date.

- 1.2 In December 2022 the Council approved a scheme for 2023/24. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means-tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support which has operated since the commencement of the scheme in 2014/15.

2. Key points arising from implementation of the local CTRS to date

- 2.1 No evidence has emerged to suggest that the scheme is in need of fundamental revision. The scheme has embedded well with no formal legal challenge to the principles of the scheme.
- 2.2 Experience of operating the scheme indicates that a 22.7% maximum reduction in the level of support is the correct level at which the scheme is self-funding, based on the initial level of funding provided for the scheme by way of specific grant from central government. However, support for the scheme is now part of the general central government funding and is not separately identifiable.
- 2.3 As at the end of November 2023, the number of claimants eligible for council tax support was 4,991 compared to 5,098 at the end of November 2022, a decrease of 107.

The latest estimate of the cost of the CTRS for 2023/24 is £5,385,093 which is split between this Council and the major preceptors, with Fylde Council's share being £544,433.

For 2022/23 the total scheme cost was £5,168,104, with the Fylde Council share being £543,685, the increase in total cost for 2023/24 being attributable to the increase in Council Tax levels by each of the major preceptors for 2023/24 (Fylde Council effectively froze Council Tax for 2023/24 at the 2022/23 level).

In 2013/14 when the scheme was first introduced funding was provided by way of specific government grant to meet the estimated costs of the scheme. Subsequently, funding was provided via Revenue Support Grant and is now subsumed within general central government funding calculations.

Additionally, the Council receives a specific grant as a contribution towards the cost of administering the CTRS which for 2023/24 is in the sum of £80,399.

- 2.4 For 2023/24, as at 30th November 2023, a total of 11 hardship awards have been made under the existing discretionary hardship scheme. For 2022/23, as at 30th November 2022, a total of 23 hardship awards had been made.

3. Proposed CTRS for 2024/25

- 3.1 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2024/25 CTRS.
- 3.2 It is further proposed that the scheme for 2024/25 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

The full details of the proposed scheme for 2024/25 is available on the Fylde Council website at:

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

- 3.3 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in December 2023 seeking their views on the proposed scheme for 2024/25. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2024/25 CTRS set out in this report.
- 3.4 Although there are no changes to the scheme proposed for 2024/25, the Equality Analysis that has been carried out in previous years for the CTRS scheme has been reviewed. This aims to mitigate the impact on

protected groups. **As part of their consideration of the CTRS scheme for 2024/25 Members must read the Equality Analysis which is available on the Fylde Council website at:**

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

4. Hardship Relief

4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.

4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The Council's current Discretionary Discount Policy is available on the Fylde Borough Council website at:

[Discretionary-Discount Policy 2023.24](#)

The Discretionary Discount Policy for 2024/25 will be accessible on the website as and when approved.

4.3 It is proposed that for 2024/25 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

5. Equality Analysis

5.1 The Council has carried out a detailed and robust Equality Analysis which is available on the Council's website as described in paragraph 3.4. The impact of CTRS has been considered on people based on the following characteristics:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

6. Conclusion

6.1 At the February 2024 Council meeting Members will be requested to agree a local Council Tax Reduction Scheme for 2024/25 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants at the same level as has been in operation for previous years.

6.2 The Council will be presented with the proposals for the 2024/25 scheme as described in this report, subject to any required changes in the intervening period as a consequence of new government regulations or other announcements. For 2024/25 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for previous years at 22.7%.

6.3 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2024/25. That Schedule forms part of the adopted scheme.

6.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) is carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore, any decision with regard to changes to the CTRS will be in respect of 2024/25 only.

IMPLICATIONS	
Finance	The Councils Financial Forecast includes estimates of future Council Tax income at levels which take account of the effects of the CTRS scheme, that being to reduce the total amounts of Council Tax collected through the award of reliefs for eligible claimants.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	The elements of the working age scheme will need to be reviewed annually to avoid increased financial risk to the Council.

SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2023/24 was approved at the Council meeting of 5th December 2022. The full scheme is available on the Fylde Borough Council website at:

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Jones, Head of Revenues and Benefits - Shared Service	01253 478885	January 2024

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents:

Appendix A - Consultation with Major Preceptors on the design of the local scheme

Appendix B - Consultation Responses from Major Preceptors

Appendix A

Fylde Borough Council - Council Tax Reduction Scheme 2024/25 – Consultation with major preceptors on the design of the local scheme.

Summary:

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2024/25.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in December 2022.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2023/24 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

The proposed 2024/25 Scheme:

It is proposed that for 2024/25 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2024/25.

Council Members will be asked to agree a scheme of Council Tax Support in February 2024. The principles for the 2024/25 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

Changes to the Scheme for 2024/25

It is proposed that the 2024/25 scheme will have the same design principles as that currently in operation and no changes are proposed.

It is proposed that the scheme for 2024/25 will:

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

Hardship Fund

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2024/25 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

Consultation Questions

1. Do you agree or disagree that the 2024/25 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2023/24 is 22.7%).
2. Do you agree or disagree that the 2024/25 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2023/24?
3. Do you have any suggested changes to the 2024/25 Fylde Council Tax Reduction Scheme?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2024/25 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low-income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

Responses

Please provide your responses by e-mail by **10th January 2024**.