



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 NOVEMBER 2024
Subject	COUNCIL TAX SUPPORT SCHEME 2025/2026
Wards affected	All
Accountable member	Cllr Mike Every – Deputy Leader and Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Jon Dearing - Assistant Director for Resident Services Email: Democratic@Cotswold.gov.uk
Report author	Mandy Fathers – Business Manager for Environmental, Welfare and Revenues Email: Democratic@Cotswold.gov.uk
Summary/Purpose	To consider and recommend to Full Council the revised Council Tax Support Scheme for the financial year 2025/2026
Annexes	Annex A – Financial Modelling Annex B – Equality Impact Assessment
Recommendation(s)	That Cabinet recommends to Full Council: <ol style="list-style-type: none">1. The increase to income bands as detailed within paragraphs 3.2, 3.3 and Annex A of this report from 1 April 2025.2. That any surplus in the Hardship Fund is transferred over to 2025/2026 for reasons detailed in paragraphs 3.6 and 3.7 of this report
Corporate priorities	<ul style="list-style-type: none">• Supporting Communities• Delivering Good Services
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Assistant Director, Director of Finance (Publica)



1. EXECUTIVE SUMMARY

- 1.1** Council Tax Support is a scheme to reduce Council Tax bills for people on low income and/or who receive benefits. This report brings forward proposals to amend the scheme for 2025 in order to give more support to those on low incomes.

2. BACKGROUND

- 2.1** Councils are required to review their Council Tax Support (CTS) schemes each year for those people of working age and decide if they want to make any changes.

3. MAIN POINTS

- 3.1** The Council implemented its own local CTS scheme of support to help those people on low incomes pay their Council Tax in April 2013. Further changes were made in April 2020 introducing the income banded scheme.
- 3.2** Annual wage growth is expected to be 4% in Q4 of 2024 and remaining at the same level during 2025. Without changes to the CTS scheme, this would result in more households being moved into a high-income band and therefore having to pay a higher share of the full Council Tax for their property.
- 3.3** To continue to give support to households during the ongoing cost of living crisis, proposals are being made to increase income bands by 4% as follows:

Proposed 4% increase	Single	Couple	Lone+1	Lone +2	Lone+3	Lone +4	Couple+1	Couple +2	Couple+3	Couple+4	Entitlement
Band 1	0 - 148.82	0 - 176.38	0 - 203.94	0 - 225.99	0 - 248.04	0 - 292.14	0 - 270.09	0 - 292.14	0 - 314.18	0 - 358.28	100
Band 2	148.83 - 198.82	176.39 - 216.38	203.95 - 238.94	226.00 - 260.99	248.05 - 283.04	292.15 - 327.14	270.10 - 320.09	292.15 - 342.14	314.19 - 364.18	358.29 - 408.28	80
Band 3	198.83 - 248.82	216.39 - 266.38	238.95 - 288.94	261.00 - 310.99	283.05 - 333.04	327.15 - 377.14	320.10 - 370.09	342.15 - 392.14	364.19 - 414.18	408.29 - 458.28	60
Band 4	248.83 - 298.82	266.39 - 316.38	288.95 - 338.94	311.00 - 360.99	333.05 - 383.04	377.15 - 427.14	370.10 - 420.09	392.15 - 442.14	414.19 - 464.18	458.29 - 508.28	40
Band 5	298.83 - 348.82	316.39 - 366.38	338.95 - 388.94	361.00 - 410.99	383.05 - 433.04	427.15 - 477.14	420.10 - 470.09	442.15 - 492.14	464.19 - 514.18	508.29 - 558.28	20

- 3.4** Based on the current CTS caseload used for remodelling the scheme, there is no impact, either negative or positive on CTS claimants as all retain their initial modelling bands.
- 3.5** In 2022/2023 the Council implemented a Hardship Fund to support those residents who were struggling financially and provided the Council with evidence of financial hardship. This fund was created with financial support from Gloucestershire County Council, and Cotswold District Council. The fund was originally set at £40,000. To date there remains in excess of £33,000.



- 3.6** Recommendations are being made to transfer any funding surplus into the financial year 2025/2026 to ensure that the Council continues to support those residents in financial hardship.
- 3.7** The Council's client support officers continue to reach and offer additional support to who apply for this funding to ensure any long-term hardship is minimised. This might be through negotiating better details with utility companies, maximising benefit take-up, addressing expenditure or sign posting to another organisation for support,

4. FINANCIAL IMPLICATIONS

- 4.1.** The Council administers a CTS scheme with an annual expenditure of approximately £4.9 million. From 2013/2014, the Government reduced the level of funding for the local scheme effectively creating a grant reduction of 10% a year across all of the precepting authorities.
- 4.2** Any increase in the take-up of CTS will lead to a reduced tax-base and therefore reduced income to precepting bodies.
- 4.3** The proposed changes increase the estimated cost of the CTS scheme by approximately £28,000. This will be reflected in a decrease in the Council Tax base and Council Tax income recognised in the Collection Fund. The decrease in income will be spread proportionately across the major precepting authorities (Gloucestershire County Council, The Office of the Police and Crime Commissioner and Cotswold District Council as well as the Town and Parish Councils). Making these proposed changes will decrease the total tax base by the equivalent of 13 band D properties and a loss of income as follows:

Financial Year	GCC	Police	Town/Parish	Cotswold	Total
2025/2026	£20,645.03	£3,975.65	£1,392.92	£1,986.40	£28,000

- 4.4** The reduction in Council Tax income retained by the Council of £1,986.40 will be taken into account as part of the 2025/2026 budget setting process.

5. LEGAL IMPLICATIONS

- 5.1.** The Welfare Reform Act 2012 abolished Council Tax Benefit and instead requires each authority to design a scheme specifying the reductions, are to apply to amounts of Council Tax.



5.2 The CTS scheme is required under Section 13A of the Local Government Finance Act 1992 (“the Act”), as amended. The Act states that for each financial year, billing authorities must consider whether to revise their CTS scheme or replace it with another.

5.3 The deadline for making decisions is 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect (under paragraph 5, schedule 1A of the Act). If the Council does not make/revise a CTS scheme by 11 March 2025, a default scheme will be imposed on the Council, which will be effective from April 2025.

6. RISK ASSESSMENT

6.1 There are two risks to consider:

- That the benefit caseload increases significantly, resulting in expenditure exceeding the levels estimated within this report. To mitigate this risk monthly monitoring is conducted and any significant increase in caseload would be referred to the Chief Financial Officer.
- If the income bands are not increased in line with inflation, CTS for vulnerable households could reduce. This could cause reputational damage to the Council.

7. EQUALITIES IMPACT

7.1. To ensure compliance with the Equality Act 2010 an equality impact assessment has been completed and attached to this report under Annex B.

8. CLIMATE CHANGE IMPLICATIONS

8.1. None

9. ALTERNATIVE OPTIONS

9.1. None.

10. BACKGROUND PAPERS

10.1. None.