



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 DECEMBER 2023
Subject	COUNCIL TAX SUPPORT SCHEME 2024
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 Environment, Welfare and Revenues Email: Democratic@Cotswold.gov.uk
Summary/Purpose	To present the results of the public consultation on proposals for revising the current Council Tax Support scheme with effect from 1 April 2024
Annexes	Annex A – Consultation responses Annex B – Equality Impact Assessment
Recommendation(s)	That Cabinet resolves to: <ol style="list-style-type: none">1. Approve the increase in Council Tax Support as detailed in paragraph 3.4 from 1 April 2024.2. Approve that any surplus in the Hardship Fund is transferred over to 2024/2025 for reasons detailed in paragraphs 3.6 and 3.7.3. Approve the amendment to the Council Tax Support Policy as recommended in paragraph 3.8.
Corporate priorities	<ul style="list-style-type: none">• Deliver the highest standard of service
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Full public consultation including consulting major precepting authorities. Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services. Assistant Director, Director of Finance (Publica)



EXECUTIVE SUMMARY

1.1 Council Tax Support is a scheme to reduce Council Tax bills for people on a low income and/or who receive benefits. This report brings forward proposals to amend the scheme for 2024 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. Before any changes can be implemented, they must be subject to public consultation. In August 2023, officers proposed changes to the scheme, which the Deputy Leader and Cabinet Member for Finance, and the Chief Finance Officer approved to be consulted upon.

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 Since 2021 household income had increased which resulted in some households being moved into a higher income band, and therefore receiving a lesser percentage of support, so in 2022 proposals were made to amend income band 2 by £10.00 a week, income band 3 by £15 a week and income bands 4 to 6 by £25 a week. The Council approved these amendments in February 2023. The scheme was based on the following bands:

Income Band	Single	Couple	Lone Parent 1 Child	Lone Parent 2 Children	Lone Parent 3 Children	Lone Parent 4+ Children	Couple with 1 Child	Couple with 2 Children	Couple with 3 Children	Couple with 4+ Children	Maximum % Entitlement
Net Income £ per week											
1	0 - 135	0 - 160	0 - 185	0 - 205	0 - 225	0 - 265	0 - 245	0 - 265	0 - 285	0 - 325	100
2	135.01 - 185	160.01 - 200	185.01 - 220	205.01 - 240	225.01 - 260	265.01 - 300	245.01 - 295	265.01 - 315	285.01 - 335	325.01 - 375	80
3	185.01 - 235	200.01 - 250	220.01 - 270	240.01 - 290	260.01 - 310	300.01 - 350	295.01 - 345	315.01 - 365	335.01 - 385	375.01 - 425	60
4	235.01 - 285	250.01 - 300	270.01 - 320	290.01 - 340	310.01 - 360	350.01 - 400	345.01 - 395	365.01 - 415	385.01 - 435	425.01 - 475	30
5	285.01 - 335	300.01 - 350	320.01 - 370	340.01 - 390	360.01 - 410	400.01 - 450	395.01 - 445	415.01 - 465	435.01 - 485	475.01 - 525	10
6	335.01 +	350.01 +	370.01 +	390.01 +	410.01 +	450.01 +	445.01 +	465.01 +	485.01 +	525.01 +	0

3.3 With inflation around 6% in August 2023, it is anticipated that national benefit payments will increase by this amount from April 2024. Without changes to the CTS scheme, this would result again in more households being moved into a higher income band and therefore having to pay a higher share of the Council Tax for their property.



3.4 Following discussions with Citizens Advice and Mrs Cobbett, as well as the Deputy Leader and Member for Finance, the Cabinet Member for Cost of Living and Inclusion, and the Chief Finance Officer, and to support resident’s proposals were made to:

- increase income band 1 by 6%, which in turn would increase all subsequent income band.
- increase the maximum entitlement in band 4 from 30% to 40%, and band 5 from 10% to 20%.

Income Band	Single	Couple	Lone +1	Lone + 2	Lone + 3	Entitlement
1	0 - 143.10	0 - 169.60	0 - 196.10	0 - 217.30	0 - 238.50	100
2	143.11 - 193.10	169.61 - 209.60	196.11 - 231.10	217.31 - 252.30	238.51 - 273.50	80
3	193.11 - 243.10	209.61 - 259.60	231.11 - 281.10	252.31 - 302.30	273.51 - 323.50	60
4	243.11 - 293.10	259.61 - 309.60	281.11 - 331.10	302.31 - 352.30	323.51 - 373.50	40
5	293.11 - 343.10	309.61 - 359.60	331.11 - 381.10	352.31 - 402.30	373.51 - 423.50	20
Income Band	Lone + 4	Couple + 1	Couple + 2	Couple + 3	Couple + 4	Entitlement
1	0 - 280.90	0 - 259.70	0 - 280.90	0 - 302.10	0 - 344.50	100
2	280.91 - 315.90	259.71 - 309.70	280.91 - 330.90	302.11 - 352.10	344.51 - 394.50	80
3	315.91 - 365.90	309.71 - 359.70	330.91 - 380.90	352.11 - 402.10	394.51 - 444.50	60
4	365.91 - 415.90	359.71 - 409.70	380.91 - 430.90	402.11 - 452.10	444.51 - 494.50	40
5	415.91 - 465.90	409.71 - 459.70	430.91 - 480.90	452.11 - 502.10	494.51 - 544.50	20

3.5 A consultation took place for a six-week period between 18 September 2023 to 30 October 2023. A summary of response to the consultation can be found in Annex A, attached to this report.

3.6 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 £37,000.

3.7 Recommendations are being made to transfer any funding surplus into the financial year 2024/2025 to ensure the Council continues to support those residents in financial hardship.

3.8 The Council’s client support officers reach out and offer additional support to all those who apply for this funding to ensure any long-term hardship is minimised. This might be through negotiating better deals with utility companies, maximising benefit take-up, addressing expenditure or sign posting to another organisation for support.



3.9 To protect the finances of the authority and in the interests of all council taxpayers, it is also recommended that an amendment to section 101 of the CTS Policy, Counter Fraud and Compliance be made to include:

- Where the Council has evidence of fraud and/or error, it reserves the right to withhold and/or recalculate Council Tax Support whether or not the customer is in receipt of a benefit administered by the Department for Work and Pensions.

3.10 This amendment will avoid delays within administration as well as the council recalculating CTS claims based on evidence obtained.

4. ALTERNATIVE OPTIONS

4.1 The criteria for the CTS scheme are at the Council's discretion, and therefore various alternative options are open to the Council; however, any amendments must be consulted on, and the scheme must be approved by 11 March 2024.

5. FINANCIAL IMPLICATIONS

5.1 The Council administers a Council Tax Support scheme with an annual expenditure of £4.7 million. In 2013/2014, the government reduced the level of funding for the local scheme effectively creating a grant reduction of 10% a year across all the precepting authorities.

5.2 With effect from 2013/2014 the scheme was funded through Formula Grant rather than direct subsidy and consequently the government has transferred the risk, and therefore the cost, of increased take up within the scheme to the local taxpayer, from the national taxpayer. An increase in cost will lead to a reduced tax-base and therefore reduced income to the precepting bodies.

5.3 The proposed changes increase the cost of the CTS scheme by £68,512. This will be reflected in a decrease in the council tax base and council tax 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 Town and Parish Councils) Making these proposed changes will decrease the total tax base by around thirty-three band D properties and a loss of income as follows:

Financial Year	GCC	Police	Cotswold	Town/Parish	Total
2024/2025	50,589.12	9,796.58	4,944.44	3,181.86	68,512

5.4 Any surplus funding from the Hardship Scheme will be rolled into 2024/2025.



6. LEGAL IMPLICATIONS

- 6.1** The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions, which are to apply to amounts of council tax.
- 6.2** 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 scheme. The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the Council must:
- Consult with any major precepting authorities.
 - Publish the draft scheme.
 - Consult other parties likely to have an interest in the scheme.
- 6.3** 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 2024, a default scheme will be imposed on the Council, which will be effective from 1 April 2024.

7. RISK ASSESSMENT

- 7.1** There are two risks to consider:
- That the benefit caseload increases significantly, resulting in expenditure exceeding the levels estimated within this report.
 - That the administrations, collection and recover costs (including the costs for write-offs) could increase as a result of creating additional and relatively small liabilities.

8. EQUALITIES IMPACT

- 8.1** To ensure compliant with the Equality Act 2010 an Equality Impact Assessment has been conducted which concludes there is no negative impact on any of the protected characteristics.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 9.1** None

10. BACKGROUND PAPERS

None



COTSWOLD
DISTRICT COUNCIL

(END)



Annex A

	Agree	Strongly Agree	Disagree	Strongly Disagree	Neither Agree nor Disagree	Don't know
Do you agree that this would be a fair way to help people on low income and with larger families?	55.56%	0.00%	22.22%	0.00%	0.00%	22.22%

Responses	Currently in receipt of Council Tax Support	
	Yes	No
	44.45%	55.55%