

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	7 February 2024
Subject:	Council Tax Reduction Scheme
Report of:	Head of Service: Revenues and Benefits
Head of Service/Director:	Director: Corporate Resources
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	None

Executive Summary:

There is a requirement to have a Council Tax Reduction Scheme to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 1992 requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of Council Tax payable by persons, or classes or person, whom the authority considers are in financial need (“a Council Tax Reduction Scheme”). It is proposed the current Council Tax Reduction Scheme remains unchanged for 2024/25.

Recommendation:

To RECOMMEND TO COUNCIL that:

- i. the default Council Tax Reduction Scheme be **ADOPTED** with effect from **1 April 2024** with a minor revision to the national working age regulations to allow for a de minimus tolerance for income changes and;
- ii. authority be delegated to the **Director: Corporate Services**, in consultation with the **Lead Member for Finance and Asset Management**, to agree the uprating of the working age regulations incorporated into the local Council Tax Reduction Scheme in line with those announced by the Department for Works and Pensions.

Financial Implications:

The Medium-Term Financial Strategy assumes the continuation of the current scheme and therefore there are no further financial implications arising from this report.

Legal Implications:

The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each billing authority to design a scheme specifying the reductions which are to apply to amounts of Council Tax. The prescribed regulations set out the matters that must be included in such a scheme.

All authorities in England are required to have a scheme identifying the reductions payable by their constituents who are in financial need under Section 13A of the Local Government Finance Act 1992 (updated in 2012). Schedule 1A paragraph 5 of the Act states that for each financial year, Councils must consider whether to revise their scheme or replace it with another scheme and that such decisions need to be made by 11 March in the financial year

preceding that for which the revision or replacement scheme is to take effect. If the Council does not make/revise its scheme by 11 March 2024, a default scheme will be imposed on the Council which will be effective from April 2024.

The Local Government Finance Act 2012 amended the Local Government Finance Act 1992. Section 13A of the Local Government Finance Act 1992 (as amended) requires each billing authority to make a scheme specifying the reductions which are to apply to the amount of Council Tax payable.

Environmental and Sustainability Implications:

None

Resource Implications (including impact on equalities):

None

Safeguarding Implications:

None

Impact on the Customer:

Remaining on the current scheme ensures consistency for claimants.

1.0 INTRODUCTION

- 1.1** Since April 2013, the Council has been required to establish a local Council Tax Reduction Scheme to help working age people on a low income to pay their Council Tax. This scheme replaced the national scheme for Council Tax Benefit which was fully funded by central government.
- 1.2** Tewkesbury Borough Council has remained on the national default scheme since Council Tax Reduction was first introduced on 1 April 2013.
- 1.3** A minor amendment was approved in 2020/21 for a revision of a £10.00 tolerance for income charges. This was in response to the impact of the rules regarding the reassessment of Universal Credit and its effect on Council Tax Reduction. It was also agreed that alternative options would be reviewed to ensure any future scheme provides the right level of support for residents as well as its impact on the Council's wider financial position
- 1.4** The legislation requires the Council to review its Council Tax Reduction Scheme on an annual basis.
- 1.5** The Council is also required to administer the prescribed government Council Tax Reduction Scheme for pension age customers and is not able to make any amendments to this scheme.

2.0 COUNCIL TAX REDUCTION SCHEME 2024/25

- 2.1** Council Tax Reduction is currently provided to 4,818 households in Tewkesbury Borough. This includes working age and pension age claimants. At present there are 3,044 working age claimants and 1,774 pensioner claims.
- 2.2** The cost of the Council Tax Reduction Scheme is met by Tewkesbury Borough Council and the major precepting authorities in proportion to their share of Council Tax.

2.3 It is proposed that the Council Tax Reduction Scheme adopted for 2020/21, i.e the default national scheme with a tolerance level of income changes of £10 or less per week, is maintained for 2024/25. This has helped the administration burden for the team which is required to reassess entitlement each time there is a change to income. This will also assist claimants to manage their finances and reduce unnecessary costs in postage for amended Council Tax bills.

3.0 CONSULTATION

3.1 The legislation requires consultation prior to making change to the Council Tax Reduction Scheme, but there is no such requirement where no changes are being made. Accordingly, no public consultation has taken place regarding the proposed scheme for 2024/25 as the proposal is that it remains unchanged.

4.0 ASSOCIATED RISKS

4.1 Retaining the default scheme potentially means a loss of income to the Council but does maintain support to the more vulnerable residents during the cost of living crisis.

5.0 MONITORING

5.1 The impact of the Council Tax Reduction Scheme and its costs will be closely monitored and updated through Lead Member briefings.

6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

6.1 Local Council Tax Reduction Scheme

Background Papers: Council Tax Reduction Scheme adopted for 2020/21

Contact Officer: Head of Service: Revenues and Benefits
01684 272256 Lorraine.Marshall@teWKesburygov.uk

Appendices: None