

KEY DECISION: NO

COUNCIL TAX SUPPORT SCHEME – 2024/25

SUMMARY:

This report sets out the work undertaken by the Council Tax Support Task and Finish Group, to review the Council's Council Tax Support Scheme (CTSS) and recommends action as follows:

RECOMMENDATIONS:

Cabinet is requested to:

- a) Agree a public consultation be undertaken on options around the Council's Council Tax Support Scheme regarding a scheme change to remove the 88% maximum liability used to calculate awards.
- b) Note that a report on the outcome of the consultation and any subsequent proposals to amend the CTSS will be presented to Cabinet on 6th February 2024.
- c) Note the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at recommendation a) above as set out the report and in Appendix 1.

1. BACKGROUND

- 1.1 Since 1 April 2013, local authorities have been providing their own CTSS to replace the previous national Council Tax Benefit Regulations, which had supported residents with their Council Tax costs.
- 1.2 Whilst local authorities have the freedom to set their own local schemes, based on local circumstances and needs, local authorities are required to provide pensioners with the same level of support received under the previous national Council Tax Benefit arrangements.
- 1.3 Accordingly, most local authorities have devised hybrid schemes, whereby those of pensionable age receive up to 100% of their Council Tax bill in support, whilst the maximum level of support for working age customers is considered separately and is often lower. A wide range of other local adjustments and schemes have been adopted in the intervening period since 2013.
- 1.4 In Rushmoor the Council is in its' tenth year of operating a local scheme, which

has been overseen by a cross-party Member Welfare Group, superseded in 2018 by the Council Tax Support Task and Finish Group, convened by the Overview and Scrutiny Committee.

- 1.5 In previous years, Rushmoor's local scheme has proved effective and Council Tax collection rates remained high but since the Covid period and subsequent period of challenging economic conditions collection rates have struggled to recover to their pre-pandemic levels – whilst remaining robust overall.

1.6

| | 20/21 | 21/22 | 22/23 |
|--|-------|--------|--------|
| Overall Collection Rate achieved by year | 96.8% | 97.89% | 97.72% |

- 1.7 Due to a gradual recovery from the impact of furlough and job losses caused by the impact of Covid-19 on people's financial circumstances, there was a slight improvement in the overall collection rate of Council Tax for 21/22 which was 97.8%. However, 22/23 saw a small drop to 97.72%. The cost-of-living crisis continues to have a significant impact on those working age resident's ability to pay their council tax. The Council's Local Taxation Team are closely monitoring the situation regularly to understand where the main issues are and have been adapting recovery processes accordingly.
- 1.8 Collection rates for recipients of CTS however are lower than those of the overall collection rate and analysis by the Working Group has revealed a worsening trend, with relatively small balances stubbornly accumulating to build long term arrears in some cases. The way these are calculated is slightly different to the main rates as CTS is awarded at the start of the year for up to the 88% of the full annual charge. Main collection rates are calculated as a % of the Council Tax due in the year to date. The only date we are 100% sure of the actual figures is on 31st March when we have comparable figures.
- 1.9 Local data shows that for working age recipients, the collection rate in terms of the amount of Council Tax paid for the full year and being paid up to the end of September 23 was 72.89%. At the same time in September 22, it was 65.3%. So, whilst an improvement on the previous year the collection rate remains considerably lower than the overall rate of collection. For pension age recipients the collection rate is currently 88%% which is slightly lower than pre-Covid. This is helped mainly by the pensioner CTS scheme allowing 100% support in most cases, due to it mirroring the previous national Council Tax Benefit scheme and a significant number of the remaining residents paying their instalments regularly.

2. WORK OF THE COUNCIL TAX SUPPORT TASK AND FINISH GROUP

- 2.1 A Council Tax Support Task and Finish Group was established in 2018, as a sub-group of the Overview and Scrutiny Committee (OSC) and has been working to the previously agreed terms of reference.

- 2.2 The Group met on 24th July 2023, 30th August 2023, and 26th September 2023 to make their recommendations. The full detail of the group's data presentations from the three meetings is attached at appendix 1.
- 2.3 The Group considered the on-going impact of the cost of living rises and associated data regarding the CTSS.
- 2.4 The Group weighed up several factors and paid specific attention to the following matters during their deliberations:
- Current collection rate for Council Tax payments in Rushmoor amongst CTS recipients
 - How the collection rate last year compares in Rushmoor this year, as opposed to previous years.
 - Council Tax Support caseload data
 - Exceptional Hardship payments
 - Comparable data relating to CTS schemes for other local authorities in Hampshire and audit family.
 - Data on main Council Tax collection rates.
 - Changes to national welfare benefits such as Universal Credit
 - A presentation from Boom Community bank providing information about ethical financial products
 - Options to change the scheme were presented such as considering a reduction in the maximum amount of council tax liability eligible for support and introducing an income banded scheme.
 - Cabinets recommendation to the group on 17th January 2023 to look at ways to provide extra support to the most vulnerable as well as reducing administrative costs and time whilst keeping within a similar total cost envelope
- 2.5 The current scheme's requirement to pay a 12% minimum contribution as well as current cost-of-living pressures do present financial impacts on both the council and its residents. The current CTSS is familiar to customers however the impact of the requirement for the most vulnerable claimants to pay a 12% minimum contribution towards their council tax when they may be facing other personal and financial changes and challenges has had an impact of the level of council tax arrears for these residents.
- 2.6 It is difficult to forecast the CTSS costs in 2024/25 with any degree of certainty due to the on-going cost-of-living issues. This also creates a continuing level of uncertainty with the current economic climate. The Council has seen a small drop in people claiming CTS, which is likely in part due to an increase in individual's financial resources but also the number of residents who go from working age to pensioner age where they move into the national scheme and mostly qualify for a 100% level of support.
- 2.7 Having considered all the data available to answer the lines of enquiry set out in 2.4 and recognising that there were factors that could support a change to

the CTSS in 2024/25, the Group considered that the best potential option to recommend to Cabinet for action which would be effective from the 1 April 2024 is as set out in 3.

3. OPTION BEING RECOMMENDED

- 3.1 To undertake a consultation exercise to seek views regarding the removal of the 88% cap to the maximum liability used to calculate Council Tax Support awards for working age residents. This would mean the lowest income residents would not be expected to pay a 12% minimum contribution.

In support of Option 1

- A report from the Institute of Fiscal Studies in 2021 said the following:
 - “We estimate very high rates of non-collection of the extra council tax liabilities, of around one quarter.
 - The overriding cause of these arrears/nonpayment is giving people a council tax bill, not increasing the size of the existing bill”
 - <http://ifs.org.uk/publications/impacts-localised-council-tax-support-schemes>
- Current thinking around minimum contribution schemes:
 - Research shows that minimum payments can have a higher non collection rate sometimes 10 x higher than normal.
 - Citizens Advice say, ‘the overriding cause of the arrears is giving vulnerable people a council tax bill.’
 - Recent research shows around 130 councils in England currently award a maximum of 100% of council tax liability. This contrasts with the least generous scheme that awards a maximum of only 50% of council tax liability.
 - With a minimum payment scheme the repeated calculations and repeated rebilling’s (which can happen multiple times a year – when working age customer’s pay varies) can be confusing for claimants and administratively burdensome
 - Collecting small amounts of Council Tax from people on the lowest incomes is time consuming and difficult. If the debts remain unpaid the Council has limited options to recover these debts due to the small balances and then the only options available are to write off the debt or use the Exceptional Hardship scheme at a financial loss to the Council.
 - Increasing scheme generosity has been shown to reduce arrears and increase collection rates. Recent analysis carried out by Policy in Practice showed a clear relationship between arrears and the level of Council Tax Support, with those receiving the most support having the lowest Council Tax arrears and those with the greatest reduction in CTS compared to the default scheme, having the highest Council Tax arrears.
- A cost v benefit analysis (see the presentation of 26th September 2023 for full details) indicates that the overall cost increase to the Council of £54k if Option 1 is included can be offset against actual and notional savings of a similar level which have been estimated at £51k.

In addition, there would be no pull-on existing reserves to supplement the Exceptional Hardship Fund. For 23/24 this additional amount was £30,000. The budget for 24/25 is £12,000 with no scope for an increase.

- The Bad Debt provision in relation to these uncollectable debts could be reduced by approximately £14,300.
- Data shows that Rushmoor's current scheme has a lower collection rate so far in 23/24 than previous years with more residents struggling to pay the 12% minimum contribution as well as the cost-of-living increases.

3.2 The Group's preferred option is to remove the 88% cap on the maximum Council Tax liability. However, the group are committed to recommend final changes to Cabinet only after taking careful heed of the consultation results.

3.3 The group were clear that there would be a need to review the scheme further using robust data and future consultation with the public and the major preceptors. The on-going migration of customers to Universal Credit and with the financial challenges facing the Council in coming years, the current CTS scheme may no longer be fit for purpose. As more people receive Universal Credit, it is important the scheme is adapted to ensure both UC and legacy benefit claimants are treated equally. This means tested scheme is also complex and costly to administer.

4. LEGAL IMPLICATIONS

4.1 There are no specific legal implications resulting from this report. The Council already has an established CTSS and has local powers to amend its' scheme providing that it undertakes consultation and considers the responses carefully.

5. EQUALITIES IMPACT IMPLICATIONS

5.1 It would be normal practice to undertake a detailed equality impact assessment (EIA) if there is a major change to the CTSS. However, as the recommendations affect every working age claim by starting the calculation using 100% of the Council Tax liability, no EIA is attached to the report on this occasion as there are no specific equalities impact matters that should arise because of adopting the recommendations.

6. FINANCIAL IMPLICATIONS

6.1 The only financial implications of supporting a consultation would be the costs of staff time running the exercise and assessing the responses which can be met from existing resources. The indicative additional scheme costs v savings analysis is detailed in the presentation of 26 September 2023.

6.2 If any changes are proposed to the scheme following the consultation exercise, a further financial appraisal will be undertaken and presented to the Council Tax Support Task and Finish Group and the Cabinet in a later report. Members will

need to consider the financial implications of the scheme when considering the Budget for 2024/25 at the Council meeting in February 2024.

7. CONCLUSIONS

- 7.1 Cabinet are asked to consider the issues raised in this report and to follow the Group's recommendation to undertake a consultation regarding a scheme change as proposed in the report.

Councilor Diane Bedford
Chairman of Council Tax Support Task and Finish Group

BACKGROUND DOCUMENTS:

- 24th July 2023 presentation to Council Tax Support Members Task and Finish Group
- 30th August 2023 presentation to Council Tax Support Members Task and Finish Group
- 26th September 2023 presentation to Council Tax Support Members Task and Finish Group

CONTACT DETAILS:

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Council Tax Support Scheme Working Group

Monday 24th July 2023

Agenda

- Current data Council Tax, Welfare Benefits and Council Tax Support
- Arrangements to review CTS Scheme for 24/25
- Scope of review
- Options to consider
- Next steps
- Timeline – including next meeting

Overall summary of the data

National changes

- Cost of Living impact and continued Household Support due to impacts of increased energy; food and other living costs
- No core changes to Housing Benefit but uplifted with inflation from April 2023
- Universal Credit continues to migrate naturally with small pilots being carried out to transfer HB caseloads in bulk. No details for this part of the country
- More household support funding 2023/24 via unitary authorities for Food Vouchers and Housing crisis payments

Local issues

- CTS recipients – rates of payments down slightly
- General collection rates remain at around Covid levels
- Likely to continue to be an increased draw on the Exceptional Hardship Fund of £42k. Full amount spent in 22/23 and same budget provision for 23/24
- Discretionary Housing Payment budget fully spent plus £82k Housing Crisis payments

Council Tax Support review of existing scheme

- Focus this year has been on government funding initiatives to support cost of living
- Other LA's report that they are looking at increasing support not taking it away. Some are looking at giving the most vulnerable 100% support. Some of these LAs do have higher minimum contributions than RBC
- A few Hampshire LA's now have an Income Banded Scheme – IOW and Winchester with maximum support at 70% for both schemes
- A few of Hampshire authorities retained the old CTB feature of 100% support for lowest income groups
- Our scheme figures show that many people can pay some or all their council tax after CTS. We do have an Exceptional Hardship Fund to help them and can use the regulations to write-off small debts that are uncollectable.
- Overall evidence continues to show a balanced scheme – however, considerable financial pressure and uncertainty this year.
- Cabinet agreed a review of the scheme to look at simplifying it; option to give 100% support to most vulnerable and make the new scheme more compatible with UC to avoid inequality with people receiving legacy benefits

Council Tax collection rate 22/23

| | 20/21 | 21/22 | 22/23 |
|---|-------|--------|--------|
| Overall Collection Rate achieved by end of year | 96.8% | 97.89% | 97.72% |

Council Tax Collection Rates – Near Neighbours

| Position | Local Authority | Collection Rate 2020/21 | Collection Rate 2021/22 | Collection Rate 2022/23 | Minimum contribution CTS scheme |
|----------|------------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| 1 | Surrey Heath | 98.7% | 98.4% | 98.60% | Income Banded Scheme |
| 2 | Hart | 96.9% | 98.1% | 98.52% | 0% |
| 6 | Guildford | 97.5% | 97.5% | 97.69% | 0% |
| 3 | East Hampshire | 98.1% | 98.3% | 98.19% | 0% |
| 5 | Waverley | 97.3% | 98.2% | 97.71% | 0% |
| 7 | Bracknell Forest | 97.9% | 97.3% | 97.21% | Income Banded Scheme |
| 4 | Rushmoor | 96.8% | 97.89% | 97.72% | 12% |

Council Tax Collection Rates – Audit Family

| Local Authority | Minimum Contribution – CTS scheme | Collection Rate 2020/21 | Collection Rate 2021/22 | Collection Rate 2022/23 |
|---------------------|-----------------------------------|-------------------------|-------------------------|-------------------------|
| High Peak | Income Banded Scheme | 97.8% | 98.1% | 97.87% |
| North Hertfordshire | Income Banded Scheme | 97.4% | 98.4% | 97.56% |
| Wellingborough* | 0% | 92.6% | 96.3% | 96.80% |
| Cherwell | 0% | 97.5% | 98.1% | 98.05% |
| Worcester | 0% | 97.6% | 97.5% | 95.02% |
| Rushmoor | 12% | 96.8% | 97.9% | 97.72% |
| Colchester | 20% | 97.8% | 97.9% | 97.81% |
| East Staffordshire | 0% | 97% | 97% | 96.66% |
| Kettering* | 0%% | 96.4% | 96.3% | 96.80% |
| South Ribble | 0% | 96.8% | 96.5% | 96.78% |
| Broxbourne | 25% | 96.6% | 96.7% | 97.20% |
| Dartford | 0% | 95.9% | 96.3% | 96.49% |
| Rugby | 15% | 95.7% | 95.6% | 94.83% |
| Gloucester | 0% | 95.9% | 95.3% | 93.51% |
| Gravesham | 20% | 94.5% | 95.5% | 96.08% |



Council Tax Support Claims (Working Age only) – Council Tax account balances March 23

| Working age | Credit or zero balance | Owe less than £200 | Owe between £200 and £500 | Owe more than £3000 |
|--|---|---|------------------------------------|------------------------------------|
| 2804 (59% of total CTS caseload of 4751) | 509 (18%) *In July 22 this was 6% | 1726 (62%) | 369 (13%) | 200 (7%) |
| | | 1385 owe less than £100 (80%) | 203 (55%) owe less than £300 | No one owes more than £3000 |
| | | 341 owe less than £200 (20%) | 86 (23%) owe between £300 and £500 | 4 owe between £2k and £3k (1%) |
| | | | 80 (22%) owe between £400 and £500 | 29 owe between £1k and £2k (15%) |
| CTS recovery rate Working Age | | | | 167 owe between £500 and £1k – 84% |
| 18/19 84% 19/20 83% 20/21 85% | | | | |
| 21/22 73% 22/23 Oct 22 78%* recovery rate | * Improved by £150 Energy Rebate where credited to CT account | Calculated by taking into account what is owed to date for current year to end Oct 22 | | |

Exceptional Hardship Payments 22/23

- £22k was base budget. A further £20k was added from the reserves
- We have spent £40,015.11 in 22/23 on 136 applications.
- Average award was £294.23
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Serious debt issues
 - Cost of Living impact
- 4 Refusals

Discretionary Housing Payments and HSF Housing Crisis Fund payments 22/23

| Welfare Reform | Number | £ |
|--|--------|--------|
| Not affected by reforms – Financial Hardship | 207 | 88,120 |
| Social Sector Size Criteria ('bedroom tax') | 112 | 21,993 |
| Benefit Cap – | 22 | 10,204 |
| LHA Reform – rent shortfalls | 90 | 39,931 |

- We have awarded to £160,248 to 431 recipients from the allocated funds of £160,752
- We have also spent £82k from the Housing Support Fund for Housing Crisis cases, given to us by HCC

CTS Caseload Data

| Date | Working Age | Pensioner | Total |
|---------------|-------------|-----------|-------|
| 31 March 2021 | 2,972 | 2,003 | 4,975 |
| | | | |
| 31 March 2022 | 2,905 | 1,948 | 4,853 |
| | | | |
| 31 Mar 2023 | 2,848 | 1,943 | 4,791 |

CTS payments

| Year | Working Age | Pensioner | Total |
|---|---------------|---------------|---------------|
| 2020/21 | £2,632,715.46 | £2,133,905.47 | £4,766,620.93 |
| 2021/22 | £2,969,372.35 | £2,177,330.95 | £5,146,703.30 |
| 2022/23 | £2,917,912.14 | £2,215,992.87 | £5,133,905.01 |
| The scheme costs are shared with the major preceptors | | | |

Latest Council Tax Support payments by type – cash values

| | March 21 | March 22 | March 23 | |
|---|----------------------|----------------------|----------------------|---|
| Pensioner | £2,133,905.47 | £2,177,330.95 | £2,215,992.87 | Pension age |
| Working Age - Other | £948,867.35 | £1,101,581.69 | £1,016,312.16 | All out of work benefits or occupational pensions but not pension age |
| Working Age - Vulnerable | £1,253,632.07 | £1,369,479.58 | £1,478,607.28 | Disability Premiums in play ESA Income Related |
| Working Age - Employed | £156,021.83 | £200,929.26 | £141,772.52 | Working more than 16 hours |
| Working Age - Vulnerable Household | £274,194.21 | £297,381.82 | £281,220.18 | Where a child under 5 in the household |
| CTS Total | £4,766,620.93 | £5,146,703.30 | £5,133,905.01 | |

What Cabinet agreed on 17th January 2023

To review the CTS scheme for 24/25

SCOPE

Possibly giving extra support to the most vulnerable

Make it simpler for customers and a better fit with Universal Credit

Reduce administrative costs and time

What are your priorities?

Giving more support to the most vulnerable



Simplifying the scheme for customers by making it work better with Universal Credit



Reducing costs of administration

Giving vulnerable people more support

- Current scheme is stable; no real issues; collection rate for CTS residents is lower than main rate
- Current scheme pays a maximum of 88% liability so there is a 12% minimum contribution which is difficult to collect and resource intensive for smaller debts
- All vulnerable people currently get the maximum 88% support
- Simplest way to give more support would be to use 100% of the liability meaning the vulnerable residents receive 100% CTS
 - There is a cost involved – question of affordability
 - Savings can be identified to off-set
 - Less debt; less provision for bad debts; savings in staff time collecting small amounts which are mostly written off; less administration costs producing multiple bills for small earnings changes
 - Reduction in Exceptional Hardship fund

Example – Award all vulnerable 100% reduction

| Model | Sum of Annual CTR | Difference Annual | Affected By Change Count | Wins Count | Loses Count | 12% of difference cost to RBC | 12% of Annual CTR cost to RBC |
|--------------------------------|-------------------|-------------------|---------------------------------|------------|-------------|-------------------------------|-------------------------------------|
| Baseline – 23/24 cost @July 23 | £5,317,474 | - | - | - | - | - | £638,096 |
| Example - @July 23 | £5,786,345 | £468,871 | 2,782 | 2,782 | 0 | £56,264 | £694,361 |
| | | | 2,782 active working age claims | | No losers | | Rushmoor share of total scheme cost |

Simplifying the scheme for Universal Credit customers

- If someone on UC has a wage change, which could be a number of times a year, they get a new Council Tax bill every time.
- This causes confusion, they don't know what to pay as each new bill has a different set of instalments
- Costs for the Council in terms of extra bills and time spent on customer queries
- Using 100% liability will reduce the number of bills for some people who have low incomes and Universal Credit

Information required to inform a recommendation

We can show you the impact of making other smaller changes to our scheme

We could model other options including Income bands

Beyond the data what else is needed to achieve our desired outcome?

Next Steps

Information and modelling required



Consultation requirements



Suggested dates for next meeting - ideally

Wednesday 30th August

or

Tuesday 5th September

Council Tax Support Scheme Working Group

Wednesday 30th August 2023

Agenda

- Boom – Community Bank
 - Presentation from Mark Jasper, CEO & Treasurer on the work of Boom
- Council Tax Support Scheme
 - Payment and arrears profile
 - Arrears by Band
 - Exceptional Hardship Payments
- Altering the minimum contribution – a reminder
- Illustrating an income banded scheme
- Next meeting and timeline
 - 26th September at 6pm
 - Timeline – as indicated in Ian's email dated 24th August

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David Wright OBE [Chair]
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Boom Community Bank
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BN11 1RY

Joined the Board in 2018 as Treasurer, with responsibility for the oversight of financial governance arrangements, investment decisions, and performance. In 2021 he became Boom CEO, having spent 30 years in local government finance with specific experience in the social housing sector. He has overseen the move to new premises, and with the help of his leadership team built on Boom's achievements, increasing its digital footprint and the use of technology to drive improvement. He is also a Trustee of Seaside Homes Housing Association based in Brighton.

Founding chair of SurreySave and negotiated the merger with West Sussex in 2016, creating Boom. He is a former British diplomat with 50 years' experience of bilateral diplomacy and public service. He was a Borough Councillor for 16 years and used his links to help establish SurreySave. He has chaired the Surrey Hills Area of Outstanding Natural Beauty Board and served on the Boards of Surrey Hills Enterprises and Trust, Surrey Probation, Guildford and Waverley PCT, Guildford CAB, and Oakleaf Enterprises, the mental health charity.





About Boom: In a nutshell



Financial Solutions

- Unsecured personal loans
- Debt consolidation
- Save-as-you-repay
- No Interest Loan Schemes (NILS)
- Adult and Junior savings
- Corporate savings
- Social investments



Building Finances

Supporting savings and loan repayment via payroll deductions.



Financial Education and info.

Free-to-use tools, including a benefits checker and savings calculator, and links to external sources of Financial Advice.



Comprehensive Services: Solutions, education support



Access Loan £300 to £10,000
Representative 31.7% APR
For low-income and credit scores.



Family Loan £300 to £5,500
Representative 31.3% APR
Repaid from Child Benefit.



Choice Loan up to £15,000
Representative 19.4% APR
For good/mid credit scores.



Advantage Loan up to £15,000
Representative 10.4% APR
For higher credit scores.



Consolidation Loan
Reduce outgoings and
borrowing costs.
Direct creditor repayment.



No Interest Loan Scheme (NILS)
Up to £1,500 for those in acute
financial difficulty who can't
access/afford alternatives.



Products: Loans and smart consolidation

57% of loans under £1,000

74% of loans to women

49% to lone parents

87% to social or private rent tenants

91% of loans disbursed have a TransUnion

Score of <550

0 - 550 [Very Poor Credit Score]

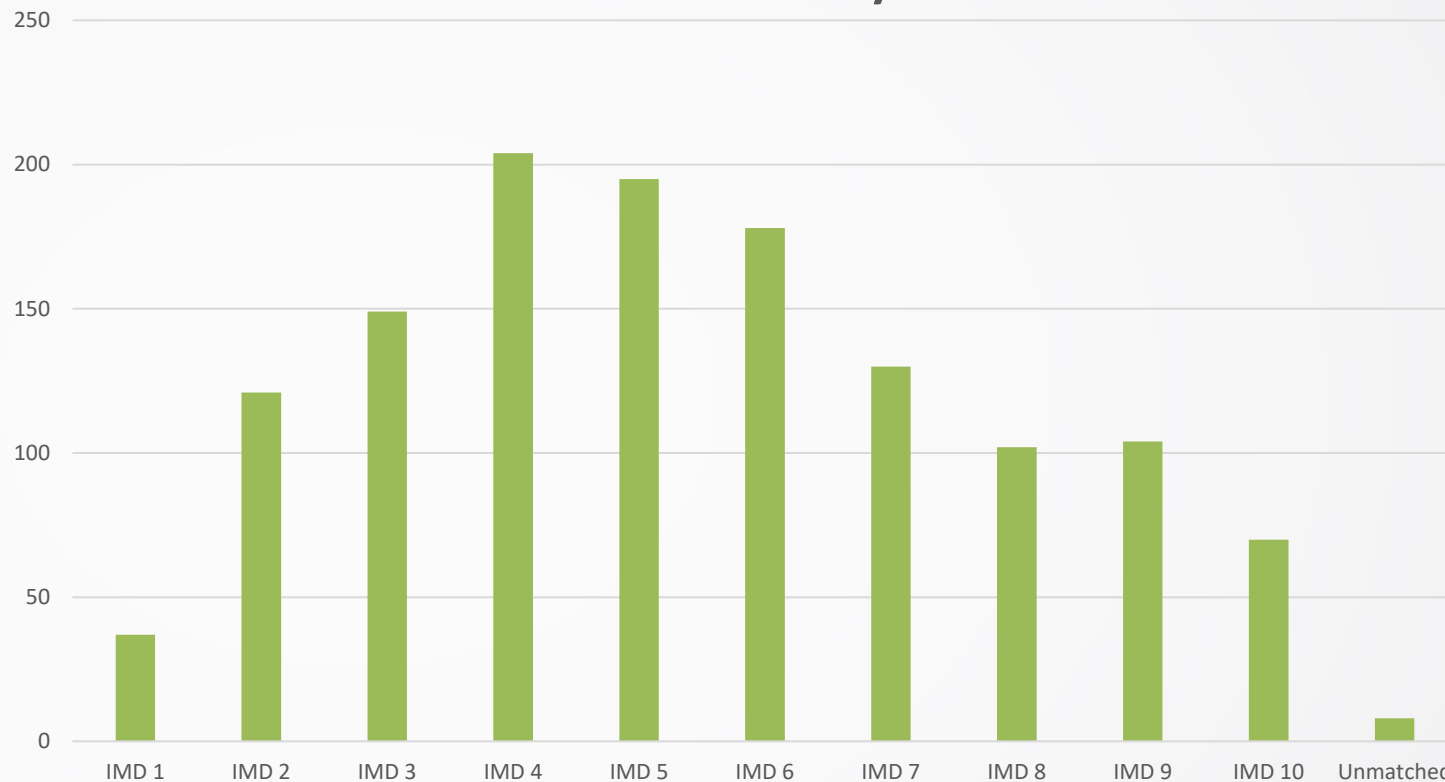
551 – 565 [Poor]

566 – 603 [Fair]

604 – 627 [Good]

628 – 710 [Excellent]

Customer demographics IMD score analysis





Personal, Junior and Payroll Savings

Protected savings for everyone, attracting interest or dividends.



Corporate Savings

Ethical and protected non-personal savings for organisations, including local authorities*, businesses, churches and charities.

*Annual budget of less than £1.5m



Deposits in Boom Community Bank are protected by the Financial Services Compensation Scheme (FSCS).

BOOM
COMMUNITY BANK

Products: Savings and Current Accounts



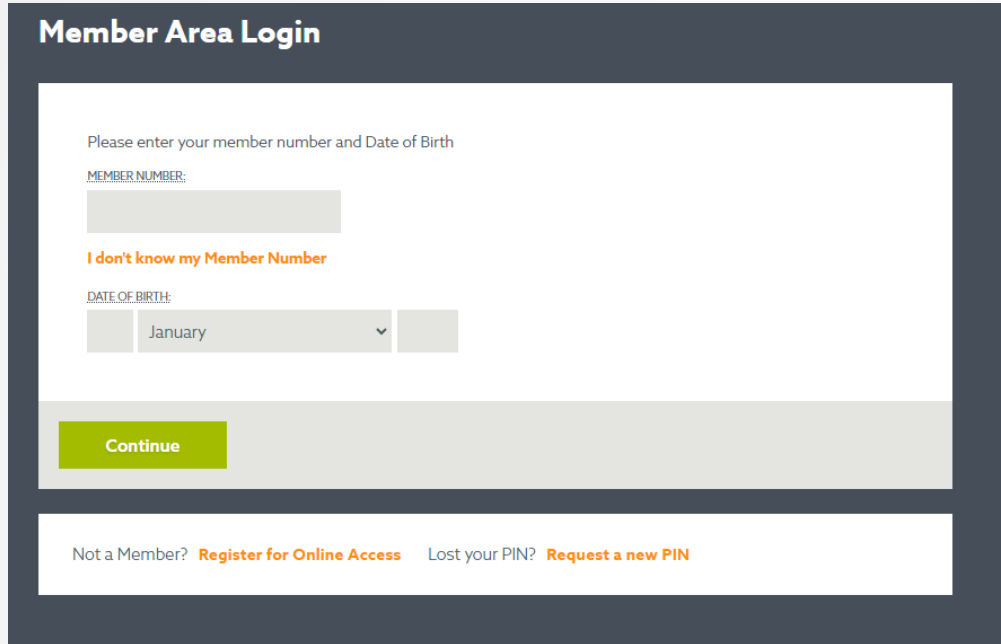
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Investment in digital



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Please enter your member number and Date of Birth

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DATE OF BIRTH:

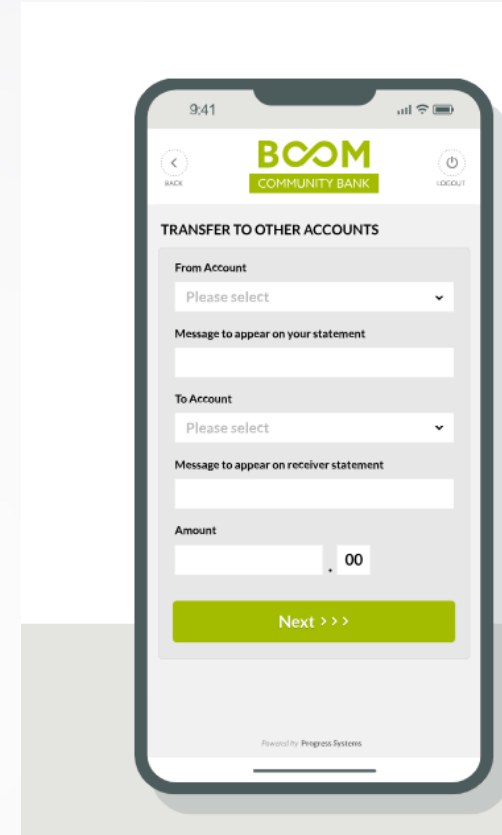
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- Monitor savings and loan repayment progress
- Pay utility bills and suppliers.
- Transfer money.



9:41

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Message to appear on your statement

To Account
Please select

Message to appear on receiver statement

Amount
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- Independent verification of formal identification.
- Full access to online banking



Digital Revolution: Our response

CUSTOMER EXPERIENCE

What our customers say

“ I have been a member for over 3 years and have found all their staff especially the underwriting team to be patient, understanding of your...



Maria Omosole

[view post](#)



“ Boom has really helped me through some hard times, every person I've spoken to has been incredible. Clear, helpful, non judgemental just...



Willow Moore

[view post](#)



“ Excellent service. Quick turn around time. I want to say thank you to all the staff at Boom. You have been a life saver...



Sherrie Orlando

[view post](#)



“ Amazing company, has helped me a few times when I've struggled and couldn't have done things without there help, fast communication and...



Blue Stevenson

[view post](#)



“ Very easy process and prompt guidelines and most importantly very quick in process.



Sunil Kumar

[view post](#)



“ Excellent customer service, reliable and trustworthy



Mariana

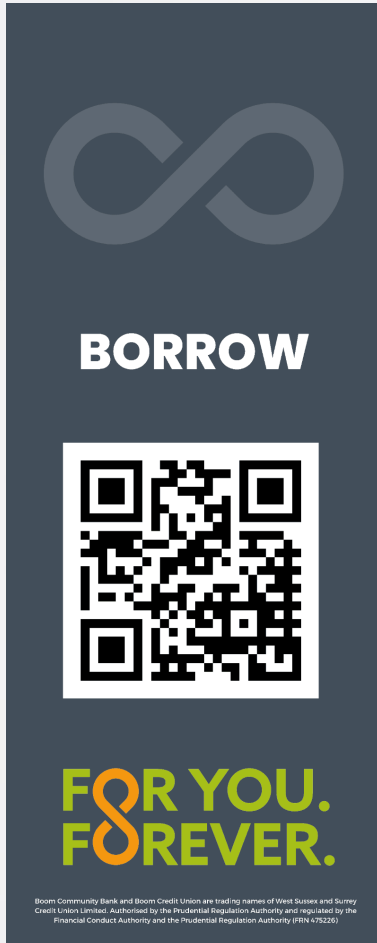
[view post](#)



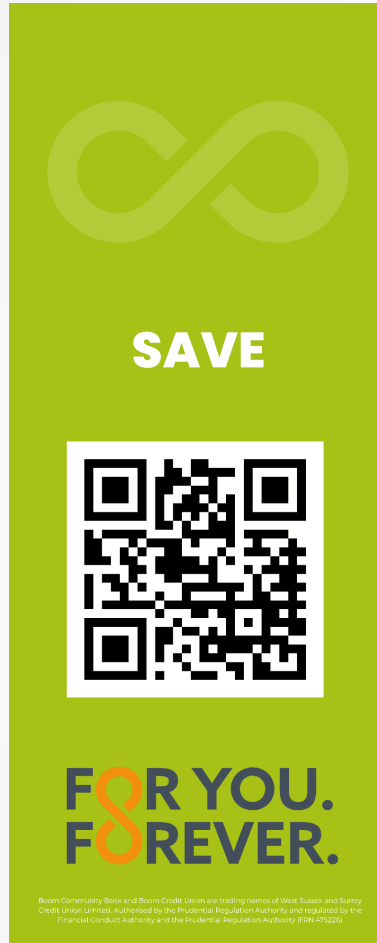
BOOM

COMMUNITY BANK


Physical banners



A vertical physical banner with a dark grey background. At the top is a large, light grey infinity symbol. Below it, the word **BORROW** is written in white capital letters. In the center is a large black and white QR code. At the bottom, the text **FOR YOU. FOREVER.** is displayed in green and orange. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220)." Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220).

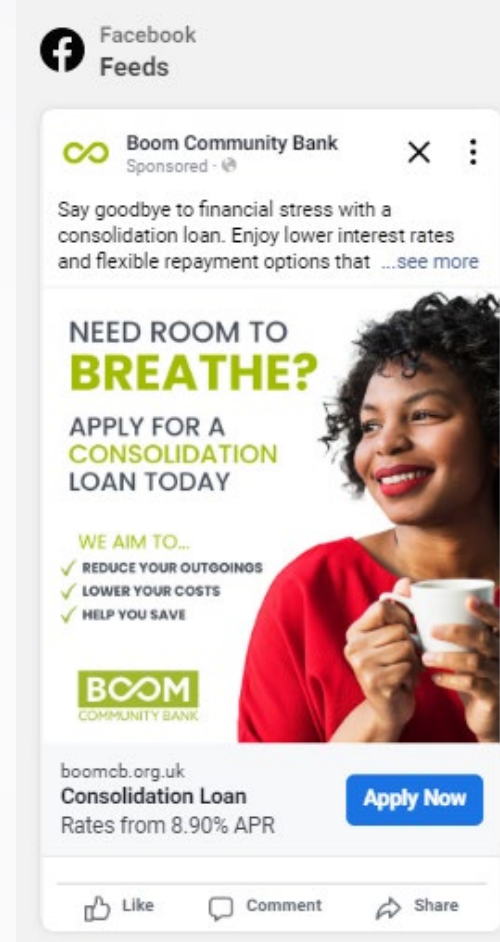


A vertical physical banner with a lime green background. At the top is a large, light green infinity symbol. Below it, the word **SAVE** is written in white capital letters. In the center is a large black and white QR code. At the bottom, the text **FOR YOU. FOREVER.** is displayed in dark blue and orange. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220)." Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220).



A vertical physical banner with an orange background. At the top is a large, light orange infinity symbol. Below it, the word **CONSOLIDATE** is written in white capital letters. In the center is a large black and white QR code. At the bottom, the text **FOR YOU. FOREVER.** is displayed in white and dark blue. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220)." Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA 179220).

PPC advertising



A Facebook sponsored post for Boom Community Bank. The header shows the Facebook logo and "Feeds". The post is from "Boom Community Bank" and is marked as "Sponsored". The text reads: "Say goodbye to financial stress with a consolidation loan. Enjoy lower interest rates and flexible repayment options that ...see more". Below this is a photo of a smiling woman holding a mug. Text overlay on the photo says: "NEED ROOM TO BREATHE? APPLY FOR A CONSOLIDATION LOAN TODAY". Below the photo, it says "WE AIM TO..." followed by a list: "✓ REDUCE YOUR OUTGOINGS", "✓ LOWER YOUR COSTS", "✓ HELP YOU SAVE". The Boom Community Bank logo is at the bottom left of the ad. At the bottom, it says "boomcb.org.uk Consolidation Loan Rates from 8.90% APR" and a blue "Apply Now" button. The bottom of the post shows "Like", "Comment", and "Share" icons.



An Instagram sponsored post for Boom Community Bank. The header shows the Instagram logo and "boomcommunitybank Sponsored". The post features a photo of a man holding a baby. Text overlay on the photo says: "CHILD BENEFIT LOAN". Below the photo, it says "Repay your loan conveniently direct from Child Benefit." and a yellow "APPLY NOW" button. The Boom Community Bank logo is at the bottom left of the ad. At the bottom, it says "boomcb.org.uk" and a blue "Apply Now" button. The bottom of the post shows "Apply Now" and "boomcommunitybank Could you use a bit of assistance with your family's financial matters? ... more".

BOOM
COMMUNITY BANK

Marketing: Digital and on the ground



Marketing: 'in the ground'



- Expand affordable credit
- Deliver financial resilience
- Increase brand awareness.
- Enhance payroll relationships
- Encourage corporate savings
- Boost regulatory capital



- Straightforward joining process
- 'Jam-jar' budgeting and money management tools.
- Save as you borrow or earn.
- Mature systems ideal for delivering tailored schemes
- Digital marketing to reach specific postcodes
- Human to human underwriting



- Investment in regulatory capital to facilitate growth in the form of deferred shares
- Introduction of a NILS scheme.
- "Rushmoor Pledge"
- Backlinks to drive SEO
- Joint communications and marketing campaign.



Our philosophy is simple: together, we can do money better

| | Amount | APR | Monthly Commitment |
|--------------|---------------|-------|-----------------------|
| Amex | £4,900 | 69% | £230 |
| TT Loan | £450 | 1295% | £139 |
| Fernovo | £750 | 300% | £144 |
| ML | £400 | 1290% | £159 |
| Total | £6,500 | | £672 |

Any questions?

Council Tax Support Claims (Working Age only) – Council Tax account balances June 23

| Working age | Credit or zero balance | Owe less than £200 | Owe between £200 and £500 | Owe more than £500 |
|--|------------------------|---|------------------------------------|------------------------------------|
| 2815 (59% of total CTS caseload of 4759) | 87 (3%) | 2088 (74%) | 204 (8%) | 436 (15%) |
| | | 229 owe less than £100 (11%) | 119 (58%) owe less than £300 | No one owes more than £3000 |
| | | 1859 owe less than £200 (89%) | 40 (20%) owe between £300 and £500 | 4 owe between £2k and £3k (1%) |
| | | | 45 (22%) owe between £400 and £500 | 184 owe between £1k and £2k (42%) |
| CTS recovery rate Working Age | | | | 248 owe between £500 and £1k (57%) |
| 18/19 84% 19/20 83% 20/21 85% | | | | |
| 21/22 73% 22/23 71% 23/24 72.8% * | | *Calculated by taking into account what is owed to date for current year to end June 23, additional £25 awarded this year to each CTS claim | | |

Arrears by Band Charge

(working age CTS customers) June 2023

| BAND | Credit or zero bal | Under £200 | £200 to £499 | £500 to £999 | £1000 to £1999 | £2000 to £2999 | £3000 to £3999 | £4000 to £5000 |
|------|--------------------|------------|--------------|--------------|----------------|----------------|----------------|----------------|
| A | 17 | 224 | 11 | 11 | 4 | 0 | 0 | 0 |
| B | 16 | 1031 | 65 | 89 | 37 | 0 | 0 | 0 |
| C | 45 | 693 | 83 | 107 | 101 | 1 | 0 | 0 |
| D | 7 | 128 | 36 | 34 | 26 | 1 | 0 | 0 |
| E | 2 | 12 | 6 | 6 | 11 | 1 | 0 | 0 |
| F | 0 | 0 | 3 | 1 | 4 | 1 | 0 | 0 |
| G | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| H | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Exceptional Hardship Payments 23/24

- Budget is £58K. £20k is base budget and a further £38k has been added from the remaining £25 Council Tax Additional Award
- We have spent £10,668.78 in 23/24 on 33 applications as at the end of June 23
- Average award is currently £323.30
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Vulnerability
 - Cost of Living impact
- 0 Refusals to date

Example – Award all vulnerable 100% reduction

| Model | Sum of Annual CTR | Difference Annual | Affected By Change Count | Wins Count | Loses Count | 12% of difference cost to RBC | 12% of Annual CTR cost to RBC |
|--------------------------------|-------------------|-------------------|---------------------------------|------------|-------------|-------------------------------|-------------------------------------|
| Baseline – 23/24 cost @July 23 | £5,317,474 | - | - | - | - | - | £638,096 |
| Example - @July 23 | £5,786,345 | £468,871 | 2,782 | 2,782 | 0 | £56,264 | £694,361 |
| | | | 2,782 active working age claims | | No losers | | Rushmoor share of total scheme cost |

Example of an income banded scheme which we could model

| Discount Band | Discount | Single Person | Single Person with One Child | Single Person with two or more children | Couple | Couple with one child | Couple with two or more children |
|---------------|----------|--------------------|------------------------------|---|--------------------|-----------------------|----------------------------------|
| Income Band 1 | 100% | £0 to £115.00 | £0 to £180.00 | £0 to £245.00 | £0 to £165.00 | £0 to £230.00 | £0 to £295.00 |
| Income Band 2 | 80% | £115.01 to £140.00 | £180.01 to £215.00 | £245.01 - £280.00 | £165.01 - £190.00 | £230.01 - £265.00 | £295.01 to £330.00 |
| Income Band 3 | 55% | £140.01 to £165.00 | £215.01 to £250.00 | £280.01 to £315.00 | £190.01 to £215.00 | £265.01 to £300.00 | £330.01 to £365.00 |
| Income Band 4 | 30% | £165.01 to £190.00 | £250.01 to £285.00 | £315.01 to £350.00 | £215.01 to £240.00 | £300.01 to £335.00 | £365.01 to £400.00 |
| Nil award | 0% | Over £190.00 | Over £285.00 | Over £350.00 | Over £240.00 | Over £335.00 | Over £400.00 |

Date of next meeting – 26th September

Council Tax Support Scheme Working Group

Tuesday 26th September 2023

Agenda

- Options for change 24/25
- Current thinking on minimum contributions
- Data and cost/benefits analysis
- Future changes for 25/26 and onwards
- Report to Cabinet
- Consultation
- Next steps

‘Impact of localised council tax support schemes’ – Institute of fiscal studies 2021

- We estimate very high rates of non-collection of the extra council tax liabilities, of around one quarter
- **The over-riding cause of these arrears / non-payment is giving people a council tax bill, not increasing the size of an existing bill**
- Suggests that reducing minimum payment from 10% to 0% would have much bigger effect on arrears than going from 20% to 10%

<https://ifs.org.uk/publications/impacts-localised-council-tax-support-schemes>

Current thinking around minimum contribution CTS schemes



Research shows that minimum payments can have a higher non collection rate sometimes 10 x higher than normal



Citizens Advice say 'The overriding cause of the arrears is giving vulnerable people a council tax bill'



Recent research shows around 130 councils in England currently award a maximum of 100% of council tax liability, This is in contrast to the least generous scheme that awards a maximum of only 50% of council tax liability



Increasing scheme generosity has been shown to reduce arrears and increase collection rates. Recent analysis carried out in 2021 by Policy in Practice for a London borough showed a clear relationship between arrears and the level of Council Tax support, with those receiving the most support having the lowest Council Tax arrears and those with the greatest reduction in Council Tax support compared to the default scheme having the highest Council Tax arrears.



With a minimum payment scheme the repeated recalculations and repeated rebilling's (which can happen to many claimants several times a year) can be confusing for claimants and are administratively burdensome.

Example – Calculate CTS using 100% of the council tax liability for all Working Age claimants

| Model | Sum of Annual CTR | Difference Annual | Affected By Change Count | Wins Count | Loses Count | 12% of difference cost to RBC | 12% of Annual CTR cost to RBC |
|--------------------------------|-------------------|-------------------|--------------------------------|------------|-------------|-------------------------------|-------------------------------------|
| Baseline – 23/24 cost @Sept 23 | £5,335,124 | | - | - | - | | £640,214 |
| Model_1 - @Sep 23 | £5,785,094 | £449,969 | 2769 | 2769 | | (£449,969 x 12%) = £53,996 | £694,211 |
| | | | 2769 active working age claims | 2769 | 0 | | Rushmoor share of total scheme cost |

Cost Benefits Analysis – Remove minimum contribution

| Costs | Benefits | Values |
|---|--|---|
| <p>Reduction in maximum council tax liability leading to a minimum contribution of 12% by all Working Age claimants</p> <ul style="list-style-type: none"> Disproportionate amount of staff time spent on collecting small balance Poor collection rates No effective enforcement options as balances either small or Bailiffs is not an option due to taxpayer's circumstances Exceptional Hardship Fund of £42k in 23/24 – 100% of this goes to reduce Council tax arrears for CTS recipients Arrears are frequently written off at a cost to the council <p>The migration to UC also has increased CTS administration for councils</p> <ul style="list-style-type: none"> changes in monthly UC awards leads to increased billing if they trigger subsequent changes in CTS awards. This can also lead to confusion among residents, which can in turn contribute to missed council tax payments. Bad Debt provision is calculated against loss of Council Tax in part due to the poor collection levels of the 12% minimum contribution | <p>The most vulnerable will not have to pay council tax which will mean:</p> <ul style="list-style-type: none"> Staff time can be redirected to more serious arrears cases which will bring in money for the council and improve collection rates for old and current debts No more time spent on recovery of small amounts which currently either get written off against a higher bad debt provision or covered by EHF – have need a £42k budget and all these awards are to people on CTS <p>Reduced financial costs for printing and postage, eliminating the need to issue frequently revised Council Tax support notification letters and multiple revised Council Tax bills throughout the year.</p> <p>Consistent Council Tax instalment payment schedules for customers which will help them budget</p> | <p>Redirected staff time – 22.5 hours per week mix of G3/G5 and G6 3 hours pw for G5 = £4,440 pa and G6 £5,280 pa 16.5 hours pw for G3 = £16,300 pa</p> <p>Staff time notional savings = £26,020</p> <p>Exceptional Hardship Fund can be reduced to £12,000 meaning £30,000 that doesn't need to be taken from reserves</p> <p>Upwards of 10,000 documents per annum are sent due to additional CTS changes and more frequent billing recovery notices</p> <ul style="list-style-type: none"> Printing postage and stationery = actual savings £6,650 pa Staff time 1 hour a day = notional savings £ G2 £3890 pa Bad debt provision reduction = £ 14,300 <p>Total actual and notional savings = £50,860</p> |

Exceptional Hardship Payments 23/24

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- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Vulnerability
 - Cost of Living impact
- 0 Refusals to date

CTS Scheme - Future changes for 25/26

- We know that the on-going migration of UC will accelerate with the government aiming to move all WA benefit claimant to UC by end 2025. Rushmoor has 1841 CTS claims with UC and this number is increasing.
- Most CTS schemes weren't changed in recent years due to the financial climate but now, doing nothing, is probably not an option.
- We might want to consider major changes like income bands or simple discount schemes once caseload has fully migrated to UC and then all claims are treated equally regardless of whether they are getting UC or the legacy benefits
- There are differences between Universal Credit and Legacy benefits due to:
 - A greater retention of earnings for UC households,
 - different treatment for those in receipt of disability benefits
 - the use of the Minimum Income Floor, which reduces support for self-employed households.
- Nationally, the migration of exiting Tax Credit cases to UC is currently causing confusion and loss of benefits. This exercise should be completed before we make any major changes to people's CTS as many of them are receiving less money due to the removal of Tax Credits. Rushmoor has about 250 remaining CTS recipients receiving Tax Credits.

Consultation – Proposed change to Council Tax support Scheme 24/25

| Options for change | Option Details |
|--|---|
| Option 1- Remove the 12% minimum contribution | <p>This option will remove the minimum contribution making it possible to pay council tax up to 100% of the council tax liability</p> <p>This options supports all working age claimants but particularly those who are more financially vulnerable</p> <p>This option would mean the scheme for Working Age people is the same as the scheme for Pensioners meaning those on the lowest income would not pay council tax</p> |
| Option 2– Leave the current scheme unchanged with a maximum 88% level of support for Working Age residents | |
| Option 3 -Option 3 – Any other suggestions for scheme changes/design | |

What's next members

| Key Dates | Actions |
|-------------------------------------|---|
| Week commencing 2 October 2023 | Group clear about what they are recommending to Cabinet |
| 17 October 2023 | Cabinet |
| 20 October 2023 to 15 December 2023 | Consultation period |
| First week January 2024 | CTS group discussion to analyse the responses |
| 6 February 2023 | Cabinet |
| 22 February 2023 | Full Council |