

COUNCIL MEETING – 27TH FEBRUARY 2025

AGENDA ITEM NO. 6 (3)

COUNCIL TAX SUPPORT SCHEME 2025/26

1 INTRODUCTION

1.1 Cabinet considered the attached report (FIN2501) on the Council Tax Support Scheme (CTSS) at its meeting on the 14th January 2025.

1.2 This followed work undertaken by the Council Tax Support Task and Finish Group to review the Council's Council Tax Support Scheme and recommend actions.

2 RECOMMENDATIONS

2.1 Based on the work and recommendations of the Council Tax Support Task and Finish Group, which were considered and recommended for approval by the Cabinet, the Council is recommended to approve that:

(1) the current Council Tax Support Scheme for working age customers continues for 2025/26 with the annual uplift to rates within the calculation mirroring that applied to national benefit rates.

(2) the budget for Exceptional Hardship relief be maintained at £12,000; and

(3) minor changes be made in accordance with the annual uprating amounts applied by the Department of Work and Pensions.

**FINANCE AND RESOURCES
PORTFOLIO HOLDER**

CABINET
14th January 2025

COUNCIL TAX SUPPORT TASK AND FINISH GROUP

Key Decision: NO

Report No. FIN2501

COUNCIL TAX SUPPORT SCHEME - 2025/26

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 recommend action as follows:

RECOMMENDATIONS:

Cabinet are requested to:

- a) Recommend to Council that the current Council Tax Support Scheme for working age customers continues for 25/26 with the annual uplift to rates within the calculation mirroring that applied to national benefit rates.
- b) The budget for Exceptional Hardship relief be maintained at £12,000.
- c) To make minor changes in accordance with the annual uprating amounts applied by the Department of Work and Pensions

1. INTRODUCTION

- 1.1 The purpose of the report is to present to Cabinet the proposed CTSS for 2025/26, prior to consideration by full Council on 20 February 2025.

2. BACKGROUND

- 2.1 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.
- 2.2 Whilst local authorities have the freedom to set their own 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.
- 2.3 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 can be typically lower and a range of other local adjustments have been made.
- 2.4 In Rushmoor we are in our eleventh year of operating our 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.

- 2.5 In previous years Rushmoor's scheme awarded maximum awards of CTS at 92%, 90% and 88% of a person's council tax liability, subject to a means test to determine the amount of CTS they could receive. In all cases a CTS recipient would pay a minimum contribution to their Council Tax.
- 2.6 Evidence showed that people were struggling to pay their minimum contribution of 12% (in the 2023/24 scheme) towards their Council Tax where they are on the lowest incomes and these small balances are disproportionately costly for the Council to collect.
- 2.7 However last year, the Council agreed to amend the Working Age scheme for 24/25 to allow a maximum award of up to 100% of the Council Tax liability for people on the lowest incomes.
- 2.8 Collection rates for recipients of CTS do tend to be lower than those of the overall collection rate. 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 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 at 31 March when we have comparable figures.
- 2.9 Council Tax collection rates to date show a 72% collection rate for people in receipt of CTS, which is up on the same date last year of 62%. Previously reported figures for Working Age recipients in November 23 were reported incorrectly at 88%. This was the correct figure for the Pensioner collection rate.
- 2.10 This improvement in the collection rate for CTS working age recipients is mirrored in the main council tax rates which at the end of November 24 were 94.01% against 93.93% in November 23. We expect to see this increase maintained through the remaining months of the year, resulting in an overall increase in council tax in year collection for 24/25.

3 DETAILS OF THE PROPOSAL

General

- 3.1 The Group met on the 16 October 2024, and 4 December 2024 to make their recommendations.
- 3.2 The Group considered all the data regarding the CTSS and the on-going impact of the change to 100% maximum support for those on the lowest income introduced in April 2024.
- 3.3 The Group weighed up several factors and paid specific attention to the following matters during their deliberations:

- Current collection rates for Council Tax payments in Rushmoor and those of CTS recipients, and how they compare to previous years
- Council Tax Support caseload data
- Council Tax Support scheme costs
- Comparable data relating to CTS schemes for other local authorities in Hampshire
- Other general economic indicators
- Claims for exceptional hardship support

TABLE 1: Overall Council Tax Collection Rates

Month and Year	% Collected of in year charge due to date
November 22	94.18%
November 23	93.93%
November 24	94.01%

TABLE 2: Council Tax Support - Caseload Data

Date	Working Age	Pensioner	Total
November 22	2802	1956	4758
November 23	2774	1953	4727
November 24	*2830	1941	4771

*Caseload figures show an increase in CTS claims due to UC taking over from Housing Benefit

Presently expenditure on the CTS scheme is £6,115,270, the table below shows the comparative position.

TABLE 3: Council Tax Support – Award Data

CTS paid by group	November 22	November 23	November 24
Pensioner	£2,221,024	£2,319,064	£2,417,282
Working age	£2,889,591	£3,028,816	£3,697,988
Total	£5,110,615	£5,347,880	*£6,115,270

*The scheme costs are shared with the major preceptors. RBC share is 11% of the total.

At the meeting of the Member Working Group in December 2024 the Group were advised that no payments to customers on the grounds of hardship had been made to date during 24/25 and that this was primarily attributable to the scheme enhancements made with effect from 1st April 2024.

Option put forward by the Group

- 3.4 Having considered all the data available and recognising that the scheme change in 24/25 is still settling in, the Group, on balance considered the best option was

one of no immediate change to the scheme but to continuing monitoring performance and keep it under review.

Alternative Options

- 3.5 No alternative options were considered.

Consultation

- 3.6 No public consultation was necessary as the CTS Task and Finish Group has recommended the scheme remain unchanged for 25/26.

4 IMPLICATIONS

Risks

- 4.1 There are not considered to be any risks associated with the implementation of the recommendations of this report.

Legal Implications

- 4.2 The Local Government Finance Act 2012 provided the introduction of the localisation of CTS by making changes to the Local Government Finance Act 1992. These require that:

“For each financial year, each billing authority must consider whether to revise its scheme or replace it with another scheme.”

Financial Implications

- 4.3 It is assumed at the time of writing, that there will not be any additional financial support from the Ministry of Housing, Communities and Local Government (MHCLG) for 25/26 to fund additional pressures on the CTSS in England.
- 4.4 The Group considered the data relating to the cost of the scheme to date. The estimated cost of the scheme for 25/26 will be included in the estimate for calculating the total amount of Council Tax income for the year.

Resource Implications

- 4.4 None. Revenue and Benefits staff will continue to administer the scheme within existing staff and budget resources.

Equalities Impact Implications

- 4.5 An Equalities Impact Assessment is not needed in this instance. This is because the scheme is unchanged from the previous year where the changes included in the 24/25 scheme, meant no individuals were detrimentally affected.

Other

4.6 None.

5 CONCLUSIONS

5.1 Following careful analysis of the CTSS, by the Council Tax Support Task and Finish Group, they propose that Cabinet should make recommendations to the Council as set out at the head of the report.