

Chichester District Council

THE CABINET

October 2023

Determination of the Council Tax Reduction Scheme for 2024-2025

1. Contacts

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Cabinet Member:

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2. Recommendation

2.1. That Cabinet recommend that the proposed Council Tax Reduction Scheme for 2024-2025 be approved by full Council.

3. Background

- 3.1. The Welfare Reform Act and Local Government Finance Acts of 2012 abolished the national council tax benefit (CTB) scheme and put in place from 1 April 2013 a framework for local authorities to create their own local council tax reduction (CTR) schemes.
- 3.2. The Government has laid down the process by which a local CTR scheme should be put in place and renewed each year. In accordance with this officers have published a draft scheme. This scheme must be approved by the Council before 11 March 2024 or the previous year's scheme will continue to have effect.
- 3.3. The cost of the scheme is shared between all precepting authorities. This Council's share is approximately 9% of the total scheme cost, with the rest being funded by Sussex Police, West Sussex County Council and the Parish Councils.
- 3.4. Since the introduction of local schemes, the Council has aimed to support those that are financially vulnerable in its communities by maintaining levels of support to claimants in comparison with the national means tested Council Tax Benefit scheme that it replaced.
- 3.5. In 2018/19 a banded scheme for CTR applicants in receipt of Universal Credit (UC) was introduced. The intention was to simplify the administration of CTR for these customers, rather than to reduce the level of support provided. All banded schemes have winners and losers, and any adverse effects of the scheme on these applicants have been mitigated by the availability of a discretionary award that can be made in circumstances whereby comparison to the previous means tested scheme applicant is disadvantaged by the UC banded scheme and they are financially vulnerable. These awards are made on a case-by-case basis and the availability is promoted by Revenues & Benefits staff when dealing with individual cases.

4. Outcomes Achieved

- 4.1. The delivery of a scheme that is cost effective to administer while supporting those in the community that require financial assistance in the form of a reduction in their council tax.
- 4.2. As in previous years the schemes performance will be monitored in year with a view to informing the succeeding year's scheme.

5. Proposal

- 5.1. The proposed CTR scheme for 2024-2025 is unchanged from last year's scheme except for the below. These exceptions are intended to maintain levels of entitlement to recipients of this support across the District.
 - (a) Any changes that occur in the Housing Benefit (HB) scheme will be transferred across to the 2024-2025 scheme, including uprated premiums, living allowances and non-dependant deductions (for non-UC claimant's). These are supplied by the Department for Work and Pensions and are published before the end of the financial year.
 - (b) For the UC banded scheme this also includes any appropriate changes in UC rates, including emergency measures introduced to minimise the impacts of the cost-of-living crisis.
 - (c) To allow for the transitional protection element of severe disability premium paid in UC to be disregarded as income. Previously the software utilised by the Council did not separately identify individual elements of UC income and therefore these claims were supported with discretionary support where necessary. This software functionality has been available since 2023, and the insertion of this type of income disregard will maximise the income of customers eligible for this transitional protection.

6. Alternatives Considered

Officers have considered whether any changes to the scheme are required from an administrative perspective and consulted the Cabinet Member for Revenues, Benefits & Housing, the Director of Housing and Communities and the Director of Corporate Services to establish whether any changes were required in terms of support levels, members were advised of this. All parties agreed that no changes to the level of support were required, and that keeping a stable level of support for those in receiving this reduction was important.

It is acknowledged that as this scheme has been in place relatively unchanged since the introduction of a banded scheme for UC in 2018/19 and that a more comprehensive review is now required. Therefore, discussions with members and senior leadership team will commence to ensure that this piece of work is carried out in 2024/25.

7. Resource and legal implications

- 7.1. The predicted spend on CTR when tax base was set in December 2022 for 2023-2024 was £8,179,042.42. The 2023-24 cost based on expenditure to date is estimated to be £8,481,764.59 (as at the end of August 2023). This compares

with £8,126,025.94 actual CTR expenditure for 2022-23, against a tax base estimate of £8,979,581.79.

- 7.2. Future CTR expenditure is difficult to predict, prior to the COVID-19 pandemic CTR caseloads were decreasing, this trend changed during the pandemic and we experienced an increased demand for CTR, however post pandemic CTR caseloads have started to decline. However, we are now in a further period of uncertainty with the emerging cost of living crisis. There is a risk that if the economy does not bounce back quickly, and unemployment rises that the cost of the CTR scheme could rise.

8. Consultation

- 8.1. As no changes to the design of the scheme have been made Officers decided in consultation with Directors of Corporate Services and Housing & Communities that formal consultation was not required. This approach is supported by advice issued by the Department for Levelling Up Housing and Communities (DLUHC).

9. Community Impact and Corporate Risks

- 9.1. The corporate risk to the authority is setting a CTR scheme which is unaffordable. This risk is reduced by setting a scheme which is broadly in line with the existing one so expenditure can be predicted. Should there be a sustained downturn in the economy there is a risk that the scheme will cost more than estimated.
- 9.2. The community impact is reduced by keeping the calculation of entitlement as close to the previous CTB scheme as possible.

10. Other Implications

	Yes	No
Crime & Disorder		No
Climate Change and Biodiversity		No
Human Rights and Equality Impact		No
Safeguarding and Early Help		No
General Data Protection Regulations (GDPR)		No

11. Appendices

- 11.1 Draft Council Tax Reduction Scheme 2024 - 2025