

1. **Council Tax Support 2025-2026 - Draft Scheme for Working Age People for Consultation** (Pages 2 - 7)

CABINET MEMBERS DELEGATED DECISION

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	YES	
Lead Member: Councillor Alistair Beales E-mail: cllr.alistair.beales@west-norfolk.gov.uk		Other Cabinet Members consulted: Cabinet		
		Other Members consulted: Cllr Chris Morley, Portfolio Holder for Finance		
Lead Officer: Jo Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial: 01553 616349		Other Officers consulted: Michelle Drewery, s151 Officer		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) N/A				
Date meeting advertised: 18th July 2024		Date of meeting decision to be taken: 25th July 2024		
Deadline for Call-In: 1st August 2024				

COUNCIL TAX SUPPORT 2025/2026 – DRAFT SCHEME FOR WORKING AGE PEOPLE FOR CONSULTATION

Summary

The council must implement a Council Tax Support (CTS) scheme for its working age residents for each financial year. We must first decide on a draft CTS scheme which is open for public consultation, and then must agree a final CTS scheme, considering the consultation responses.

Since 2017, authority has been delegated to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft CTS scheme to go to consultation.

The CTS Scheme for 2024/2025 was amended to make it more generous, widen the eligibility criteria and bring it into line with the national CTS Scheme for pension age people. No further major changes are planned for the coming year and the draft CTS scheme for 2025/2026 is a continuation of the 2024/2025 CTS scheme.

Recommendation

The existing working age CTS scheme for 2024/2025 is agreed as the draft CTS scheme for 2025/2026 to go out to public consultation.

Reason for Decision

To ensure a CTS scheme for 2025/2026 is agreed by full Council by the deadline.

1. Background

- 1.1. The Council Tax Support (CTS) scheme helps residents in the area on low incomes with the cost of their council tax bill. We must review and agree the CTS scheme for our working age residents each financial year.
- 1.2. When deciding our CTS scheme for working age customers we must first consult with our major Preceptors (Norfolk County Council and Norfolk Police), then decide a draft CTS scheme to go to public consultation. Once the consultation has closed the final CTS scheme for 2025/2026 must be agreed by full Council by March 2025.
- 1.3. The local CTS Scheme was first introduced in 2013. The CTS scheme we implemented was based on the national pension age scheme, but everyone who was working age and not classed as vulnerable was expected to pay at least 25% of their weekly council tax bill. This contribution was reduced to 16% from April 2022.
- 1.4. From April 2024 we updated our CTS scheme so it is now the same as the national scheme for pension age people, and we will cover up to 100% of the council tax bill (this will be less than 100% if someone has more income than the amount allowed). This means there is now one common scheme for all eligible residents in our area.
- 1.5. We will also continue to ignore a higher amount of earnings in our local scheme and allow working people to keep an extra £10 of their earnings in addition to the standard amount.
- 1.6. Our working age CTS scheme principles are included at Appendix B.
- 1.7. CTS for pension age people is paid under national regulations. We are responsible for the administration of the pension age scheme, and we meet the cost of these claims, however central government is responsible for the rules of the scheme. Overall our working age CTS scheme rules are now the same as the national rules.

2. Delegated Power

- 2.1. **Draft Council Tax Support Scheme: Cabinet 28 November 2017 (Council 25 January 2018)**
- 2.2. **Minute CAB93:** Delegated authority is given to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft Council Tax Support (CTS) scheme to go out to public consultation.

3. Options Considered

- 3.1. The current economic uncertainty is continuing and households on lower incomes are still experiencing significant financial pressures. To recognise this we have implemented a more generous CTS scheme from April 2024. To provide ongoing stability and certainty for households on CTS, the

existing 2024/2025 scheme is recommended as the draft working age CTS scheme for 2025/2026 to go to public consultation.

3.2. However as with previous years there are other options which can be considered for our working age CTS Scheme.

3.3. Make the CTS Scheme more generous:

3.3.1. We could investigate ways to make our CTS scheme more generous for working age people, for example by reducing the weekly CTS by a lesser amount if someone has more income than they are allowed. The disadvantage is we would give more help to working age people than pension age people as we are unable to amend the rules for the pension age CTS scheme. We would also have two significantly different sets of rules for our CTS schemes.

3.4. Make the CTS Scheme less generous:

3.4.1. We could review the help we give people and pay less CTS. This would reduce the help we give people and would have a negative financial impact on households receiving CTS

3.5. Use a different model for our CTS Scheme

3.5.1. There are alternative CTS scheme models that can be considered for our working age scheme, such as a banded discount scheme, where a set percentage discount is awarded based on a person's income and household.

3.5.2. Changing our scheme to an alternative model will involve significant changes and financial disruption for our customers, and inevitably there will be winners and losers. It would also mean the rules for working age customers were different to those for pension age customers, and different to the rules for Housing Benefit, adding administrative complexity. There would also be a direct cost for upgraded software and professional support.

4. Policy Implications

4.1. This will be continuation of the existing 2024/2025 CTS Scheme with minor updates to reflect wider welfare reform changes.

5. Financial Implications

5.1. The cost of the CTS scheme is monitored on a monthly basis. The CTS caseload was declining since its peak during Covid in 2020 and 2021 but is now remaining relatively static.

	1 April 2024	1 June 2024
Pension age claims	4,206 (46%)	4,021 (45%)
Working age claims	5,017 (54%)	5,061 (55%)
Total CTS claims	9,223	9,262

5.2. As of 1 July 2024 we have awarded £10.8m in CTS support, which is an average of £1,177 per eligible household. CTS is a council tax discount so the impact on the budget is shown in Band D equivalent properties. As of 1

July 2024, this is 4,888 Band D equivalent properties compared to an estimate of 4,893 Band D properties in the Financial Plan. This is a slightly lesser impact than expected.

6. Personnel Implications

6.1. None

7. Statutory Considerations

7.1. We are required to agree a working age CTS scheme for 2025/2026 by March 2025, although in practice it must be agreed before the taxbase can be set in January 2025 to allow the budget and council tax setting process to proceed to timetable. Consultation on the draft working age CTS scheme is the start of the statutory process for implementing the CTS scheme for 2025/2026.

8. Equality Impact Assessment (EIA)

8.1. The pre-screening report template is attached at Appendix A. A full EIA is not required as this is a continuation of an existing policy.

9. Risk Management Implications

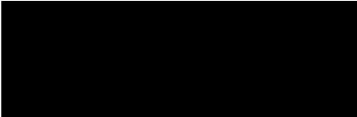


9.1. None

10. Declarations of Interest / Dispensations Granted

10.1. None

11. Background Papers

11.1. None

	16-07-24
Signed (Cllr Alistair Beales, Leader of the Council)	Date
	16/7/24
Signed (Cllr Chris Morley, Portfolio Holder for Resources)	Date
	15/JULY 2024
Signed (Michelle Drewery, s151 Officer and Assistant Director, Resources)	Date

**Appendix A:
Pre-Screening Equality Impact Assessment**

Borough Council of
King's Lynn &
West Norfolk



Name of policy	Council Tax Support Scheme 2025/2026				
Is this a new or existing policy/ service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	Council Tax Support is a discount given to residents on a low income to help with the cost of their council tax bill. The council is free to agree its own CTS scheme for working age people in its area.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age	✓			
	Disability	✓			
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
Other (eg low income)	✓				
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes	It is to help people on a low income with the cost of their council tax bill			
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	Yes	<p>Actions: The impacts are positive and will reduce the financial impact of the council tax bill for low income households in the borough. No further action is required.</p>			
		<p>Actions agreed by EWG member:</p>			
Assessment completed by: Name Jo Stanton					
Job title Revenues and Benefits Manager	Date 11 July 2024				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Appendix B – CTS Scheme from 1 April 2024

Our working age CTS scheme is broadly the same as the national CTS scheme for pension age people. This scheme assesses a household's income against an allowed amount, called an 'applicable amount'. If their income is less than the applicable amount, they receive full CTS covering 100% of their council tax bill. If it is more than the applicable amount their CTS is reduced by 20p for every extra £1 of income.

The main CTS Scheme Principles:

- Working Age people have their CTS calculated based on 100% of their weekly CTS bill, so can receive up to 100% support
- A weekly deduction is made for each non-dependent in the household (for example grown up children) depending on their income
- The maximum amount of Capital (money, savings, shares, investments etc) allowed is £16,000
- A 'tariff' income is assumed for capital between £6,000 and £16,000 of £1 for every £250 above £6,000
- Excess income is deducted from the CTS award at a rate of 20p for each £1 over the allowed amount

The CTS scheme also includes incentives to find work. People are allowed to keep an extra £10 (above the national limit) before their CTS is affected. This is known as a disregard and the amounts are:

- | | |
|-----------------------|-----|
| • Single | £15 |
| • Couple | £20 |
| • Disabled or a Carer | £30 |
| • Lone Parent | £35 |

We also have a local income disregard as below:

- War Pensions will be fully disregarded in the income calculation