

REPORT TO CABINET

Open		Would any decisions proposed:			
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide		NO	
		Need to be recommendations to Council		YES	
		Is it a Key Decision		YES	
Lead Member: E-mail: Cllr Chris Morley Cllr.chris.morley@west-norfolk.gov.uk			Other Cabinet Members consulted: Leader and Cabinet -Briefing 3 July 2024		
			Other Members consulted: Corporate Performance Panel		
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, Assistant Director, Resources and S151 Officer		
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening only	Risk Management Implications YES	Environmental Considerations 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If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) N/A					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 of meeting: 5 November 2024

COUNCIL TAX SUPPORT: FINAL SCHEME FOR WORKING AGE PEOPLE FOR 2025/2026

Summary

We operate a scheme which reduces the council tax bills of eligible working age people on low incomes known as the Council Tax Support (CTS) scheme. We are free to decide the rules for our own CTS schemes for working age people in our area, taking into account certain government requirements. There are national regulations for a CTS Scheme for customers who have reached pension age. **This report only refers to our CTS Scheme for working age people.**

Our CTS Scheme is reviewed annually and the rules can only be amended from the start of a financial year. Due to the Cost of Living crisis and financial pressures at the time our 2024/2025 CTS Scheme was made more generous and the criteria widened to include more people so it mirrored the national, more generous, scheme for pension age people. Given the ongoing economic climate a continuation of this scheme was agreed as the draft CTS scheme for 2025/2026 to go to public consultation.

The draft CTS Scheme was open to public consultation from 2 August 2024 to 15 September 2024. 8 responses were received and the results are summarised at section 4 and Appendix C. No further changes are proposed to the draft scheme following the consultation.

Recommendation

Cabinet is asked to note the consultation responses and to recommend to Council that the draft CTS scheme for 2025/2026 is implemented as the final working age CTS Scheme for 2025/2026. This must be agreed by full Council by 31 January 2025 ready for the start of the financial year on 1 April 2025

Reason for Decision

To ensure a CTS scheme for working age people for 2025/2026 is agreed by full Council by the deadline of 31 January 2025.

1. Introduction

- 1.1. We operate a scheme known as Council Tax Support (CTS) to help working age people on low incomes with the cost of their council tax bills. There are national regulations for the CTS Scheme for customers who have reached pension age.
- 1.2. The CTS regulations¹ require us to decide our own CTS scheme for working age people which we must review and agree each financial year, taking into account the government requirements to consider the impact on vulnerable groups and to incentivise work.
- 1.3. The CTS regulations set out the process we must follow when reviewing and agreeing our scheme². We must first consult with our major Preceptors (Norfolk County Council and the Police and Crime Commissioner), then decide a draft CTS scheme to go to public consultation. The final CTS scheme must then be agreed by full Council by March 2025, before the start of the new financial year, although for operational reasons a January 2025 deadline is imposed.
- 1.4. The draft CTS scheme for 2025/2026 was agreed by delegated decision and the report is available here <https://democracy.west-norfolk.gov.uk/ieListDocuments.aspx?CId=379&MId=6393&Ver=4&Info=1>.
- 1.5. This report now covers the final CTS Scheme for working age people for 2025/2026.

2. Statutory Requirements

- 2.1. The final CTS Scheme for working age people for 2025/2026 will be considered by Council on 28 November 2024. The CTS Scheme forms part of the council's taxbase which the regulations³ state we must calculate and notify to the major preceptors by 31 January 2025. Agreeing the scheme in good time in November gives certainty to the budget setting process for 2025/2026.

3. Options Considered

- 3.1 The CTS Scheme was fully reviewed for 2024/2025 and a number of options were considered. Given the economic circumstances at the time, with rising inflation and the Cost of Living Crisis, Council agreed that the CTS scheme would be made more generous from 2024/2025 to support our working age residents at a time of financial difficulty.

¹ S13A(2) Local Government Finance Act 1992

² Schedule 1A 3(1) Local Government Finance Act 1992

³ S8 The Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012

- 3.2 The Cost Of Living crisis is still an issue for many people on low incomes, so to give ongoing certainty to residents who may still be facing financial pressures, the 2024/2025 CTS scheme was recommended as the draft CTS Scheme for 2025/2026 to go to public consultation.
- 3.3 The draft scheme is a continuation of the 2024/2025 CTS scheme for working age people. This was made more generous with the maximum level of support available increased from 84% to 100% of the council tax bill, and the criteria widened to make more people eligible. The limits for the amount of money and savings someone can have remain at the higher level, and the reductions for other adults in the household are in line with the national pension age scheme.
- 3.4 Our scheme protects vulnerable working age people by ensuring everyone has their CTS calculated using the same, more generous, rules as pension age people. We encourage people to take up work by allowing them to keep £10 more of their earnings than the national scheme before it affects their CTS. A summary of the scheme rules is at Appendix B.
- 3.5 The CTS Scheme rules will also continue to reflect any relevant welfare benefit changes made to the working age Housing Benefit scheme or Pension Age CTS scheme.

4. Consultation Process

- 4.1. The CTS regulations state we must select consult our major preceptors then select a draft CTS Scheme to go to public consultation.
- 4.2. Norfolk County Council and Norfolk's Police and Crime Commissioner were consulted and have confirmed they are content with the continuation of the 2024/2025 CTS scheme into 2025/2026.
- 4.3. The public consultation ran for six weeks from 2 August 2024 to 15 September 2024. 8 surveys were completed, a decrease compared to the 41 responses received in 2024/2025, but this is probably to be expected given no changes are proposed to the scheme.
- 4.4. The full results of the survey, including all the comments, are included at Appendix C which should be read in conjunction with this section. The responses show the following:
 - The majority (63%) of people agree we should continue with the scheme,
 - Only one person who completed the survey is receiving CTS,
 - There was recognition of the support CTS gives to residents, including those who are vulnerable, and
 - One respondent wanted CTS restricted to reduce the impact on other council tax payers.

5. Financial Implications of Proposal

- 5.1. CTS is treated as a council tax discount and the financial impact is shown as Band D equivalent properties as part of our annual taxbase calculation. This forms part of the council tax and budget setting process for 2025/2026.
- 5.2. The overall cost of both the working age and pension age CTS schemes is shared between the Preceptors in proportion to their shares of the council tax

bill. Our share is 6.7%. This cost is accounted for in the Council Tax Base figure in our Financial Plan.

5.3. The actual amount of CTS awarded, and therefore the financial impact on our income, can be calculated by multiplying the number of Band D equivalent properties by the Band D council tax charge, either for the total charge to give the overall cost, or the preceptor's charge to give an individual cost.

5.4. The table below shows the estimated impact of the 2025/2026 CTS Scheme. The CTS Caseload is only showing small fluctuations, so the impact is based on the current figures as at 1 September 2024:

2024/2025	Band D Council Tax		Estimated Budget Impact
Reduction in Band D Equivalent Properties 2025/2026			4,879.7
Norfolk County Council	£ 1,672.11	75.5%	£ 8,159,371
Police and Crime Commissioner	£ 315.90	14.3%	£ 1,541,493
Borough Council	£ 148.37	6.7%	£ 723,999
Parish / Town Councils	£ 79.30	3.6%	£ 386,959
Total	£ 2,215.68	100.0%	10,811,822

5.5. The estimated impact is in line with the projections within our Financial Plan. We have 646 more band D equivalent properties in the taxbase than we estimated due to new properties being added to the council tax list (441 band D equivalent properties), the changes to the empty property levy (192 Band D equivalent properties) and a small reduction in the CTS caseload (13 band D equivalent properties). Therefore there is still enough flexibility to cover the impact of continuing with the 2024/2025 CTS Scheme into 2025/2026.

6. Recommendation

6.1 Cabinet notes the consultation responses and agrees to recommend to Council that the draft 2025/2026 CTS Scheme is implemented as the final CTS scheme for working age people for 2025/2026.

7. Equal Opportunity Considerations

7.1 The Equality Impact Assessment Pre-Screening form is included at Appendix A. The CTS scheme continues to have positive equality impacts as it maintains the more generous CTS support for those in vulnerable groups and those with relevant protected characteristics, whilst providing more help to customers not in vulnerable groups or covered by equality considerations.

8. Any other Implications/Risks

8.1 Failure to agree a CTS Scheme by 31 January 2025 means that we are unable to set our council taxbase and budget for 2025/2026. The recommendation is due to be considered by Council on 28 November 2024 which will allow certainty in the budget setting process.

8.2 The budget impact of the CTS scheme is based upon the household numbers described above which form the basis of the Financial Plan. The impact will be affected by the changing circumstances and demographic of our taxpayers; for example, household welfare, age mix and additional households entering our tax base.

- 8.3 The CTS scheme is based on an assessment of a household's income against an allowed amount. The cost-of-living crisis is not causing an increase in the CTS caseload as household incomes are generally stable or rising with higher wage and benefit increases. However, household expenditure is also increasing causing pressure on household budgets. Other support with these rising costs is being given by us (for example through the Household Support Fund), from government and from other organisations.
- 8.5 In the current economic climate, the risk assessment cannot be neutral, but it is considered that there is sufficient flexibility in our financial structure to withstand any adverse impact.
- 8.6 If the CTS caseload falls our taxbase and council tax income will increase, creating a surplus on the Collection Fund.
- 8.7 The impact of the CTS scheme is, and will continue to be, operationally reviewed monthly and reported to Members annually in October.

9. Corporate Priorities

- 9.1 The CTS Schemes supports the Corporate Priority to Support our Communities.

10. Personnel Implications

- 10.1. None

11. Environmental Considerations

- 11.1. None

12. Statutory Considerations

- 12.1. The regulations require us to agree a CTS Scheme for the 2025/2026 financial year by 11 March 2025, although in practice it has to be agreed by 31 January 2025 as it forms part of the council's taxbase and budget setting process.

13. Declarations of Interest / Dispensations Granted

- 13.1. None

14. Background Papers

- 14.2. None

Appendix A

Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy/service/function	Local Council Tax Support Scheme 2025/2026				
Is this a new or existing policy/service/function?	Continuation of an existing Policy				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>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 local scheme for the discount for working age people.</p>				
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			
<p>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?</p>	Possibly	<p>The CTS scheme is a means-tested discount. There may be a perception amongst people who do not qualify that they are at a disadvantage to those who do, as they cannot receive help and have to pay more council tax.</p>			
<p>3. Could this policy/service be perceived as impacting on communities differently?</p>	No				
<p>4. Is the policy/service specifically designed to tackle <u>evidence of disadvantage</u> or potential discrimination?</p>	Yes	<p>The CTS Scheme is designed to help people on low incomes or in receipt of certain welfare benefits 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	No	Actions:
		Actions agreed by EWG member:

If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:

The CTS Scheme is designed to help working age local residents on low incomes with the cost of their council tax bill. The help is provided through a discount on their council tax bill. The more generous CTS scheme of 2024/2025 is being continued for 2025/2026. This means more people will be eligible for help, and those already receiving help will see their CTS award stay at the higher amount. These impacts are all positive and will maintain the financial support given to residents.

There is potential for people who do not meet the means-testing eligibility to feel they are at a disadvantage to people who qualify for support. They may have to pay a higher council tax bill, a very small part of which is to cover the cost of the CTS scheme. To mitigate this there are other discretionary financial assistance schemes available to help people with the cost of their council tax bill if they are experiencing financial hardship but do not qualify for CTS.

Decision agreed by EWG member:C. Marriott.....

Assessment completed by:	
Name	Jo Stanton
Job title	Revenues and Benefits Manager
Date	4 September 2024

Appendix B

Summary of the Working Age and Pension Age CTS Scheme rules

	National Pension Age CTS Scheme	Our Working Age CTS Scheme
Maximum Level of Support	100%	100%
Capital Limit	£16,000	£16,000
Weekly Deduction for a Non-Dependant:		
• Not working	£4.60	£4.60
• Weekly Earnings under £236	£4.60	£4.60
• Weekly Earnings between £236-£410	£9.40	£9.40
• Weekly Earnings between £410-£511	£11.80	£11.80
• Weekly Earnings above £511	£14.15	£14.15
• Any other not included above	£0	£0
Weekly Earnings Disregard:		
• Single	£5	£15
• Couple	£10	£20
• Disabled or Carer	£20	£30
• Lone Parent	£25	£35
Self-employed people – earnings used	Actual earnings	Actual earnings
Second Adult Rebate ⁴	Included	Included

⁴ Certain people who do not qualify for CTS can receive a discount of up to 25% if they have a second adult living with them who is on a low income.

Appendix C – Consultation Survey and Responses

Summary of Consultation Survey Questions

No.	Question
1	I confirm I have read and understood the information on the CTS Consultation webpage
2	Do you agree or disagree with our proposals for making continuing with our Working Age CTS Scheme?
2a	What are your reasons for your answer?
3	<p>We would like to hear your views on any other changes you think we should make to our CTS scheme and the reasons for these.</p> <p>We would also like to know what you think the impact will be on both people receiving CTS, and other council tax payers who will be impacted by the financial effects of any changes to our CTS scheme.</p>
3a	The changes I would propose are:
3b	The reasons for these changes are:
3c	The impact on Council Tax Support recipients and wider council tax payers will be:
4	Equality Questions
4a	Do you receive CTS?
4b	Are you Male / Female / Other / Prefer not to Say
4c	What is your age group?
4d	Are your day to day activities limited because you have a disability?
4e	What is your Ethnic Group?

Responses to Survey Questions

			<p>We would like to hear your views on any other changes you think we should make to our CTS scheme and the reasons for these. Please use the space below to explain what changes you would like to see and the reasons for this.</p> <p>We would also like to know what you think the impact will be on both people receiving CTS, and other council tax payers who will be impacted by the financial effects of any changes to our CTS scheme.</p>		
	<p>Do you agree or disagree with our proposals for continuing with the CTs Scheme?</p>	<p>What are the reasons for your answer?</p>	<p>The changes I would propose are:</p>	<p>The reasons for these changes are:</p>	<p>The impact on Council Tax Support recipients and wider council tax payers would be:</p>
1	Agree	My wife And I claim it.. as I am her Carer ..My wife is disabled and gets PIP.. we could not afford to live anywhere if we did not get Council Tax Support			
2	Agree				

3	Disagree	Those of us paying seem to be hit so hard on every issue. Everyone should contribute something as those benefitting the most from the services appear to pay little or in some case nothing at all.	The endless list of those eligible for a reduction or totally free council services and support reduce those of us paying into the pot. Please restrict the handouts and reductions to the basics without the frills as there appears to be little incentive for some to move out of their unfortunate situations if and when there is a possibility.	As above	It is so easy for those dishing out the generous support and showing compassion when others foot the bill.
4	Agree				

5	Agree	<p>Because of the existing levels of poverty and hardship than are evident throughout our ward, Hunstanton and surrounding area. Even though this wider area has great wealth in pockets, there are serious issues with the number of families still experiencing financial hardship. I see this directly through my work as a Foodbank Trustee and it is stunning the levels of poverty and hardship in our community.</p>	<p>Could the means-testing measures be simplified? If not I hope the BC would provide resources to proactively support those eligible.</p>	<p>It is well-established that (a) many social benefits have an over-complicated application / eligibility process, and (b) this can act as a turn-off and indeed a preventive factor. As a principle, the provider should make things as easy and accessible as possible.</p>	<p>The means testing looks fiddly and may well deter eligible people. Describing this as an "impact" on CT payers is in my view the wrong framing, and just plays to those who want services to be cut whatever the effect. The actual impact is presumably known to the BC and perhaps might have been included here, to avoid harmful speculation. I suspect its impact is negligible and anyway should be read against the impacts of other BC programmes.....</p>
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6	Agree	people need support still	not giving £35 to single parents. Why do they need more than a carer or disabled working person with children? More than a single person with children? They don't. I think £25 would be adequate.	They seem mis-judged.	A little cheaper.
7	Disagree				
8	Disagree	Unfair to get penalised for a 19yr old in work no help what's so ever for myself or daughter aged 12	Discount even thoe I have a child in work who lives with me	He can build his own future with out being penalised	People would appreciate the help

Continuing the Scheme?	
Agree	5
Disagree	3
Total	8
Receiving CTS	
Yes	1
No	7
Total	8
Gender	
Male	4
Female	4
Total	8
Disability	
Yes	1
No	6
Prefer Not To Say	1
Total	8
Age	
25-34	1
35-44	1
45-54	1
55-64	3
65-74	2
75+	0
Total	8