

CABINET



URN: 23-047

Report Title: Council Tax Support – Options for 2024/25 Scheme

Report to: Cabinet

Date of meeting: 11 September 2023

Responsible Cabinet Member: Councillor Carl Smith Portfolio Holder for Governance, Finance and Major Projects

Responsible Director / Officer: Miranda Lee – Head of Customer Services

Is this a Key decision ? Yes

Date added to Forward Plan of Key Decisions if a Key Decision:

EXECUTIVE SUMMARY / INTRODUCTION FROM CABINET MEMBER

This report outlines options for Great Yarmouth Borough Council's Local Council Tax Support Scheme for 2024/25 for Members to consider in relation to public consultation on next year's scheme.

RECOMMENDATIONS :

That Cabinet grants permission to consult on the options as outlined within the report for the 2024/25 Local Council Tax Support Scheme.

1. Introduction

1.1 On the 1 April 2013 the Council introduced a new Local Council Tax Support Scheme which replaced Council Tax Benefit following the Government announcement in the Spending Review 2010 that financial support for council tax would now be localised.

1.2 In designing a local scheme, the council had to consider:

- The amount of funding provided to local authorities to run a localised scheme would be approximately 10% less than was spent on the previous Council Tax Benefit Scheme.
- Support for pensioners must be protected and would not be affected by the local scheme, meaning that the rules around a localised scheme would only apply to those customers of a working age.

1.3 The Great Yarmouth Borough Council Scheme for 2023 was introduced following a consultation with the public. The scheme was decided by Council on 15 December 2022.

2. Current Scheme

- 2.1 There have been minimal changes to the scheme since its first introduction and financial assistance for those classed as working age customers has been limited to a maximum of 91.5% of their council tax liability. Those customers of pension age are unaffected by the Council Tax Support Scheme and continue to receive the same financial level of assistance as they did under the Council Tax Benefit Scheme.

3. Requirements For Further Consultation

- 3.1 There is a legal requirement to conduct a further consultation where the Council is considering changing the Council Tax Support Scheme for future years. Even where only minor changes or no changes are made, it is considered best practice to consult each year.

4. Options to Consider for Consultation

Option 1 – Retain the current scheme by maintaining the level of financial award for working age customers at a maximum of 91.5% of their Council Tax liability.

Option 2 – Reducing the maximum level of financial award for working age customers to 87.5% of their Council Tax Liability.

Option 3 – Reducing the maximum level of financial award for working age customers to 85% of their Council Tax Liability.

Option 4 – Reducing the maximum level of financial award for working age customers to 80% of their Council Tax Liability.

Option 5 – Reducing the maximum level of financial award for working age customers to 75% of their Council Tax Liability.

In considering these options we can also look to protect customers that may be more vulnerable. They would be protected from a reduced maximum award in options 2 to 5 and would continue to be entitled to a maximum award of 91.5% if in receipt of the benefits below.

- Armed Forces Independence Payments
- Attendance Allowance – Higher Rate
- Attendance Allowance – Lower Rate
- DLA Higher Care
- DLA Middle Care
- DLA Lower Care
- DLA Higher Mobility
- DLA Lower Mobility
- PIP Daily Living Enhanced
- PIP Daily Living Standard
- PIP Mobility Enhanced
- PIP Mobility Standard
- Severe Disability Allowance
- War Disablement Pension
- Carers Allowance
- Bereavement Support Payment

5. Financial Implications

- 5.1 Customers of Pension Age are fully protected from any reductions in the maximum amount of award for council tax support so will continue to receive up to 100% of their council tax liability depending on their circumstances.
- 5.2 The cost of the Local Council Support Scheme is split amongst the Norfolk precepting authorities and takes the form of a local discount on the local authority's tax base.
- 5.3 The overall cost of the 2023 scheme and the options shown above are based on a snapshot of 2023 liabilities as shown in the table below.
- 5.4 When considering the options to reduce the maximum award, we should look to make provision for a local hardship fund to be in place to help mitigate cases where financial hardship is identified.
- 5.5 We should also look to identify funding for the administration of the hardship fund along with the resources required in our Early help Hub to provide financial and wider support to those who may be more adversely impacted by any changes in the scheme.
- 5.6 As part of the consultation process in relation to potential changes to the scheme, we would look to secure the appropriate level of financial support from the Police and Norfolk County Council to fund the hardship fund and wider support needs from the more significant reductions in their costs as detailed in Appendix 1.
- 5.7 Appendix 1 also provides a breakdown of the financial impact in considering these options with protections for some people in place and for without these protections. The tables below also include a recommended budget which would be required on each of the options.

Total Cost of scheme £ 10,543,678 (Working age and Pension age)

Table 1 - Total Caseload (10,829) *Snapshot Working Age 6,845 Pension Age 3,984

Working Age Household Type	Caseload
Singles	3,287
Couples	638
Lone Parents	2,132
Families	788

Table 2 – With protections in place (2679 cases protected)

Options on Maximum Award	Current Expenditure Working Age	Revised Expenditure Working Age	GYBC Reduction in Expenditure	Recommended Hardship Fund
Option 1 - 91.5%	£6,111,195	£6,111,195	£0	
Option 2 - 87.5%	£6,111,195	£5,253,448	£74,623	£125,000
Option 3 - 85%	£6,111,195	£5,164,740	£82,341	£200,000
Option 4 - 80%	£6,111,195	£4,990,659	£97,486	£350,000
Option 5 - 75%	£6,111,195	£4,821,158	£112,233	£500,000

Table 3 – Without protections in place

Options on Maximum Award	Current Expenditure Working Age	Revised Expenditure Working Age	GYBC Reduction in Expenditure	Recommended Hardship Fund
Option 1 - 91.5%	£6,111,195	£6,111,195	£0	
Option 2 - 87.5%	£6,111,195	£5,134,509	£84,971	£125,000
Option 3 - 85%	£6,111,195	£4,971,643	£99,141	£200,000
Option 4 - 80%	£6,111,195	£4,646,580	£127,160	£350,000
Option 5 - 75%	£6,111,195	£4,332,564	£154,740	£500,000

6. Risks

6.1 There are risks that should be considered if we reduce the current level of financial support.

- a) We need to consider the impact any reduction on households who may be struggling with the wider 'cost of living' issues.
- b) We also need to consider the impact on workloads as the more cases that fall into arrears, the more work is involved in trying to recover the council tax.
- c) In turn, this could also impact on overall collection and income for the council and other preceptors.

6.2 In part these risks are mitigated by consideration of protection for certain more vulnerable groups, and by provision of a hardship scheme and wider support to help households which may struggle to pay their council tax or are adversely impacted by any changes to the scheme.

7. Recommendation

- 1) To grant permission to consult on the five options as outlined in this report for the 2024/25 Council Tax Support Scheme.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Consultations	Comment
Monitoring Officer Consultation:	Yes as part of ELT, consultation of the scheme, legality and regulations
Section 151 Officer Consultation:	Yes, financial cost of scheme
Existing Council Policies:	
Equality Issues/EQIA assessment:	Yes

Appendix 1 - Overall Costings for options to consider

Table 1 with protections (2679 cases protected)

Scheme Type	Overall Cost for Working Age/Pension age current	Overall Cost for Working Age only	Total Reduction from Current Working Age with protections	GYBC Reduction from Current Working Age (8.7%)	Norfolk Police Reduction from Current Working Age (14.6%)	Norfolk County Council Reduction from Current Working Age (76.7%)	Total Hardship Fund Contribution
Current 91.5%	£10,543,678	£6,111,195	n/a				
Caseload	10,829	6,845					
87.5% with Protection		£5,253,449	£857,747	£74,624	£125,231	£657,892	£125,000
85% with Protection		£5,164,740	£946,455	£82,342	£138,182	£725,931	£200,000
80% with Protection		£4,990,660	£1,120,535	£97,487	£163,598	£859,451	£350,000
75% with Protection		£4,821,159	£1,290,037	£112,233	£188,345	£989,458	£500,000

Table 2 without protections

Scheme Type	Overall Cost for Working Age/Pension age current	Overall Cost for Working Age only	Total Reduction from Current Working Age without protections	GYBC Reduction from Current Working Age (8.7%)	Norfolk Police Reduction from Current Working Age (14.6%)	Norfolk County Council Reduction from Current Working Age (76.7%)	Total Hardship Fund Contribution
Current 91.5%	£10,543,678	£6,111,195	n/a				
Caseload	10,829	6,845					
87.5% without Protection		£5,134,510	£976,685	£84,972	£142,596	£749,118	£125,000
85% without Protection		£4,971,643	£1,139,552	£99,141	£166,375	£874,037	£200,000
80% without Protection		£4,649,580	£1,461,615	£127,161	£213,396	£1,121,059	£350,000
75% without Protection		£4,332,565	£1,778,631	£154,741	£259,680	£1,364,210	£500,000

