

**ECONOMY AND RESOURCES SCRUTINY COMMITTEE
2 NOVEMBER 2023**

COUNCIL TAX SUPPORT - SCHEME APPROVAL 2024-25

SUMMARY REPORT

Purpose of the Report

1. To consider the draft Council Tax Support (CTS) scheme for 2024-25 before recommendation by Cabinet on 7 November 2023 and approval by Council on 30 November 2023.

Summary

2. On 22 November 2022, Council approved the local CTS scheme for 2023-24 and the scheme became operational on 1 April 2023.
3. Councils are required to set a CTS scheme each year and as part of that exercise:
 - (a) Consider whether any changes should be made to the existing scheme, and
 - (b) Where changes are made, consider what transitional protection, if any, should apply to anyone affected by those changes.
4. This report sets out the details of the CTS scheme for 2024-25. No significant changes are proposed to the existing scheme.

Recommendation

5. It is recommended that :-
 - (a) Members consider the draft CTS scheme for 2024-25 at Appendix 1 and agree its onward submission to Cabinet.

Reasons

6. The recommendations are supported by the following reasons :-
 - (a) The Council is required to publish a local CTS scheme for 2024-25 by 11 March 2024.
 - (b) The CTS schemes since 2013 have all been implemented successfully without any major challenges.
 - (c) The continued application of a reduced entitlement for working aged people is still appropriate, given the current financial position of the Council.

Anthony Sandys
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Background Papers

- (i) Local Government Finance Bill 2012
- (ii) Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012

AnthonySandys: Extension 6926

S17 Crime and Disorder	There are no issues
Health and Wellbeing	The CTS scheme may have an adverse impact on the health and well-being of low income groups
Carbon Impact and Climate Change	There is no impact in this report
Diversity	Working aged recipients of CTS are treated differently to pensioners, whose CTS entitlement is decided under a national set of regulations
Wards Affected	All wards are affected but in particular, those with higher numbers of people claiming CTS
Groups Affected	Working age recipients of CTS are affected by the local scheme. Pensioners are protected under a national set of regulations.
Budget and Policy Framework	The issues contained within this report do not represent a change to Council budget or the Council's policy framework
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
Council Plan	This report supports the Council Plan to maximise Council Tax income
Efficiency	The operation of the local CTS scheme continues to represent a significant financial challenge to the Council and other precepting authorities
Impact on Looked After Children and Care Leavers	Care leavers under the age of 25 are exempt from Council Tax and are therefore unaffected by the CTS scheme

MAIN REPORT

Information and Analysis

7. Since 2013, the previous national Council Tax Benefit scheme was replaced with local CTS schemes, designed and administered by local authorities. Grants are paid to local authorities to fund CTS, but the overall amount does not fully meet actual expenditure levels.
8. The Council is required to design and publish a new CTS scheme each year, in time to implement for annual Council Tax billing. A full public consultation exercise and an equality impact assessment were undertaken on the initial scheme in 2013.
9. Each year, the Council has to consider whether any changes should be made to the existing scheme and, where changes are made, consider what transitional protection, if any, should apply to anyone affected by those changes.
10. Each year's scheme then has to be approved by full Council.
11. The key feature of Darlington's CTS scheme is that working aged people can only receive a maximum of 80% support towards their Council Tax. From April 2023, care leavers under the age of 25 were made exempt from Council Tax, under our discretionary powers. Therefore, they are unaffected by the CTS scheme. Pensioners are protected under a national set of regulations.
12. No other changes are recommended for the 2024-25 CTS scheme however, Members should note the following:
 - (a) The applicable amounts in Table 1 and non-dependant deductions in Table 2 are those amounts currently applied to the 2023-24 CTS scheme and will be uprated for 2024-25. The uprated amounts will be calculated with reference to the amended Prescribed Requirement regulations and Social Security Benefits Up-rating Order. These regulations will be published in January 2024 and the CTS scheme for 2024-25 will therefore be amended before publication.
 - (b) Any other changes to the Prescribed Requirements regulations 2024 will also be incorporated into the CTS scheme for 2024-25 before publication. These changes are for reference only and do not represent a change to the local CTS scheme.

Financial Implications

13. The recommendation in paragraph 5 will not have any significant financial implications and therefore it is not intended to amend the budget in the MTFP.