

<b>REPORT TO:</b>		Resources Overview & Scrutiny Committee	
<b>DATE:</b>		10 December 2024	
<b>PORTFOLIO:</b>		<b>Cllr Vanessa Alexander – Resources and Council Operations</b>	
<b>REPORT AUTHOR:</b>		Lee Middlehurst Head of Benefits, Revenues and Customer Contact	
<b>TITLE OF REPORT:</b>		Council Tax Support scheme	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>Options</b>	Not applicable	
<b>KEY DECISION:</b>	<b>Options</b>	If yes, date of publication:	

**1. Purpose of Report**

- 1.1 To provide Overview and Scrutiny with an overview of the Council Tax Support (CTS) Scheme and the Councils approach to the administration of this scheme.

**2. Recommendations**

- 2.1 That Overview and Scrutiny note the contents of the report and comment accordingly

**3. Reasons for Recommendations and Background**

- 3.1 Overview and Scrutiny have requested this report for information purposes only.
- 3.2 The Welfare Reform Act 2012 abolished Council Tax Benefit as a national scheme in which claimants on low incomes and other main state benefits can claim up to 100% of their Council Tax liability as a benefit. All English Local Authorities were instructed to prepare and implement a local scheme to replace Council Tax Benefit and to do so with 90% of the funding previously awarded to fund Council Tax Benefit.
- 3.3 Government funding for the previous Council Tax Benefit scheme was demand-led, whereas Council Tax Support will be funded by a cash-limited grant which will be 10% lower than our 2011/2012 Council Tax Benefit spend. This meant that our funding for Council Tax Support in 2013-14 was £812k lower than 2011/2012.

- 3.4 Following a public consultation which took place between 13 August 2012 and 4 November 2012, Hyndburn's' CTS scheme was approved by Council on 24 January 2013, the main principal being all claimants of working age will have to pay a minimum of 20% of their Council Tax liability. **All current Council Tax Benefit claims will be reduced by 20%. This means that no working age claimant will be entitled to have 100% of their Council Tax liability met through CTS from April 2013.**
- 3.5 The CTS scheme approved by Council, also included provision with regard to –
- Backdating will be reduced to three months
  - Other adults in the household should contribute more towards Council Tax
  - Second Adult Rebate will no longer be available
  - All capital and savings will be included in the calculation of Council Tax Support.
  - Self-employed claimants must provide accurate accounts
- 3.6 Pensioner age applicants were excluded from the reforms and they continue to receive up to 100% of their Council Tax liability as Council Tax Support.

#### 4. Review of CTS Scheme

- 4.1 Following a public consultation which took place between 07 September 2015 and 29 November 2015, a revision to Hyndburn's' CTS scheme was approved by Council on 21 January 2016, **the main principal being all claimants of working age will have to pay a minimum of 27% of their Council Tax liability from 01 April 2016.**
- 4.2 In addition to this change a number of assessment criteria for CTS were amended changed to bring the CTS scheme in line with changes being made on a national level to Housing Benefit Regulations. These were:
- Backdating of claims to reduce backdating to four weeks.
  - The revised scheme proposes the removal of Family Premium from CTS from April 2016 to bring the scheme in-line with changes in the Housing Benefit Regulations from 2016
  - The revised scheme proposes that applicable amounts for CTS were frozen for four years to bring the scheme in line with Housing Benefit Regulations
- 4.3 Following a public consultation which took place between 25 July 2016 and 14 October 2016, a revision to Hyndburn's' CTS scheme was approved by Council on 05 January 2017, **the main principal being all claimants of working age will have to pay a minimum of 30% of their Council Tax liability from 01 April 2017.**
- 4.4. In addition to this change a number of assessment criteria for CTS were amended changed to bring the CTS scheme in line with changes being made on a national level to Universal Credit and Housing Benefit. These were:

- Removal of the Severe Disability Premium for Housing Benefit and Universal Credit (Carer's Element) cases.
- Limiting dependants' additions to two for all dependants born after April 2017
- Removal of the Employment and Support Allowance Work Related Activity Group component for all new claims from April 2017.
- Removal of the automatic entitlement to Housing Benefit or the housing element of Universal Credit for new claims from 18-21 year olds who are out of work from April 2017 – certain exemptions will apply.

4.5 Following a public consultation which took place between 13 September 2019 and 05 December 2019, a minor revision to Hyndburn's' CTS scheme was approved by Council on 16 January 2020, that local income disregards are amended to mirror those used in the assessment of Universal Credit. ***The main principal being all claimants of working age would continue to pay a minimum of 30% of their Council Tax liability from 01 April 2020 remained in place.***

4.6. A summary of the principal amendments to the CTS scheme are shown in the table below:

Year	Working Age – Maximum CTS award %	Pension Age – Maximum CTS award %
Pre April 2013	100	100
01 April 2013	80	100
01 April 2016	73	100
01 April 2017	70	100
01 April 2020	70	100

4.7 The current caseload for CTS recipients is shown below (rounded) –

<b>Working Age cases</b>	4100
<b>Pension Age cases</b>	2500

**5. Comparison of Hyndburn’s CTS Scheme to other Lancashire Authorities**

5.1 The table below provides a comparison of the CTS schemes, and, the maximum award for working age applicants across Lancashire Authorities:

<b>Authority</b>	<b>Council tax support scheme Max.% to working age claimants</b>
Blackburn	78
Blackpool	72.89
Burnley	95
Chorley	100
Fylde	77.3
Hyndburn	70
Lancaster	100
Pendle	80
Preston	80
Ribble Valley	100
Rossendale	80
South Ribble	100
Wyre	100

**6. Alternative Options considered and Reasons for Rejection**

6.1 N/A

**7. Consultations**

7.1 N/A

**8. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	n/a
<b>Legal and human rights implications</b>	n/a
<b>Assessment of risk</b>	n/a

<p><b>Equality and diversity implications</b>  <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>n/a</p>
--	------------

**9. Local Government (Access to Information) Act 1985:  
List of Background Papers**

9.1 A copy of the Council meetings referred to above are available online –

<https://democracy.hyndburnbc.gov.uk/ieDocHome.aspx?bcr=1>

9.2 A copy of the Councils current CTS policy is available online –

<https://www.hyndburnbc.gov.uk/counciltaxsupport-2/>

**10. Freedom of Information**

10.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.