

# Cheltenham Borough Council

## Cabinet – 7 November 2023

### Local Council Tax Support Scheme 2024/25

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member Finance and Assets

**Accountable officer:**

Jayne Gilpin, Head of Revenues and Benefits

**Ward(s) affected:**

All

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**Key Decision:** Yes

**Executive summary:**

Each year the council is required to consider and approve its Local Council Tax Support Scheme for working age customers. Cabinet is being asked to adopt the proposed scheme and recommend that Council approves it as the Council's scheme for 2024/25.

**Recommendations: That Cabinet:**

1. notes the outcome of the consultation on the Local Council Tax Support Scheme in Appendix 3
  2. approves the Local Council Tax Support Scheme for working age customers in Appendix 4 and summarised in Appendix 5 as the preferred option for 2024/25
  3. recommends that Council approves the proposed Local Council Tax Support Scheme for working age customers for 2024/25
  4. recommends that Council gives authority to the Executive Director for Finance Assets and Regeneration in consultation with the Cabinet Member Finance and Assets to uprate any premiums, allowances and determine the income levels in line with any increase in Welfare Benefits by 23 February 2024
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## 1. Implications

### 1.1 Financial, Property and Asset implications

Since 2013/14 the Local Council Tax Support (LCTS) scheme operates in a similar way to other council tax discounts, such as for empty properties or single person occupiers. Rather than being accounted for as a benefit cash payment, the council tax base is reduced. Whilst this has no impact for the individual council tax payer, a lower council tax base reduces the tax yield to this Council, Gloucestershire County Council, Gloucestershire Police Authority and parish councils. Any Government funding towards the scheme was rolled in to revenue support grant, which ceased for this council in 2018/19. We must therefore must fund our share of the cost of the scheme.

The proposal to continue with the scheme in 2024/24 and confirm the income levels once the increase in welfare benefits is known will ensure that the same level of support is provided to our most vulnerable residents

**Signed off by:** Gemma Bell, Director of Finance and Assets [gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

### 1.2 Legal implications

The Local Council Tax Support Scheme "LCTS" is required under section 13A of the Local Government Finance Act 1992 ("the Act"). The Act states that for each financial year, billing authorities must consider whether to revise their LCTS scheme or replace it with another scheme.

The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, the local authority must, in the following order:-

1. consult with any major precepting authorities
2. publish the draft scheme
3. consult other parties likely to have an interest in the scheme

The prescribed regulations also set out the matters that must be included in such a scheme. The authority is required to publish the scheme in such manner as they think fit

**Signed off by:** Vikki Fennell, Senior Lawyer, [Vikki.fennell@onelegal.org.uk](mailto:Vikki.fennell@onelegal.org.uk)

### 1.3 Environmental and climate change implications

There are no environmental and climate change implicates arising from the content of the report or recommendations.

### 1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

### 1.5 Equality, Diversity and Inclusion Implications

The Local Council Tax Support Scheme continues to provide 100% support to low income households and no changes to the scheme conditions are being proposed. We monitor whether any groups are adversely affected by the scheme part of the annual review and aim to mitigate them. An equality impact assessment in in Appendix 2.

### **Performance management – monitoring and review**

The proposed scheme if approved will be monitored closely by officers throughout the year and will be reviewed before developing the scheme for 2025/26

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## **2 Background**

- 2.1 Prior to each financial year the Council is required to determine a Local Council Tax Support Scheme to help working age people on low incomes pay their council tax.
- 2.2 The Council is also required to administer, but cannot alter, the national council tax support scheme for pension age customers.
- 2.3 The local council tax support scheme works in a similar way to other council tax discounts. The tax base is reduced due to the amount awarded and therefore the income from council tax is reduced. The full cost is met by this council, Gloucestershire County Council, Gloucestershire Police Authority and the parish councils in proportion to the share of the council tax.
- 2.4 The local council tax support scheme for working age people from 2013/14 to 2018/19 in Cheltenham continued to mirror the previous council tax benefit scheme whilst the majority of Councils reduced support and no longer offer 100% reduction.
- 2.5 In 2019/20 a council tax support scheme based on five income bands was introduced in with the highest band providing support at 100% of the council tax liability. Support then reduces to 80%, 60%, 40% and 20% as household income increases.
- 2.6 The scheme ensures that 100% support continues to be available for the most vulnerable residents.

## **3 Local Council Tax Support Scheme Caseload**

- 3.1 As at October 2023 just under £4.3 million was being awarded to 4,483 working age recipients. 2,700 of these recipients, which is 60%, are receiving the maximum 100% support due to being on the lowest incomes.
- 3.2 The caseload did rise by more than 25% during the coronavirus pandemic and although it has reduced significantly, it remains above pre-pandemic levels.
- 3.3 The number has so far remained stable during 2023/24 and is not expected to change significantly during 2024/25.

## **4 Reasons for Recommendation**

- 4.1 The proposed scheme for 2024/25, as summarised in appendix 5, continues to be based on five income bands with the highest band providing support at 100% of the council tax liability, reducing to 20% as household income increases.

- 4.2 The income levels for each band are increased each year to keep in line with increases in welfare benefits. This ensures that we continue to provide the same level of support to low income households.
- 4.3 At this stage it is uncertain by how much welfare benefits will increase next year. The Government usually announces the increase in late December/early January each year. Authority will be sought from Council for the Executive Director for Finance, Assets and Regeneration in consultation with the Cabinet Member Finance and Assets, to apply the appropriate increase to the income bands once the rise in welfare benefits has been confirmed.
- 4.4 This will ensure that the most vulnerable individuals and families continue to receive the highest level of support.
- 4.5 No other changes are being proposed to the scheme conditions for 2024/25.
- 4.6 A discretionary hardship relief scheme is in place which can support customers with exceptional circumstances and/or financial hardship

## **5 Alternative options considered**

- 5.1 None. The Council is required to approve a Local Council Tax Support Scheme for working age people

## **6 Consultation and feedback**

- 6.1 A consultation exercise was undertaken between 22 August 2023 and 2 October 2023 seeking views on whether the Council should continue to ensure that the most vulnerable residents receive 100% support.
- 6.2 The consultation attracted 30 responses. Of the 30 respondents, 20 (67%) either agreed or strongly agreed that 100% support should continue, 4 (13%) were neutral and 6 (20%) either disagreed or strongly disagreed to continue with 100% support.
- 6.3 Detail of the consultation results are in Appendix 3

## **7 Key risks**

- 7.1 The risks are in appendix 1

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### **Report author:**

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### **Appendices:**

- i. Risk Assessment
- ii. Equality Impact Assessment
- iii. Consultation analysis and responses
- iv. Summary of draft scheme
- v. Draft scheme conditions for 2024/25

## **Background information:**

1. The Local Government Finance Act 1992, amended by the Local Government Finance Act 2012  
<http://www.legislation.gov.uk/ukpga/2012/17/contents>
2. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012  
<http://www.legislation.gov.uk/uksi/2012/2885/contents/made>
3. The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017  
[http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi\\_20171305\\_en.pdf](http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi_20171305_en.pdf)

