

Recommendations of Overview and Scrutiny Committee

6.1 Overview and Scrutiny Committee – 17 July 2024

6.1.1 Council Tax Support Scheme 2025/26

Consideration was given to a report of the Head of Finance and Revenues which set out the Member Panel's feedback and their recommended principles for a proposed Council Tax Support scheme for adoption in 2025/26.

The Council is required to have a Council Tax Support (CTS) scheme to assist residents with their liability to pay Council Tax. The scheme must meet the prescribed requirements published by central government for pension-age residents. Since 2013, the Council has had significant control over the design of what is now a local scheme in respect of working-age residents.

At the Overview and Scrutiny Committee meeting in February 2024, it was agreed that a Member Panel would be set up to review options for a CTS scheme from 2025/26.

A Panel was formed, comprising Cllrs Burnage, Cattell, Dunleavy and Matthews, led by Cllr MacDonald. Between March and June, the Panel reviewed the current CTS scheme, considered drivers for change, and agreed some recommended principles which fed into the design of three CTS models.

Following a recommendation from the Panel an additional income band has been included at the higher level but with a lower rate of support which will include more households not currently entitled to support based on their income. The Panel also explored why those households were losing out in the proposed scheme. In the majority of cases, these are households with capital exceeding £6,000.

Members considered whether £6,000 was an appropriate capital limit to be used in the proposed scheme. Universal Credit's capital limit has a lower limit of £6,000 and an upper limit of £16,000. The current CTS scheme has a hard limit of £6,000. Members were keen to ensure that a new CTS scheme is aligned with the Universal Credit limits.

Once approved any further changes will need to go out to consultation and through the democratic process.

The report offered 3 Models which members reviewed and considered the impact on households, both where the level of support would increase and decrease in comparison to the current scheme.

Resolved:

That feedback from the Member Panel relating to a review of potential options to amend the Council Tax Support scheme for 2025/26, including consideration of a suitable capital limit for the new scheme be agreed and recommended to Cabinet.

Recommended to Cabinet:

- 1. Recommendations of the Panel; that a draft Council Tax Support scheme for 2025/26, based on Model 3 (para 3.10) and the principles set out in section 4 of the report be put to public consultation.**
- 2. That the Council Tax Support scheme aligns with Universal Credit's capital of £6,000 lower limit and £16,000 upper limit.**