

<b>Report to:</b>	Council	<b>Date:</b> 17 January 2025
<b>Subject:</b>	LOCAL SCHEME OF COUNCIL TAX SUPPORT	
<b>Report of</b>	Cabinet Member for Finance and Communities	

### Summary

1. Each year local authorities are required to formally approve their Council Tax Support Scheme. The scheme must be approved by Full Council and must be considered as part of the budget setting process. As part of the process, local authorities are required to consider whether to revise their existing scheme or replace it with a new one.
2. The report outlines the background, current scheme, context of overall Welfare Reform and recommendations for delivering a local scheme of Council Tax Support with effect from April 2025

### Recommendation(s)

3. the scheme continues in its current form for the year 2025/26
4. the current disregard of all War Widow's/Widower's Pension or War Disablement Pension is continued
5. the performance of the scheme continues to be closely monitored and will be reviewed and amended as appropriate on an annual basis.

### Reasons for recommendation(s)

6. The Council is required to set a local scheme for Council Tax Reductions, these recommendations are the same as in previous years based on an affordable model to support low-income households in Bury

### Alternative options considered and rejected

7. The scheme for pensioners is determined by statute and the council has discretion regarding the award of council tax reductions for working age residents, the details of the scheme were last reviewed and consulted upon in 2017. A detailed review of new options for the scheme will take place in 2025/26 with a view to simplifying the scheme and proposals put before Cabinet.

---

### Report Author and Contact Details:

*Name: Chris Brown*

*Position: Head of Corporate Collection and Support*

*Department: Finance*

## **Background**

9. The original local scheme was introduced in Bury from April 2013. This was amended in 2017 so that the maximum amount that any working age claimant could receive is 80% of the liable Council Tax charge

### **COUNCIL TAX SUPPORT SCHEME 2025/2026**

10. The Council is required to review and amend its scheme annually.
11. In doing this it is necessary to consider a variety of factors:
  - Performance of the scheme
  - The level, and adequacy, of Government funding for 2025/26
  - The Council's overall financial position
  - Options for changing the scheme if required
  - The outcome of the previous consultation

#### ***Performance of the Scheme***

12. The overall operation of the scheme is meeting its objectives during the financial year 2024/25. The cost of the scheme is similar to the previous year and the live caseload for both working age and Pensioners continues to reduce.
13. As in 2023/24 the Council continues to see an increase in the number of claimants who are in arrears on the amounts of council tax that they owe. Working practices have been amended to try and minimize the number of these accounts that proceed to recovery through the courts and beyond. The council is working hard to support it's residents who may be experiencing financial hardship through the introduction of a new and more holistic approach to Council Tax collection with further development due in 2025/26

#### ***Government Funding for 2025/26***

14. The Government has confirmed that Household Support Fund, which includes those in receipt of Council Tax Support, will continue in 2024/25.

#### ***The Council's Overall Financial Position***

15. The Council, continues to experience significant financial pressures due to funding reductions and the Cost of Living crisis impacting both costs and an ability to collect income from residents and businesses. Therefore the opportunity to provide additional funding over and above what is already provided is limited and would create a cost pressure that would need to be managed elsewhere within the Council's budget.

### ***The Outcome of Previous Consultation***

16. Any material change in the Council Tax Support Scheme requires consultation with the major preceptor, the GMCA with regard to the Mayoral Police and Crime Commissioner precept and the Mayoral General Precept including Fire Services. There is also a requirement to carry out public consultation.
17. As no change to the scheme is being proposed, there is no requirement for formal consultation.

### ***EXISTING ARRANGEMENTS WITHIN THE SCHEME***

18. For audit purposes the external auditors have asked that consideration is given to the disregard for War Widow's/Widower's Pension or War Disablement Pension
19. When deciding claims for Housing Benefit/Council Tax Support The Social Security Administration Act 1992 section 134(8)(b) and 139(6)(b) provides Local Authorities with the discretion to increase the amount of war pension it disregards. Local Authorities can introduce a local scheme to disregard some or all of any War Widow's/Widower's Pension or War Disablement Pension remaining after the mandatory disregards have been applied. Bury currently applies a full disregard and have been doing so for a number of years. The auditors have asked that a reminder of this arrangement is set out in the report to members when considering the 2024/25 scheme as this is now a requirement of the annual audit certification process.

### **Discretionary Council Tax Fund**

20. The Welfare Support Team currently administer applications for hardship relief in accordance with the Council Tax Reduction Policy under Section 13A (1) (C).

---

#### **Links with the Corporate Priorities:**

*Please summarise how this links to the Let's Do It Strategy.*

This policy supports our local community particularly those who are experiencing hardship. This relates to both the local and strengths-based elements of the Bury 2030 strategy in order to support our residents from getting into debt

---

#### **Equality Impact and Considerations:**

*Please provide an explanation of the outcome(s) of an initial or full EIA.*

*Intranet link to EIA documents is [here](#).*

No differential Impact has been identified.

Eqia Attached

---

#### **Environmental Impact and Considerations:**

*Please provide an explanation of the carbon impact of this decision.*

None

---

**Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
<p>The Covid pandemic increased the number of eligible claimants for the scheme during 20/21. This number has now stabilised.</p> <p>The number of claimants requiring welfare support or who are unable to pay the remainder of the council tax bill remains high with the cost-of-living crisis adding to pressures on individuals, in turn increasing pressure on the council in terms of costs and also other types of support and resources.</p> <p>Additional government funding will reduce the burden on those facing increases in their charges.</p> <p>Many Councils have reviewed Council Tax Reduction Schemes in recent years moving to more simplified systems such as Banded Income solutions, making it easier to administer and simpler for customers to understand, this should be considered for future years providing enough time and resource for adequate consultation.</p>	<p>No changes to the scheme are proposed and the utilisation of the fund to support increased demand enables the council to maintain support at current levels.</p> <p>Earlier identification of welfare need through changes to the Council Tax collection process, allowing a more pro-active approach to welfare and a joined up approach to welfare and income collection activities.</p> <p>Detailed review of the scheme including potential options for a simplified version to be explored during 2025/26.</p>

---

**Legal Implications**

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) and as amended by The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022 requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. This must be decided by 11<sup>th</sup> March the preceding financial year.

**Financial Implications:**

It is important that the Council uses all of its powers and discretions to support its most vulnerable residents, and this is more important during times of economic difficulty. The local council tax support scheme seeks to help those who are struggling financially and who are still liable for council tax.

---

---

**Appendices:**

*Please list any appended documents.*

---

**Background papers:**

*Please list any background documents to this report and include a hyperlink where possible.*

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning