

## **REPORT TO EXECUTIVE**

Date of Meeting: 4 February 2025

## **REPORT TO COUNCIL**

Date of Meeting: 25 February 2025

Report of: Strategic Director for Corporate Resources

Title: Local Council Tax Support Scheme 2025/26

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

1.1 This report seeks Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2025-26.

Members are required to agree working age scheme rules annually.

#### **2. Recommendations:**

2.1 That Executive RECOMMENDS to Council that the scheme in place for the current year continues for 2025-26.

#### **3. Reasons for the recommendation:**

3.1 There are no immediate financial or practical reasons to recommend changes to the existing scheme for 2025-26.

#### **4. What are the resource implications including non-financial resources**

4.1 Council Tax Support caseload has remained virtually static over the past two years, with a small reduction in pension age cases and a small increase in working age cases. The scheme costs have risen in line with increases to the Council Tax charges each year.

#### **5. Section 151 Officer comments:**

5.1 There are no significant financial implications from approving the scheme as it stands.

#### **6. What are the legal aspects?**

6.1 Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 11 March of the preceding financial year.

## **7. Monitoring Officer's comments:**

7.1 This report raises no issues for the Monitoring Officer.

## **8. Report details:**

- 8.1 The Local Council Tax Support Scheme (LCTS) was introduced from 1 April 2013 and reduces the Council Tax bill for low-income residents of working age, currently awarding £4.4m to 4372 households. It replaced the previous national Council Tax Benefit Scheme. For working age applicants, the scheme is determined by local policy and for pension age applicants it is a national scheme subject to prescribed legislation, supporting a further 2700 households.
- 8.2 Exeter City Council's LCTS scheme is a means tested scheme, largely based on the rules from Council Tax Benefit which it replaced. The means test used to determine entitlement is still closely tied to the Housing Benefit scheme.
- 8.3 In November 2024, 62% of households and 57% of expenditure on Council Tax Support was for working age customers.
- 8.4 Universal Credit claimants now make up just over two thirds of working age Council Tax Support cases. This proportion will continue to increase as the roll out of Universal Credit heads towards completion. The end date for full migration to Universal Credit has been accelerated and is now scheduled to be in 2026.
- 8.5 Pensioner caseload has been gradually reducing over the past decade, although this has slowed to only 52 cases since 1 April 2023. This is largely down to two factors:
  - 8.5.1 The increasing qualifying age for pension age benefits and
  - 8.5.2 The pensioner triple lock which has increased incomes faster than benefit rates.
- 8.6 During 2020, because of the Covid pandemic, working age caseload temporarily rose following a spike in Universal Credit claims. Since then, claim numbers are back down to pre-covid levels and remain broadly flat.
- 8.7 Since the last major changes to scheme rules in 2018, overall caseload has dropped by 6%, roughly 450 claims.
- 8.8 During the Pension Credit take up work and delivery of Household Support Fund, the Welfare Assistance Officers are identifying and encouraging claims for Council Tax Support from people who are not currently receiving it.
- 8.9 In April 2024 a new class of support was added to the LCTS scheme to provide maximum support for relevant care leavers without a means test. During the current financial year, this support has been provided to 29 care experienced young people at an overall cost to the Council Tax Collection Fund of £25,000. This is in line with the forecast cost when the change was agreed by Council in February 2024.

## **9. How does the decision contribute to the Council's Corporate Plan?**

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low-income residents meet their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

## **10. What risks are there and how can they be reduced?**

The current scheme of Local Council Tax Support is well known and understood. Retaining it in the current form presents little risk.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal, no potential impact has been identified on people with protected characteristics as determined by the Act as no change to the current support scheme is being proposed.

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

Changes can be made to the local scheme of support annually from 1 April, agreed by Council by 11 March. Proposed changes must be subject to a public consultation before adoption. Failure to agree a new scheme results in the retention of the current scheme by default.

**Director: David Hodgson, Strategic Director for Corporate Resources**

Author: Chris Buckman, Benefits & Welfare Lead

## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275