



Cabinet
04 December 2023

Council Tax Assistance Scheme 2024/25

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Portfolio: Supporting People

Ward(s) Affected: All Wards

Purpose of the Report:

The purpose of this report is to obtain agreement to adopt the current Council Tax Assistance Scheme, with no changes, for the financial year 2023/24

Recommendations:

That Cabinet recommends to Council the proposal and approves the Council Tax Assistance scheme for 2024/25

1. Summary

- 1.1 Council Tax Assistance (CTA) is a discount scheme which reduces Council Tax bills to a more affordable level for low income households.
- 1.2 Government sets out how the scheme must operate for pensioners under prescribed regulations but allows local authorities to shape their own scheme for those of working age.
- 1.3 The Council is required to review its Council Tax Assistance Scheme annually.
- 1.4 The Council needs to approve the scheme, and any potential changes, by 11 March and adopt the revised scheme from 1 April each year.

2. Background

- 2.1 From 1st April 2013, the Government abolished the national Council Tax Benefit system. Since then, each billing authority is required to set a local scheme to help residents on a low income pay their Council Tax. At South Norfolk this is known as Council Tax Assistance.
- 2.2 Each year the billing authority must consider whether or not to revise its scheme or replace it with another one. This must be agreed by 11th March of the financial year preceding the effective date of the revisions.
- 2.3 Government sets out how the scheme must operate for pensioners under prescribed regulations but allows local authorities to shape their own scheme for those of working age.
- 2.4 In previous years amendments to the scheme have been made to reflect national welfare reform changes, to streamline administrative processes, and to ensure that assistance reaches our most vulnerable residents.
- 2.5 In April 2022, following a comprehensive review and consultation with the public, precepting authorities and members, several changes were made to the scheme to increase efficiency of assessment and to ensure that we targeted financial help towards those most in need. The changes that were made were agreed by the Council in February 2022.
- 2.6 In addition to this, changes were also made to the schemes in April 2020 to provide mitigation for the expected increase in customers in receipt of Universal Credit.

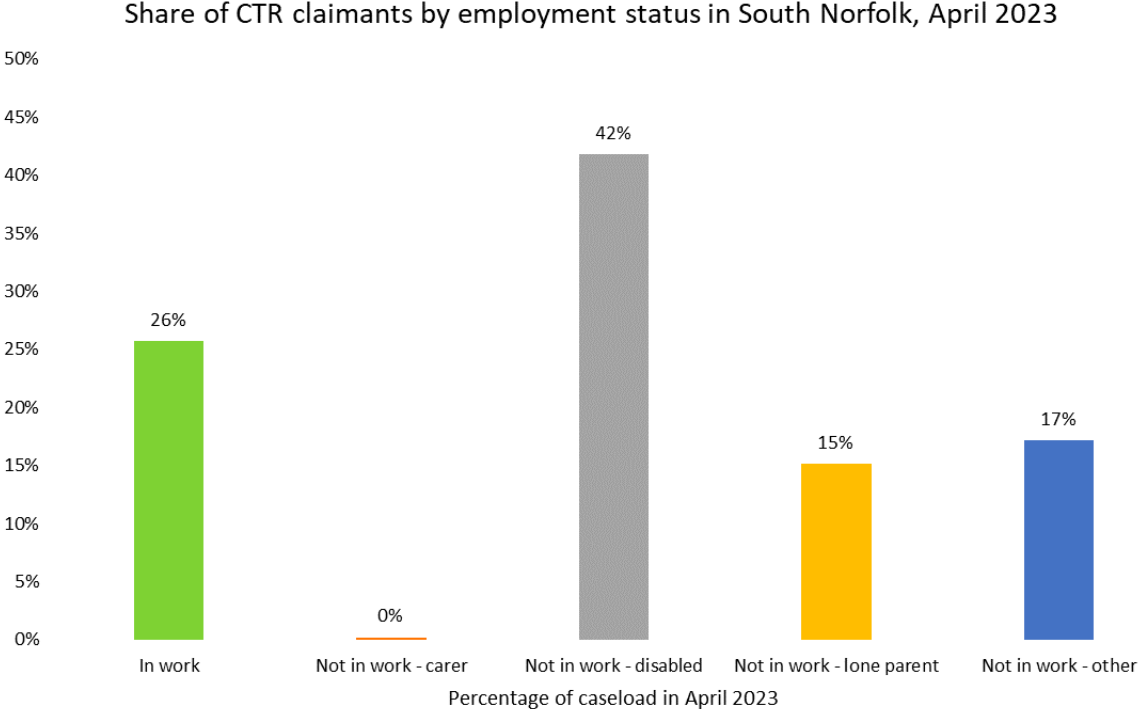
3. Current position

- 3.1 An analysis has been undertaken by an external company, Policy in Practice, on our current schemes to review if the changes that were made in the previous

financial years are delivering the objectives that we set, those being to increase fairness and provide help where it is needed. The continuation of the cost-of-living crisis also means that it is important we provide stability to our residents.

- 3.2 The analysis looked at CTA data for the dates April 2021, April 2022 and the current position in April 2023. The report can see been in Appendix 1.
- 3.3 The Policy in Practice report shows that the scheme remains effective and is directing support to those most in need.
- 3.4 For working age customers in receipt of CTA, the percentage of those in work, or not in work for various reasons is as follows:

57% of working age CTA recipients are out of work due to disability or being a lone parent. Due to the way information is held on the system it is not possible to accurately state how many customers are out of work and a carer, therefore this is accounted for in 'other'. It is estimated, however, that this is approximately 4%



- 3.5 For those customers in work, the average take home pay has increased in South Norfolk by 6% from April 2021. The average CTA award has remained stable, however. This indicates that, without increasing the overall cost to the Council, our customers have more money in their pocket which will help with the increased cost of living.

	2021	2023
Customer income	£236.25	£260.82
Council tax liability	£22.17	£24.04
CTA award	£3.34	£4.25
Customer has to pay	£18.83	£19.79

This customer has an additional income of £24 per week, but is only required to pay an additional £0.96 per week towards their Council Tax.

- 3.6 CTA expenditure shows that the cost of the scheme to the Council has also remained stable, therefore the scheme remains value for money.

	Total	Difference
2020	£7,135,417.44	
2021	£7,100,874.82	-0.48%
2022	£7,010,470.74	-1.27%

- 3.7 The number of CTA customers in receipt of Universal Credit is continuing to increase, as expected. The share of working age CTA claimants who are in receipt of UC has increased by 8% since April 2021.
- 3.8 The Department for Work and Pensions has recently recommenced their programme of managed migration to Universal Credit, therefore the number of customers in receipt of this benefit is expected to increase. This is only expected to be a steady gradual increase, however, as the programme will focus on small cohorts at a time, starting with customers in receipt of tax credits only in July 2023. Managed migration is not scheduled to be completed until 2028 under the current plans.
- 3.9 Changes made to the schemes in recent years have ensured that the Council's scheme is future-proofed to account for this increase in Universal Credit customers, by improving fairness for customers and creating efficiencies in administration which allows the Benefit team to provide a better service. The previous changes have also improved take-up for customers who have moved to Universal Credit due to electronic notifications being accepted as new claims.
- 3.10 The Benefit team is also due to implement a new IT system for benefit assessment in late 2023. The opportunities that this system will provide for the automation of the assessment of Council Tax Assistance are currently being explored and are not yet fully known. It is imperative to fully investigate the parameters of the new system before considering any changes to the scheme to accommodate this.

- 3.11 There have been no welfare policy announcements this year that would necessitate any amendments to the scheme.

4. Proposed action

- 4.1 The analysis of our current scheme has shown it is still value for money for the Council, and that it is are reaching those most in need.
- 4.2 The continuation of the cost-of-living crisis also means that it is important we provide stability to our residents.
- 4.3 We are therefore proposing that no changes are made to the scheme for this year.

5. Other options

- 5.1 Any proposed changes to the scheme are required to undergo a consultation of approximately ten weeks with the public and with our precepting authorities.
- 5.2 Any changes that will result in a financial change must also be modelled to identify the cost to the Council.
- 5.3 Due to the time constraints on the governance process, and that a decision on the scheme is required to be made by the Council by 11th March, it is not possible to make any significant changes to scheme for the next financial year.

6. Issues and risks

- 6.1 The continued roll out of Universal Credit in the South Norfolk area will continue to have an impact on the Council Tax Assistance Scheme, both in administration and the amount households will receive. The tolerance scheme introduced in 2019 provides mitigation for this and we are also exploring the possibility of automation for these assessments when the new Revenues and Benefits IT system is introduced later in 2023, however the potential for this is not yet known.
- 6.2 The impact the increase in the cost of living will have on household expenses is likely to be considerable for the foreseeable future. It is not expected, however, that this will have a significant impact on the number of residents eligible for CTA, due to this being means tested support based on income. Cost of living issues that residents are facing are largely due to increased expenditure, rather than decreased income. The cost of the CTA scheme to the Council is not, therefore, expected to increase significantly in the financial year 2024/25

- 6.3 **Resource Implications** – Changes made to the scheme in previous years, as discussed above, ensures we can continue to administer this with current resources.
- 6.4 **Legal Implications** – Schedule 4 of the Local Government Finance Act 2012 states that local authorities must consider revising or replacing its Council Tax Assistance Scheme every year. Failure to do so by 11 March may lead to intervention from the Secretary of State.
- 6.5 **Equality Implications** – There are no equality implications with the proposal
- 6.6 **Environmental Impact** – n/a
- 6.7 **Crime and Disorder** – n/a
- 6.8 **Risks** – If the Council does not approve the Scheme by 11th March then the current Scheme will continue unchanged and may be subject to intervention by the Secretary of State

7. Conclusion

- 7.1 There are no changes proposed to the scheme for the financial year 2024/25. This is due to:
 - a) the changes made in previous years which have ensured the scheme is effective and remains value for money
 - b) to provide stability to residents during the cost-of-living crisis, and
 - c) there are no welfare policy announcements this year that would necessitate any amendments to the scheme

8. Recommendations

- 8.1 That Cabinet recommend to Council the proposal and approves the Council Tax Assistance scheme for the year 2024/25.

Appendix 1

Aggregate analysis of Council Tax Reduction recipients in South Norfolk and Broadland

Report to South Norfolk and Broadland District Councils

Authors: Jack Rowlands and Alex Clegg, Policy in Practice

June 2023

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Executive summary

South Norfolk and Broadland District Councils have commissioned Policy in Practice to carry out an analysis on their working-age Council Tax Reduction (CTR) caseloads to identify changes in support over time and a breakdown of where support is being provided.

The analysis was conducted using CTR administration data from three snapshots in time, April 2021, August 2022 and April 2023.

Data included the number of households on CTR, the average CTR award, the number of awards to those on Universal Credit. The findings also show average financial details including take home income, CT arrears, and cash shortfall.

This is also segmented into household type (single, couple with / without children, lone parent) and employment status (in work, not in work due to disability, carer, lone parent).

This also covers disability benefits, presenting the count of CTR recipients who were also receiving the possible combinations of PIP, DLA, and ESA or who had no disability.

The result shows a picture of the impact of changes to the working-age CTR schemes in South Norfolk and Broadland District Councils, and will help to inform future decisions around support to residents.

Data collection

The cohort in both South Norfolk and Broadland District Councils was analysed across three snapshots, April 2021, August 2022 and April 2023.

In Broadland, the total caseload stayed relatively stable across the three time periods, starting at 3,265 in April 2021, increasing to 3,317 in August 2022 and falling slightly to 3,298 in April 2023.

In South Norfolk, the total caseload decreased consecutively across the three time periods, starting at 4,233, and decreasing to 3,914 and later 3,902.

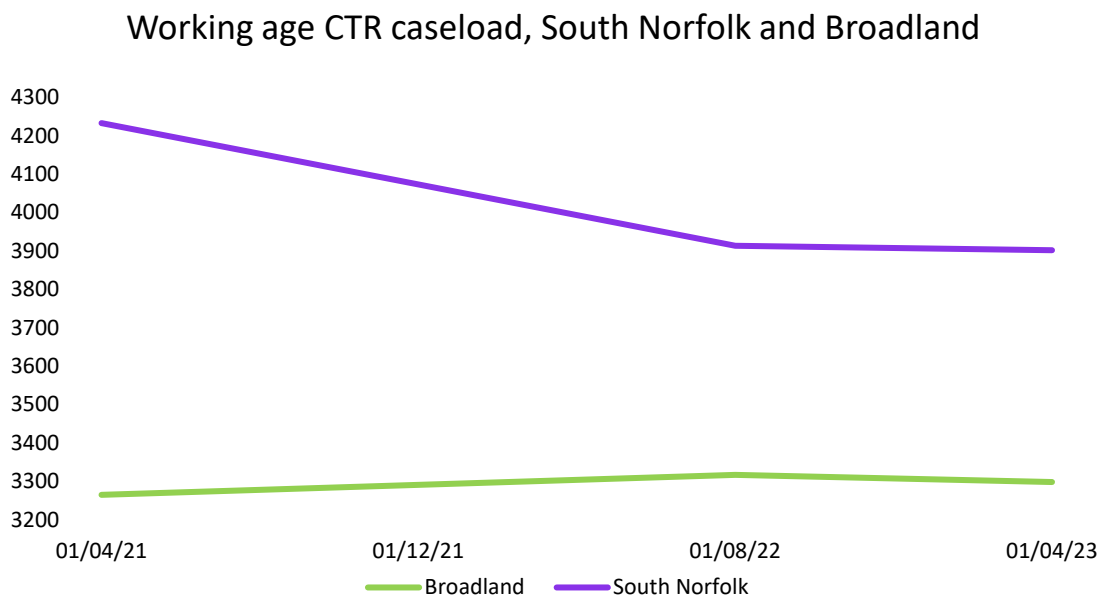


Fig 1: Caseload of working age households on CTR in South Norfolk and Broadland Councils, in 04/21 and 08/22 and 04/23

Average Council Tax Reduction over time

In Broadland, the average weekly support for working age households was £17.51 in April 2021. This increased the following year, rising by August 2022 to £17.83, however it declined back to its earlier level by April 2023, at £17.52.

In South Norfolk, the average weekly support was £17.46 in April 2021. This declined to £17.15 by August 2022 and then increased by April 2023 to £18.21.

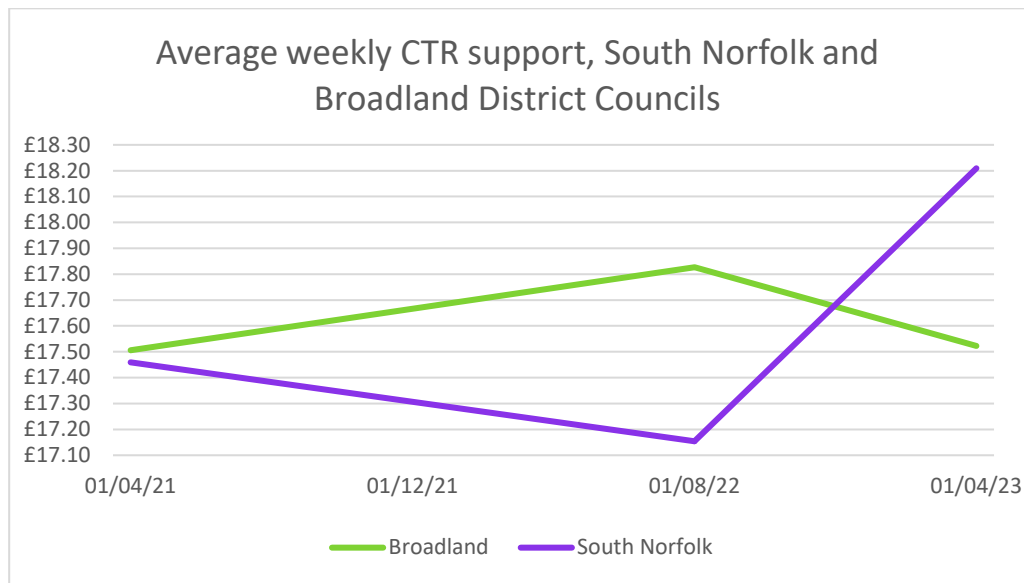


Fig 2: Average CTR support paid to residents of Broadland and South Norfolk Councils, in 04/21, 08/22 and 04/23

Universal Credit as a share of CTR caseload

In Broadland the number of UC households claiming CTR has increased from 1,551 in April 2021 to 1,831 in August 2022 and 1,994 in April 2023. However while this represents a 29% increase in the number of claimants, as a percentage of CTR claims, the share of these who are UC claimants has only increased 12 percentage points (purple line below).

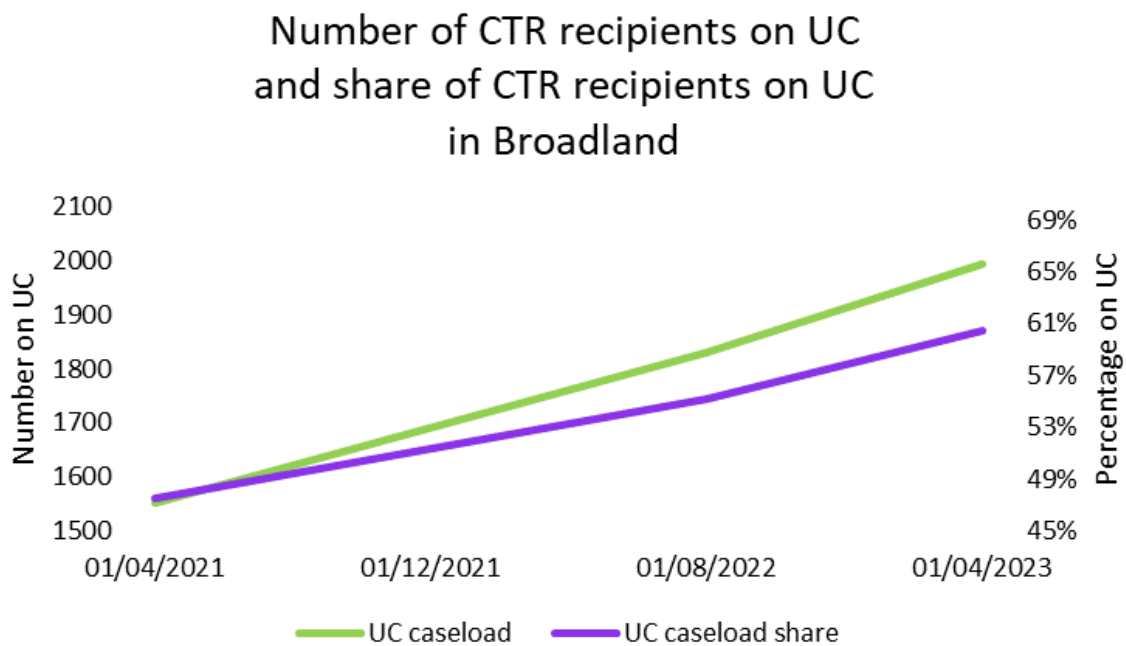


Fig 3: Total number of CTR recipients who are on UC, and the percentage of CTR recipients who are on UC, Broadland District Council, in 04/21 and 08/22 and 04/23

In South Norfolk the number of UC households claiming CTR declined slightly from 2,432 in April 2021 to 2,416 in August 2022, and then increased to 2,545 in April 2023. This represents a 5% increase in the total number of claimants, and the share of CTR claims who were UC claimants increased by 8 percentage points (purple line below).

Number of CTR recipients on UC and share of CTR recipients on UC in South Norfolk

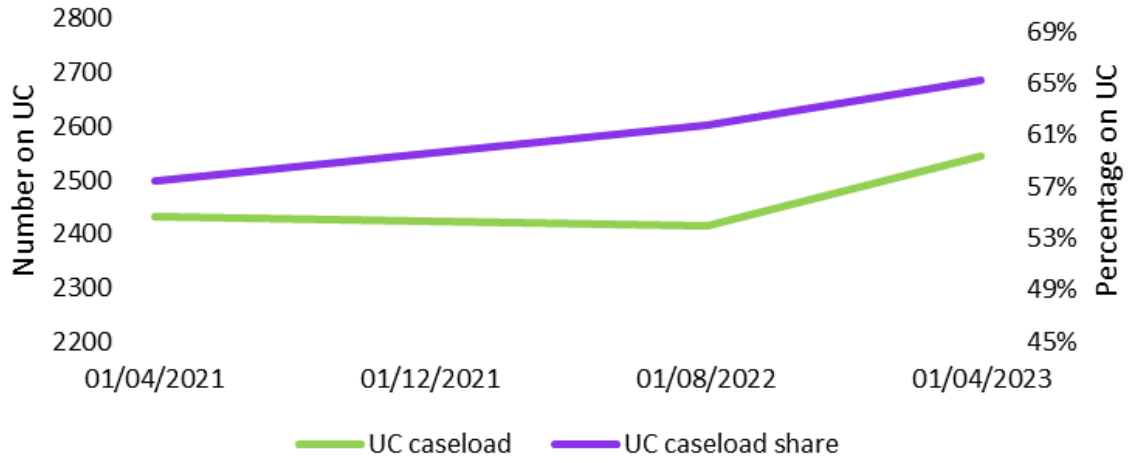


Fig 4: Total number of CTR recipients who are on UC, and the percentage of CTR recipients who are on UC, South Norfolk Council, in 04/21 and 08/22 and 04/23

Change in take home income

In South Norfolk, take home incomes have increased for working age households on CTR. This is likely due to annual benefit uprating and increases to the National Living Wage.

Average monthly take home incomes were £1,503 in April 2021, £1,522 in August 2022, and £1,600 in April 2023.

In Broadland, take home incomes declined slightly between April 2021 and August 2022, before increasing in April 2023. Average take home incomes in Broadland were consistently higher than those in South Norfolk.

Average monthly take home incomes in Broadland were £1,685 in April 2021, £1,669 in August 2022 and £1,736 in April 2023

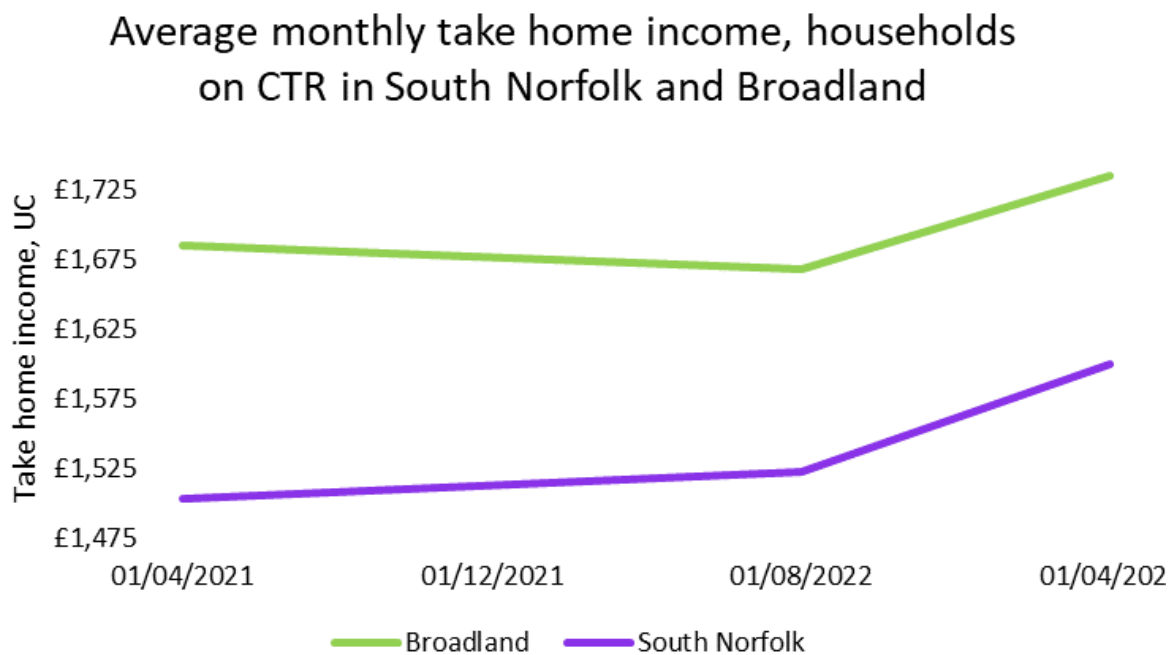


Fig 5: Average take home income on UC and on legacy benefits among those on CTR, Broadland District Council, in 04/21 and 08/22 and 04/23

Change in CT arrears

In Broadland, the number of households in CT arrears declined from 777 in August 2022 to 620 in April 2023.

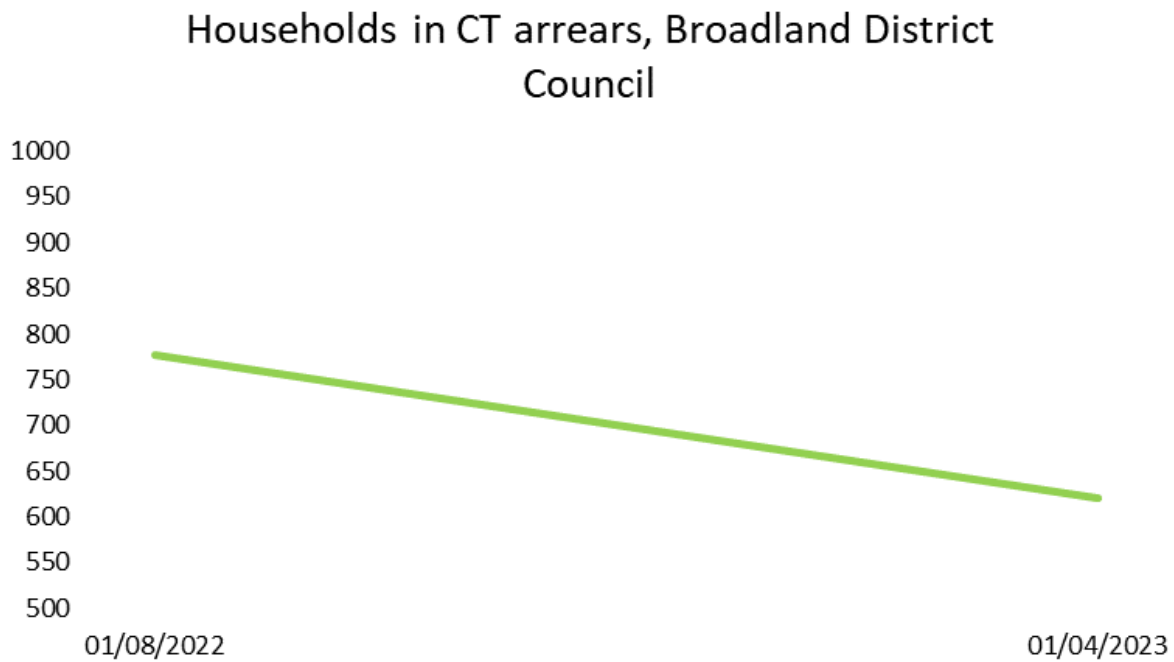


Fig 6: Number of households in CT arrears, Broadland District Council, in 08/22 and 04/23

Broadland's average CT arrears balance declined from £165.48 in August 2022 to £116.55 in April 2023.

Average CT arrears balance, Broadland District Council

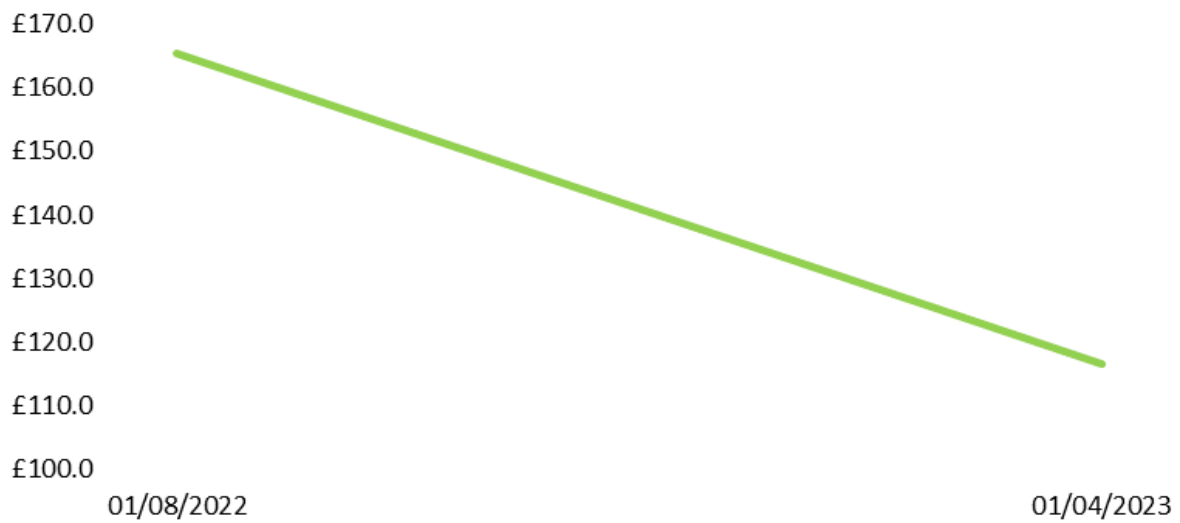


Fig 7: Average CT arrears, Broadland District Council, in 08/22 and 04/23

In South Norfolk, the number of households in CT arrears is only known for the month of August 2022 (at 1,009) so no time comparison can be made.

In South Norfolk, the average balance of CT arrears is only known for the month of August 2022 (at £209.08) so no time comparison can be made.

Change in cash shortfall

Cash shortfall means a household's monthly income does not cover their expected monthly costs. Expected costs are made up of real expenditure on rent and council tax, plus estimated household expenditure using the ONS Family Spending Workbook.

In South Norfolk, the number of households on CTR in a cash shortfall has declined from a high of 437 in April 2021 to 367 in August 2022, before rising again to 427 in April 2023.

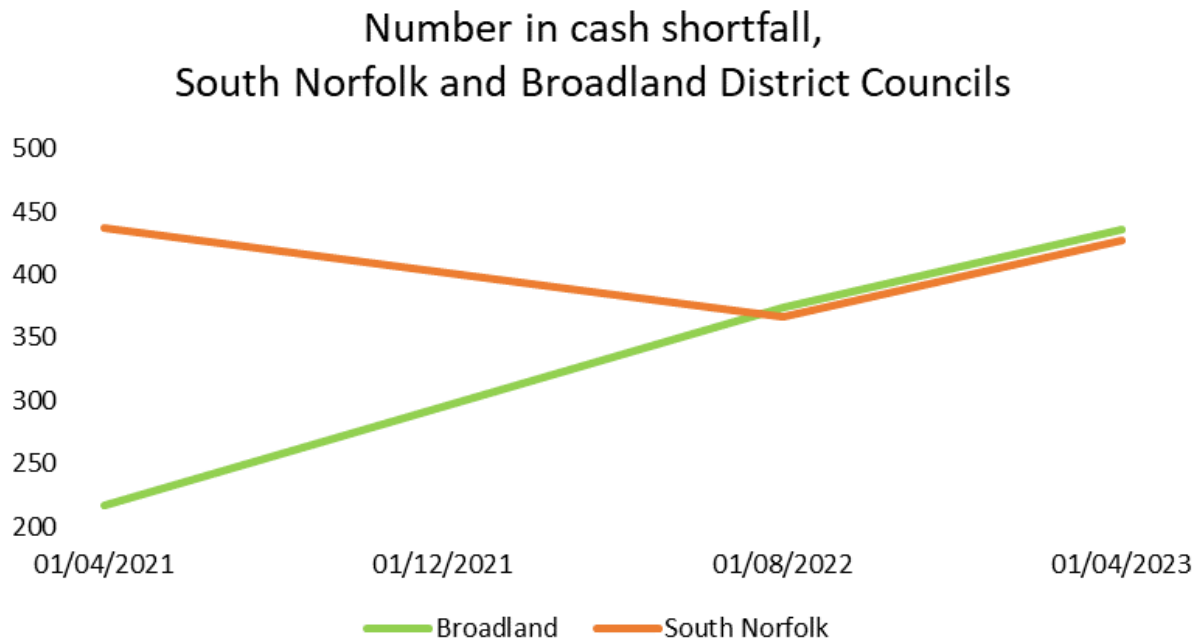


Fig 8: Households in cash shortfall, South Norfolk Council, in 04/21 and 08/22 and 04/23

In Broadland, the number of households on CTR in a cash shortfall has increased from a low of 217 in April 2021 to 374 in August 2022 and a high of 436 in April 2023.

Demographic analysis - household type

The breakdown of caseloads by household type were identical for both South Norfolk and Broadland in April 2023. Single people represented about half of working age claimants in both South Norfolk and Broadland District Council

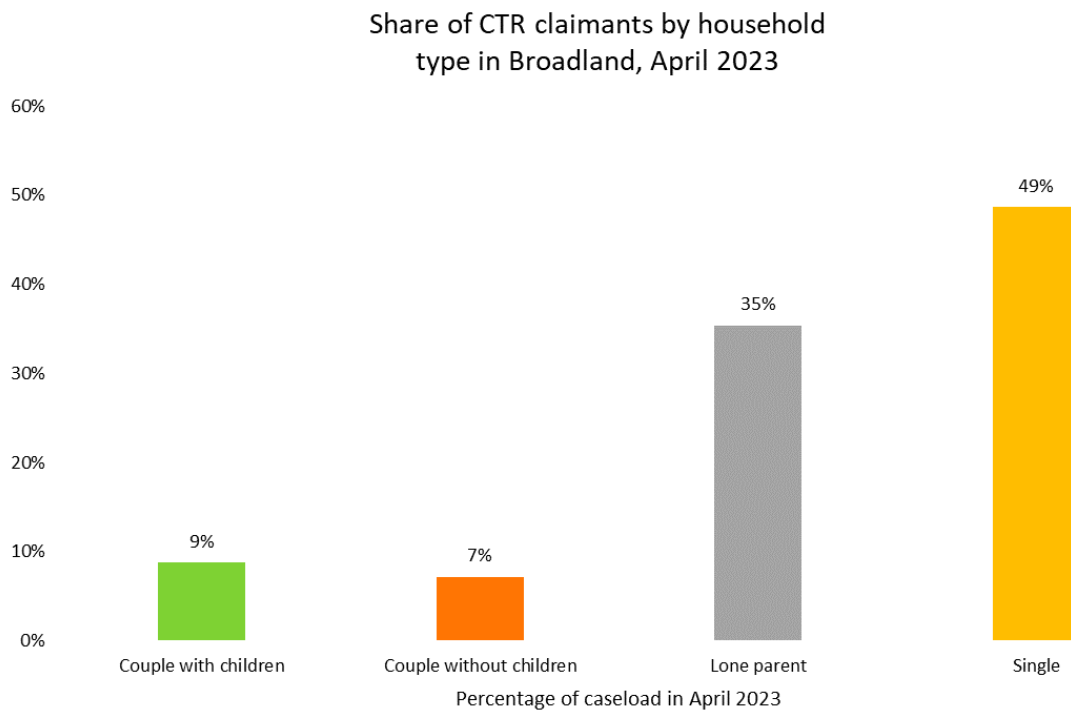


Fig 9: Share of CTR claimants by household type, Broadland District Council, in 04/23

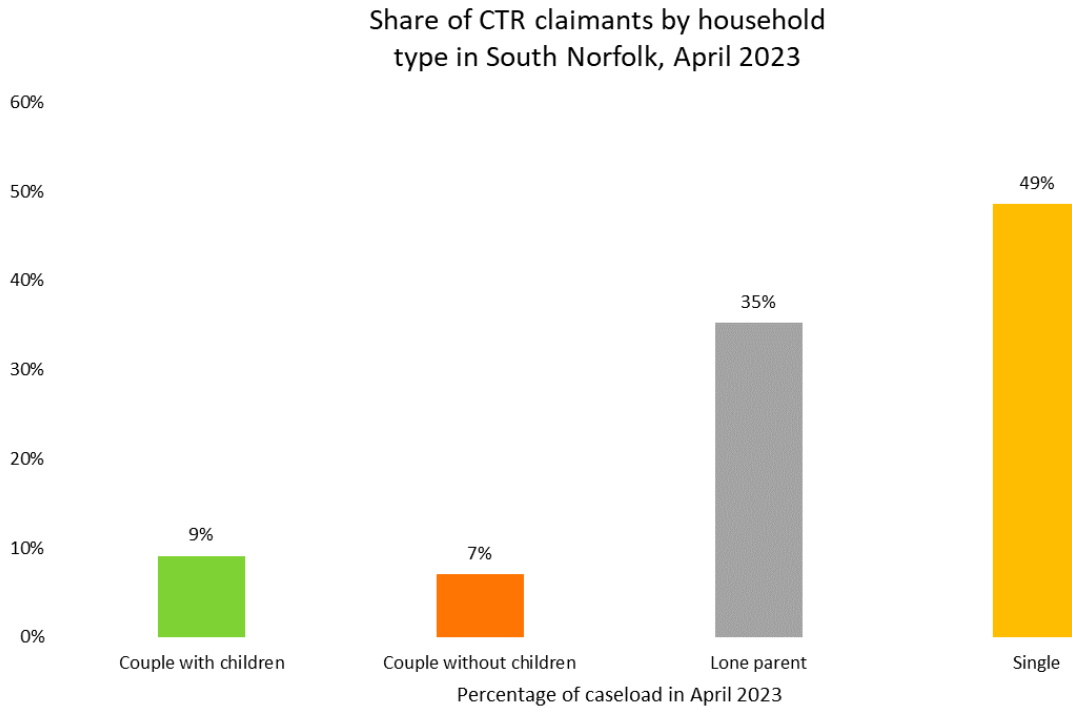


Fig 10: Share of CTR claimants by household type, South Norfolk Council, in 04/23

The greatest change to the cohort of CTR claimants in Broadland between April 2021 and April 2023 was a 28.1% reduction in couples with children. The only increase was in lone parents (up 6.7%).

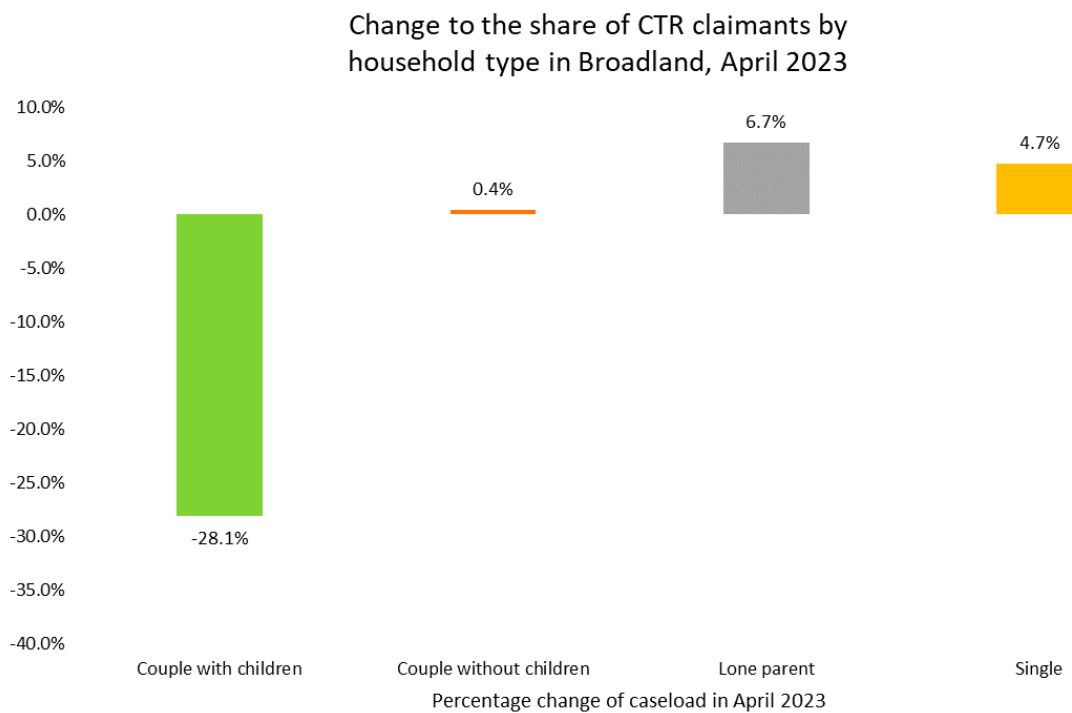


Fig 11: Change in the share of CTR claimants by household type, Broadland District Council, between 04/21 and 04/23

The greatest change to the cohort of CTR claimants in South Norfolk between April 2021 and April 2023 was a 30.7% reduction in couples with children. All groups declined except for singles, who remained stable. However in this case there was a greater impact in S Norfolk across all groups except one - especially noticeable on lone parent numbers. Only the couple without children category saw a softer decline than in Broadland.

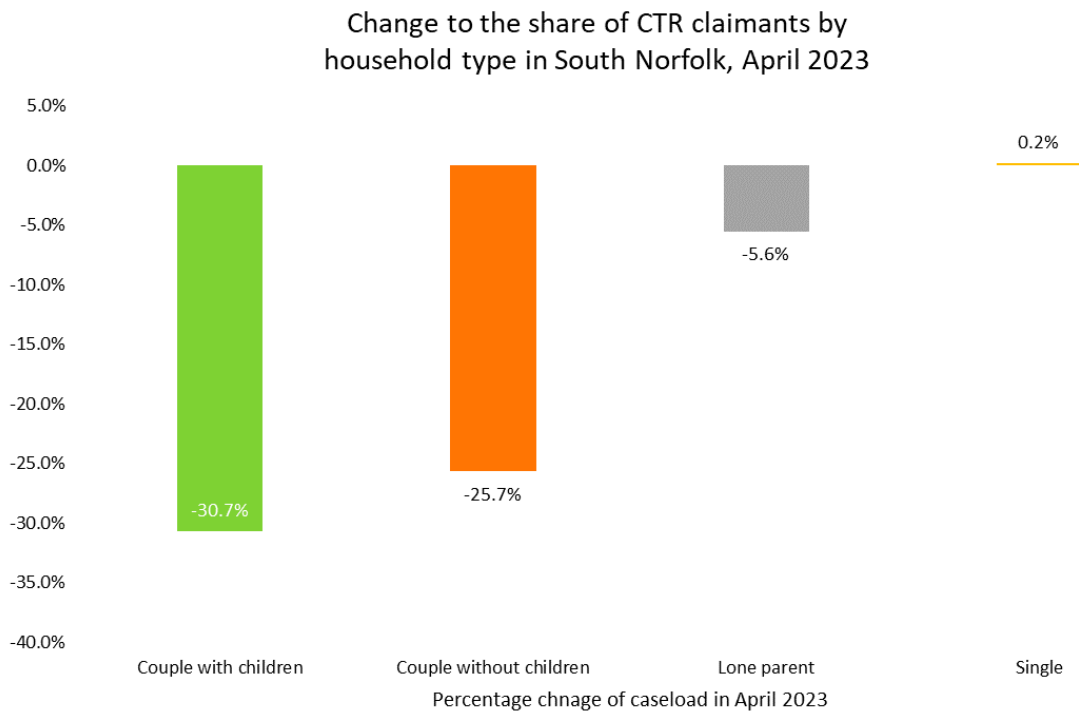


Fig 12: Change in the share of CTR claimants by household type, South Norfolk Council, between 04/21 and 04/23

Demographic analysis - employment status

The largest group of CTR recipients in Broadland were those not in work due to a disability, followed by lone parents not in work.

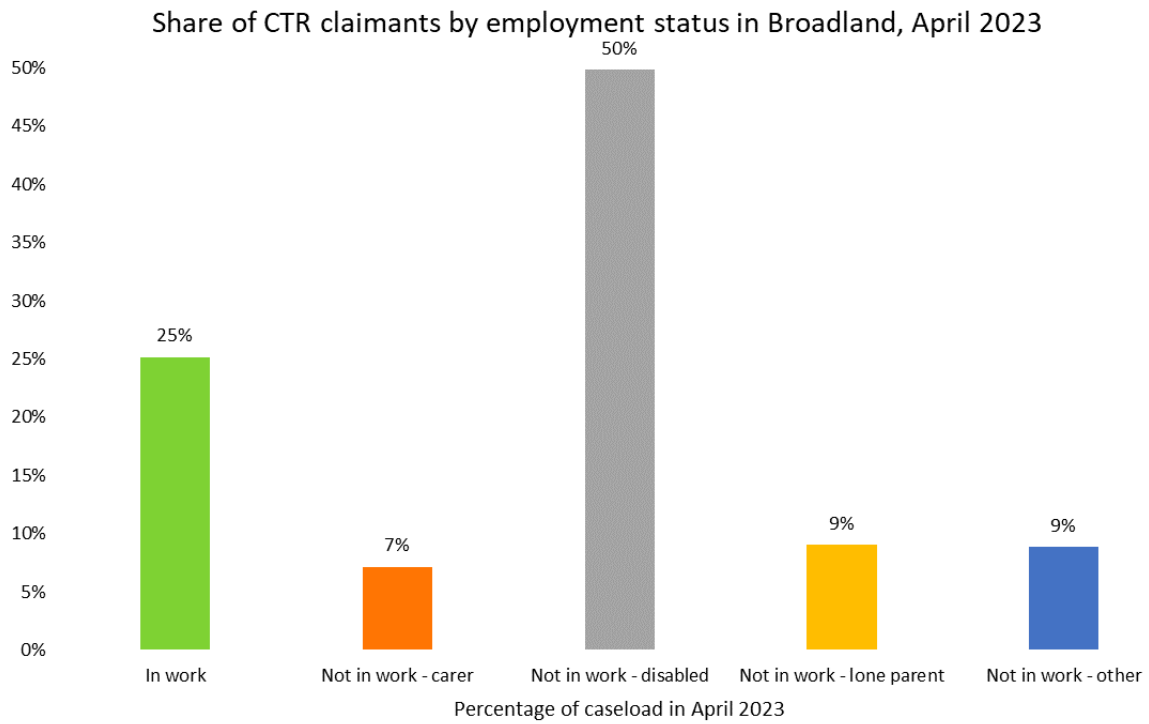


Fig 13: Share of CTR claimants by employment status, Broadland District Council, in 04/23

In South Norfolk, the largest group was those not in work due to disability.

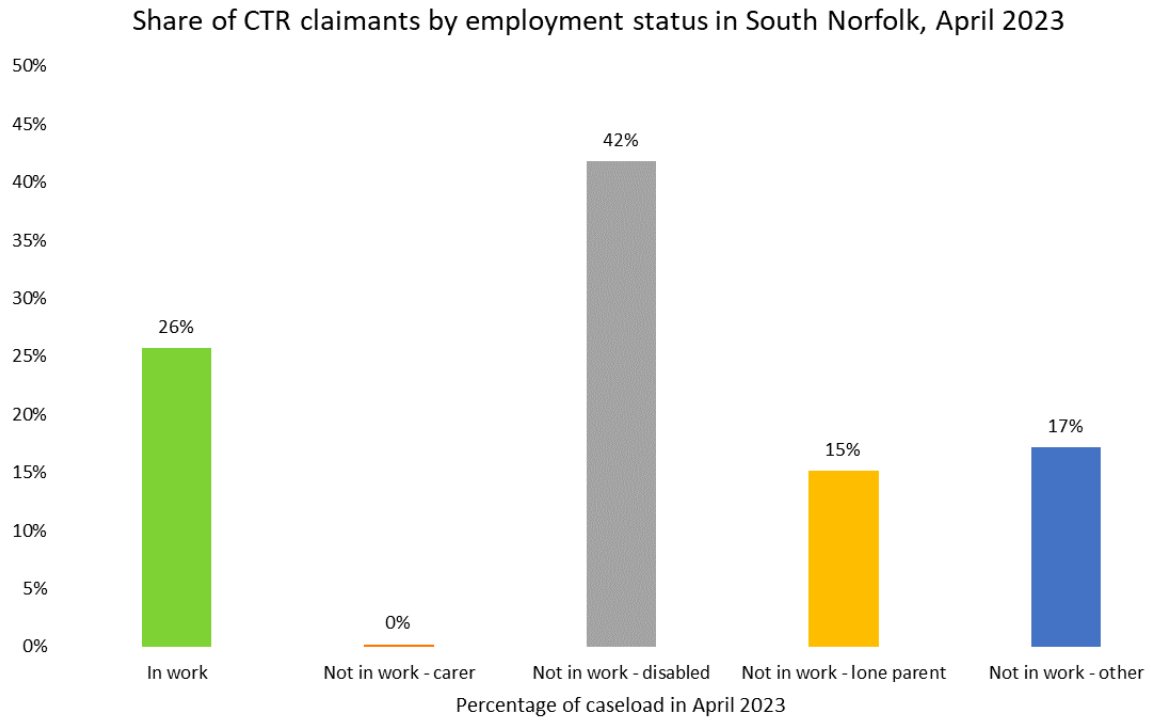


Fig 14: Share of CTR claimants by employment status, South Norfolk Council, in 04/23

The largest change in recipient composition in Broadland was among those not in work for an unknown reason, a group which shrank by 35.6% between April 2021 and April 2023. Most groups increased slightly. This may be due to these households being recategorised.

Change to the share of CTR claimants by employment status in Broadland, April 2023

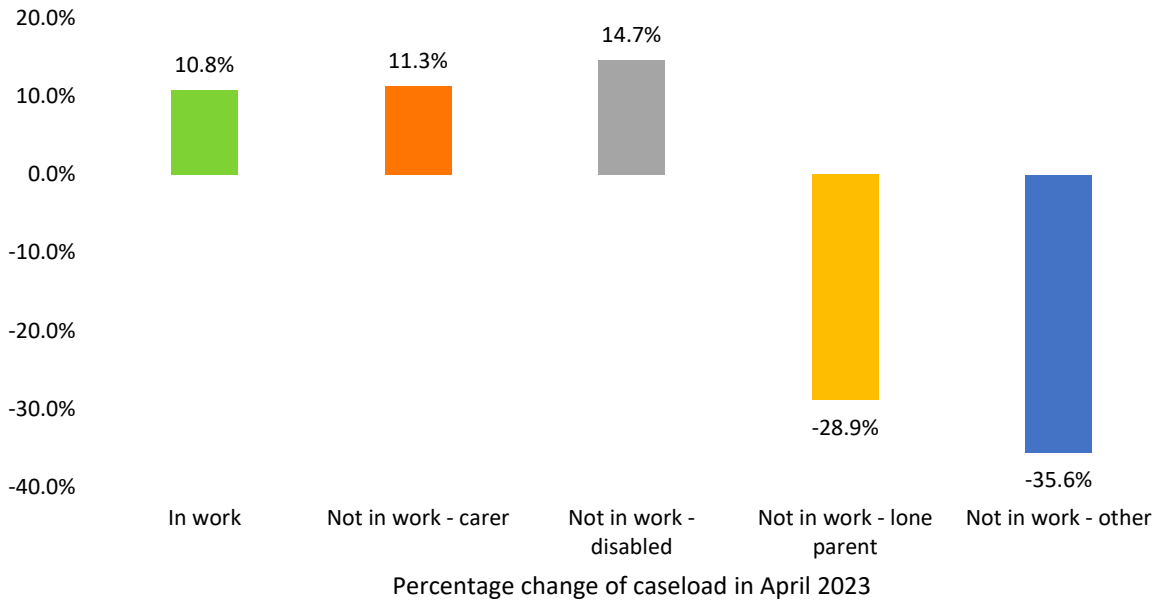


Fig 15: Change in the share of CTR claimants by employment status, Broadland District Council, between 04/21 and 04/23

The largest change in recipient composition in South Norfolk was among those not in work due to being a carer, a group which shrank by 29.4% in a substantial contrast to Broadland, between April 2021 and April 2023. Most groups declined unlike in South Norfolk, with the exception of those not in work due to a disability.

Change to the share of CTR claimants by employment status in South Norfolk, April 2023

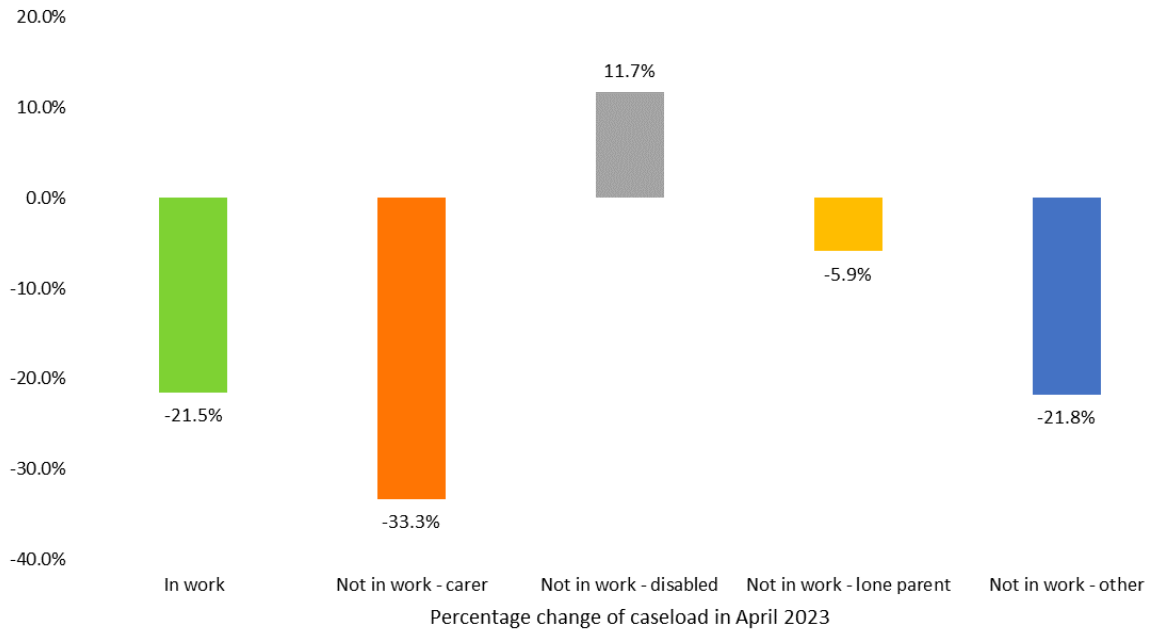


Fig 16: Change in the share of CTR claimants by employment status, South Norfolk District Council, between 04/21 and 04/23

Demographic analysis - disability status

The largest group of CTR claimants by disability status in Broadland in April 2023 were those who were not disabled, followed by households claiming PIP/DLA and ESA.

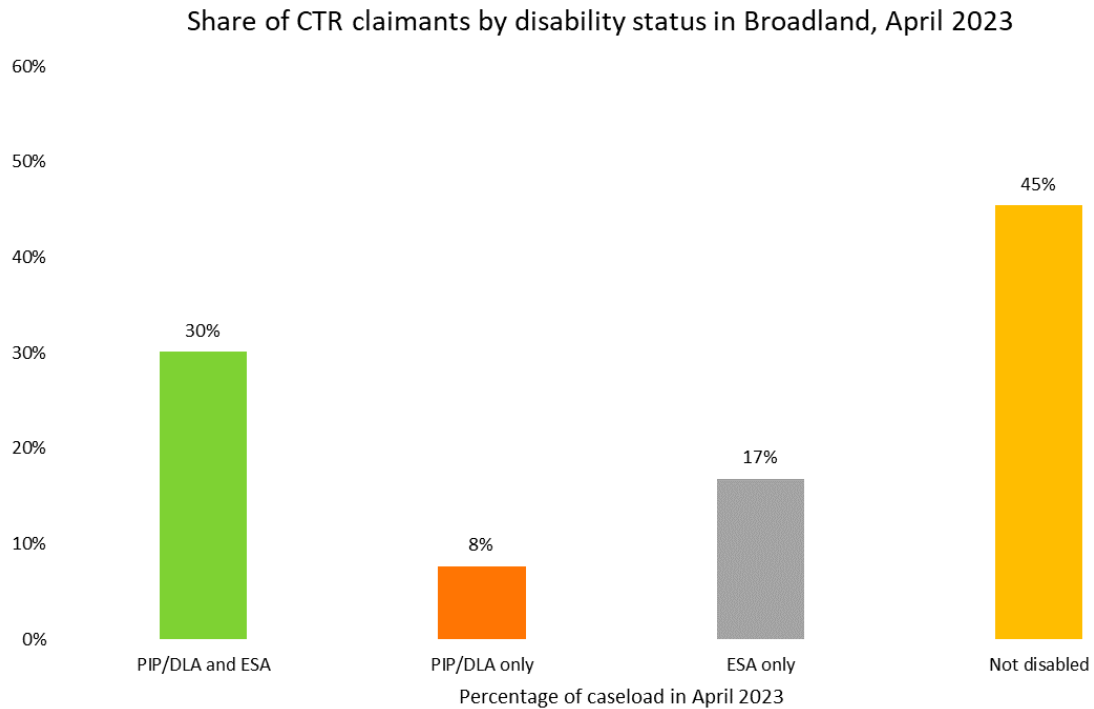


Fig 17: Share of CTR claimants by disability status, Broadland Council, in 04/23

The largest group of CTR claimants by disability status in South Norfolk in April 2023 were those who were not disabled. PIP/DLA and ESA combined were far less visible at only 1% of CTR recipients. This is likely due to unreliable data.

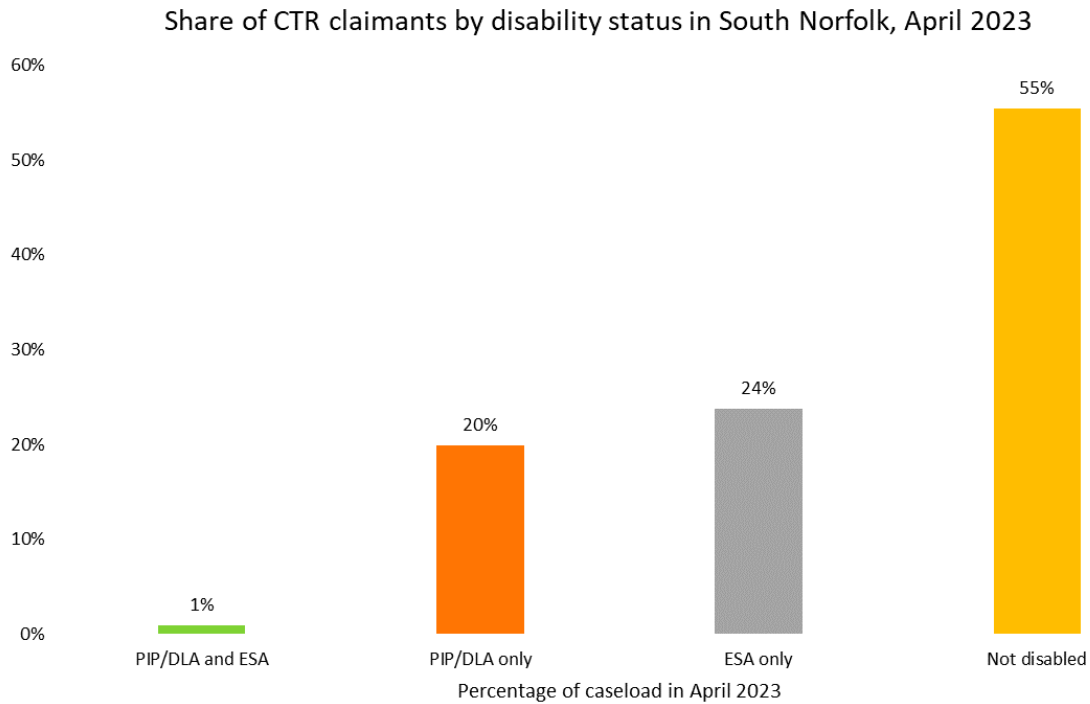


Fig 18: Share of CTR claimants by disability status, South Norfolk Council, in 04/23

In Broadland, the group which saw the greatest increase in CTR recipients were PIP/DLA and ESA recipients, which increased 31.7% between April 2021 and April 2023. The other groups claiming disability benefits rose by 9.1% and 2.4%, with a 13.8% decrease in non disabled recipients.

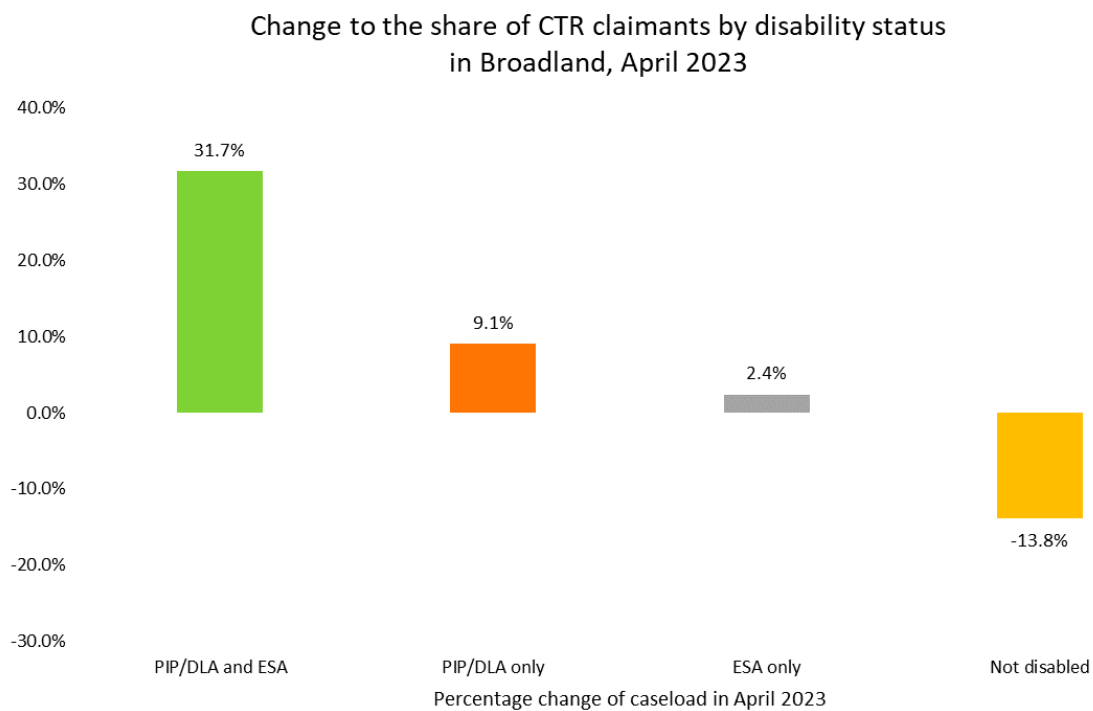


Fig 19: Change in the share of CTR claimants by disability status, Broadland District Council, between 04/21 and 04/23

The greatest change in the South Norfolk CTR cohort between April 2021 and April 2023 was those on PIP/DLA only, which increased by 60.5%. Again, this is likely due to unreliable categorisation in the data for the different disability benefits. The other groups all stayed flat or declined, with both ESA and non disability groups declining by more than 14%.

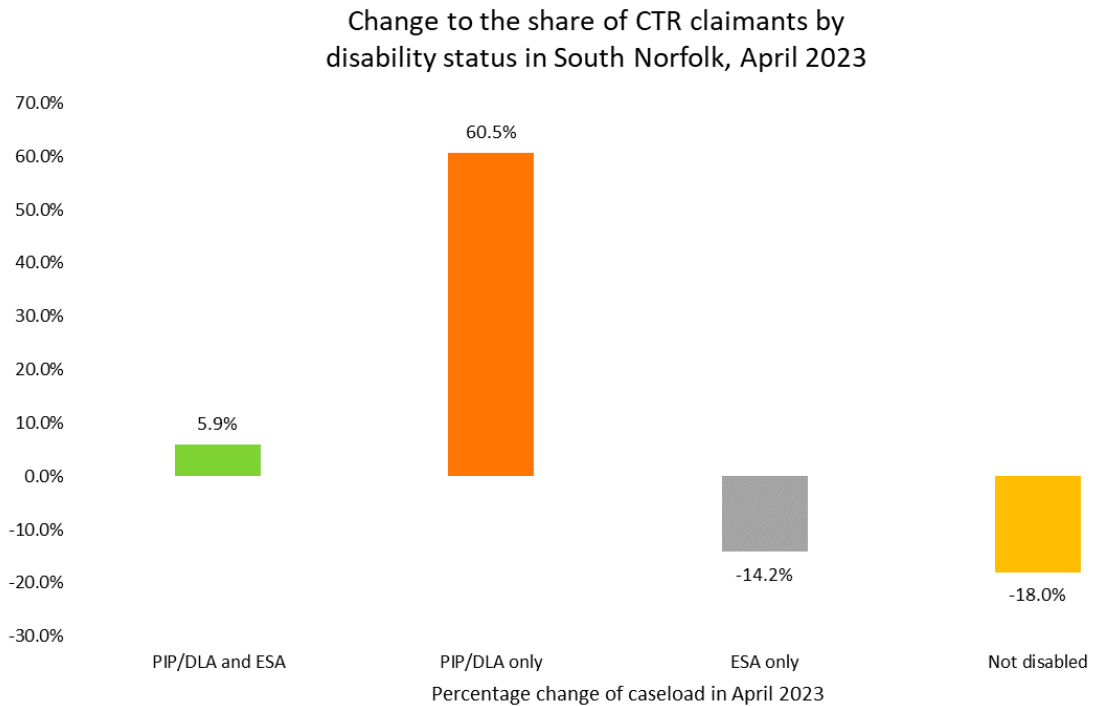


Fig 20: Change in the share of CTR claimants by disability status, South Norfolk Council, between 04/21 and 04/23