

North Yorkshire Council

EXECUTIVE

7 NOVEMBER 2023

Council Tax Reduction

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the proposed North Yorkshire Council Tax Reduction Scheme (CTR) for 2024/25 and recommend that the Council Tax Reduction scheme for 2024/25 continues with the scheme unchanged from that operating in 2023/24.

2.0 SUMMARY

- 2.1 The Local Government Finance Act 2012 places a requirement that each year the billing authority must consider whether to revise its Council Tax Reduction Scheme. As billing authority, North Yorkshire Council must adopt a Council Tax Reduction Scheme for the financial year 2024/2025.
- 2.2 Subject to the Executive's approval the final scheme proposal will be presented to Full Council for consideration on 15 November 2023.

3.0 BACKGROUND

- 3.1 The Council currently has a Council Tax Reduction Scheme (CTR) for 2023/24 which was approved at full council on the 16th November 2022. The CTR is an Income Banded Scheme to help residents on low incomes and the most vulnerable residents to pay their Council Tax bill.
- 3.2 The current Council Tax Reduction Scheme (CTR) was introduced for all residents in North Yorkshire in 2023/24. This aligned the previous schemes delivered by the former district/borough councils. The current simplified scheme provides that all working age residents can receive a maximum award of either 100%, 75%, 50%, 25% or 0% towards their Council Tax bill.
- 3.3 The Exceptional Hardship Scheme was approved in 2023/24 to enable individual applicants to be dealt with in a fair and equitable manner and will continue to form part of the Council Tax Reduction scheme and be paid through the Collection Fund.

The Executive is recommended to approve that the authority to approve the Exceptional Hardship Scheme be delegated to the Section 151 Officer in consultation with the Portfolio Holder for Finance, and Resources, and that the authority to grant relief under the Exceptional Hardship Scheme be delegated to the S151 Officer and discharged by lead officers within the Revenues and Benefits service.

- 3.4 The introduction of the current CTR scheme for 2023/24 has been successful. The simplicity of the scheme makes it easy to understand for our residents and easier to administer for Council Officers.
- 3.5 The current scheme supports residents of North Yorkshire; it makes the application process simple for the increased number of residents who claim Universal Credit for the first time as it continues to increase its national roll out.
- 3.6 The current scheme has seen reductions in the number of Council Tax recovery notices issued, over a 10% decrease across the county, whilst Council Tax collection rates have remained stable, so the current scheme has produced the desired outcome but will continued to be monitored throughout the financial year.
- 3.7 The following table sets out the current claimant breakdown for 2023/2024:

Claimant Type	Number Of claimants	% of Caseload	% total spend
Pensionable	14,268	43.13	47.24
Passported	4,033	12.19	13.48
Single	6,797	20.55	16.87
Couple	890	2.69	2.86
Family + 1	3,339	10.09	9.07
Family + 2	3,754	11.35	10.47
	33,081	100	100

- 3.8 The Council, in deciding the CTR scheme for 2024/25, needs to consider both the affordability of the scheme for the Council given the financial challenge it currently faces and the impact of retaining the existing scheme. The cost of the current scheme is £38,734k but it should be noted that the council does not have discretion on the amount spent on the Pensionable Scheme, which totals £19,01k of the overall cost.
- 3.9 It is proposed that the current income bands will be increased in line with the rate of CPI (Consumer Price Index) which is currently 6.7%:

Council Tax Reduction Level	Passported	Single £	Couples £	Family with one Child £	Family with two or more Children £
Band A – 100%	Relevant Benefit	0.00 to 133.00	0.00 to 184.00	0.00 to 242.00	0.00 to 299.00
Band B – 75%	N/A	133.01 to 177.00	184.01 to 229.00	242.01 to 288.00	299.01 to 344.00
Band C – 50%	N/A	177.01 to 232.00	229.01 to 288.00	288.01 to 333.00	344.01 to 390.00
Band D – 25%	N/A	232.01 to 292.00	288.01 to 344.00	333.01 to 390.00	390.01 to 436.00

3.10 The 2024/2025 scheme would continue to deliver a number of benefits to the residents of North Yorkshire:

- (a) It will continue to provide a simpler scheme which can be easily understood by all applicants;
- (b) It will continue to support the most vulnerable within the county
- (c) It will continue to save significant increases in administration costs due the continued roll out and uptake of Universal Credit;
- (d) It will continue to prevent applicants receiving multiple Council Tax demands during the year and prevents multiple changes to monthly instalments
- (e) It will continue to deal with large volumes of claims received from Universal Credit in an effective and timely manner.
- (f) It will reduce Council Tax arrears
- (g) The most vulnerable aren't affected

3.11 The scheme for Pension Age Applicants is set by Central Government.

3.12 Proposals within this report set the scheme for 2024/2025 only. Authorities are permitted to revise their scheme no more frequently than annually. A scheme for 2025/2026 will be considered during next year.

4.0 CONCLUSIONS

4.1 Council Tax Reduction Schemes are the responsibility of the billing authority under the Council Tax legislation.

4.2 The scheme applies to the whole of the North Yorkshire Council area and continues to provide up to 100% support for the lowest income families, whilst reducing the

administrative burden placed on the Council by the continued roll out of Universal Credit.

5.0 RECOMMENDATION(S)

5.1 The Executive is recommended to:

- i) recommend the proposed Council Tax Reduction scheme for 2024/25 to full Council, retaining the scheme as that operating in 2023/24
- ii) delegate authority to the Section 151 officer to approve the accompanying Exceptional Hardship Scheme
- iii) authorise the Section 151 Officer, in consultation with the portfolio holder for Finance, to undertake the necessary consultation work to design a scheme for 2025/2026.

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