

<b>DECISION-MAKER:</b>	<b>Executive Director Enabling Services &amp; S151 Officer</b>
<b>SUBJECT:</b>	<b>Council Tax Reduction Scheme 2025-2026</b>
<b>DATE OF DECISION:</b>	<b>5<sup>th</sup> February 2025</b>
<b>REPORT OF:</b>	<b>Benefits Manager</b>

<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Title</b>	Benefits Manager	
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<b>Director</b>	<b>Title</b>	<b>Executive Director Enabling Services</b>	
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<b>STATEMENT OF CONFIDENTIALITY</b>
Not applicable
<b>BRIEF SUMMARY</b>
<p>The first Southampton Council Tax Reduction Scheme was agreed by the Council on 16th January 2013 after it was announced that the Government’s Council Tax Benefit (CTB) scheme would be replaced by individual schemes run by local authorities from April 2013. Subsequently the Southampton Council Tax Reduction Scheme has been approved each year under delegated authority by the Chief Financial Officer. Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) 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 authority considers are in financial need (“a council tax reduction scheme”). The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act. Each year regulations amending the 2012 Regulations are made in November/December. This ensures that pensioners are no worse off under any local council reduction scheme compared to CTB. Working Age requirements are set at a local level, taking into account any prescribed requirements.</p> <p>On 31<sup>st</sup> October 2024 the Council consulted on making five amendments to the working age part of the Scheme with the consultation ending on 2<sup>nd</sup> January. The results of the consultation are attached. This report recommends implementing legislative changes to the Scheme, to take account of the annual benefits uprating which come into effect in April 2025 as set out in the Prescribed Requirements and implement the changes as per the consultation conducted.</p>

**RECOMMENDATIONS:**

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|  | (i) | To approve for the year 2025-2026 and subsequent years the amended Southampton City Council Tax Reduction Scheme |
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**REASONS FOR REPORT RECOMMENDATIONS**

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| 1. | The Southampton Council Tax Reduction Scheme requires amendment to implement prescribed government regulations, and to take account of the uprating to the social security benefit rates that will apply from April 2025. |
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**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

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| 2 | Five changes to the working age part of the scheme were consulted on with the outcomes attached. The feedback was positive in relation to all five changes with the majority of respondents in favour of making the changes. |
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**DETAIL (Including consultation carried out)**

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| 3 | The Council commenced consultation on a draft scheme in September 2012 and an Equality and Safety Impact Assessment was prepared. The draft scheme was based on the Government Default Scheme (i.e. substantially the same as Council Tax Benefit) but with a maximum 75% reduction in the support given to working age claimants |
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| 4 | In 2025-26 the Council will continue to award up to 100% Council Tax Reduction to claimants who are pensioners and up to 75% to working age claimants. |
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| 5 | The changes each year update matters that must be in each scheme. The amendments increase figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction |
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| 6 | The uprated figures relate to; - adjustments are made to the maximum amount of council tax reduction a person can receive to take account of adults living in the dwelling who are not dependents of the applicant; - the minimum amount the government states a person needs to live on - disregarding amounts when calculating a person's income |
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| 7 | The amended 2025-26 scheme will be available to view on the council's website and attached. |
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| 8 | The consultation concluded on 2 <sup>nd</sup> January 2025 with respondents in favour of the following five changes for working age clients: |
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- 1 Changing the non-dependent deduction to a flat rate of £9.78 per week (uprated annually)
- 2 Removing the Second Adult Rebate
- 3 Reducing the capital threshold from £16,000 to £6,000

	<ul style="list-style-type: none"> <li>• 4 Setting a minimum award of £3.00</li> <li>• 5 Ignoring small Universal Credit income changes of less than £3.00 per week</li> </ul> <p>The Scheme document has therefore been amended to take into account the five changes.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
8	From 2013-14 Council Tax Support funding has been 'rolled' into the Revenue Support grant (RSG). The amount of funding now received is not separately identified within the Local Government Financial Settlement figures.
<b><u>Property/Other</u></b>	
9	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
10	The requirement to introduce a local Council Tax Reduction scheme is contained in the Local Government Finance Act 2012 and the detailed requirements of the schemes are in the regulations as amended.
11	requirement to make a scheme by 31st January was amended following an independent review to the CTRS in 2016. The government's response to that review in January 2018 was to agree to move the annual deadline as follows: "The Government accepts this recommendation and has moved the annual deadline for the agreement of schemes from 31 January to 11 March. This has been delivered through the recent update to the prescribed requirements regulations. The amendment requires billing authorities to set and agree their schemes on a similar timescale to that on which they calculate their council tax requirement and bills for the following year." This change was made in
	The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017.
<b><u>Other Legal Implications:</u></b>	
12	In designing schemes authorities have a number of statutory responsibilities, including: - The Equality Act 2010; - The Child Poverty Act 2010; - The Armed Forces covenant; - Housing Act 1996 These responsibilities were taken into account when the CTRS was approved in January 2013 and there is nothing in the amendments proposed that conflicts with these responsibilities
<b>RISK MANAGEMENT IMPLICATIONS</b>	
13	This change is consistent with, and not contrary to, the Council's Risk Management Policy.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	

14	This change is consistent with, and not contrary to, the Council's Policy Framework.

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	All Wards
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Council Tax Reduction Scheme 2025-2026
2.	Statutory Instrument 2025 No 39
3.	Consultation Report

**Documents In Members' Rooms**

1.	ESIA
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**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>Yes</b>
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**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>No</b>
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**Other Background Documents**

**Other Background documents available for inspection at:**

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1. <a href="#"><u>The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025</u></a>	