

<b>Subject:</b>	Council Tax Support Scheme 2025/26	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	5 <sup>th</sup> March 2025
<b>Report of:</b>	Director of Resources	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment:</b>	Required:	No	Attached: No
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## 1. RECOMMENDATION(S)

- 1.1 That Full Council approve the Rossendale Local Council Tax Support Scheme for 2025/26 as set out in this report.

## 2. EXECUTIVE SUMMARY

- The Local Council Tax Support Scheme is subject to annual approval, by full Council.
- The Local Government Finance Bill states that an Authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- If Rossendale did not pass a local scheme by the 11th March, then a default scheme would come into force, this would result in up to 100% relief for all working age customers, rather than the current 80%, the additional relief would have to be funded by Rossendale.
- Therefore it is proposed that the existing scheme of Council Tax Support be retained unchanged, except for
  - Upgrades to benefit entitlements, and
  - Prescribed changes introduced by Government in The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025
- Adoption of the scheme by full Council before 11th March will meet the Councils statutory duty.

## 3. BACKGROUND

- 3.1 The national Council Tax Benefit scheme ended in March 2013 and was replaced by local schemes of Council Tax Support from the 1st April 2013. Individual authorities were granted the freedom to design and implement their own local schemes, with the exception that any local scheme could not leave any pension age claimants worse off than under the previous national benefit regulations.

The effect of these changes was a reduction in funding by approximately 20% for working age claimants and after consultation Rossendale adopted a local scheme, based on the previous Council Tax Benefit regulations, but with a 20% reduction in entitlement for working age customers.

The decision to continue with a Council Tax Support scheme based on the Housing Benefit / Council Tax Benefit regulations ensures that in practice the scheme remains effectively a means tested benefit.

- 3.2 The rollout of DWP’s Universal Credit in Rossendale began on the 21st November 2018. In April 2024 the DWP announced a significant scaling up of the UC managed migration programme. Around 38% of the current Council Tax Support Claimants are pensioner households. Government has given an indication that pensioner households will be moved from legacy benefits, but no firm timetable is yet in place. The other 62% who are not pensioner households will almost all eventually transfer over to Universal Credit. A small number of working age claimants who live in temporary or supported accommodation will also remain within the scope of Housing Benefit.
- 3.3 As Housing benefit is reduced, the case for a Council Tax support scheme based on Housing Benefit becomes less clear.

A number of authorities have begun to move away from Housing Benefit linked systems, although these remain in the minority nationally (around 20% of authorities). Any new scheme would need to be effective in both supporting vulnerable customers and protecting the council’s financial position. A significant amount of resource would be required to be able to model and create a new Rossendale scheme. It is not clear that there is any conclusive case for such a change at the present time, particularly if the end result was to maintain similar levels of support for customers as exist under the current system.

#### 4. DETAILS

- 4.1 The number of Council Tax Support claims changes daily, a snapshot taken of the January caseload is detailed below. There were 32,868 domestic properties in Rossendale. Of these 523 were exempt from Council Tax, 1146 2nd homes and 957 classed as vacant. This leaves 31,242 occupied and with a liability to pay Council Tax. 15% of these properties have residents with an entitlement to Council Tax Support.

Council Tax Support Caseload	2nd Adult Rebate Claims	2nd Adult Rebate (UC) Claims	Council Tax Support	Council Support (Universal Credit)	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)
Pensioner Claims	11	0	1847	0	1858	1858
Working Age (employed) claims	1	0	27	214	242	2833
Working Age (other) claims	11	1	738	1841	2591	
<b>Total Claims By Type (2AR, CTS, CTS UC)</b>	<b>23</b>	<b>1</b>	<b>2612</b>	<b>2055</b>	<b>4691</b>	<b>4691</b>

Council Tax Support caseload has been consistently falling for a number of years. In the last 5 years caseload has fallen by 851.

The cost of claims for 2024/25 is detailed in the table below. As at the 1st January 2025, total Council Tax Support for 2024/25 was £4,882,658.84. The Council Tax Support scheme results in a loss of income from Council Tax collection. This year’s the Rossendale share is 13.35% which equates to £651,990.72. There is no specific grant which covers Council Tax Support, which had been the case under the former Council Tax Benefit arrangements. The costs are therefore borne locally.

This snapshot shows that local costs have fallen by a little under £30k (652k as against £681k last year). It should be stressed that these are snapshot figures that can change with new claims or claims closed each day.

	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)	Total Claims (All CTS)	Rossendale Council Share (13.35%)
Pensioner Claims	£2,196,431.00	£2,196,431.00	£4,882,658.84	£651,990.72
Working Age (employed) claims	£114,097.60	£2,686,227.84		
Working Age (other) claims	£2,572,130.24			

4.2 There are no locally determined changes to the Rossendale scheme proposed for the current year. Nationally inflationary uprating to benefit entitlement levels and thresholds will be applied to the local scheme

4.3 Government has prescribed a changes to be included within local schemes to reflect changes already applicable to the wider benefits system:

- Amending the definition of “pensioner” so that that people migrating from Working Tax Credit to Universal Credit (a mainly working age scheme) do not lose their entitlement to pension age support from 2025-26 onwards

- Adding a new disregard so that payments from the Victims of Overseas Terrorism Compensation Scheme received by non-dependants of a pension age LCTS applicant do not affect entitlement

- Removing the two-child limit when considering the LCTS entitlement of pension age parents.

The prescribed changes also include uprating of various allowances, premiums and thresholds the Consumer Prices Index inflation rate (1.7%)

All these changes are statutory and do not reflect a change in local policy.

## 5. RISK

The Local Government Finance Bill states that an Authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.

If Rossendale did not pass a local scheme by the 11th March, then a default scheme would come into force, this would result in up to 100% relief for all working age customers, rather than the current 80%. The additional relief would have to be funded by Rossendale.

## 6. FINANCE

The current forecast assumes the continuation of the existing LCTS scheme, which is based on the 20% reduction in support levels. As such, maintaining the existing scheme will have no impact on the Council’s financial forecast.

## 7. LEGAL

Under the Local Government Finance Act 2012, it is the duty of the Council to have localised Council Tax Support, in the form of a council tax reduction, each year.

## 8. POLICY AND EQUALITIES IMPLICATIONS

Consultation has been undertaken with Management Team and the Lead Member. There has been no significant policy or equality changes to the scheme.

## 9. REASON FOR DECISION

Councils are required to set a Council Tax Support scheme annually, before the 11th March on the charge year, in this case 2025/26.

No conclusive case for significant amendment to the scheme has been identified at this time.

Background Papers	
Document	Place of Inspection
Council Tax Support Scheme 2024/25	<a href="https://www.rossendale.gov.uk/downloads/file/18398/council-tax-support-scheme-2024-25">https://www.rossendale.gov.uk/downloads/file/18398/council-tax-support-scheme-2024-25</a>
Prescribed changes to the scheme	<a href="https://www.legislation.gov.uk/uksi/2025/39/contents/made">https://www.legislation.gov.uk/uksi/2025/39/contents/made</a>