



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 12 DECEMBER 2024 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Adatia	Councillor Batool
Councillor Dawood	Councillor Kitterick
Councillor March	Osman
Councillor Pickering	Councillor Porter
Councillor Waddington	Councillor Westley

In Attendance

City Mayor – Sir Peter Soulsby
Deputy City Mayor – Councillor Russell
Deputy City Mayor – Councillor Cutkelvin
Assistant City Mayor – Councillor Sood (Online)
Assistant City Mayor – Councillor Whittle (Online)
Youth Representative – Mario Duda

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70. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor O'Neill and Councillor Rae Bhatia with Councillor Westley attending as substitute for Councillor Rae Bhatia.

71. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business to be discussed.

Councillor March declared an interest in the Council Tax Support Scheme item and agreed to leave the meeting for that item.

72. CHAIR'S ANNOUNCEMENTS

The Chair advised that the informal scrutiny on Workforce Representation would need to be reconsidered due to increased OSC membership. It was

suggested that a meeting would take place in the New Year.

Members were reminded to submit questions to The City Mayor in advance where possible to ease the flow of the meeting and allow for considered responses.

The Chair informed that agenda was substantial so a break could be available if required.

73. MINUTES OF THE PREVIOUS MEETING

Councillor Porter asked for an amendment to be made to the minutes of the previous OSC meeting held on 26th September 2024. The minutes had reflected a request for a Customer Services item to come to scrutiny. It had been recorded that The City Mayor asked for this item when it had been Councillor Dempster who made the request. This was noted and Governance Services staff provided a timescale for the item to come to scrutiny.

AGREED:

That the minutes of the meeting held on 26 September 2024 be confirmed as a correct record.

74. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

No queries were made in respect of progress on actions agreed at the previous meeting.

75. QUESTIONS, REPRESENTATION AND STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations and statements of case had been submitted in accordance with the Council's procedures.

76. PETITIONS

The Monitoring Officer reported that no petitions had been received.

77. TRACKING OF PETITIONS - MONITORING REPORT

The Monitoring Officer submitted a report which provided an update on the status of outstanding petitions against the Council's target of providing a formal response within three months of being referred to the Divisional Director.

AGREED:

That the status of the outstanding petitions be noted, and to remove those petitions marked 'Petition Complete' Ref: from the report.

78. QUESTIONS FOR THE CITY MAYOR

The Chair invited members to raise questions for The City Mayor.

- The attending Youth Representative commented on discussions with peers and asked for information on how the City Mayor and Executive were looking to engage with the City's young people. The City Mayor welcomed this question and advised that he and his colleagues had visited schools over the years and sought to continue this engagement where invites were received.
- It was asked as to whether the City Mayor or representatives could attend a joint visit to Castle Mead Academy. This was received positively by the City Mayor.
- A question was raised referencing the Lothbury Property Trust Fund and Haymarket Consortium and the subsequent communications to local residents. The City Mayor advised that investment decisions were made by the relevant professionals. Further communications to residents were not deemed to be necessary at that point.
- Figures for home schooling within the city were requested and it was clarified that this question was in line with the current national news events. The City Mayor advised that home schooling statistics would be circulated to the commission. He discussed how this case highlighted problems with the national system disabling traceability when children were taken out of mainstream schooling. Further discussions would need to take place together with communicating with central government.

79. HOMELESSNESS SERVICES UPDATE

The Director of Housing submitted a report providing an update on homelessness in the city and progress in relation to the delivery of the Full Council Decision on the 21st March 2024 to invest £45m into additional Homelessness accommodation and services.

The Deputy City Mayor for Housing, Economy, and Neighbourhoods introduced the item and noted that:

- The housing crises and subsequent increasing financial pressure, particularly concerning temporary accommodation, was highlighted as being a main contributing factor for Local Authorities facing a Section 114.
- A decision had been taken in March 2024 at Full Council to invest £45m into accommodation and support services. The focus was on prevention of homelessness and also providing better types of accommodation.
- Homelessness figures had peaked in May 2024 with record numbers of homeless people being placed in hotels and Bed and Breakfast establishments, but this had reduced by 50% since that peak.

The Director of Housing gave an overview of the report which gave an update on homelessness in the City and progress in relation to the delivery of the Full Council Decision on the 21st March 2024 to invest £45m into additional Homelessness accommodation and services.

The following was noted:

- The National picture of homelessness showed that there had been a rapid rise in the number of rough sleepers, a big rise in those approaching homelessness services and a sharp rise in the numbers of people being placed in temporary accommodation.
- The increased staffing levels had led to a reduction in case loads and more proactive approaches to prevent homelessness.
- Leicester's performance compared favourably to the national average with an increase to a 67% prevention rate, the national figure was 51%.
- At the beginning of November 2024, the council had committed £22.5M of the £45m secured and there had been a total of 181 new purchases of temporary accommodation units. At the time of the OSC meeting, the Council had now committed just over £30m and secured the 225 properties.
- There was ongoing partnership work across the city.
- The Council remained on target to deliver the target of over 1500 new permanent affordable homes.
- Significant works were ongoing to deliver the action plan.
- As of 5th November 2024, there were 517 families in temporary accommodation, this was a 30% reduction from the June 2024 peak.
- The number of families in bed and breakfast had reduced by almost 50% since June 2024.
- The average length of stay in bed and breakfasts still breached the law but had reduced by 50% to less than 90 days.
- The Full Council decision of March was forecast to save the Local Authority £6m that financial year, £27m next year and £45m in 26/27
- Based on projected figures, it is expected that there will not be any single people in bed and breakfast by early 2025. Families in temporary accommodation should reduce to 288 families by August 2026.
- Looking forward though, it was clear that there was a need for more accommodation across the City.
- Further capital proposals had been included in the HRA housing and revenue budget.
- It was expected that the budget would include a significant capital injection to include more permanent housing.
- The Local Authority was also exploring further avenues to deliver affordable housing with Homes England and other sources.

The Commission were invited to ask questions and make comments for the officers to respond. Key points included:

- Figures presented were not based on a redefinition of terms.
- The average length of stay in temporary accommodation was 90 days. Individual circumstances differed.
- 225 temporary accommodation units had now been secured. 91 of these were for families or singles. 134 were for singles and were not yet lived in. There were quite a significant number waiting for final legal completion.
- Figures on non-vulnerable singles would be circulated to members following the meeting.
- Homes Not Hostels aimed to find appropriate temporary properties for people in their current area. This meant that they were less likely to have to change Doctor's Surgeries so continuity of health care could continue.
- The longest accommodated resident at The Dawn Centre remained due to them wishing to stay at the centre, but this was not usual practice. The centre was an assessment centre and was not intended for use as long term accommodation.
- Void numbers were below the national average and were below 2%.
- Work was on going with mental health service to look at how matters could improve with appropriate referrals within temporary housing.
- There had been notable success during the pandemic with taking people into temporary accommodation. Many had moved to permanent accommodation but sadly some of these had failed and some people had ended back on the street and with Homelessness services. Moving forward, the Local Authority looked to provide additional support services to prevent this cycle by providing more Supported Housing.
- Infrastructure projects were ongoing for Ashton Green.
- The works at Southfields Drive had been impacted by many factors including Brexit, inflation and issues within the construction trade as a whole.
- Announced borrowing did not necessarily mean borrowing from schemes, it could come from the Local Authority cash balances. Reserves and cash balances were not the same pot of money.
- The Government Works Loans Board was the government's central body for borrowing money from.
- The Chair felt additional clarification on borrowing would be useful outside of the meeting.
- Accommodation was always assessed on suitability and the Local Authority aspired to meet with national space standards. There is not a set space standard for temporary accommodation, many authorities did not meet with this standard.
- The Bridge and Help the Homeless were two local organisations linked with the Local Authority.
- For the 350 temporary accommodation homes, the aim was for continual occupancy with new tenants moving in quickly after previous tenants had moved out to a more permanent Housing solution.
- The Council was able to secure a percentage of housing benefits

against temporary accommodation, and the difference was not charged to those in temporary accommodation.

- Regarding disparity in terms of acquisition, there was a significant number of single dwellings. It was now necessary to focus and obtain more family units.
- Regarding temporary accommodation with disabled access, there were adjustments that could be made, but permanent solutions were more likely to be supplied.
- For recruitment, the Local Authority was currently at full staffing level for the Homelessness sector and this had been a critical feature regarding homelessness prevention.
- With some members stating there was a need for more social housing, the Local Authority would continue to explore all opportunities. There was currently a Government consultation on the Right to Buy scheme.
- New blocks of flats designed for temporary accommodation would have concierges and wrap around support facilities would be available, the Local Authority was currently looking to procure a contract which would facilitate this. CCTV would be fitted, and proactive arrangements would be in place to ensure the mental and physical wellbeing of tenants.
- Breakdown figures on asylum seekers in families and singles could be provided
- A request was made to undertake Councillor briefing to aid understanding of the issue around homelessness.
- Numbers on people who moved from temporary accommodation into private accommodation due to a lack of suitable council housing would be provided.
- Numbers on people who moved from temporary accommodation into private accommodation due to a lack of suitable council housing would be provided.
- Further information on Greyfield sites would be produced.
- It was clarified that an application for housing assistance could be made from anywhere within the country. However, there was legal criteria in regards to homelessness. Generally if the applicant had an association with a particular area, they would normally be required to make the application there. Factors, would be taken into consideration, such as how long the person had lived or worked in the area.
- Regarding the sale of council properties, between 1000 and 1500 council housing units had been sold in the last 5 years.

AGREED

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.

80. COUNCIL TAX SUPPORT SCHEME

Due to an interest declared, Councillor March left the meeting prior to this item being considered.

The Director of Finance submitted a report providing an overview of the proposed simplified “banded” council tax support scheme and the consultation results.

The Strategic Policy Lead presented the attached slides outlining the issues with the previous scheme and informing members of how the new scheme would work.

The Committee were asked to comment and note this report and presentation prior to a decision being made on the scheme at Full Council on 16th January.

Members were invited to ask questions and make comments. Key points included:

- Concern was raised that it was difficult to express an opinion without fully knowing what alternative schemes would entail.
- It was explained that the reason it needed to go to Full Council on 16th Jan was because the tax base needed to be set and the bill would need to be calculated before the scheme was rolled out.
- It was suggested that under the current scheme, people were accruing debt, which put the Council and households in an untenable position.
- Alternative schemes could not deviate too much from what was consulted on as there would be a legal risk.
- The deadline for the implementation of the second week of March was a statutory deadline for the Local Authority to confirm a scheme for the following year. Once a base was set, the only alternative would be to revert to the current scheme.
- As tax bases would be affected, it would be necessary to inform the police and fire service by the end of January 2025.
- The current scheme had been made unworkable by the introduction of Universal Credit due to the flux in payments.
- Legislation dictated that the consultation was relevant to the time period that this was done in.
- If a re-consultation was conducted next year, it would mean that there was a round of 4-6 months of people getting billed.
- Two briefings for members would be held on 16th December to help them understand the scheme.
- In response to the concern raised, it was suggested that a paper be sent to members before Full Council detailing the scheme including details of alternative schemes. Also that further briefings be offered in the new

year in addition to those on 16th December, and the possibility of recording these sessions be considered.

- Concern was raised that some residents would miss out on support under the proposed scheme.
- In response to concern raised about public support for the scheme, it was clarified that 'Don't Know' was not classified the same as 'No', and if there was a judicial review, they would take the same view.
- Concern was raised about difficulty in understanding the report and the new scheme.

AGREED

- 1) That comments made by members of this commission to be taken into account by the lead officers.
- 2) That a paper be sent to members before Full Council detailing the scheme including details of alternative schemes.
- 3) That further briefings be offered in the new year in addition to those on 16th December, and the possibility of recording these sessions be considered.

Councillor Batool left the meeting following the consideration of this item.

81. EXECUTIVE DECISION - REVENUE BUDGET MONITORING APRIL-SEPTEMBER 2024/25

The Director of Finance submitted a second report in the monitoring cycle for 2024/25 and updates the forecasts presented to this committee in September.

No questions or comments were made.

AGREED

That the report be noted.

82. CAPITAL BUDGET MONITORING APRIL-SEPTEMBER 2024/25

The Director of Finance submitted a report providing the position of the capital programme at the end of September 2024 (Period 6).

Members were invited to ask questions and make comments.

A question was raised as to whether the Council was still paying to light empty buildings. This would be looked into.

AGREED

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.

83. INCOME COLLECTION APRIL-SEPTEMBER 2024

The Director of Finance submitted a report detailing progress made in collecting debts raised by the Council during the first six months of 2024-25 together with debts outstanding and brought forward from the previous year. It also set out details of debts written off under delegated authority that it had not been possible to collect after reasonable effort and expense.

No questions or comments were made.

AGREED

That the report be noted.

84. MID-YEAR REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2024/25

AGREED:

That the press and public be excluded during consideration of the following reports in accordance with by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Exempt minute circulated to Councillors separately.

85. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

The Committee was asked to consider the current work programme and to make comments and/or amendments as it considered necessary.

AGREED:

That the current work programme be noted.

86. ANY OTHER URGENT BUSINESS

The Chair thanked the Director of Finance and other officers.

There being no other items of urgent business, the meeting closed at 8:40pm

COUNCIL TAX SUPPORT SCHEME FOR 2025/26

OVERVIEW SELECT COMMITTEE

12 DECEMBER 2024

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Background, who pays Council Tax?

Who receives help to pay their bill?

What is our Council Tax Support Scheme?

What do we want to change?

Our proposal

Who is vulnerable?

How does this impact households?

Case studies

Savings

Timetable

COUNCIL TAX SUPPORT: A BACKGROUND

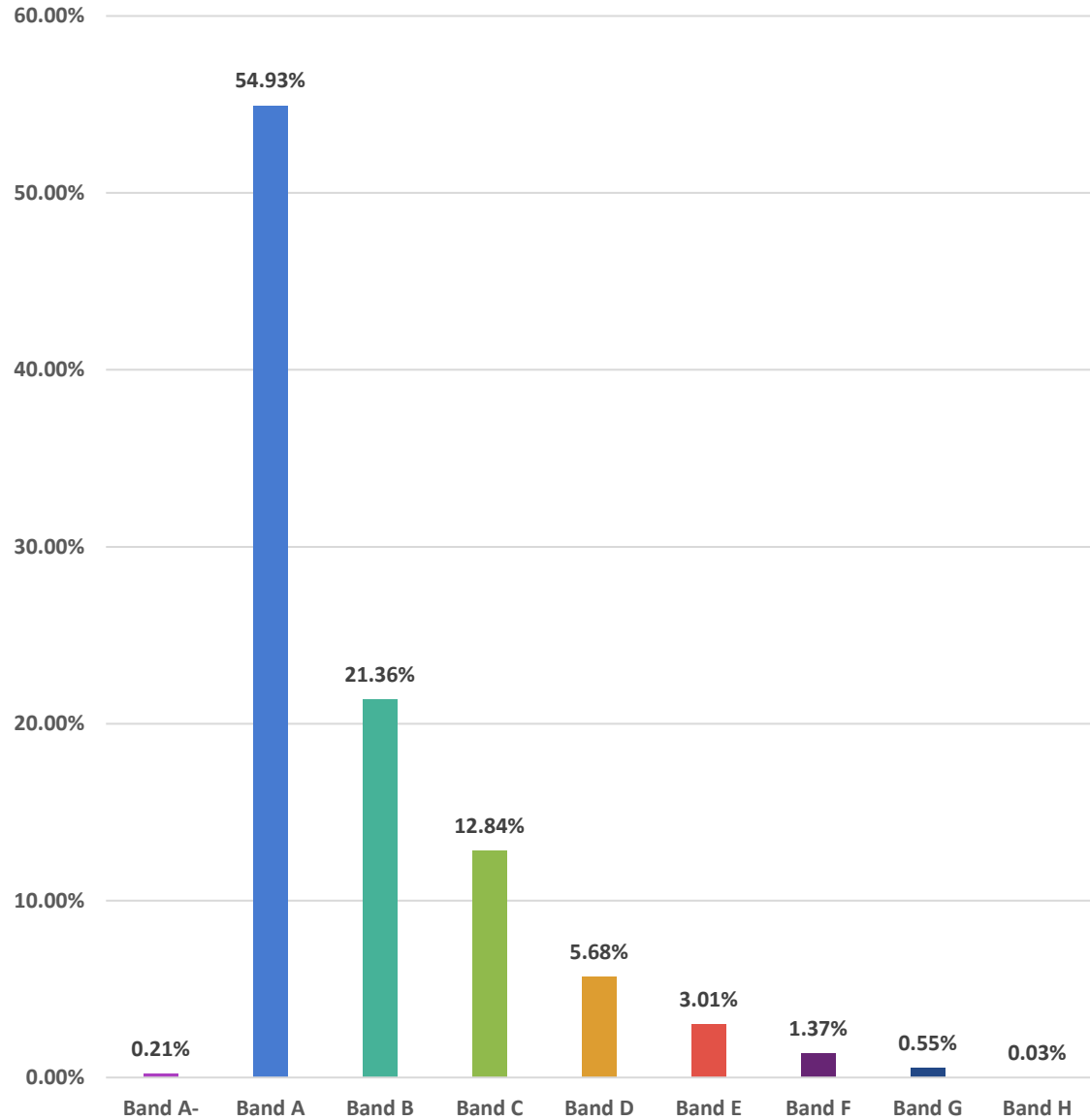
- Before 2013, government subsidized **Council Tax Benefit** – up to 100% support for low-income households
- From April 2013, replaced by **Council Tax Support** – unchanged for pension-age but 20% less funding for local authorities to design a scheme for working-age households.
- Since 2013 we have been one of the only Councils to fund a supplementary **Council Tax Discretionary Relief** scheme with a budget of **£500,000** p.a. to support the most vulnerable households (nearly 2,000 last year)
- Alongside this scheme, these households are also considered for eligibility for additional support with **Discretionary Housing Payments** and/or **Household Support Fund** assistance.
- During 2024/25 we are also allocating an additional **£400,000** of **Household Support Fund** monies to financially vulnerable households prior to migration to any new scheme.

WHO PAYS COUNCIL TAX?

- 132,000 households pay council tax.
- Most properties (77%) are in Band A (£1,528) or B (£1,783).
- The average bill after exemptions, discounts and Council Tax Support is £1,417.
- The total due in 2024/25 is £187m.
- Low-income households can receive Council Tax Support. The total awarded is £26.9m.



PROPERTIES IN LEICESTER BY BAND



WHO RECEIVES HELP TO PAY THEIR BILL?

28,100 households receive Council Tax Support:

- 10,400 are pensioner households. They receive support of up to 100% of their tax. This scheme is set by the Government, and we cannot change it.
- 17,700 are working age households. They receive up to 80% of their tax. We are responsible for this scheme.
- The changes we are proposing only affect the working age scheme.



WHAT IS OUR CURRENT COUNCIL TAX SUPPORT SCHEME?

It is a means-tested discount to council tax bills.

It was introduced in April 2013 and has not changed since before Universal Credit was introduced.

We consider each claimant's income and needs, as well as who lives in his/her household.

Over 90% of households who receive support live in band A or band B properties .

WHY MIGHT A HOUSEHOLD RECEIVE NO, OR REDUCED COUNCIL TAX SUPPORT?

These are some reasons households would receive less than the maximum (currently 80%):



Someone with more than £6,000 in capital and savings.



Someone entitled to less than £4.65 per week (less than 14-20% of their bill)



Someone whose household income is higher than their calculated needs.



Someone with additional adults living in the household, particularly if they earn money.



Someone in a Band C or higher property – awards are capped at Band B.

NO SUPPORT

REDUCED SUPPORT

WHY DO WE WANT TO CHANGE THE SCHEME?

It is complex both for residents and staff, particularly following the introduction of Universal Credit.

Entitlement is recalculated regularly, leading to multiple tax bills showing different discounts, making it difficult for households to budget.

The scheme is not targeted towards the most vulnerable, who are least able to find work.

The Council's financial position means we need to find ways to save money. The scheme is costly to administer and inflexible when consider savings opportunities.

CASE STUDY 1: HOW SMALL CHANGES IMPACT COUNCIL TAX SUPPORT

- Single adult, Band A property – average 16 hours work per week + Universal Credit. £673 for the year, 10 x instalments of £67.
- Resident's bill is ultimately recalculated in total **9 times in 9 months** – each causes a new bill and reset payment plan, legal limit for next payment date is 14 days later to allow for the new bill to be received before it falls due – this means that previously set payment dates are missed
- Nov '23, income increased by **£9.67** – remaining instalments increased by **£65**
- by Jan '24 **£362.45** is due for the final instalment – despite the resident having not missed a payment or failed to report a change, and their income having changed by no more than £30 per week.
- In this case we were able to make a special payment arrangement and extend payments to 12 months – but many pay by 12 months as default – this is **by no means an extreme example!**

Proposed scheme, would be better off – 10 x instalments of £57 and no changes.

Current scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£673.20	£70.20	£676.20	10.4%
May	£673.20	£67	£676.20	9.9%
June	£611.70	£79.70	£682.95	11.7%
July	£656.56	£92.56	£737.03	12.6%
August	£881.39	£224.83	£862.80	26.1%
September	£603.44	£119.44	£737.03	16.2%
October	£484	£121.00	£737.03	16.4%
November	£363	£121.00	£737.03	16.4%
December	£372.27	£186.27	£746.70	24.9%
January	£362.45	£362.45	£737.03	49.2%

Proposed scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£573.13	£57.34	£676.20	8.5%
May	£515.79	£57.31	£676.20	8.5%
June	£458.48	£57.31	£682.95	8.4%
July	£401.17	£57.31	£737.03	7.8%
August	£343.86	£57.31	£862.80	6.6%
September	£286.55	£57.31	£737.03	7.8%
October	£229.24	£57.31	£737.03	7.8%
November	£171.93	£57.31	£737.03	7.7%
December	£114.62	£57.31	£746.70	7.8%
January	£57.31	£57.31	£737.03	7.8%

OUR PROPOSAL

- The calculation will be **simplified**, with household income put into **income bands**. This means small changes will no longer trigger a recalculation.
- Fewer incomes will be disregarded, which the new bands will be increased to reflect. This also means fewer changes to entitlement.
- Child Benefit income will continue to be disregarded. Childcare costs will continue to be taken into account.
- Universal credit income for housing costs and Housing Benefit will continue to be disregarded.
- Disability income will be disregarded to the extent that it is received by more than one household member.
- **Vulnerable** households will receive a maximum discount of **100%** of a **Band C** property tax. One in five households will be considered “vulnerable”.
- Other households will receive a maximum discount of **75%** of a **band B** property, reduced from 80%.
- The calculation of deductions for **additional adults** in a household will be simplified.
- The capital limit of £6,000 will be unaffected.

*WHICH
HOUSEHOLDS
ARE CONSIDERED
“VULNERABLE”?*

Those receiving at least one of:

- Middle or Higher Rate Care component of the Disability Living Allowance
- Enhanced Rate Daily Living Component of Personal Independence Payments
- Carers' Allowance or the Carer's Element of Universal Credit
- Income-related Employment & Support Allowance
- Support Component of contribution-based Employment & Support Allowance
- UC with a Limited Capability for Work or Limited Capability for Work Related Activity Element
- Households where a dependent child or young person is in receipt of a disability benefit.

OUR PROPOSED SCHEME – INCOME BANDS

		Vulnerable				Other			
Income Band	Discount	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons
Weekly Net Income (after tax and N.I.)									
1	100%	£0 to £150	£0 to £150	£0 to £150	£0 to £225	N/A	N/A	N/A	N/A
2	75%	£150 to £225	£150 to £225	£150 to £300	£225 to £375	£0 to £150	£0 to £150	£0 to £150	£0 to £225
3	50%	£225 to £300	£225 to £300	£300 to £450	£375 to £450	£150 to £225	£150 to £225	£150 to £300	£225 to £375
4	25%	£300 to £375	£300 to £375	£450 to £525	£450 to £525	£225 to £300	£225 to £300	£300 to £450	£375 to £450
5	0%	£375+	£375+	£525+	£525+	£300+	£300+	£450+	£450+

HOW DOES THIS IMPACT HOUSEHOLDS?

Setting the bands in this way would lead to:

- 4,200 households would pay less council tax (primarily the vulnerable group) by an average of £4.80 per week;
- 13,500 households would pay more, including 1,900 who would cease to receive support. These households lose an average of £6.25 per week.

This would be the average impact over the year - with less changes households would still be more likely to find it easier to budget month by month.

We will also mitigate any negative impact through:

- We will promote the Council Tax Discretionary Relief Fund and increase funding from £0.5m to £0.75m for two years.
- We will explore support which can be offered from the Household Support Fund (while it lasts)

CASE STUDY 2 – SINGLE VULNERABLE PERSON

- Resident in a band A property has an assessable income of **£138.20 per week**, including Employment & Support Allowance.
- Receives support of 100% of their Council Tax (**increased** from 80% under the current scheme)
- No income changes, so currently pays 10 x instalments of £23.

HOUSEHOLD INCOME (weekly):

Employment & Support Allowance	£90.50
E&SA Support Component	£47.70
Housing Benefit (disregarded)	£90
Council Tax Support (disregarded)	£17.63
Total (including disregarded):	£245.83

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£17.63	£917	£4.41	£229.26
Proposed scheme	£22.04	£1,146.26	£0	£0
Better / worse off			+£4.41	+£229.26

CASE STUDY 3 – SINGLE VULNERABLE PERSON, ADDITIONAL ADULT WITH EARNINGS IN HOUSEHOLD

- Resident has an assessable income of **£224 per week** including Personal Independence Payments (enhanced, daily living)
- Maximum support would be 100% of their council tax, but this reduces to 75% due to income.
- The additional adult further reduces support to 55% of tax
- Support **increases** from 40% of tax under the current scheme

HOUSEHOLD INCOME (weekly):

Personal Independence Payments	£108.55
Earned income (after tax/N.I.)	£115.45
UC Housing Costs (disregarded)	£115
Council Tax Support (disregarded)	£11.76
Non-dependant income	£220
Total: (including disregarded)	£570.76

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£8.82	£458.50	£13.23	£687.75
Proposed scheme	£12.12	£630.44	£9.92	£515.82
Better / worse off			+£3.31	+£171.93

Current scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£687.75	£68.82	£1924	3.6%
May	£687.75	£68.77	£1924	3.6%
June	£672.59	£91.70	£1953	4.7%
July	£747.50	£143.41	£1934	7.4%
August	£1,037.82	£142.92	£2104	6.8%
September	£734.05	£299.72	£1853	16.2%
October	£607.62	£159.25	£1910	8.3%
November	£469.86	£161.33	£1989	8.1%
December	£483.27	£248.36	£1996	12.4%
January	£483.27	£483.27	£1996	24.2%

Proposed scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£515.82	£51.60	£1924	2.7%
May	£464.22	£51.58	£1924	2.7%
June	£412.64	£51.58	£1953	2.6%
July	£361.06	£51.58	£1934	2.7%
August	£481.41	£80.24	£2104	3.8%
September	£315.21	£63.05	£1853	3.4%
October	£252.16	£63.04	£1910	3.3%
November	£189.12	£63.04	£1989	3.3%
December	£126.08	£63.04	£1996	3.3%
January	£105.09	£63.04	£1996	3.3%

CASE STUDY 4 – TWO CHILD FAMILY, NOT VULNERABLE

- Resident and partner in a band A property have an assessable income of **£370 per week**.
- Child benefit is disregarded from the calculation of income
- Receives support of 50% of their council tax bill.
- Support **decreases** from 80% under the current scheme)
- This household would be proactively targetted with council tax discretionary relief and other available discretionary support.

HOUSEHOLD INCOME (weekly):

Earned income (after tax/N.I.)	£250
UC Personal Allowance	£120
Child Benefit (disregarded)	£42.55
UC Housing Costs (disregarded)	£178.36
Council Tax Support (disregarded)	£23.51
CTDR (disregarded)	£5.88
DHPs (disregarded)	£16.64
Total: (including disregarded)	£636.94

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£23.51	£1,222.67	£5.88	£305.67
Proposed scheme	£14.70	£764.17	£14.70	£764.17
Better / worse off (average)			-£8.82	-£458.50

Current scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£305.67	£30.63	£1,603	1.9%
May	£305.67	£30.56	£1,603	1.9%
June	£275.60	£35.07	£1,580	2.1%
July	£294.66	£40.73	£1,720	2.6%
August	£394.01	£98.93	£1,550	5.8%
September	£268.70	£52.55	£1,580	3.4%
October	£214.66	£53.24	£1,590	3.3%
November	£160.36	£53.24	£1,600	3.3%
December	£163.80	£81.96	£1,501	5.1%
January	£159.48	£159.48	£1,501	10.2%

Proposed scheme

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£764.17	£76.42	£1,603	4.8%
May	£687.75	£76.42	£1,603	4.8%
June	£611.33	£76.42	£1,580	4.8%
July	£936.18	£133.74	£1,720	7.8%
August	£401.22	£66.87	£1,550	4.3%
September	£334.35	£66.87	£1,580	4.2%
October	£267.48	£66.87	£1,590	4.2%
November	£200.61	£66.87	£1,600	4.2%
December	£133.74	£66.87	£1,501	4.5%
January	£66.87	£66.87	£1,501	4.5%

SAVINGS



Although cost savings are not the main objective of the consultation, we are proposing that a larger proportion of our Council Tax receipts are retained to protect essential spending.



As the bands are currently set, our proposal would save the Council £2.4m in expenditure.



A further £0.4m would be achieved in efficiency saving from reduced administration.



The Fire & Police services will also save £0.4m.

CONSULTATION FEEDBACK

- 280 responses from public, no objections from preceptors, Fire Service wrote in support.
- Proposal supported in all elements – 71% support banded income scheme concept.
- Support strongest for separate scheme for vulnerable households (87%) and disregarding War Pensions (92%)
- Support weakest as to whether the income bands are fair (61%) and simplifying non-dependant deductions (63%)



ALTERNATIVE MODELS

There are three effective methods for amending the banded scheme, presented here with advantages and disadvantages –

- **Adding more bands** (the percentage ‘steps’ based on income),
- **Adding more categories** (the columns based on household composition),
- **Adding more income disregards** (in addition to child benefit etc).

We do not recommend other alternative changes:

- **Expanding income allowances** (for example, adding £50 or £100 to each existing band) – this would open the scheme to an unknown number of households who currently do not qualify.
- **Changing only one band**, for example increasing just the 75% maximum band to 80%. This would be potentially unfair as a ‘lopsided’ scheme leading to a 30% drop in award when transitioning to a ‘Band 3’ income.
- **Reverting to the previous scheme with a higher minimum payment, or any other new method of calculation** – this would require a new consultation.

OPTION 1: ADDING MORE BANDS

ADVANTAGES:

- could allow retaining maximum 80% award
- 'fairer' in some circumstances due to less severe 'cliff edge' changes in award

DISADVANTAGES:

- cost implications
- more frequent changes in entitlement throughout the year.

Example: 100/80/60/40/20% instead of 100/75/50/25%

Income Band	Discount	Vulnerable				Other			
		Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons
Weekly Net Income (after tax and N.I.)									
1	100%	£0 to £150	£0 to £150	£0 to £150	£0 to £225	N/A	N/A	N/A	N/A
2	80%	£150 to £225	£150 to £225	£150 to £275	£225 to £300	£0 to £150	£0 to £150	£0 to £150	£0 to £225
3	60%	£225 to £275	£225 to £275	£275 to £375	£300 to £375	£150 to £225	£150 to £225	£150 to £275	£225 to £300
4	40%	£275 to £325	£275 to £325	£375 to £450	£375 to £450	£225 to £275	£225 to £275	£275 to £375	£300 to £375
5	20%	£325 to £375	£325 to £375	£450 – £525	£450 – £525	£275 to £325	£275 to £325	£375 to £450	£375 to £450

FINANCIAL IMPACT:

Reduce savings by **£930k (including administration)**

948 less households without entitlement **(compared to proposed scheme)**

OPTION 2: ADDING MORE CATEGORIES

ADVANTAGES:

- arguably fairer
- offers more to address child poverty

DISADVANTAGES:

- potentially significant cost implications depending on bands set

		Vulnerable					Other				
Income Band	Discount	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons	Couple/Lone Parent with three or more children/young persons	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons	Couple/Lone Parent with three or more children/young persons
1	100%	£0 to £150	£0 to £150	£0 to £150	£0 to £200	£0 to £250	N/A	N/A	N/A	N/A	N/A
2	75%	£150 to £225	£150 to £225	£150 to £300	£200 to £350	£250 to £400	£0 to £150	£0 to £150	£0 to £150	£0 to £200	£0 to £250
3	50%	£225 to £300	£225 to £300	£300 to £375	£350 to £400	£400 to £450	£150 to £225	£150 to £225	£150 to £300	£200 to £350	£250 to £400
4	25%	£300 to £375	£300 to £375	£375 to £450	£400 to £500	£450 to £550	£225 to £300	£225 to £300	£300 to £375	£350 to £400	£400 to £450
5	0%	£375+	£375+	£450+	£500+	£550+	£300+	£300+	£375+	£400+	£450+

FINANCIAL IMPACT:

Reduce savings by **£350k**

194 less households without entitlement (compared to proposed scheme)

OPTION 3: DISREGARDING OTHER INCOMES

ADVANTAGES:

- Arguably fairer

We could consider:

- Disregard income from Disability Living Allowance, Personal Independence Payments
- Disregard income from Carers Allowance, Attendance Allowance
- Allow 'passporting' (automatic maximum entitlement) to recipients of JobSeekers allowance (income-based), Income Support, Employment & Support Allowance (income-related)
- Reintroduce earnings disregard (First £10 of earnings, £25 for lone parents)

DISADVANTAGES:

- cost implications
- Adds to scheme complexity
- Does not directly help families

FINANCIAL IMPACT

Reduce savings by **£1.38m (including administration)**

885 less households without entitlement **(compared to proposed scheme)**

TIMETABLE

Publication of draft scheme	27th September 2024
Consultation with public	30 th September – 10 th November
Consultation analysis	11 th November – 29 th November
Council decision	16 th January 2025
New scheme live as part of council tax billing 2025/26	1 st April 2025

WHAT THE CHANGES DO NOT AFFECT?

- Council Tax Support available to people of pension age.
- The 25 per cent single person's council tax discount
- Tax exemptions for people who are severely mentally impaired and live on their own
- Discounts for care leavers

WHAT OTHER FINANCIAL HELP IS THERE?

Council tax Discretionary Relief (£500k, increasing to £750k)

- Leicester is one of only a few councils who offer this additional financial support
- Will be promoted to affected households

Discretionary Housing Payments (£650k):

- Supports tenants' rents

Community Support Grant (£270k):

- Crisis awards (food and fuel)

Household Support Fund:

- Further £3.4m to April 25
- Can be used to provide targeted Council Tax support
- Budget for 25/26 TBC

ANY QUESTIONS?

