

# Council Tax Support Scheme Task Group – Session 1

The Benefits Business Lead Manager delivered an introductory presentation on the Council Tax Support Scheme (CTSS), outlining the scope of the task group and the objectives of the sessions (as detailed in the scoping document and presentation slides).

Key points noted included:

- The current CTSS was adopted in January 2025 and came into effect in April 2025. Its objectives were to simplify administration, ensure consistency, reduce overall costs, and increase support to the most vulnerable households (defined as disabled individuals with the lowest incomes, with caring responsibilities or families with disabled children).
- The previous CTSS, adopted in 2013 after the abolition of Council Tax Benefit (CTB), was funded by a one-off grant. Local authorities were mandated to design their own working-age schemes. There had not been any subsequent identifiable funding, and council income was now primarily derived from council tax and business rates.
- This old regime was complex and heavily based on pre-2013 CTB rules, with any income change leading to frequent bill recalculation. The recalculation of bills led to suspension of payment schedules and the reissuance of new bills, which left the recipients with unsustainably large instalments towards the end of the year (data comparisons showed households entitled to Council Tax Support (CTS) struggled more with payments than those not entitled, particularly towards the end of the year).
- Additionally, entitlements were hard to calculate without expert knowledge and there was virtually no correlation between household income and the amount of support received.
- The final adopted scheme was expected to realise savings of approximately £1.3m per year.

Specific changes introduced by the new CTSS were;

1. A simplified 'banded' scheme, awarded in 'bands' of 100, 80, 60, 40 or 20%. Most changes would not result in CTS fluctuation and bill recalculation, allowing for better financial planning.
2. Most income was taken into account, with the exceptions of Child Benefit, Housing Benefit, Universal Credit Housing Costs, and deductions for Childcare costs.
3. Allowances for households in the 'vulnerable' scheme were one band (20% of Council Tax) more generous compared to those who were not, up to 100% - e.g. a vulnerable single household with an income of £200 per week would receive 80% rather than 60% support.
4. Increased support for the most vulnerable, with 15% of CTSS households receiving 100%. The lowest-income households received £2m in extra support.
5. Applications for Universal Credit were automatically treated as applications for CTS, which had reversed a long-term decline in the number receiving support.
6. Discretionary support increased by 50%, from £500k to £750k for this year and next; over 500 households had already received support totalling £175k. Additionally,

£500k of HSF funding had been utilised to clear more than half of the arrears of 1500 vulnerable households, that had got in to arrears due to the flaws in the old scheme.

7. In response to feedback, the number of scheme bands was increased from 4 to 5, and households with three or more children received additional income protection (removing the '2-child cap').

It was further noted that;

- Tracking had been set up to compare payment behaviours between those on CTS and those not, to assess the effectiveness of the new scheme. Initial feedback suggested no more complaints about CTSS than in 24/25.
- Some alternative models were proposed, as well as their disadvantages (detailed in the slides).
- Any recommendations of amendments to the scheme would require public consultation before the council tax base adoption in January 2026.

In response to questions and requests from the task group members, the Director of Finance made the following points:

- The standard letter that goes out had been simplified.
- Officers were not aware that any national studies on CTS had been conducted since the one by the IFS in 2019; members were encouraged to share any known research.
- Officers could look to postpone the next meeting to allow data to be shared with members in advance. However, it was critical to retain the August date to ensure that proposals are presented to the Executive a few weeks after.