

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Council Tax Support 2025/26 and Housing Benefit disregarded income from assessments (CS/2024/17)	
<b>REPORT OF</b> Cabinet Member for Finance and Cost of Living	
<b>FOR SUBMISSION TO</b>  Resources and Corporate Performance Scrutiny Committee Cabinet Council	<b>DATE</b>  9 <sup>th</sup> December 2024 11 <sup>th</sup> December 2024 20 <sup>th</sup> January 2025
<b>STRATEGIC CONTEXT</b>  We Make Camden is our joint vision for the borough, developed in partnership with our community. Our Council Tax Support scheme supports the Council’s wider objectives as part of its debt and welfare ambitions to provide significant support for residents on low incomes.  Our scheme reduces the cost of Council Tax for over 22,000 households and plays a major part of the Council’s pledge to make Council Tax fairer and ‘to ensure that no child, no resident and or family in Camden go hungry or cold’. The scheme represents a significant investment of around £33m during 2024/25 to reduce the financial burden on residents living on benefits or low earnings.  Our Council Tax Support Scheme is based on the London Living Wage which helps to reduce inequality and ensure fair wages. It addresses poverty, enables families and disabled people to live in Camden and supports those entering employment.	
<b>SUMMARY OF REPORT</b>  This report sets out Camden’s proposals to provide a Council Tax Reduction Scheme (CTS) for the year 2025/26.  Camden’s current scheme is one of the most generous CTS schemes in the country with income bands based on the London Living Wage uprated annually. Over 16,100 households (including over 5,300 pensioners) in Camden currently receive 100% support and do not pay any Council Tax.  Against a backdrop of families continuing to struggle financially, Camden’s commitment to the scheme continues whilst many councils both in London and	

across the country are having to reduce levels of support under their schemes in response to wider budget pressures.

It is proposed that the current scheme remains in place for 2025/26, with income bands uplifted in line with the new levels for the London Living Wage announced on 23 October 2024. The report is coming to the Cabinet as the Local Government Finance Act 2012 amends the Local Government Finance Act 1992 by setting out the requirement for the Council to formally agree a CTS scheme on an annual basis.

In addition to separately approving the scheme, Cabinet is asked to confirm our ongoing support, using discretionary powers under Section 134 (8) of The Social Security Administration Act 1992 (in relation to Housing Benefit award), to disregard 100% of war widows (widowers) / war disablement scheme income and income from the armed forces compensation scheme from housing benefit eligibility assessments.

### **Local Government Act 1972 – Access to Information**

No documents that require listing were used in the preparation of this report.

**Contact Officer:** Mark Stewart

Head of Council Tax, Business Rates and Benefits

Corporate Services

5 Pancras Square, London, N1C 4AG

020 7974 5565

[mark.stewart@camden.gov.uk](mailto:mark.stewart@camden.gov.uk)

### **RECOMMENDATIONS**

The Resources and Corporate Performance Scrutiny Committee is asked to consider the report and make any recommendations to Cabinet.

Having due regard to the obligations set out in section 149 of the Equality Act 2010 and the Equalities Impact Assessment at Appendix C:

**The Cabinet** is asked to:

- (i) Recommend the Council to agree that, from 1 April 2025, the current Council Tax Reduction Scheme is updated to reflect the new London Living Wage amount in our income bands as set out in Appendix B.
- (ii) Recommend the Council delegate authority to the Director of Finance to make changes to the approved scheme during 2025/26 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme to ensure the scheme remains legally consistent and up to date as the legislation changes.
- (iii) Agree that the Housing Benefit Service can continue to disregard all income from War Widows (Widowers) pensions or War Disablement pensions, rather

than just the first £10 of income when assessing entitlement to housing benefits.

- (iv) Agree that the Housing Benefit Service can disregard all income from the 'armed forces compensation scheme' rather than just the first £10 of income when assessing entitlement to housing benefits.

**The Council** is asked to:

- (v) Agree that, from 1 April 2025, the current Council Tax Reduction Scheme is updated to reflect the new London Living Wage amount in our income bands as set out in Appendix B.
- (vi) Delegate authority to the Director of Finance to make changes to the approved scheme during 2025/26 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme to ensure the scheme remains legally consistent and up to date as the legislation changes.

Signed: Jon Rowney, Executive Director Corporate Services  
Date: 29th November 2024

## 1. CONTEXT AND BACKGROUND

### Council Tax Support scheme

- 1.1 We Make Camden sets out a commitment ‘to ensure that no child, no resident and no family in Camden go hungry or cold’ and an ambition that ‘everyone should have a secure livelihood to support them to live a prosperous life.’ Camden’s Council Tax Support scheme is an important means by which the Council supports residents on low incomes and forms part of the Council’s approach to tackling poverty and supporting residents’ financial resilience. The Council continues to ensure that support is available to households affected by the increased cost of living, including payments from the Cost of Living Fund and debt and welfare advice. The Council is also progressing improvements in how we work to support low income households to ensure that our support is sustainable, evidence-based, and designed to have lasting impact, and this work includes reforming our approach to supporting households in debt and trialling new ways of providing high impact financial support.
- 1.2 The CTS scheme supports residents on low incomes to reduce their Council Tax payable, freeing up their income to be used for other priorities. It is an established and effective intervention that reduces financial pressure among the lowest income households. It represents a significant investment of around £33m during the current 2024/25 financial year in providing financial support.
- 1.3 Despite significant financial challenges, Camden has maintained its commitment to ensuring that Council Tax is fair and that residents are supported. Camden’s ongoing investment in our CTS scheme reflects this commitment and comes at a time where a number of other councils in London and across England are consulting on reducing their award amounts under schemes for the 2025/26 financial year due to financial constraints, which could see Camden as one of only 2 boroughs in London offering residents 100% support from 1 April 2025.
- 1.4 The £33m investment in our CTSS adds to a number of other ways in which the Council has continued to invest in services to support the least well off in the borough.
  - We recognise the profound impact the cost of living crisis is having on our residents and communities and in 2024/25, **we invested £2m in our Cost of Living Fund**. This has become a critical part of our efforts to support those in most need.
  - **Household Support funding totalling £4m** has been used to support families with children through school holidays over the course of the year and in addition providing financial help to pensioner households in partnership with Age UK Camden.
  - Families with secondary school aged children who are struggling could get help from the new **£1.3 million fund to tackle child hunger** and help with the cost of uniforms.

- Continuing our commitment to **£4m per year** allocated grant funding for the voluntary sector;
- 1.5 Every year the Council must decide whether to keep the existing CTS Scheme or revise it. The CTS Scheme awards a Council Tax discount for residents receiving benefits or on a low income, with our current scheme offering a discount of up to 100% depending on household income and circumstances. The decision to adopt a scheme must be taken by Full Council, and any revision to the scheme or any replacement scheme must be made no later than 11 March 2025 or the existing scheme must continue to apply for the following financial year.
  - 1.6 This report does not discuss the scheme for people of pension credit age as this is prescribed by law and cannot be changed. Therefore, the Council Tax Support scheme consists of different criteria for pensioner and working age households.
  - 1.7 As at October 2024, 16,136 households (including pensioners) are receiving 100% reduction in their council tax charge through Camden's existing banded CTS scheme (incorporating annual increases in the London Living Wage amount for working age households). This means that despite the scheme coming into effect from 1 April 2020, it still remains one of the most generous and innovative CTS schemes in the country. This is alongside other commitments such as providing an exemption to Council Tax for foster carers, young people leaving care and shared lives carers.
  - 1.8 Current caseloads remain 870 higher than March 2020 (just prior to our current scheme coming into existence). The Department for Work and Pensions (DWP) has granted authority to reuse data from Universal Credit applications to 'auto enrol' claimants onto our CTS scheme. Once live, this change of approach will make it easier for those eligible for CTS to receive support they are entitled to under our scheme.
  - 1.9 Whilst the Council has a duty to follow the statutory debt recovery process for late or non-payment of Council Tax, we continue to add additional steps and support to prevent debts from escalating. These steps include (text messages to remind residents of overdue payments before formal reminder notices are issued to, outbound calling campaigns, agreeing affordable repayment plans). The Council also assists residents to ensure that any eligible discounts and Council Tax Support are awarded correctly and can also consider cases of hardship under the Section 13a process. This approach remains a key element of support for those residents not eligible for 100% reduction from our CTS scheme as well as other households in the borough who may fall outside the scheme but experience financial hardship.
  - 1.10 With the newly created Money Advice Camden Service in place, we will continue to adopt a strong preventative approach to residents needing support around financial welfare, helping our residents become more financially secure in the long term. This work includes;
    - greater collaboration across departments to resolve debts owed by residents to multiple services;

- improving uptake around benefits (including Council Tax Support, Universal Credit / Housing Benefit, pension credits, etc.) to ensure households can maximise their incomes through raising awareness of what they may be entitled to claim locally or nationally;
- a single gateway to both debt advice and support by standardising communication, building relationships with residents early, aligning policies around debt across services and either providing direct advice and support around debt or signposting them to key third sector organisations in the borough are key to our ambitions.

1.11 Given this context, Camden's CTS scheme remains as important than ever in assisting the Council's aims at reducing hardship and poverty within the borough. In continuing to provide support to households in employment, the Council Tax Support scheme provides financial support as residents move into employment and supports the work being carried out by the Good Work Camden.

#### Housing Benefits – 'armed forces compensation scheme'

1.12 Camden seeks to ensure that veterans (or spouses in the event of death) and/or former armed forces personnel (or spouse in the event of death) who were injured, became ill or died during service after 6 April 2005 receive the maximum support from housing benefit they may be entitled to. Historically, we already provided this discretionary support to veterans (or their spouses) War Disablement Pensions and War Widows (Widowers) Pension but now seek to provide the same support to those in receipt of Armed Forces Compensation Scheme income (such as guaranteed income payments) should any claimants come forward with that type of income in future. This would align the level of support we provide under legacy housing benefits with those claimants on Universal Credit.

1.13 The Housing Benefit regulations 2006 have not been updated to mirror Universal Credit regulations which already 100% disregard the income from claimants in receipt of Armed Forces Compensation Scheme income. Whilst the current regulations mean that any housing benefit awarded as a result of disregarding all the income, rather than the first £10 of income, is at the cost of the Council (as it is not subsidised by Central Government) we seek to use discretionary powers to disregard all income so that residents supported by Camden through legacy housing benefits are not penalised compared to new claimants on Universal Credit and receive the same level of support towards their rent to help keep them in their current homes.

## **2. PROPOSAL AND REASONS**

2.1 Given the ongoing direction of travel, including the creation of our dedicated Money Advice Camden debt and welfare service, it is proposed that no change is made to the Council Tax Reduction Scheme for working age households. Any negative changes to the scheme, such as reducing the award amounts (as numerous other Councils are being forced to do as a result of budget pressures for 2025/26), would be counterproductive to Camden's aims at preventing

hardship and poverty for our residents and counterproductive to the aims and objectives of the new Money Advice Camden service.

- 2.2 Working age council tax payers with no or very low-income will continue to receive Council Tax Reduction of 100% of their Council Tax charge. New London Living Wage levels have recently been announced and the income bands for 2025/26 will be uplifted in line with the policy to reflect the new hourly rate of £13.85.
- 2.3 The Council’s scheme works on the basis of income bands and ensures fairness between those on Universal Credit and those on legacy benefits alongside supporting those working but on low incomes. This ensures the scheme is simple to understand and award, reducing complexity for both residents and assessors. Claims are assessed on the basis of gross household income, with additional support for families with children and those with disabilities.
- 2.4 The updated bands are set out below and show that those earning up to £110.79 a week will receive 100% and even those earning up to £623.25 a week will continue to receive some support with the cost of Council Tax if they have children or receive disability or carers benefits.

Earnings Band		Circumstances		
		No Children	Responsible for at least one child	Disabled or Caring Responsibility
1	Not working or earning less than LLW x 8 hours (£110.79)	100%	100%	100%
2	Earning between LLW x 8 hours and LLW x 16 hours (£110.80 to £221.59)	55%	65%	85%
3	Earning between LLW x 16 hours and LLW x 36 hours (£221.60 to £498.59)	35%	45%	55%
4	Earning between LLW x 36 hours and 10% above LLW x 36 hours (£498.60 to £548.45)	0%	30%	45%
5	Earning between 10% above LLW x 36 hours and 25% above LLW x 36 hours (£548.46 to £623.25)	0%	15%	30%

Review of scheme

- 2.5 A detailed review of the scheme is to be conducted during 2025 to consider if the CTS scheme for 2026/27 needs to be redesigned. This will ensure time for

any subsequent consultation regarding any potential changes proposed as a result. It will review the impact of the current scheme on residents, the financial impact (for residents and the Council), and options around what future year schemes could look like based on these impacts feeding into a decision in 2025/26 to determine the scheme for 2026/27.

- 2.6 For residents in receipt of Housing Benefit, the continuation of the 100% disregard of income above the statutory first £10 for income received under the War Widows (Widowers) / War Disablement scheme, along with enabling the same 100% disregard to apply for those in future who receive income under the Armed Forces Compensation scheme, such as Guaranteed Income Payments (GIP) allows us to:
- Ensure members of the armed forces who have been disabled during service or the widows, widowers or surviving civil partners of those who died in service of their country are not penalised due to pension or compensation payments relating to that service being considered when calculating Housing Benefit entitlement.
  - Ensure clarity and consistency in treating this income so that those who have migrated to Universal Credit, administered directly by the Department for Work and Pensions (DWP) already, don't get more support towards their rent than those remaining on the legacy housing benefit still administered by Camden.
  - Align our Housing Benefit decisions to our local Council Tax Support scheme which already fully (100%) disregards this income.

### **3. OPTIONS APPRAISAL**

- 3.1 With regards to our Council Tax Support scheme, the Council could:
- a) Retain the current scheme with income bands being uplifted to reflect the revised London Living Wage figure
  - b) Adopt a completely different scheme
- 3.2 It is proposed that Camden retain the current scheme in place for 2025/26, with the income bands being uplifted to reflect the revised London Living Wage figure announced in October 2024. The scheme currently operates efficiently and its efficiency from a resident's point of view will increase by auto enrolling those who apply for Universal Credit (UC) onto the scheme where they indicated wanting to do so in their UC claim. The Equalities Impact Assessment shows that the scheme has a positive impact on protected groups. The Council also has its separate local discretionary section 13a policy that gives us the ability to reduce or clear Council Tax arrears on the grounds of financial hardship for those only entitled to partial CTS or even no CTS under the scheme, enabling us to ensure there is no potential for discrimination. All appropriate opportunities to advance equality and foster good relations have been taken.
- 3.3 Maintaining the current scheme with the uplift of the income bands provides certainty and clarity for residents and advice partners as Camden embeds its new Money Advice Camden service and measures the benefits for both residents and council income. In addition, it would be difficult to substantially



alter or replace the current scheme, as there would be insufficient time to design and evaluate alterations (including consultation with residents and advice agencies) to the current scheme or design a different scheme for implementation by April 2025.

3.4 With regards to disregarding income for the purpose of assessing entitlement and award amounts of housing benefit, the Council could:

- a) Retain the previous decision to 100% disregard the War Widows (Widowers) / War Disablement Scheme income approved a number of years ago only and no other changes.
- b) Retain the 100% disregard on War Widows (Widowers) / War Disablement Scheme income and align the compensation awards under the Armed Forces Compensation scheme to this same 100% disregard.
- c) Revoke the original decision to 100% disregard the War Widows (Widowers) / War Disablement Scheme income and only disregard the first £10 so that the full cost of the award is covered by central government

3.5 It is proposed that Camden goes for option B as whilst Camden has never had a claimant with compensation under the Armed Forces Compensation scheme, outside of those with War Widows (Widowers) / War Disablement income, and any new claimants likely to be Universal Credit claimants unless they lived in emergency/temporary accommodation, failure to align compensation awards under that scheme to the historic decision made by the council to disregard all income from War Widows (Widowers) / War Disablement Scheme income (rather than just the first £10) would mean Camden inadvertently penalising some military personnel over others. It would also mean these residents on legacy Housing Benefits could receive less support than those migrated to Universal Credit who automatically see the whole income amount disregarded.

3.6 Similar to the above issue, if we revoked the previous decision to 100% disregard the War Widows (Widowers) / War Disablement Scheme income and only disregard the first £10, then those legacy Housing Benefit claimants alongside the claimants with the Armed Forces Compensation scheme awards would be disadvantaged compared to those already on Universal Credit who have the full 100% income disregarded. This would mean Camden unintentionally forcing potential financial hardship during the current cost of living crisis on this small group of Camden residents.

#### **4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

4.1. The award of CTS relieves some financial pressures on the poorest residents. The Council ensures the web page and online forms make claiming CTS as simple as possible with support available from the Camden Advice Partnership. The Council also uses every opportunity to promote the scheme to residents and increase take up.

- 4.2. The cost of the CTS Scheme has remained high due to increasing claims and a greater proportion of claimants entitled to 100% due to reduction in earnings. Despite a slight drop in numbers during the 2024/25 financial year, we still have 870 more claimants than March 2020. This may rise depending on the levels automatically enrolling as a result of Universal Credit application auto enrolments onto our scheme where they have indicated to DWP they either already receive CTS or intend to apply.
- 4.3. In addition, the cost of the scheme will naturally increase in line with increases in Council Tax liability which has risen by the maximum permitted before referendum consistently for a number of years. The cost of the CTS scheme is factored into the annual Council Tax setting process and annual budget setting process too.
- 4.4. Whilst as at early October 2024 it looks like inflation levels may finally start to be falling, there is little sign of the cost of living crisis ending and so, the number of cases may continue to rise with the associated cost.
- 4.5. The confirmation that Camden wishes to keep the 100% disregard on War Widows (Widowers) / War Disablement Scheme income when assessing Housing Benefit award amounts and aligning the compensation awards under the Armed Forces Compensation scheme to the same 100% level (should we ever receive a claim from someone receipt of them) does come at a cost to the Council as any payment amount issued above the amount they would have received had we only disregarded the initial first £10, would not be subsidised by DWP. However, we currently only have 5 claimants relating to the 100% disregard on War Widows (Widowers) / War Disablement Scheme income due to a steady decline over the years. Universal Credit migration means we would only ever likely receive a new claim involving income from compensation awards under the Armed Forces Compensation scheme from those in emergency accommodation and therefore a key vulnerable group we would want to ensure maximum support for.

## **5. CONSULTATION/ENGAGEMENT**

- 5.1. As the only updates that are being made to the Council Tax Support scheme reflect our schemes commitment to increase the bands to align with annual increases in the London Living Wage, no consultation is required.
- 5.2. An Equalities Impact Assessment (EIA) has been undertaken for the minor change to increase the income bands to align to the newly announced London Living Wage (appendix C) in our Council Tax Support Scheme. The change to the scheme will solely have positive implications for our eligible residents. Increasing the London Living Wage thresholds for 2025/26 in determining eligibility for a Council Tax Reduction and the subsequent amount of the reduction, for working age claimants would have no adverse effects. As the pension age scheme is statutory (set by central government) there are no changes in our scheme covering / affecting pension age claimants.
- 5.3. No consultation has been undertaken in relation to align disregarding income from compensation awards under the Armed Forces Compensation scheme to

our existing disregarding of War Widows (Widowers) / War Disablement Scheme income. The Council currently has five claimants receiving War Widows (Widowers) / War Disablement Scheme income and is unlikely to ever get housing benefit claims with income from the Armed Forces Compensation scheme, however the proposal in this report is to align them in the unlikely event it happens.

- 5.4. This will close a potential loophole that could see a resident only getting £10 of income received under the Armed Forces Compensation scheme from our Housing Benefit awards and another resident getting all income disregarded if they are on Universal credit.

## **6. LEGAL IMPLICATIONS**

- 6.1 There is a statutory obligation on the Council to have a Council Tax Support scheme. For each financial year, the Council must consider whether to revise or replace its scheme and any revision or replacement must be made by 11 March in the preceding financial year to that which it is to take effect. The statutory requirement to consult applies to the Council when revising or replacing the scheme. There is however no statutory obligation to consult when the Council is not either revising or replacing the scheme, but merely maintaining the scheme that has already been decided upon.

- 6.2 The Department for Communities and Local Government (DCLG) guidance “Localising Support for Council Tax: Vulnerable people- key local authority duties (February 2014)” outlines the duties local authorities need to consider in relation to vulnerable groups in designing their schemes (other than those of state credit pension age who receive statutory protection). The duties have changed since the guidance was written and the summary below takes account of these amendments:

- a) the public sector Equality Duty (The Equality Act 2010). The need for the local authorities to consciously consider this duty as an integral part of the decision-making process and ensure it has sufficient information to do so is reiterated as is the need to take into account disabled people’s disabilities when making decisions about policies or services and the impact of their schemes on disabled people. This is a continuing duty.

- b) the duty to mitigate effects of child poverty (The Child Poverty Act 2010). The relevant provisions were repealed by the Welfare Reform and Work Act 2016 in May 2016 and the Act renamed the Life Chances Act 2010 and replaced with a new duty on the Secretary of State to report levels of educational attainment and worklessness. However, it is noted the guidance also referred to the fact that authorities may wish to use their scheme to help encourage separated parents to make child maintenance arrangements and maximising the money reaching children for example by fully disregarding child maintenance when assessing eligibility.

- c) The duty to prevent homelessness (The Housing Act 1996). Authorities will want to consider how information about their scheme is

made available to homeless households once they are secured accommodation and when taking into the equality duty, have regard to vulnerable individuals for whom it secures accommodation, or who are at risk of becoming homeless- for example, young people or individuals suffering from mental illness.

- 6.3 The public sector equality duty is a continuing duty and Cabinet Members must take into account in coming to any decision the Council's equality duties. In summary these legal obligations require the Council, when exercising its functions, to have 'due regard' to the need to 1. Eliminate discrimination, harassment, victimisation, and other conduct prohibited under the Act; 2 to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion or belief, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc. the protected characteristic of marriage and civil partnership is also relevant. In this case, for this decision there is no fundamental change to the Working Age scheme being proposed so there are no impacts to consider.
- 6.4 Under Section 134 (8) of the Social security Administration Act 1992 an authority may modify any part of the housing benefit scheme administered by the authority (a) so as to provide for disregarding, in determining a person's income (whether he is the occupier of a dwelling or any other person whose income falls to be aggregated with that of the occupier of a dwelling), the whole or part of any prescribed war disablement pension or prescribed war widow's pension payable to that person (b) to such extent in other respects as may be prescribed and any such modification may be adopted by resolution of an authority. The Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations 2007 sets out what is prescribed for these purposes and includes guaranteed income payments made under the Armed Forces and Reserve Forces(Compensation Scheme) Order 2005.

## **7. RESOURCE IMPLICATIONS**

- 7.1. In 2024/25 the scheme was initially estimated to reduce Council Tax liability by around £31m. As stated in the report it is difficult to accurately estimate the number of people who will qualify for the Council Tax Support Scheme in the future but the actual cost of the scheme in 2024/25 is currently on track to potentially cost Camden c£33.1m.
- 7.2. The full cost of CTS in 2025/26 will depend on the number of claims made by local residents and the level of Council Tax levied. As shown in paragraph 2.3 of the report eligibility of the scheme is driven by the London Living Wage (LLW). The LLW has increased by 5.3% compared to the previous year's figure and may have the effect of making more households in the borough eligible for the CTS scheme if actual wage rises for our residents do not match the increase in LLW.

- 7.3. There is a risk that the cost of the scheme will be higher than the current estimates due to national economic uncertainty alongside our commitment to automatically enrol UC claimants who tell DWP they either already receive CTS or intend to apply (as it may result in potential claimants who previously would not have followed up with the council directly to apply, now automatically potentially being given a discount on their council tax through ours scheme).
- 7.4. The cost of the scheme is estimated each year and the estimates used to set the Council's budget. Over the past four years the estimated cost of the scheme has increased. This is partly due to the increases in Council Tax and also the change in the number of people who are eligible for full or partial support via the scheme. The estimated cost of the scheme has increased by around £7.9m since 2018/19.
- 7.5. There remains a significant level of debt from non-payment of Council Tax, with close to £30.54m of unpaid Council Tax for previous fiscal years outstanding at the end of 2023/24. Where appropriate the Council will continue to attempt to recover Council Tax debts owed but holds a bad debt provision to manage the risk of non-payment. The non-payment of Council Tax that is due reduces the level of resources available to the Council to fund services.
- 7.6. As stated in the report it is difficult to accurately estimate the potential future financial impact of the decision to ensure income from Armed Forces Compensation Scheme is 100% disregarded, however given the numbers of claimants this figure is likely to be minimal and will be managed within the Councils existing budgets.

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 There are no environmental implications related to these proposals

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 Subject to the approval of the Council Tax Support scheme by Cabinet on 11 December 2024 and subsequent approval by Full Council on 20 January 2025, the Council Tax Support scheme for 2024/25 will go live on the 1<sup>st</sup> April 2025.
- 9.2 Subject to the approval of confirming the housing benefit service can continue to disregard all income from War Widows (Widowers) pensions or War Disablement pensions, when assessing entitlement to housing benefits, whilst also now adopting the same approach for armed forces compensation scheme income by Cabinet on 11 December 2024 the change will be implemented immediately.

## **10. APPENDICES**

- A – CTS Claimants By Ward
- B – Council Tax Reduction Scheme 2025/26
- C – Equality Impact Assessment

**REPORT ENDS**