

Decision Pathway – Report

PURPOSE: Key decision

MEETING: Cabinet

DATE: 05 December 2023

TITLE	Council Tax Reduction (CTR) Scheme for 2024/25	
Ward(s)	All	
Author: Graham Clapp	Job title: Head of Service	
Cabinet lead: Deputy Mayor/Cabinet member for City Economy, Finance and Performance, Cllr Cheney	Executive Director lead: Stephen Peacock (Chief Executive)	
Proposal origin: Other		
Decision maker: Full Council Decision forum: Full Council		
Purpose of Report:		
<ol style="list-style-type: none"> To provide an update on the outcome on the 2024/25 CTR scheme public consultation results. To seek approval of the recommendation for no change to Bristol’s 2024/25 Council Tax Reduction (CTR) scheme. 		
Background		
<ol style="list-style-type: none"> Bristol currently provides a Council Tax Reduction scheme that helps people on a low income with up to 100% of their Council Tax costs. This has been done despite the reduction in government funding since the scheme was introduced in 2013 and wider financial challenges to the council since then. Bristol City Council has been one of the few authorities not to reduce support since then. In the February 2023 Full Council budget meeting, it was agreed that the Council Tax Reduction scheme would be reviewed for 2024/25 as part of the budget setting process. Changes can only be made to the scheme for working age people, with pensioners being protected from changes under government rules. The current scheme costs £43.4 million, which represents 8.9% of the council’s total annual revenue budget. Of this £43.4 million, working age households collectively receive £30 million of support each year, with pensioners £13.4m support. The overall scheme for 2024/25, without change, is estimated to cost between £43.7m and £46.8m dependent on caseload estimates and increases in Council Tax. The council continues to face a challenging financial position. The budget agreed in February 2023 was on the basis that the current Council Tax Reduction scheme would be reviewed, with an aim to achieve a saving of £3 million per annum, after collection rates and monies collected on behalf of Avon Fire Authority and the Police and Crime Commissioner for Avon and Somerset are considered. If the Council Tax Reduction scheme remains unchanged for 2024/25, this would mean further financial pressures on the council’s finances and those of the preceptors’ budgets, with other savings and efficiencies needed to enable the council to set a legally balanced budget for the next financial year. Cabinet agreed on 4 July 2023 that a public consultation process would take place, with ten options being 		

proposed, providing residents with the opportunity to shape the final proposals for Cabinet and Full Council to consider.

8. In addition, there were five further proposals, which would affect fewer working age CTR recipients and have less of a financial impact, but only considered, if there was a change to the existing scheme.
9. The main proposals included nine options that would see a reduction in a working age household's entitlement of between 10% to 41% (or £154.83 and £585.36 per year) dependent on any change approved, and one 'no change' option which would have no effect on existing entitlement but would not deliver the required savings.
10. Any change would affect between 12,000 to 22,800 households, dependent on which one was adopted and/or if any households were protected from that change.
11. The estimated net saving from any change, ranges from £1.9m to £3.9m per annum.
12. The potential impacts of any change to the CTR scheme on low-income households and the council are contained within Appendix A1 and its possible wider economic/advice service impacts in Appendix A2.
13. If the scheme were to change and a discretionary scheme made available, the value of any fund would differ dependent on the option selected.

Consultation process

14. The consultation process has been undertaken in two parts; 01 August until 25 September 2023 (with an extension to the 23 October 2023 for Easy Read respondents) and then Monday 30 October until 26 November 2023.
15. The consultation options, documents, and promotion of them have been developed and implemented with input from; service specialists, Consultation, Communication, Equalities and Design teams, plus approval from the Mayor's Office, EDM, Cabinet Member and Cabinet. They have also been developed with internal and external legal advice. Full documentation including scheme impacts and illustrative scenarios can be found in Appendix A3 a and b.
16. In addition, five sessions have taken place with Resources Scrutiny as part of a Council Tax Reduction Task and Finish group in April/May 2023 and again in November 2023. Their findings can be seen in Appendix A4.
17. Engagement with the precepting authorities, i.e. Avon and Somerset Police and Crime Commissioner and Avon Fire has also taken place in line with statutory requirements and, although feedback has been limited, there has been acknowledgment of satisfaction with the options, but with no preference for any single option.
18. The Consultation and Communications Teams have worked with the service to produce associated communication plans to maximise response rates, including from hard-to-reach areas and households within the city. This has included liaison with all relevant internal and external stakeholders, charities, third sector groups, councillors, and staff, via a variety of media, with alternative formats being available.
19. The consultation results to date are included in Appendix A5 with a decision needed on the 2024/25 working age scheme to be effective from 01 April 2024.
20. Any decision to not amend the scheme for 2024/25 can be made by Cabinet. If such a decision does not achieve the associated £3m savings target agreed in February 2023, then further decisions are required as to

how any additional savings may be made.

Consultation results

21. The consultation findings now fall in to two parts due to the reopening of phase one. For ease, results for the initial consultation from Tuesday 01 August until 25 September 2023 will be called 'phase one' and for 30 October until 26 November 2023, 'phase two'.
22. The main points from both phases are;
 - 40% chose the option to keep the existing CTR scheme.
 - 60% of responses in total selected an option to change in the existing CTR scheme.
 - For those that selected a 'change' option the single most popular response was for all households to pay at least 20% (with 15% of total responses).
 - There was little support for options (3a, b, c and 4a, b and c) that provided automatic protection for some households because of certain characteristics (2 – 10%)
 - There was minimal support for the additional proposals of; introducing a £3 per week minimum award, abolishing second adult rebate, and reducing capital cut off limits (42, 37 and 38% respectively)
 - There was majority support for the introduction of a discretionary fund and ignoring small income changes in Universal Credit (56 and 67% respectively)
 - 6,533 surveys were completed in total.
 - Overall responses to the main options did not vary by much between phase one and two and by no more than 4% for any single option, with the only exception being the 'no change' option, which reduced from 42% support to 34%.
23. The total number of surveys completed to date are 6,533 with 5,165 in phase one and 1,368 in phase two.
24. 1,857 (34%) were from households in receipt of CTR (1,340 in phase one and 517 in phase two), which is an over representation when compared to total number of households in Bristol.
25. 60% of the total responses, selected an option (2-10) to change the scheme, in both phases.
26. Of those that selected a change option, 55% of CTR recipients stated this preference compared to 74% of households not in receipt of CTR. The change option was also less popular with disabled households.
27. 40% of the total responses, was for no change to the current scheme (option 1).
28. Of those that selected the 'no change' option, 45% of CTR recipients stated a preference for this option compared to 26% of households not in receipt of CTR. This option was also more popular with disabled households.
29. A breakdown of the those who stated a change option preference in phase one and phase two is below.

Phase One Consultation

Percentage of all returns

	Total % By Savings	All households pay a fixed contribution	Some disabled households protected, but others pay a fixed amount	Households out of work with a child under five protected, but others pay a fixed amount
Options that make a £1.9m saving		All households would pay at least 10% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 20% of their Council Tax bills	Households out of work with a child under five protected; all others pay a minimum of 13% of their Council Tax bills
Total savings option percentage	17.4%	6.5%	9.3%	1.6%
Options that make a £3m saving		All households pay at least 17% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 36% of their Council Tax bills	Households out of work with a child under five protected; all others pay a minimum of 13% of their Council Tax bills
Total savings option percentage	15.2%	6.2%	6.6%	2.4%
Options exceed £3m saving target		All households pay at least 20% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 41% of their Council Tax bills.	Households out of work with a child under five protected; all others pay a minimum of 25% of their Council Tax bills
Total savings option percentage	25.3 %	15.1%	6.5%	3.7%
Total percent by protection	57.9%	27.8%	22.4%	7.7%

Phase Two Consultation

Percentage of all returns

	Total % By Savings	All households pay a fixed contribution	Some disabled households protected, but others pay a fixed amount	Households out of work with a child under five protected, but others pay a fixed amount
Options that make a £1.9m saving		All households would pay at least 10% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 20% of their Council Tax bills	Households out of work with a child under five protected; all others pay a minimum of 13% of their Council Tax bills
Total savings option percentage	27.3%	10.0%	13.4%	3.9%
Options that make a £3m saving		All households pay at least 17% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 36% of their Council Tax bills	Households out of work with a child under five protected; all others pay a minimum of 13% of their Council Tax bills
Total savings option percentage	11.9%	5.4%	4.2%	2.3%
Options exceed £3m saving target		All households pay at least 20% of their Council Tax bills	Some disabled households protected; all others pay a minimum of 41% of their Council Tax bills.	Households out of work with a child under five protected; all others pay a minimum of 25% of their Council Tax bills
Total savings option percentage	26.3%	15.8%	7.2%	3.3%
Total percent by protection	65.5%	31.2%	24.8%	9.5%

30. The above shows that most respondents selected an option where all households face a reduction in current entitlement at 29% (with 28% in phase one and 32% in phase two). This is just ahead of the options which protect some disabled households at 23% (with 22% in phase one and 25% in phase two). There is lesser support for protecting out of work with a child under five households at 8% (with 8% in phase one and 10% in phase two).

31. In terms of overall savings, most selected an option to exceed the £3m savings target at 26% (with 25% in phase one and 26% in phase two), followed by a £1.9m saving target at 19% with (17% in phase one and 27% in phase two), and then a £3m saving target at 15% (with 15% in phase one and 12% in phase two).

32. If the scheme were to be changed, there were an additional five proposals.

33. A combined summary of the phase one and two consultation results is as below, but further detail is in Appendix A5.

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Introduce a minimum award of £3.00 per week	All	26%	12%	20%	23%	19%
	CTR	22%	16%	25%	22%	14%

	Non CTR	15%	13%	20%	28%	24%
Abolish the Second Adult Rebate (Alternative Council Tax Reduction)	All	27%	16%	20%	19%	17%
	CTR	24%	20%	26%	18%	12%
	Non CTR	17%	17%	20%	23%	23%
Reduce the capital limit to £6,000	All	23%	18%	20%	20%	18%
	CTR	28%	19%	23%	18%	12%
	Non CTR	19%	18%	19%	22%	22%
Introduction of a discretionary fund	All	9%	8%	28%	35%	21%
	CTR	11%	9%	28%	32%	19%
	Non CTR	8%	6%	26%	38%	22%
Ignore small income changes for those receiving Universal Credit	All	6%	6%	21%	34%	33%
	CTR	8%	7%	24%	33%	27%
	Non CTR	4%	5%	18%	34%	38%

34. There was no strong preference overall to introduce an award of £3.00 per week (or less), with 42% agreeing/strongly agreeing and 38% disagreeing/strongly disagreeing, but greater support from non-CTR recipients, non-disabled households and to a lesser degree pension age households.
35. There was also no strong preference to abolish Second Adult Rebate (Alternative Council Tax Reduction), with 36% agreeing/strongly agreeing to this proposal and 43% either disagreeing/strongly disagreeing, but greater support from non-CTR recipients, non-disabled households and to a lesser degree pension age households.
36. Similarly, there was no strong preference to reduce the capital limit to £6,000 (currently £16,000) with 38% agreeing/strongly agreeing and 41% disagreeing/strongly disagreeing, but greater support from non-CTR recipients and non-disabled households.
37. There was a preference for the discretionary fund proposal, with 56% strongly agreeing/agreeing and greater support from non-CTR recipients, non-disabled households and to a lesser degree pension age households.
38. Finally, there was strong support for the proposal to ignore small income changes for those receiving Universal Credit with 67% agreeing/strongly agreeing, and greater support from non-CTR recipients, and non-disabled households.
39. The main differences between the two phases are as below.
- There was greater support to abolish the £3 per week award in phase two (up from 41 to 44%)
 - There was greater support to abolish Second Adult Rebate in phase two (up from 36 to 40%)
 - There was less support to introduce a discretionary fund in phase two (down from 58 to 48%)
 - There was less support for ignoring small changes in income for those on Universal Credit in either phase (down from 68 to 62%)
40. In response to the free text question as to how the council could potentially deliver £3m of savings from elsewhere the following themed responses are as below:
- Reduce spending (52%)
 - Increase revenue (35%)
 - Avoid increasing council tax payments (31%)
 - Other comments/suggestions (8%)
 - Other changes needed (4%)
 - Consultation feedback (3%)
41. From the 1,296 that responded in phase two, 81% stated there were completing this for the first time, with 19% saying they were re-responding.

42. Of the 19% above; 28% stated their response hadn't changed, 38% stated slightly different, 4% very different, with 31% saying they didn't know.
43. Overall responses were representative of the 10 bands areas of deprivation, known as deciles, with no particular groups being significantly over or underrepresented.
44. The highest number of respondents were in the 35 – 44-year-old age bracket, and with further age brackets of 25 – 74 being represented, but under representation from under 18s and those 85 and over.
45. The proportion of disabled respondents was significantly overrepresented, but there was broadly equal representation in the following equalities monitoring areas; gender, ethnicity, and faith/religion.
46. For phase one, 74% agreed/strongly agreed that there was enough information to answer the questions and 64% stated the questions made it easy for them to give their views. This reduced slightly to 72% and 61% respectively for phase two.
47. 35% of people who responded in phase two, believed this would have a very negative or slightly negative impact on households protected characteristic, with 53% believing it would have no impact.

Recommendation

48. The Council Tax Reduction consultation process took place over the Summer of 2023 and reopened in October/November 2023 in response to the Full Council's decision in February 2023 to review the council's scheme, with an associated £3m savings target.
49. Of the 6,533 respondents, 40% wanted no change (although this was higher amongst existing CTR receipts and disabled households) and 60% some change to the current scheme.
50. Taking into account the consultation responses and impacts on receipts and equalities groups, the recommendation by the council is to make no change to Bristol's 2024/25 Council Tax Reduction scheme.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Notes the outcomes of the Council Tax Reduction (CTR) 2024/25 scheme consultation as outlined in this report and appendix A5.
2. Approves no change to Bristol's 2024/25 Council Tax Reduction (CTR) scheme.

Corporate Strategy alignment:

Any saving will assist to provide a balanced budget in line with the agreed Full Council Budget meeting outcomes on 21 February 2023.

City Benefits:

Continues to support protect households on a low income who are being affected by the increased cost of living, whilst noting at potential lower levels of support for some working age households.

Consultation Details:

1. Public consultation has taken place between 01 August until 25 September 2023 and reopened between 30 October until 26 November 2023.
2. Five sessions have taken place with Resources Scrutiny as part of a CTR Task and Finish over April/May 2023, with a final session on 21 November 2023.
3. Engagement with the precepting authorities, i.e., Avon and Somerset Police and Avon Fire has taken place in line with the council's statutory duties.
4. The Consultation and Communications Teams have worked with the service to produce associated communication plans to maximum response rates, including from hard-to-reach households and areas.

Background Documents:

Budget Council, Full Council - Tuesday, 21 February 2023

[ModernGov - bristol.gov.uk](https://www.moderngov.com/d/4242740/page/Bristol%20Council%20Full%20Council%20-%2021%20February%202023)

Council Tax Reduction (CTR) Scheme for 2024/25 (consultation decision)

[Cabinet Council Tax Reduction Scheme consultation Report AR format.pdf \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2023/12/14/council-tax-reduction-scheme-consultation-report-ar-format.pdf)

Bristol City Council's Council Tax Reduction scheme 2023/24

[COUNCIL TAX REDUCTION SCHEME \(bristol.gov.uk\)](https://www.bristol.gov.uk/council-tax-reduction-scheme)

Revenue Cost	£43.7 to £46.8m	Source of Revenue Funding	General Fund
Capital Cost		Source of Capital Funding	
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: Bristol currently provides a Council Tax Reduction scheme that helps people on a low income with up to 100% of their Council Tax costs. This currently costs £43.4 million p.a. (working age households receive £30 million of support with pensioners £13.4m support).

The budget agreed in February 2023 was on the basis that the current Council Tax Reduction scheme would be reviewed, with an aim to achieve a saving of £3 million p.a, after collection rates and monies collected on behalf of Avon Fire Authority and the Police and Crime Commissioner for Avon and Somerset are considered. Changes can only be made to the scheme for working age people, with pensioners being protected from changes under government rules

The consultation proposals included one 'no change' option and nine options that would see a reduction in a working age household's entitlement of between 10% and 41% (or between £154.83 and £585.36 per year) dependent on the agreed option(s). Any change would affect between 12,000 and 22,800 households, dependent on the agreed option(s) and/or if any households were protected from that change.

The estimated net savings from any proposed changes to the scheme, range from £1.9m to £3.9m dependent on the agreed option(s). The net savings do not currently include any allocation for a Discretionary Fund, if required, as any changes to the current scheme have not yet been agreed.

Following consultation, the recommended decision would see no change to the current scheme. This would result in £3 million of cost being incurred annually that is not assumed in the current MTFP and financial projections for the council, as such there will be an additional £3 million pressure on the budget that will require further savings to be identified and delivered against. This is in addition to the current remaining MTFP budget gap and proposals outlined in the budget consultation.

Finance Business Partner: Alison Bennett, Finance Business Partner, 30 November 2023

2. Legal Advice: Section 13A of the Local Government Finance Act 'the Act' requires each billing authority to have 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. Schedule 1A of the Act requires each billing authority to consider whether to revise its scheme or to replace it with another scheme every financial year.

The consultation responses must be conscientiously taken into account in finalising the decision. The leading cases on consultation provide that consultation should occur when proposals are at a formative stage, should give sufficient reasons for any proposal to permit intelligent consideration and should allow adequate time for consideration and response. There must further be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor, 29 November 2023		
3. Implications on IT: IT are supportive and available to aid in progressing relevant work and can be engaged through the existing work request process.		
IT Team Leader: Alex Simpson – Lead Enterprise Architect, 21 November 2023		
4. HR Advice: No HR implications are evident within the report.		
HR Partner: Bryn Williams 20 November 2023		
EDM Sign-off	Stephen Peacock (Chief Executive)	29 November 2023
Cabinet Member sign-off	Deputy Mayor/Cabinet member for City Economy, Finance and Performance, Cllr Cheney	27 November 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	30 November 2023

Appendix A1 - Consultation options: Household and council impact assessment	YES
Appendix A2 - Council Tax Reduction: Wider economic/advice service impacts	
Appendix A3a and 3b - Council Tax Reduction consultation survey and scenarios	
Appendix A4 - Report from the Finance Task Group - Council Tax Reduction Scheme for 2024/25	
Appendix A5 - Council Tax Reduction consultation survey results and analysis	
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	YES
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO