

Title: Local Council Tax Reduction
Lead Officer: Andrea Wyatt (01926 456831)
Portfolio Holder: Councillor Hales
Wards of the District directly affected: All

Summary

The purpose of this report is to ascertain whether there is support from members to consult with the public and major preceptors, to change the current Local Council Tax Reduction Scheme (LCTRS) from a maximum reduction of 85% to 100% given the current cost of living crisis.

Recommendation

- (1)** That members support the decision to consult the public and major preceptors about the proposal to increase maximum LCTRS from 85% to 100%.
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1 Background/Information

- 1.1 Local Council Tax Reduction is a scheme to assist residents across the District who are on a low income and who struggle to pay their Council Tax. Since 2013 Local Authorities (LA) have been responsible for writing their own LCTRS, this replaced the Council Tax Benefits scheme which was a prescribed scheme administered under the Social Security Act.
- 1.2 In 2013, following public consultation, it was agreed that all working age residents who were eligible for LCTR could receive a maximum reduction of 92.5% from 2014, reducing to 85% from 2015. Prior to this, residents could receive 100% reduction in council tax, effectively reducing their council tax bill to nil. It should be noted that the rules for pensioners are still prescribed and therefore they continue to be eligible for up to 100% reduction in their Council Tax and therefore this report relates solely to working age claimants.
- 1.3 The change to the scheme is being considered in response to the current cost of living crisis, and forms part of a wider package of measures that the Council is considering in response to the crisis. Appendix 1 shows the additional support each household will receive based on their Council Tax Band and whether they receive single person discount.
- 1.4 Any changes a LA wishes to make to the LCTRS can only be agreed following consultation with the public and the major preceptors prior to implementation. Before any changes can be made to the scheme, a further report will need to be presented to full council for a final decision. Changes can only be made to the scheme at the start of the new financial year and must be agreed by the end of February.

2 Alternative Options available to (name of Committee/Cabinet etc.)

- 2.1 The scheme could remain as it is, with all working age claimants paying a minimum of 15% contribution towards their Council Tax.

3 Consultation and Member's comments

- 3.1 Include any comments received in response to the consultation on the report.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 There are no direct legal/human rights implications to this report.

4.2 Financial

- 4.2.1 There are no financial implications as a result of this report, however if the outcome of the consultation is favourable towards amending the LCTR scheme there will be implications for us and the major preceptors. Appendix 2 shows the additional cost to each pre-cepting authority based on the current working age caseload, and the additional costs incurred as a result of increasing the maximum LCTR award to 100% per additional 100 and 1,000 claims.

4.3 Council Plan

- 4.3.1 At this stage there is no impact to the Council Plan.

4.4 Environmental/Climate Change Implications

- 4.4.1 None

4.5 Analysis of the effects on Equality

- 4.5.1 A full equality impact assessment will be undertaken if the results of the consultation are in favour of amending the scheme. However, no residents will be adversely affected by the changes proposed.

4.6 Data Protection

- 4.6.1 None

4.7 Health and Wellbeing

- 4.7.1 If the proposal is agreed it will assist in tackling poverty which has been identified is one of the underlying causes of ill health and poor well-being.

5 Risk Assessment

- 5.1 There are no risks at this stage.

6 Conclusion/Reasons for Recommendation

- 6.1 In order to amend the LCTR scheme, the Council must consult with residents, the report is requesting permission to undertake consultation so that a decision can be made as to whether amending the scheme could form part of the response to the current cost of living crisis by providing further assistance to some of our most vulnerable residents.

Appendix 1

Additional support provided to each household in receipt of LCTRS by council tax band shown with and without single person discount (SPD).

	Additional award with SPD	Additional award without SPD	No of current claims per band
Band A	155.64	207.52	953
Band B	179.89	239.30	1719
Band C	205.12	273.49	1522
Band D	229.99	306.65	441
Band E	286.79	382.38	103
Band F	332.15	449.47	33
Band G	388.98	516.21	17
Band H	465.63	621.02	1

Appendix 2

Annual loss per pre-cepting authority based on the current caseload if the 15% minimum payment is removed, and the additional costs incurred per additional 100 and 1,000 claims.

Caseload	WDC	WCC	PCC	Parishes
4789	85,269	763,458	125,921	No change
100	1,780	15,939	2,629	No change
1000	17,802	159,390	26,290	No change

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	21/09/2022	
Title of report	Local Council Tax Reduction	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC		
Financial Services *	19/08/22	Change to recommendations
Legal Services *		N/A
Other Services		N/A
Chief Executive(s)	22/08/22	Input reason for change
Head of Service(s)	19/08/22	Change to recommendations
Section 151 Officer	19/08/22	Change to recommendations
Monitoring Officer	30/08/22	Include sensitivity modelling
CMT (WDC)		
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No/Yes
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No/Yes, Paragraphs :
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No/Yes, Forward Plan item – scheduled for (date)
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility