

Arun District Council

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| REPORT TO: | Housing and Wellbeing Committee – 25 January 2023 |
| SUBJECT: | Local Council Tax Reduction Scheme 2023/24 (Working Age) |
| LEAD OFFICER: | Keira Stevenson – Benefits Team Leader |
| LEAD MEMBER: | Councillor Jacky Pendleton |
| WARDS: | All |
| CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The report supports: <ul style="list-style-type: none">• Delivering the right homes in the right places;• Fulfilling Arun’s economic potential. | |
| DIRECTORATE POLICY CONTEXT: Providing benefits to residents of Arun is a major function of the Directorate. | |
| FINANCIAL SUMMARY: The report recommends an uplift to the Local Council Tax Reduction Scheme (LCTRS) for 2023/24, which if implemented, would result in an increase in cost of £23,000 to the Council. | |

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to update Members on the Working Age Local Council Tax Reduction Scheme (LCTRS) for 2022/23 and to consider options for the scheme for 2023/24 (Year11).

2. RECOMMENDATIONS

- 1.2. Housing and Wellbeing Committee is recommended to

Approve the increase in the income banding widths of the Local Council Tax Reduction Scheme in line with the Consumer Prices Index inflation. (Year 11)

2. EXECUTIVE SUMMARY

- 2.1. This report provides members with an update on the Working Age Local Council Tax Reduction Scheme (LCTRS) for April 2022– March 2023 (Year 10) and the options for consideration for the 2023/24 LCTRS. (Year 11)

3. DETAIL

- 3.1. The Council introduced a Banded Council Tax Reduction Scheme in April 2019 for working age customers. This included the following:

- To change the scheme to an income banded scheme;
- To introduce a £5.00 per week minimum award;
- To remove second adult rebate for working age customers;
- Reduce the capital limit to £6000;
- Amend non-dependent charges to £5.00 per week unless in receipt of a passported benefit when the charge will be nil;
- To include child maintenance as an income, disregarding the first £25.00 per week;
- To fully disregard any element of Carer's Allowance in the calculation of income;

3.2. No changes were made for the 2022/23 financial year. Members will be aware that the Council is maintaining the Council Tax Reduction Hardship fund at £100,000 (with the balance met by West Sussex Country Council) for qualifying households

3.3. The proposal for 2023/24 is to retain the existing scheme for working age customers, which is an income banded scheme. The scheme allows that the income banding widths can be increased by the annual rate of CPI in September. Therefore, it is proposed that the bandings are increased by the rate of September 2022 CPI (10.1%). This will ensure that the most vulnerable people are not worse off due to the effects of inflation.

| Proposed bandings 2023/24 based on a September 2022 CPI rate of 10.1% (CPI estimated, bandings rounded to nearest £5). Income (net) | LCTRS Income Banding | Percentage award of net liability |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------|
| £0 to £185 Proposed £0 to £202.99 | A | 90% |
| £185.01 – £235.00 Proposed £203 to £257.99 | B | 70% |
| £235.01 – £290.00 Proposed £258 to £318.99 | C | 50% |
| £290.01 – £340.00 Proposed £319 to £373.99 | D | 30% |
| £340.01 – £395.00 Proposed £374 to £433.99 | E | 10% |

- 3.4. The proposed changes will benefit those Arun households who are most vulnerable to financial hardship thus helping to alleviate poverty.
- 3.5. The financial impact of changing the bands is predicted to be a cost of up to £238,000 a year awarded in additional council tax reduction (based on the current take up).

4. CONSULTATION

- 4.1. No consultation has been undertaken with external bodies.

5. OPTIONS / ALTERNATIVES CONSIDERED

- 5.1. There are two options to be considered for 2023/24 (Year 11).
- 5.2. **Option 1.** Retain in entirety our current income banded scheme (not to allow for CPI inflation). This has the disadvantage that the most vulnerable would be adversely affected.
- 5.3. **Option 2.** Retain the current scheme but allow for an increase in the Income banding widths.
- 5.4. Option 2 is the preferred option as government benefits will increase April 2023 therefore, the scheme needs to be aligned to take account of these increases

6. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 6.1. The implications of the recommendation are that it will increase the cost of the scheme by the CPI rate of inflation. This is estimated at £230k for 2023/24, based on the current working age caseload of 4,332 as at 2 November 2022.
- 6.2. The proposed bandings for 2023/24 will increase Arun's cost of the scheme by approximately £23,000 with the remainder being financed by West Sussex County Council.

7. RISK ASSESSMENT CONSIDERATIONS

- 7.1. The main risk with the recommendation is that with the current economic situation, demand increases and costs rise.

8. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 8.1. No comment.

9. HUMAN RESOURCES IMPACT

- 9.1. There are no direct implications.

10. HEALTH & SAFETY IMPACT

10.1. There are no direct implications.

11. PROPERTY & ESTATES IMPACT

12.1 There are no direct implications.

12. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

12.1. There are no direct implications.

13. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

13.1. There are no direct implications.

14. CRIME AND DISORDER REDUCTION IMPACT

14.1. There are no direct implications.

15. HUMAN RIGHTS IMPACT

15.1. There are no direct implications.

16. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

16.1. There are no direct implications.

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BACKGROUND DOCUMENTS:

Arun District Council Section 13A Local Council Tax Support Scheme 2022
[Council Tax discretionary relief guidelines | Arun District Council](#)