



**Rochford District
Council**

REPORT TITLE:	Local Council Tax Support Scheme 2024/25 and the Discretionary Reduction in Council Tax Liability Policy 2024/25
REPORT OF:	Cllr Hoy, Lead Member – Resources, Climate Change & Economy

REPORT SUMMARY

To confirm the continuation of the Local Council Tax Support (LCTS) scheme and the Discretionary Reduction in Council Tax Liability Policy for 2024/25.

RECOMMENDATIONS

- R1 -** The LCTS Scheme be confirmed from 1 April 2024.
- R2 -** The Discretionary Reduction in Council Tax Liability Policy is continued from 1 April 2024.

SUPPORTING INFORMATION

1.0 BACKGROUND INFORMATION

- 1.1 LCTS replaced Council Tax Benefit (CTB) with effect from April 2013.
- 1.2 Pensioners are protected from the impacts of the LCTS scheme. Consequently, eligible pensioners continue to receive support equivalent to the same amount they would have received under the CTB scheme.
- 1.3 Since April 2022, LCTS for working age people has been calculated through a simplified “banded” calculation which is demonstrated below. The percentage relates to the amount of Council Tax that will be covered by LCTS.

Household	Weekly Income				
	£0.00-£100.00	£100.01-£175.00	£175.01-£250.00	£250.01-£325.00	£325.01-£400.00
Single Person	75%	50%	25%	0%	0%
Couple With no Children	75%	50%	25%	0%	0%
Single Person with 1 Child	75%	75%	50%	25%	0%
Couple with 1 Child	75%	75%	50%	25%	0%
Single Person with 2 Children	75%	75%	75%	50%	25%
Couple with 2 Children	75%	75%	75%	50%	25%

- 1.4 The current number of customers claiming Council Tax Support from Rochford District Council, can be found in the table below:

	Number of Customers	Cost (£M)
Pensioner Caseload	1724	2.2
Working Age Caseload	1921	1.9
Total Caseload	3645	4.1

- 1.5 For the 2022/23 and 2023/24 financial years the Council agreed to provide additional support to customers whose support reduced because of the change in LCTS scheme. The support ensured that no working age customer would lose out on financial support. To qualify the customer must be working age and have been claiming LCTS on 31st March 2022.
- 1.6 This additional support was paid in two separate cohorts. The first cohort was for residents who remained entitled under the LCTS from 1st April 2022. The second cohort was paid to customers who were not entitled to LCTS from 1st April 2022.

2.0 PROPOSED 2024/25 SCHEME

- 2.1 The proposal is to make no changes to the LCTS scheme from April 2024.
- 2.2 It is also proposed that the Council continues to provide additional support to customers whose support reduced, or ended, from 1st April 2022, and were claiming LCTS on 31st March 2022.
- 2.3 The cost of providing extra support to customers who remain entitled to LCTS would form part of the Council's working age LCTS scheme and is therefore paid under Section 13A (1) (a) of the Local Government Finance Act 1992. The cost of this additional support would be spread amongst all precepts. Below are the estimated costings and the expected direct cost to the Council,

should the Council agree to continue to provide customers with the additional support.

Number of Residents	Total Cost of Providing Support	Cost To the Council (13%)
51	£23k	£3K

2.4 Providing extra support to customers whose entitlement ended on the 31st March 2022 would need to be funded through the Council's Discretionary Reduction in Council Tax Liability Policy which is made under section 13A (1) (c) of the Local Government Finance Act 1992. The cost of providing this support would have to be met, in full, by the Council. Below are the estimated costings.

Number of Residents	Total Cost of Providing Support (Funded in full by the Council)
9	£9k

2.5 The total cost of continuing to provide support to all customers who continue to be worse off under the new scheme since April 2022, and were claiming LCTS on 31st March 2022, would be £12k to the Council.

3.0 OTHER OPTIONS CONSIDERED

3.1 The Council could choose to end the additional support to customers that arose as a result of the change in policy in 2022.

4.0 RELEVANT RISKS

4.1 None.

5.0 ENGAGEMENT/CONSULTATION

5.1 As the proposal is not to make any changes to the LCTS Scheme itself, no public consultation was required.

6.0 FINANCIAL IMPLICATIONS

6.1 There would be no additional resource implications should the Council agree to the proposal.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

- 7.1 The Council is required, under a statutory duty, to review its LCTS Scheme annually. The Council must also consult with various groups and interested parties should it propose any changes and consider whether to revise its scheme or replace it with another one.
- 7.2 The Council must make any revisions to its scheme, or any replacement scheme, no later than 11 March of the financial year preceding that for which the scheme is to have effect. The draft 2024/2025 LCTS scheme can be found in Appendix 1 of this report.
- 7.3 The Local Government Finance Act 1992, as amended, states that a billing authority must have a policy in place to consider applications for a Council Tax reduction in exceptional circumstances.
- 7.4 The Council's Discretionary Reduction in Council Tax Liability Policy allows payments to be made to customers who are no longer entitled to LCTS since 31 March 2022. The Discretionary Reduction in Council Tax Liability Policy can be found in Appendix 2 of this report.

8.0 EQUALITY & HEALTH IMPLICATIONS

- 8.1 A full equality and diversity impact assessment was carried out when the simplified banded scheme was introduced in 2022. As there have been no changes to the policies for 2024/25 no impact assessment has been carried out.

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

- 9.1 None.

10.0 ECONOMIC IMPLICATIONS

- 10.1 None.

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APPENDICES

BACKGROUND PAPERS

None.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date