

TITLE: East Cambridgeshire Local Council Tax Reduction Scheme (LCTRS) For 2024/25

Committee: Finance and Assets

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1.0 ISSUE

- 1.1. Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). This report provides an annual review of the 2023 scheme and options for scheme amendments for 2024/25.

2.0 RECOMMENDATION

- 2.1. Committee is asked to consider the annual review of the LCTRS scheme for 2024/25 and recommend to Full Council to leave the scheme unchanged for that year.

3.0 BACKGROUND/OPTIONS

- 3.1. We are now in the eleventh year of LCTRS; a locally set scheme that replaced the previous nationally set Council Tax Benefit (CTB) scheme from April 2013.
- 3.2. In 2013/14 the Council took advantage of a one-off Government grant that compensated in part for the reduction in Government funding for the Working Age scheme. This meant that the maximum LCTRS awarded was 91.5%.
- 3.3. For 2014/2015 to 2017/18 the Council retained the original scheme, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit.
- 3.4. For the 2018/19 scheme the Council approved and introduced a policy to harmonise the scheme with DWP welfare reforms introduced for Housing Benefit and LCTRS for Pensioners and introduced closer links to Universal Credit data share for claims, thereby removing the requirement to make a separate claim.
- 3.5. For 2019/20 the Council kept the same scheme as for 2018/19.
- 3.6. For 2020/21 the Council introduced a fluctuating earnings rule to the treatment of Universal Credit (UC). A weekly tolerance level of £15 (£65 monthly) was introduced to reduce the number of monthly reassessments impacting customers every time a revised Universal Credit notification is received.

- 3.7. For 2021/22 there were no changes implemented and the 2020/21 scheme was retained.
- 3.8. For 2022/23 there were four amendments made to the scheme. Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income for those with under £10,000. Applying a fixed rate non-dependent deduction of £7.40. While streamlining the Council Tax Support application process by signposting customers to claim Universal Credit and Council Tax Support at the same time. Increasing the Universal Credit income variation rule from £65.00 to £100 each month.
- 3.9. For 2023/24 there were no changes implemented and the 2022/23 scheme was retained.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1. No changes to the processing of reductions within the scheme are considered necessary for the 2023/24 scheme, however, Members are asked to consider potentially changing the maximum award.
- 4.2. **Option 1.** Do nothing and retain the current scheme with an 8.5% minimum contribution.

Option 2. Decrease the minimum contribution rate from 8.5% to 0% to provide further support to low-income households during the cost-of-living crisis.

- 4.3 The costs of these options are detailed in the table below.

| Options | Cost to District Council | Cost to County Council |
|------------------------------------------------------------|--------------------------|------------------------|
| 1. Maintain current scheme with 8.5% minimum contribution. | None | None |
| 2. Decrease minimum contribution to 0% | 24,345.76 | 186,052.08 |

- 4.4 The recommendation is to go with option 1 and retain the current scheme with the 8.5% minimum contribution level. The reasons for this are:

- To ensure that the principle of everyone making at least a small contribution towards their Council Tax charge is maintained.
- To maintain a level of Council Tax income to provide funding for services at both district and county level.
- There is other support available for those on low incomes and impacted by the cost-of-living crisis within the Housing Team and those affected should also be signposted to maximise benefit take-up, reviewing discounts and exemptions and providing Exceptional Hardship Payments where there is a need.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

5.1. There are no additional financial implications arising from this report other than those already detailed.

5.2. Equality Impact Assessment (EIA) not required) if current scheme retained.

5.3. Carbon Impact Assessment (CIA) not required if current scheme retained.

6.0 APPENDICES

None

Background Documents:

None

