

Local council tax 2023/24 support scheme

For our 2023/24 LCTS scheme, we are proposing the following revisions:

Update the amounts used to calculate entitlement

- Increase Personal Allowances. These are the basic amount that a specific type of household is expected to need each week – for example a family, couple or single person. Increasing these each year ensures that the help given does not unduly reduce due to inflation. The allowance is based on government welfare allowances for Housing Benefit (help with rent). This assumes that a single person over 25 needs £77.00 per week and a couple £121.05. There are additional allowances for children.
- Increase Premiums. These are additional sums for specific needs such as being a carer or having a disability. Increasing these ensures that the help given does not unduly reduce due to inflation.
- Increase Non-Dependant Deductions – this generally means we expect non-dependents aged 18 or over to contribute more to the household in which they live. Non-Dependant deductions are banded so that someone with a very low income pays a smaller contribution to the household each week. The contributions range from £4.20 for someone who is unemployed to £12.85 for someone earning around £25,000 pa.

In simple terms we add the premiums to the personal allowances and deduct any non-dependant deductions. This creates an income allowance which is compared to income, to determine the level of help that is to be given.

Around 67% of current working age Local Council Tax Support recipients have 100% of their Council Tax paid. Just over 90% have 50% or more of their Council Tax paid. Our scheme

remains one of very few that does not require everyone to pay something regardless of their circumstances.

Reinstatement of the Band E cap for 2023

In response to the pandemic we removed the cap on help with the Council Tax for residents in a Band E property. Removing the cap enabled us to give them up to 100% help with their Council Tax during 2021/22 and 2022/23. This was a temporary measure and we propose it reverts the lower Band D charge. Only 6% of recipients are currently in a band E property.

Treatment of emergency funds or compensation schemes

Several different emergency funds and compensation schemes are disregarded from income and capital calculations in welfare schemes such as housing benefit and the pension age Local Council Tax Support Scheme. This acknowledges that the funds to provide help and support for specific circumstances. Recent schemes to be included are “The London Emergencies Trust” (Grenfell Tower and various terrorist attacks), the “We Love Manchester Emergency Fund” (Manchester Arena attack) and the “Windrush Compensation Scheme”. During 2022 infected blood compensation has been in the news. We propose that once a scheme is named it should be included in our Working Age Scheme regardless of when it is announced. Currently if it is not named by September it will not be included in the scheme from the following April.

Additional information

Alongside the working age Local Council Tax Support Scheme we also have a Hardship Fund to provide help for those adversely affected by our scheme rules. Actual income and expenditure are reviewed when making awards from this fund. The fund is not intended for long term support, but does ensure that those who are most in need can receive help with their Council Tax. We would like to hear your views on the proposed changes for 2023/24. We would also like to find out if you have any suggestions to reduce, maintain or increase the level of support we offer in the future.

Please note the scheme for pensioners will not change from the current scheme unless the Government makes changes.