

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>COUNCIL</b>	
<b>DATE OF DECISION</b>	<b>1 March 2023</b>	
<b>REPORT TITLE:</b>	Review of Council Tax Support Scheme 2023/24	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Jane West – Corporate Director of Resources and Section 151 Officer</b>	
<b>LEAD OFFICER:</b>	<b>Catherine Black- Head of Payments, Revenues, Benefits and Debt</b>	
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>[NO]</b>	Public
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 SUMMARY OF REPORT

- 1.1** Proposals to revise the existing Council Tax Support Scheme (CTS) were initially considered by full Council on 1 February 2023 but the motion was not carried amid concerns around the cost-of-living crisis and the potential implications for increased support from residents. Since then, the Department for Levelling Up Housing and Communities (DLUHC) have published the Local Government Settlement for the financial year 23/24 which includes a revised cap enabling an increase to the Council Tax of up to 15% without triggering a referendum. In light of recent developments the Executive Mayor is scheduled to consider revised recommendations at the Cabinet on the 22<sup>nd</sup> February 2023, if agreed, they require consideration and approval by full Council. This report and appendices summarises those decisions.
- 1.2** If not agreed or amended at the Cabinet meeting, an update on the proposed recommendations will be given at this council meeting or provided in an additional supplementary paper.

## 2 RECOMMENDATIONS

For the reasons set out in this report and report to Cabinet (Appendix 1), Council is asked to re-consider the matter and agree the following recommendations:

- 2.1** to agree the following changes to Croydon's CTS scheme following review and due regard to the statutory consultation feedback. The new scheme will take effect from 1 April 2023.
  - 2.1.1 Remove the application of the minimum income floor to households where the claimant or partner are disabled.
  - 2.1.2 Change the rate at which the income bands are increased annually from the level of CPI 10.1% to the amount Council Tax is increased for that year which could be up to 15% cap.
  - 2.1.3 Introduce non-dependent deductions (NDD) to disabled not working households, except where the non-dependent is in receipt of Employment Support Allowance or Limited Capability to Work, or in receipt of Carers Allowance for the claimant or partner.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1** In accordance with the Local Government Finance Act 1992, as amended, the Council was required to agree a local CTS scheme for working age residents who were on no or low income. The scheme replaced the Council Tax Benefit scheme which was administered by Local Authorities on behalf of the Department for Work and Pension.
- 3.2** The local scheme originally introduced on 1st April 2013, was reviewed last year, and changed to an income banded scheme from 1st April 2022. The scheme should be reviewed each year to ensure that it is an effective local CTS scheme, which will provide continued support to Croydon's most vulnerable residents and residents who are most in need of support.
- 3.3** The Council's Constitution: Part 4A Council Procedure Rules paragraph 1.15 allows a Member to move a motion or amendment to the same effect as one rejected within the previous six months where not less than fifteen Members have signed a notice in support of such a motion. Such a notice has been received by the Monitoring Officer and as a result the item is required to be placed on the council agenda.

### **4 BACKGROUND AND DETAILS**

- 4.1** Proposed revisions to the existing CTS scheme were considered by full Council on 1 February 2023 and the proposals were rejected. The reasons for not approving the proposals were due to the concerns around the cost-of-living crisis and that at the time it was believed that increasing the income bands by CPI would result in increased support for residents. There were also questions about re-introducing non-dependant deductions for disabled not working claimants.

- 4.2** The Department for Levelling Up, Housing and Communities (DLUHC) published the Local Government Settlement setting out the funding that government will provide to all councils for the next financial year 23/24, as part of that settlement announcement, DLUHC set the level of increase in council tax. For most councils in the country that cap is 5% increase in council tax. However, the government has given Croydon permission to increase council tax above the 5% cap up to a maximum of 15%.
- 4.3** In light of these developments a Cabinet report on the CTS scheme is going for consideration and agreement at the 22<sup>nd</sup> February Cabinet, and if agreed, the recommendations are being presented at the 1<sup>st</sup> March Council meeting for consideration and agreement.

## **5 CONSULTATION**

- 5.1** As detailed in the attached (Appendix 2).

## **6 CONTRIBUTION TO COUNCIL PRIORITIES**

- 6.1** The recommended changes will contribute to the Council priorities detailed in the Executive Mayors business plan. It will help the council balance its books, specifically supporting the priority of getting a grip on the finances and making the council financially sustainable.
- 6.2** By providing additional savings it will contribute to achieving a balanced budget and by changing the rate at which the income bands are increased it will make the scheme more sustainable in the future by managing the increased costs of CTS.

## **7. IMPLICATIONS**

### **7.1 FINANCIAL IMPLICATIONS**

Members are referred to the Finance Implications in the original Cabinet report, Appendix 1.

### **7.2 LEGAL IMPLICATIONS**

Members are referred to the Legal Implications in the original Cabinet report, Appendix 1.

### **7.3 EQUALITIES IMPLICATIONS**

Members are referred to the Equalities Implications as detailed in the original Cabinet report, at Appendix 1.

## **8. APPENDICES**

- 8.1** 1. Review of Council Tax Support Scheme 2023/24 report to Cabinet
- 8.2** 2. Consultation Responses Report

8.3 3. EQIA

## 9. BACKGROUND DOCUMENTS

9.1 N/A