

## Agenda No 9

### AGENDA MANAGEMENT SHEET

**Report Title:** Council Tax Reduction Scheme 2024/2025

**Name of Committee:** Cabinet

**Date of Meeting:** 4 December 2023

**Report Director:** Chief Officer – Communities and Homes

**Portfolio:** Communities, Homes, Digital and Communications

**Ward Relevance:** All

**Prior Consultation:** Chief officer – Communities and Homes  
Portfolio Holder – Communities, Homes, Digital and Communications, representatives from the Labour and Liberal Democrat groups and the officer Budget Working Group

**Contact Officer:** Zoe Chapman – Benefits Team Leader email: [zoe.chapman@rugby.gov.uk](mailto:zoe.chapman@rugby.gov.uk)

**Public or Private:** Public

**Report Subject to Call-In:** Yes

**Report En-Bloc:** No

**Forward Plan:** Yes

**Corporate Priorities:** This report relates to the following priority(ies):  
 Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)  
 Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)  
 Residents live healthy, independent lives, with the most vulnerable protected. (HC)  
 Rugby Borough Council is a responsible, effective and efficient organisation. (O)  
Corporate Strategy 2021-2024  
 This report does not specifically relate to any Council priorities but

**Summary:** To recommend to Council the adoption of a Council Tax Reduction Scheme for 2024/2025, based on the current 85% discount for qualifying households.

**Financial Implications:**

Funding for the provision of a Local Council Tax Reduction Scheme is no longer separately identified within the Revenue Support Grant. The cost of awards is met by the major preceptors. However, the cost of administering a scheme is borne by Rugby Borough Council. Please see section 5 on further financial implications if the scheme were to be changed.

**Risk Management/Health and Safety Implications:**

The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2024/2025 by 11th March 2024.

Any proposed change from the existing scheme, offering an 85% discount, would require consultation with the other preceptors.

They are unlikely to support any proposed increase to the current discount as this would be detrimental to the funding of key public services within the borough, as well as reducing the discretionary support available to all households at a time of crisis.

**Environmental Implications:**

There are no environmental implications arising from this report.

**Legal Implications:**

The recommendations within this report are governed by Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

Section 5(2) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to set its Council Tax Reduction Scheme by 31 January preceding the start of the financial year in which it is to apply.

This has been further amended by Regulation 2 of The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 to 11 March.

The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2024/2025 by 11th March 2024.

**Equality and Diversity:**

The current Equality Impact Assessment has been reviewed and is attached as Appendix 1. The Council has duly considered its obligations in accordance with the Equality Act 2010.

**Options:**

1. Recommend to Council to approve the proposed scheme.
2. Reject the proposed scheme and subject any amendments to the required consultation.

**Recommendation:**

The Council Tax Reduction Scheme for 2023/2024 be adopted as the Council's Local Council Tax Reduction Scheme for 2024/2025.

**Reasons for Recommendation:**

To enable the Council to deliver a Council Tax Reduction Scheme for 2024/2025

**Cabinet - 4 December 2023**

**Council Tax Reduction Scheme 2024/2025**

**Public Report of the Chief Officer – Communities and Homes**

**Recommendation**

The Council Tax Reduction Scheme for 2023/2024 be adopted as the Council's Local Council Tax Reduction Scheme for 2024/2025.

**1.0 Executive summary**

The report sets out the context as to why agreement of a local Council Tax reduction scheme is needed as well as proposals to maintain the current 85% reduction of the overall council tax liability for qualifying households into 2024/25.

The potential financial impact on the council and the other preceptors (Warwickshire County Council and the Police), should the reduction levels be increased are explored, along with a sense of how the current scheme compares with those of a range of other local authorities.

The report also sets out what additional discretionary support is available from the Council to all households (not just those qualifying for the Council Tax Reduction Scheme) in times of need.

**2. Background**

- 2.1 The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2024/2025 by 11th March 2024.
- 2.2 The scheme only impacts customers who are of working age. Council Tax Reduction for customers of pensionable age is calculated in accordance with a national scheme and therefore is not affected by proposals contained in this report.
- 2.3 Rugby Borough Council, as the Billing Authority, takes the lead in designing and implementing the local scheme but is required to consult with major precepting authorities (Warwickshire County Council and the Warwickshire Police and Crime Commissioner), if any changes are proposed to a scheme.
- 2.4 The number of Council Tax Reduction Scheme claimants is broadly stable and as at end of June 2023 was 3,100 claimants.

### **3. Review of the Scheme for 2024/2025**

3.1 Details of the current scheme can be found at <https://www.rugby.gov.uk/ctrs>.

3.2 In summary, the scheme is designed to reflect the individual needs of the applicant's household, considering:

- The size and makeup of the household.
- If any members of the household have a disability.
- If any grown up children or any other adults live with the applicant and could be expected to make a financial contribution towards the council tax bill.
- Any savings or investments held by the applicant and / or partner.
- The amount of income (wages, state benefits, etc.) received by the applicant and / or partner. Certain types of income are disregarded, in whole or in part, to provide additional support to those who have a disability or are in work.
- Council Tax Reduction is limited to 85% of the applicant's weekly council tax liability.
- Council Tax Reduction is not available to those who have savings or investments above £10,000.

3.3 As per the requirements of the Local Government Finance Act 1992, a Discretionary Council Tax Reduction Scheme is also available to all residents who are liable to pay council tax. The Council limits the amount available to £100,000 per year to provide this additional financial support to those with exceptional circumstances, or those who require additional support for a short period of time.

3.4 The costs of any discretionary amount awarded is split between preceptors in the appropriate proportions. However, the borough council bears the costs of administering the scheme.

#### **4.0 How the current discount compares with other local authorities**

4.1 A sample of CTRS of other local authorities (see table 1), including the rest of Warwickshire, indicates that the current discount is more generous than in some areas and slightly less than in others, but is not a significant outlier.

4.2 The discount is not the only cost factor. Authorities have different schemes therefore the criteria to qualify differs. Those authorities with a higher discount may have a more restrictive criterion, so less residents qualify for support.

4.3 The data is based on current schemes and may be liable to change as local authorities agree their budgets for 2024/25.

Table 1 Local Authority Council Tax Reduction Schemes

<b>Local authority</b>	<b>% Maximum discount 2023/24</b>
Torbay	70
Derby City	70
Chelmsford City	77
Stratford-on-Avon District	80
Bury	80
Nuneaton & Bedworth Borough	85
Coventry City	85
<b>Rugby Borough Council</b>	<b>85</b>
North Warwickshire Borough	91.5
Liverpool City	91.5
Sunderland City	91.5
Warwick District*	100

\*moved to 100% from 2023/24.

## 5.0 Potential financial implications should the discount level be increased.

5.1 The financial impact of increasing the current discount of 85% is detailed in the below table.

Table 2 Revised cost of scheme at different discount levels

<b>Current Cost £000</b>	<b>Scheme Discount %</b>	<b>Revised Cost based on current Council Tax charges.  (£000</b>	<b>Increase (estimated) £000</b>
3,200	85% (current)	3,200	-
3,200	90%	3,422	222
3,200	95%	3,640	440
3,200	100%	3,864	664

- 5.2 The workings in table 2 are based on the Council Tax Reduction caseload as of September 2023 and the 23/24 Council Tax charges.
- 5.3 Due to the complexities of the scheme the additional cost of any increase to the current discount offered at each interval is not exactly 5%. This is due to not all Council Tax Reduction recipients receiving the full 85%. Many receive a part award which is dependent on their household income and circumstances. This can vary considerably between £1 per week up to the full 85%.
- 5.4 It is also impossible to predict how many new claims will be received and how many recipients will no longer qualify for support due to changes in their circumstances throughout the year.
- 5.5 Based on internal workings and considering the additional complexities, a 5% step change in the current scheme would lead to an estimated additional cost of £0.220m.
- 5.6 Any proposed changes to the scheme would require that the preceptors be consulted. A further report would then be required to be submitted to Council, outlining any revised proposals.
- 5.7 Based on the estimated increase detailed in table 2, the cost impact on the preceptors would be as follows

Table 3 Estimated impact on preceptors

<b>Scheme Discount %</b>	<b>Total Cost £000</b>	<b>Warwickshire County Council 76% £000</b>	<b>Warwickshire Police 13% £000</b>	<b>Rugby Borough Council 11% £000</b>
85% (current)	-	-	-	-
90%	222	169	29	24
95%	440	335	57	48
100%	664	505	86	73

## 6.0 Conclusion

- 6.1 The current scheme is flexible and considers the individual circumstances of households and any changes in the circumstances that may occur.
- 6.2 Additional, discretionary support remains available to households in need.
- 6.3 Any proposed increase to the discount would be detrimental to the funding of key public services within the borough, as well as reducing the discretionary support available to all households at a time of crisis

**Name of Meeting:** Cabinet

**Date of Meeting:** 4 December 2023

**Subject Matter:** Council Tax Reduction 2024/2025

**Originating Department:** Communities and Homes

**DO ANY BACKGROUND PAPERS APPLY**  YES  NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.



Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A



# EQUALITY IMPACT ASSESSMENT (EqIA)

## Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
  - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
  - advancing equality of opportunity between people who share a protected characteristic and those who do not,
  - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
  - age
  - disability
  - gender reassignment
  - marriage/civil partnership
  - pregnancy/maternity
  - race
  - religion/belief
  - sex/gender
  - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:  
Aftab Razzaq  
Chief Officer for Legal and Governance  
[aftab.razzaq@rugby.gov.uk](mailto:aftab.razzaq@rugby.gov.uk)  
01788 533521

## Equality Impact Assessment

<b>Service Area</b>	<b>Communities and Homes</b>
<b>Policy/Service being assessed</b>	<b>Council Tax Reduction Scheme 2024/25</b>
<b>Is this a new or existing policy/service?</b>	Annual adoption of Council Tax Reduction Scheme by Council
<b>If existing policy/service please state date of last assessment</b>	November 2022
<b>EqlA Review Team – List of members</b>	Michelle Dickson and Aftab Razzaq
<b>Date of this assessment</b>	17 <sup>th</sup> August 2023
<b>Signature of responsible officer (to be signed after the EqlA has been completed)</b>	

**A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Chief Officer for Legal and Governance.**

**Details of Strategy/ Service/ Policy to be analysed**

<b><u>Stage 1 – Scoping and Defining</u></b>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	<b>The adoption of the Council Tax Reduction Scheme will enable Rugby Borough Council to provide financial support to assist residents with payment of their council tax bill.</b>
(2) How does it fit with Rugby Borough Council's Corporate priorities and your service area priorities?	<ul style="list-style-type: none"> <li>• Optimise income and identify new revenue opportunities.</li> <li>• Ensure that the council works efficiently and effectively.</li> </ul>
(3) What are the expected outcomes you are hoping to achieve?	The adoption of the Council Tax Reduction Scheme will assist residents with the payment of their council tax bill.
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Wider community or groups</li> </ul>	The scheme will affect customers.
<b><u>Stage 2 - Information Gathering</u></b>	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).
(1) What does the information tell you about those groups identified?	We have household composition and financial information relating to our existing customers and therefore are able to assess the impact of any changes within the scheme.

Appendix 1

<p>(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?</p>	<p>No consultation has been undertaken due to no changes to the existing scheme being proposed.</p>		
<p>(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.</p>	<p>No consultation has been undertaken due to no changes to the existing scheme being proposed.</p>		
<p><b><u>Stage 3 – Analysis of impact</u></b></p>			
<p>(1) <u>Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination?  If yes, identify the groups and how they are affected.</p>	<p><b>RACE</b> No</p>	<p><b>DISABILITY</b> Yes - income from disability living allowance and personal independence payments will be disregarded when calculating entitlement</p>	<p><b>GENDER</b> No</p>
	<p><b>MARRIAGE/CIVIL PARTNERSHIP</b> No</p>	<p><b>AGE</b> Yes – only working age claimants will be affected</p>	<p><b>GENDER REASSIGNMENT</b> No</p>

Appendix 1

	<b>RELIGION/BELIEF</b> No	<b>PREGNANCY MATERNITY</b> Yes - Customers who had/have a third child since April 2017 receive less financial support compared to a similar customer already in receipt of benefit as at 31 March 2017.	<b>SEXUAL ORIENTATION</b> No
<p>(2) <u>Cross cutting themes</u> (a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?  (b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	<p>The scheme will provide financial support to assist with the payment of their council tax bill and therefore releasing income for other expenses.</p>		
<p>(3) If there is an adverse impact, can this be justified?</p>	<p>The Council Tax Reduction Scheme takes into account the circumstances of the applicant and household to ensure that applicants receive financial support based on their individual needs.</p>		
<p>(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (This should form part of your action plan under Stage 4.)</p>	<p>A discretionary hardship fund will be available to provide additional support in appropriate cases.</p>		
<p>(5) How does the strategy/service/policy contribute to the promotion of equality? If not, what can be done?</p>	<p>N/A</p>		

Appendix 1

(6) How does the strategy/service/policy promote good relations between groups? If not, what can be done?	n/a
(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

<b><u>Stage 4 – Action Planning, Review and Monitoring</u></b>																					
<p>If No Further Action is required then go to – Review and Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqIA Action Plan</p> <table border="1" data-bbox="875 834 2119 1066"> <thead> <tr> <th>Action</th> <th>Lead Officer</th> <th>Date for completion</th> <th>Resource requirements</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Action	Lead Officer	Date for completion	Resource requirements	Comments															
Action	Lead Officer	Date for completion	Resource requirements	Comments																	
(2) Review and Monitoring State how and when you will monitor policy and Action Plan	The Council Tax Reduction Scheme is subject to adoption by Council on an annual basis.																				

Please annotate your policy with the following statement:

**‘An Equality Impact Assessment on this policy was undertaken on (date of assessment) and will be reviewed on (insert review date).’**

