

LOCAL COUNCIL TAX SUPPORT SCHEME

New Scheme for introduction in 2024/25

Background

Since 2013 Local Council Tax Support (LCTS) schemes provide help for people on low incomes with their council tax bill. The schemes apply differently in different parts of Great Britain, and in England they apply differently in different councils.

LCTS applies only to working age households only. Households of pensioner age receive support towards their Council Tax through a national scheme.

Legislation

The local scheme is regulated under new section 13A(1)(a) of the Local Government Finance Act 1992.

Additional support can be offered as an discretionary reduction by the billing authority under section 13A(1)(c).

LCTS schemes must be approved by each Council annually.

Current Scheme

Reigate & Banstead introduced a scheme in 2013 which has largely remained unchanged, although it has allowed for cost of living increases in line with other benefits.

Broadly, support can be awarded:

- 100% of a person's council tax liability if the person is vulnerable and receiving certain disability benefits; and
- Up to 90% of the council tax liability if they are not in the vulnerable group.

Other restrictions on liability also apply in some instances, for example if the applicant lives in a property in Bands F to H. Also a minimum award is in place of £5 per week for households not in the vulnerable group.

Where a person is working, an additional earnings disregard is applied of £15 per week.

Number of Claims

The number of people claiming LCTS increased during the pandemic but has now reduced to around pre-pandemic levels. The breakdown at 30 September 2023 is summarised in the table below.

Scheme	Number of Claims	Value of LCTS
Working Age - vulnerable	1,930	£3.1m
Working Age - employed	601	£0.4m
Working Age – Other (not vulnerable and not employed)	1,178	£1.3m
TOTAL	3,709	£4.8m

The cost of the scheme is shared between Reigate & Banstead, the County Council and Surrey Police, based on each preceptor's share of the council tax charge.

New scheme changes

Scheme	Criteria	Current	Proposed
Working age – employed Working age – other	Maximum award	Capped at 90% of Council Tax liability	Increase to 100%
Working age – employed Working age – other	Band restriction	Capped at Band E	Remove cap to include liability to include Band F-H
Working age – vulnerable	Capital Limit	Limit of £16,000	Align with the other schemes to £10,000
Working age – vulnerable	Backdating	Backdating for up to 6 months	Align with the other schemes to 3 months
Working age – employed Working age – other	Minimum award	Set at £5 per week, any award less than this is not paid, which creates a “cliff edge” for some households	Remove the £5 minimum award, ensuring awards up to £5 per week are paid
Working age – employed Working age – other Working age – vulnerable	Premiums, allowances and non-dependant deductions	Uprated annually in line with national scheme for pensioners	Uprated annually in line with national scheme for pensioners
Working age – employed Working age – other Working age – vulnerable	Discretion to override DWP income figures	None	In cases where fraud has been investigated and cases where the DWP has used a “minimum income floor
Working age – employed Working age – other Working age – vulnerable	Discretionary Reduction	Section 13A(1)(c) reductions can be made in addition to LCTS	Ensure that anyone who may be adversely affected by the above changes is given a top-up via Section 13A(1)(c)