

Community Wealth Building Department
7 Newington Barrow Way, London, N7 7EP

Report of: Executive Member for Finance, Planning & Performance

Meeting of: Full Council

Date: 8 December 2022

Ward(s): All

Subject: The Council Tax Support Scheme for 2023/24

1. Synopsis

- 1.1. The Council Tax Support Scheme for 2022/23 was agreed by Council on 9 December 2021. The Scheme has to be agreed by full Council by 11 March for each subsequent year, even if it remains unchanged.
- 1.2. There are no changes to the scheme proposed for 2023/24. This report seeks approval for the Council Tax Support Scheme for 2023/24.
- 1.3. Islington's Council Tax Support Scheme is an important part of the safety net we offer to help support and protect low-income households.
- 1.4. The Council will be considering amendments to the Council Tax Support Scheme to take effect from 2024/25. Any forthcoming proposals will be subject to public consultation.
- 1.5. There is also a legal requirement to affirm on an annual basis the council tax discounts and exemptions for empty properties and the empty rates premium.

2. Recommendations

- 2.1. To agree to adopt the Council Tax Support Scheme for 2023/24 as contained in Appendix A.

- 2.2. To retain the amendments to council tax agreed at full Council on 9 December 2021. To be clear, this means that, from 1 April 2023, numbers 1 – 4 below will continue to apply and 5 will be added:
1. Council tax exemption classes A (unoccupied and unfurnished property that requires or is undergoing major repairs) and C (unoccupied and unfurnished property) will have a discount of 0% for all cases
 2. Council tax discount for second homes will be 0% in all cases
 3. Council tax discount for empty furnished lets will be 0% in all cases; and
 4. A premium will be charged at the maximum percentage allowed of 100% on the council tax of all properties that have remained empty for over 2 years but less than 5 years in all cases. A premium will be charged at the maximum percentage allowed of 200% on the council tax of all properties that have remained empty for over 5 years but less than 10 years in all cases. A premium will be charged at the maximum percentage allowed of 300% on the council tax of all properties that have remained empty for over 10 years in all cases.
 5. In addition, where the Legislation allows for a higher potential council tax premium for Second Homes (also known as "dwellings occupied periodically"), the Council will levy the maximum council tax premium allowable from the earliest date that the Legislation allows.

3. Background

- 3.1. As a result of the Government's abolition of council tax benefit from 1 April 2013, combined with a reduction in our funding from the Government of £2.9m at that time, we had to propose and consult on a new Council Tax Support Scheme. Further consultation was carried out in 2016 and again recently in 2021.
- 3.2. There is a legal requirement for the Council to agree the scheme each year and a further requirement to consult with residents if the scheme is changed.
- 3.3. No changes are proposed within the Council Tax Support Scheme for 2023/24.

4. Implications

4.1. Financial Implications

Since there is no proposal to change the existing 95% WA support, the estimated costs for 2023/24 broadly anticipated to be line with the current year costs.

However, the actual annual costs to the council would depend on level of council tax increase and future increase/decrease in working aged caseloads. Thus, the future financial implication is based on estimated costs using the existing caseloads and financial data. The table below summarises the total financial impact to Islington council for supporting the working aged at 95%.

	Estimate £m
Current total cost of CTS (WA and pensioners)	31.584
Current cost of WA CTS	22.070
Estimated Costs to LBI share of WA CTS.	16.965

4.2 Legal Implications

The Council Tax Support Scheme is lawful. There are no material changes to the terms of the scheme for 2023/24, so the requirement now is for full Council to agree the scheme for its continuing adoption from 1 April 2023 for the full 2023/24 council tax year.

The Council must have due regard to the Public Sector Equality Duty, which is integral to the Council's functions, and which is set out in Section 149 of the Equality Act 2010 as follows:

- 1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it...
- 2) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard for the need to:
- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
 - b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard for the need to:
- a) tackle prejudice
 - b) promote understanding
- 5) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
- 6) The relevant protected characteristics are:
- a) age
 - b) disability
 - c) gender reassignment
 - d) pregnancy and maternity
 - e) race
 - f) religion or belief
 - g) sex
 - h) sexual orientation

The equality implications of the proposed scheme for 2023/24 are detailed in section 4.4.1 and as more fully particularised in the detailed assessment set out in Appendix B.

4.2. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

4.2.1. Not applicable.

4.3. **Equalities Impact Assessment**

4.3.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equalities Impact Assessment was completed on 3 October 2022. The Council Tax Support Scheme Resident Impact Assessment is attached as Appendix B.

5. **Conclusion and reasons for recommendations**

5.1. This report recommends that no changes are made to scheme and that the Council Tax Support Scheme for 2023/24 is approved on this basis.

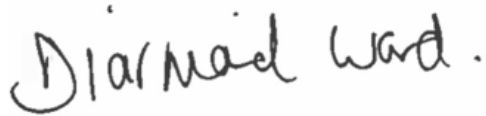
5.2. This report recommends that we continue with the changes made in 2013/14 and updated subsequently to discounts and exemptions for empty properties and continue to charge the maximum premium allowed in law for properties left empty for more than two years, five years and ten years. This helps to bridge the gap imposed by the Government in the council tax support scheme funding, so that, in line with our principles, those who are able to pay more will continue to support those who are less able to pay.

Appendices:

- Appendix A: Council Tax Support Scheme for 2023/24
- Appendix B: Resident Impact Assessment
- Appendix C: From the cradle to the grave – a lifetime of support

Final report clearance:

Signed by:

A handwritten signature in black ink that reads "Diarmaid Ward." The signature is written in a cursive, slightly slanted style.

Cllr Diarmaid Ward

Date: 09/11/2022

Report Author: Robbie Rainbird – Assistant Director Community Financial Resilience Tel:
020 7527 8970

Email: Robbie.Rainbird@islington.gov.uk

Financial Implications Author: Khogen Sutradhar – Principal Accountant

Tel: 020 7527 2499

Email: Khogen.Sutradhar@islington.gov.uk

Legal Implications Author: Sonal Mistry – Senior Lawyer

Tel: 020 7527 3833

Email: Sonal.Mistry@islington.gov.uk