

**LOCAL COUNCIL TAX SUPPORT (LCTS) -  
CONSULTATION****REPORT OF THE TREASURER****For Approval****1. PURPOSE OF REPORT**

- 1.1 The purposes of the report are to provide details of Hartlepool Council's 2024/25 LCTS consultation proposals and to approve the Authority's response to the consultation.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that Members:
- i) note the report.
  - ii) Approve the proposed response to the consultation that the Authority notes the proposal and has no specific comments to make.

**3. BACKGROUND**

- 3.1 Local Council Tax Support (LCTS) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:
- Placed the duty to create a local scheme for Working Age applicants with billing authorities;
  - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
  - Prescribed that persons of Pension age would be dealt with under regulations set by Central Government and not the authorities' local scheme. This means Pensioners, subject to income, can receive up to 100 per cent support to council tax.
- 3.2 LCTS schemes are managed by the four constituent councils and these schemes then feed into the annual Council Tax base set by each of the councils. In broad terms if a Council increases LCTS support this reduces the Council Tax base and vice versa.
- 3.3 Over recent years all councils, with the exception of Hartlepool have revised their LCTS schemes and introduced changes to simplify the application process. These changes provided increased support to households, which has reduced the Council Tax base. However, continuing housing growth has still seen annual increases in the Authority's overall Council Tax base.

**4. HARTLEPOOL COUNCIL - LCTS CONSULATION PROPOSAL**

- 4.1 Hartlepool's Director of Finance, IT and Digital Services has written to me to seek the Authority's views on proposed changes to their LCTS scheme for the 2024/25 financial year.
- 4.2 In broad terms Hartlepool is proposing a simplified scheme which
- continues to support the poorest households;
  - address the problems associated with the introduction of full-service Universal Credit; and
  - addresses the significant increase in administration costs due to the high level of changes received in respect of Universal Credit.

**5. FINANCIAL CONSIDERATIONS**

- 5.1 The impact of any changes to LCTS schemes are shared between the:
- Borough Councils
  - Police and Crime Commissioner for Cleveland
  - Cleveland Fire Brigade – the Authority's share is approximately 3.8%
- 5.2 Based on existing caseloads the financial modelling provided by Hartlepool Council indicates the total cost (i.e. level of support to low income households) of their LCTS scheme will increase from £14.251m to £14.512m. This is an increase of £0.261m.
- 5.3 The Authority's share of this amount will be approximately £9,900 and will be reflected in the overall Council Tax base for 2024/25. I still forecast the overall 2024/25 Council Tax base will be higher than 2023/24. To provide context the Authority's 2023/24 Council Tax income is £13.9m.

**6. CONCLUSION AND PROPOSED REPSONSE TO CONSULTAION**

- 6.1 Hartlepool Council is proposing changes to their LCTS scheme for 2024/25, which will slightly increase the cost of the scheme by simplifying the application process. This mirrors changes made in previous years by other councils.
- 6.2 In response to previous consultation proposals from the other councils the Authority has simply noted the position owing to the marginal financial impact on the Authority. This approach is therefore recommended in relation to the current consultation proposal from Hartlepool.

**CHRIS LITTLE**  
**TREASURER**