

1. Proposal Summary Information

EAA Title	Setting of 2023/24 revenue budgets and proposal to increase council tax by 4.99%
Please describe your proposal?	Council tax increase of 4.99% for 2023/24, including 2% for the adult social care precept
Is it HR Related?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Corporate Purpose	Full Council Decision

1. What is the proposal looking to achieve? Who will be affected?

The Council is obliged to set a balanced budget and council tax in accordance with the Local Government Finance Act 1992.

For 2023/24, a balanced budget is proposed based on investment in key priorities, savings and strengthening financial resilience. On the basis of the that budget, the Council proposes to apply for the maximum increase directed by government in the financial settlement of 4.99%; of which 2.99% is in relation to the core Council Tax and 2% is in relation to the social care precept. Further information is set out in the accompanying report.

Proposal for 2023/24

Ealing is proposing a council tax increase of 4.99% (including 2% precept for Adult Social Care (ASC)) in line with government direction. The increase is estimated to generate an additional £8.131m of council tax in 2023/24, with the intention of using the additional resources to help balance the budget and protecting services over the short to medium term. This constitutes to an increase of £2.03 (Ealing element is £1.29) per week for residents in a band D property who do not receive any reductions or exemptions.

The Department for Levelling Up, Housing and Communities (DLUHC) has announced that an authority will be considered to have set an excessive increase in council tax in 2023/24 if the increase in the level of Band D council tax over 2022/23 is 5% or more. Changes in core council tax can only bring about an increase of up to 3% per annum without being deemed as excessive. Changes to the adult social care precept can bring about an additional increase of up to 2% in council tax for the 2022/23 financial year, and as such council tax is being raised by an additional 2% through this precept.

Any proposals to increase tax above the threshold of 5% would be deemed as excessive and require consent gained through a local referendum. The proposed 4.99% increase of the council tax does not give rise to an increase of 5% or more and is therefore not deemed as excessive.

Budget Consultation and Engagement

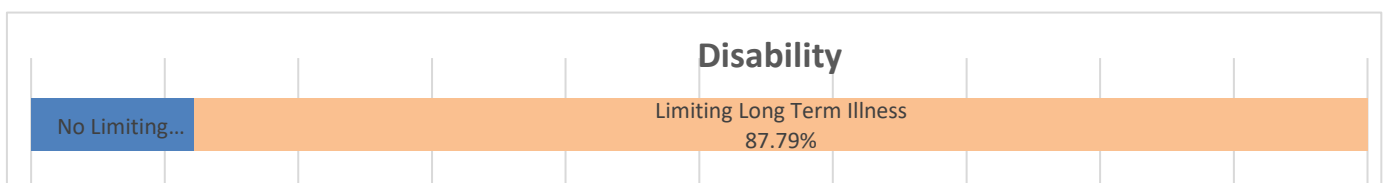
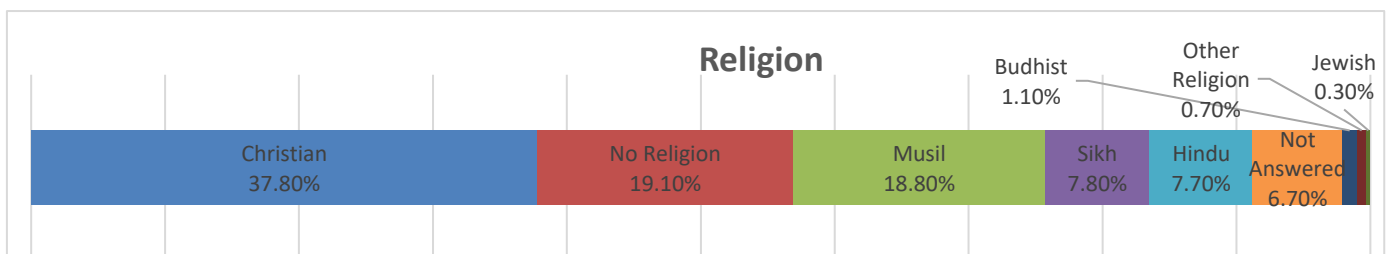
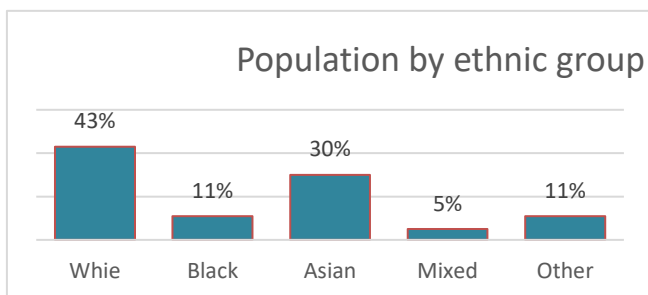
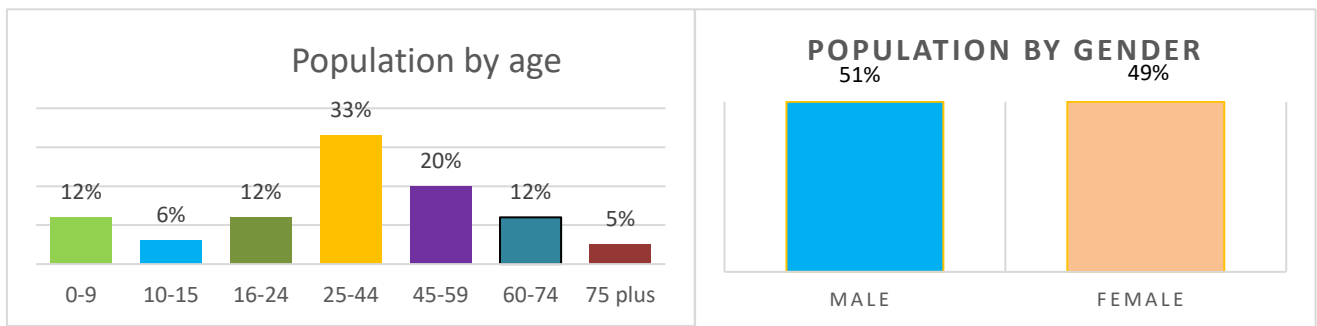
Officers will be consulting with:

- Ealing Business Partnership on 16 February 2023.
- Overview and Scrutiny Committee will consider the Budget Strategy and MTFS 2023/24 to 2025/26 report at its meeting on 21 February 2023 and comments will be tabled at the Cabinet meeting on 22 February 2023.

Groups most likely to be affected

All people eligible to pay either full or reduced council tax will be affected. Any household that is currently charged council tax will see their bill rise proportionally by 4.99%.

Ealings' Demographic Profile



Source ONS Census 2021

2. What will the impact of your proposal be?

The impact of any council tax changes will be mitigated either entirely or in part should a resident be eligible for an exemption from council tax or for a reduction in their council tax.

Council Tax Reduction Scheme

Council Tax Benefit was abolished under the Welfare Reform Act 2012 and councils were required to develop their own local Council Tax Support schemes for working age customers to help people on low incomes and benefits to pay their council tax. Pensioners eligible for Council Tax Support are protected from any loss of support under local schemes.

Ealing Council created its own local Council Tax Reduction Scheme (CTR Scheme) which is now in its tenth year. The working age scheme has become a local scheme and Councils are responsible for the design of the support and need to ratify the scheme every year.

On 7 December 2022, Cabinet approved the following change to the Council Tax Reduction (CTR): to increase the maximum council tax reduction for the non-protected category from 75% to 80% for those who fall in the lowest income band (band 1) and their income is below £136.89 be approved by Full Council on 8 March 2023. This represents a 5% increase in council tax reduction for the lowest income households.

The change will increase the CTR entitlement for 4,933 households that currently receive 75% council tax award. Those in protected category are already entitled to up to 100% of CTR.

The Council's CTR scheme for working age residents will continue to keep the 100% discount for applicants who fall into the protected category. For those who fall into the non-protected category and on the lowest income band will receive 80% discount and all other income bands will remain the same.

Key feature: This is an income banded scheme which will assess the maximum level of CTR based on the net income of the applicant and their partner (if they live with one).

The proposed change to the scheme will keep the maximum 100% reduction for applicants who fall into the protected category.

Applicants who fall in the non-protected category and the lowest income band (band 1) will receive a maximum of 80% reduction towards their council tax and all other applicants will not be affected. This represents a 5% increase in council tax reduction for the lowest income households.

The change is proposed to help applicants who fall in the non-protected category and the lowest income band (band 1) with the increase in the cost of living so they will have less to pay towards their council tax.

Pensioners are not affected by the proposed change, and they will receive the same level of support they do now as required by law.

Appendix 11 - Equalities Analysis Assessment

Under the income banded scheme, the calculation of entitlement has been simplified. All state benefits including tax credits are disregarded. Applicants receive a discount based upon the level of their net income as set out in the table below.

Council Tax Reduction Calculation Table						
	Protected			Non-protected		
Band	Income Bands £	Customer's contribution to Council Tax	CTR Award	Income Bands	Customer's contribution to Council Tax	CTR Award
1	0.00 -136.89	0%	100%	0.00 -136.89	20%	80%
2	136.90 – 159.70	25%	75%	136.90 – 159.70	40%	60%
3	159.71 – 182.51	40%	60%	159.71 – 182.51	50%	50%
4	182.52 – 205.34	50%	50%	182.52 – 205.34	60%	40%
5	205.35 – 228.15	60%	40%	205.35 – 228.15	70%	30%
6	228.16 – 250.96	70%	30%	228.16 – 250.96	80%	20%
7	250.97 – 273.79	80%	20%	250.97 – 273.79	90%	10%
8	273.80 – 296.60	90%	10%	273.80+	100%	0%
9	296.61+	100%	0%			

The income bands have been updated for 2023/24 in line with September 2022 CPI which was 10.1%.

Claimant's CTR entitlement changes only if their earned income change is sufficient to move them from one band to another.

Council Tax Discounts and Exemptions

Circumstances under which people are exempt from paying, or have their council tax liability reduced on the basis of grounds other than CTR schemes, are mainly laid out by the government. Authorities can decide on local discounts and exemptions. Examples of some particular exemptions follow.

- a) Single Person Discount: Households in which an adult lives on their own or in which no one else counts as an adult receive a 25% reduction on their council tax bill.
- b) Full-Time Students: Households where everyone is a full-time student don't have to pay council tax.
- c) Care Leavers are provided an additional discount which ensures a nil council tax liability.

A discretionary relief will be awarded to Ealing care leavers aged between 18 and 24 years old who are liable for council tax in the borough as part of local offer for care leavers. To be eligible the care leaver must be liable for council tax in Ealing and have previously been in the care of Ealing Council. Relief will be applied after all other discounts are awarded and

only if an amount remains to be paid for council tax. Eligible care leavers are identified by the Council and relief is awarded automatically with no application needed.

- d) Discretionary Council Tax Discount: All residents will be able to apply for a discretionary discount if they are able to demonstrate that they are having difficulty paying their council tax.
- e) Empty Homes Exemption: The Council currently charges an extra 100% of council tax if a property has been empty for more than 2 years and 200% extra council tax if the property has been empty for between 2 – 5 years. Officers are recommending to continue with an additional premium on top of the standard council tax for properties which have been empty for more than 2 years and to agree in principle to commence an additional 100% charge for the properties empty for more than one year from 1 April 2024. However, if someone is selling an empty property on behalf of an owner who has died, they are eligible, receiving an exemption from council tax liability.

Some homes will receive an exemption from council tax for as long as they stay empty. They include homes:

- belonging to someone in prison (except for not paying a fine or council tax)
- belonging to someone who has moved into a care home or hospital
- that have been repossessed
- that cannot be lived in by law, e.g. if they are derelict
- that are empty because they have been compulsorily purchased and will be demolished
- dwelling left empty by a deceased person (up to and for 6 months after probate).

- f) Other exemptions are granted for properties which are occupied solely by:
- Students
 - Severely mentally impaired residents.

Any increases in council tax are matched by corresponding percentage increases in discounts or exemptions.

Additional Council Tax Support Fund 2023/24

On 23 December 2022, the government announced funding and guidance for its Council Tax Support Fund for 2023/24. This allows the Council to reduce council tax bills by up to £25 for those in receipt of Council Tax Support (CTS) and to use remaining funding as they see fit to further support households in need.

The government has advised that the mechanism which should be used to make these reductions in Council Tax liability is by relying on section 13A(1)(c) of the Local Government Finance Act 1992 (“1992 Act”). Therefore, an amendment has been made to the Council’s existing 13A(1)(c) policy.

The Council’s funding allocation for the additional Council Tax Support funding is £630,896.

Appendix 11 - Equalities Analysis Assessment

The funding will be distributed under the policy which sets the way in which the Council's discretion to make council tax reductions will be utilised in 2023/24 and in subsequent years. This is distinct from the Council's Council Tax Reduction Scheme set out above.

The policy sets out two classes of taxpayer as eligible for the funding:

- 1) Those in receipt of CTS who will be entitled to an award of up to £40 off their council Tax bill for 2023/24 under the government's CTS fund. This will apply to all awards of CTS for the 2023/24 financial year. These reductions are made to qualifying council tax accounts without the need for application.
- 2) Any excess Council Tax Support Fund provided to the Council and not used in will be provided to supplement the Council's Council Tax Discretionary Discount scheme from which households are able claim support under 13A(1)(c).

The £40 award consists of £25 statutory maximum payment required by the government and additional £15 discretionary award which has been determined locally to support CTS claimants during the cost-of-living crisis. The award will be a maximum of £40, limited to the actual council tax liability of the individual CTS recipient.

It is expected that the 2023/24 reductions under this policy will benefit around 9,926 households. This includes 1,934 pensioner households and 7,992 working age households.

2. Impact on Groups having a Protected Characteristic

AGE: A person of a particular age or being within an age group.

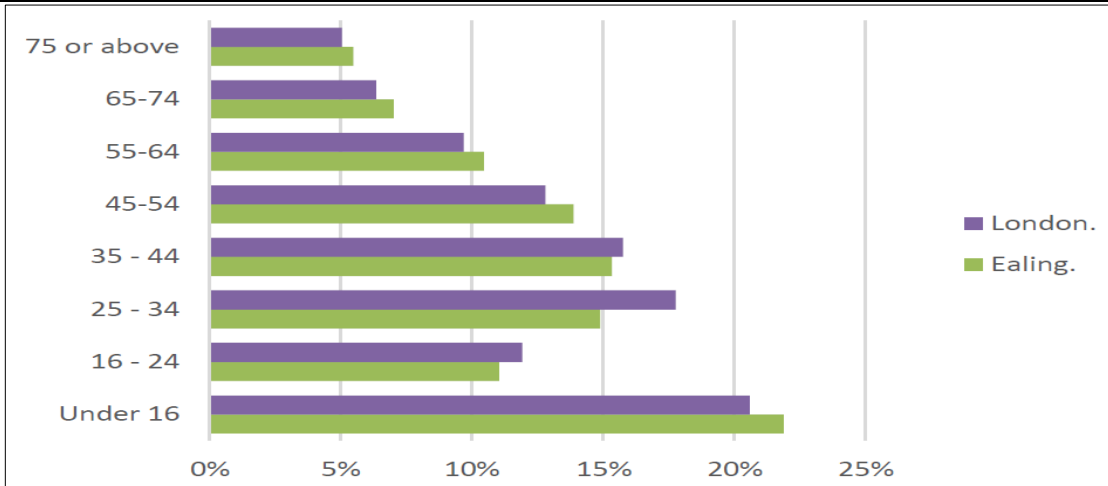
Neutral Impact

Describe the Impact

The age of the liable person is not recorded for council tax purposes, but as the chart below shows Ealing's population in 2019 was broadly similar to London with:

- 64.7% - working age (16-64);
- 21.9% - under-16's; and
- 13.4% - 65 and over

Eligible pensioners receives support under the CTR.



Alternatives and mitigating actions which have been considered in order to reduce negative effect:

Describe the Mitigating Action

Not applicable.

DISABILITY: A person has a disability if they have a physical, mental or sensory impairment which has a substantial and long term adverse effect on their ability to carry out normal day to day activities¹.

Neutral Impact

Describe the Impact

Under Ealing’s CTR scheme, those identified under ‘protected group’ are eligible for up to 100% discount. These will include residents who are in receipt of of a disability benefit (disability premium, severe disability premium, enhanced disability premium or carer premium when their award is calculated), Carer’s Allowance, Employment and Support Allowance, Personal Independence Payment, Attendance Allowance or Disability Living Allowance will qualify for a discount under the protected group. For details refer to Appendix 0 and 4 of the report.

Though the level of discount available will be dependent on the household income (as summarised in the EAA above), it should be noted that a maximum award of up to 100% is available to those entitled to²:

- a disability premium, severe disability premium, enhanced disability premium or carer premium when their award is calculated; and
- to a disabled earnings disregard, a disabled person’s reduction for council tax purposes

¹ Due regard to meeting the needs of people with disabilities involves taking steps to take account of their disabilities and may involve making reasonable adjustments and prioritizing certain groups of disabled people on the basis that they are particularly affected by the proposal.

² Revised Council Tax Support Scheme for 2020/21 (Report to Cabinet December 2019) – Appendix 3 EAA

Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

GENDER REASSIGNMENT: <i>This is the process of transitioning from one sex to another. This includes persons who consider themselves to be trans, transgender and transsexual.</i>
Neutral Impact
Describe the Impact
There is no council tax data regarding gender reassignment.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

RACE: <i>A group of people defined by their colour, nationality (including citizenship), ethnic or national origins or race.</i>
Neutral Impact
Describe the Impact
The race of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will impact on any particular ethnic group disproportionately.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

RELIGION & BELIEF: <i>Religion means any religion. Belief includes religious and philosophical beliefs including lack of belief (for example, Atheism). Generally, a belief should affect a person's life choices or the way you live for it to be included.</i>
Neutral Impact
Describe the Impact

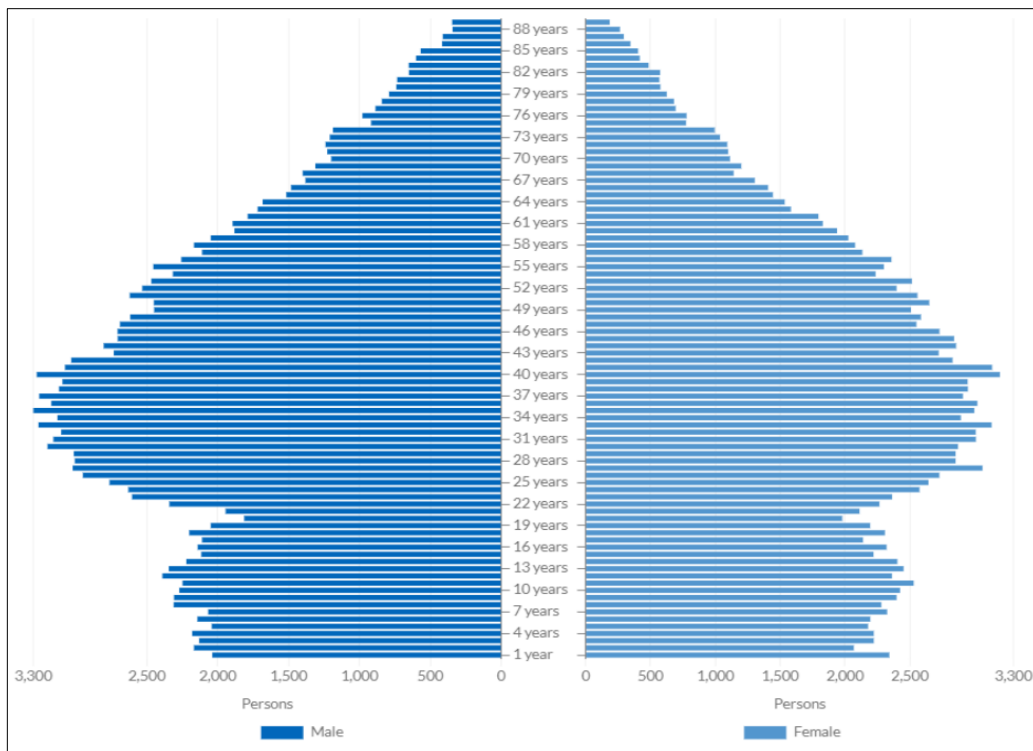
This is not recorded for council tax purposes, but there is no reason to believe that any particular religious group is likely to be disproportionately affected by the proposed changes.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

SEX: Someone being a man or a woman.

Neutral Impact

Describe the Impact

There is no council tax data regarding sex but Ealing's 2021 data profile shows the split to be 50% male and 49% female.



Source: ONS - Census 2021

Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

SEXUAL ORIENTATION: <i>A person's sexual attraction towards his or her own sex, the opposite sex or to both sexes, covering including all LGBTQ+ groups.</i>
Neutral Impact
Describe the Impact
There is no council tax data regarding sexual orientation.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

PREGNANCY & MATERNITY: Description: Pregnancy: Being pregnant. Maternity: The period after giving birth - linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding.
Neutral Impact
Describe the Impact
There is no council tax data regarding pregnancy or maternity.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action
Not applicable.

MARRIAGE & CIVIL PARTNERSHIP: Marriage: A union between a man and a woman. or of the same sex, which is legally recognised in the UK as a marriage Civil partnership: Civil partners must be treated the same as married couples on a range of legal matters.
Neutral Impact
Describe the Impact
Council tax records do not show the marital status of the liable person.
Alternatives and mitigating actions which have been considered in order to reduce negative effect:
Describe the Mitigating Action

Not applicable.

3. Human Rights³

3a. Does your proposal impact on Human Rights as defined by the Human Rights Act 1998?
 Yes No

(If yes, please describe the effect and any mitigating action you have considered.)

3b. Does your proposal impact on the rights of children as defined by the UN Convention on the Rights of the Child?
 Yes No

(If yes, please describe the effect and any mitigating action you have considered.)

3c. Does your proposal impact on the rights of persons with disabilities as defined by the UN Convention on the rights of persons with disabilities?
 Yes No

(If yes, please describe the effect and any mitigating action you have considered.)

4. Conclusion

Ealing is proposing a council tax increase of 4.99%, of which 2.99% relates to the core council tax and 2% is in relation to social care precept, in line with government direction as the increase forms part of Core Spending Power calculation within the local government finance settlement. The proposal is a key element to the Council being able to set a balanced budget in accordance with its legal duty.

The desired outcome of the proposal is to:

- To endeavour to ensure, as far as is reasonable and proportionate, that the implementation of the council tax increase does not adversely impact one group more than any other.
- To give consideration to vulnerable groups whilst ensuring that this does not add to the burden of those left to pay.
- To ensure that those who are entitled to discretionary council tax reductions in council tax are not disproportionately impacted by the 4.99% increase, in accordance with Council policy.

From the information that is available the impact of any council tax changes will be mitigated either entirely or in part through council's generous and flexible CTR scheme, should a

³ For further guidance please refer to the Human Rights & URNC Guidance on the Council Equalities [web page](#).

Appendix 11 - Equalities Analysis Assessment

resident be eligible for an exemption from council tax or for a reduction in their council tax. Thereby achieving the outcomes set out above.
By increasing council tax, the Council can prevent reductions in services to local residents and in so doing can continue to mitigate against adverse impacts facing individual households.



4a. What evidence, data sources and intelligence did you use to assess the potential impact/effect of your proposal? Please note the systems/processes you used to collect the data that has helped inform your proposal. Please list the file paths and/or relevant web links to the information you have described.

- Appendix 4 - EAA for CTR Scheme (Council Meeting February 2023)
- Equalities in Ealing - Summary Needs Assessment (August 2020)

5. Action Planning: *(What are the next steps for the proposal please list i.e. when it comes into effect, when mitigating actions linked to the protected characteristics above will take place, how you will measure impact etc.)*

Action	Outcomes	Success Measures	Timescales / Milestones	Lead Officer (Contact Details)
Review CTR scheme to ensure that its still meets its key objective in supporting the most vulnerable people.	CTR protected groups will not be impacted negatively by any increase in council tax.	High levels of council tax receipts / low levels of council tax debt	Annual CTR Scheme Review	Joanna Pavlides Head of Financial Assessments, Finance PavlidesJ@ealing.gov.uk 0208 825 9279
Additional Comments:				

6. Sign Off *(All EAA's must be signed off once completed)*

Completing Officer Sign Off:	Service Director Sign Off:	HR related proposal (Signed off by directorate HR officer)
Signed: 	Signed: 	Signed:
Name (Block Capitals): SHABANA KAUSAR Date: 13/02/2023	Name (Block Capitals): EMILY HILL Date: 13/02/2023	Name (Block Capitals): Date:
For EAA's relating to Cabinet decisions: received by Committee Section for publication by (date): 31/01/2023		

Annex A: Legal obligations under Section 149 of the Equality Act 2010

- As a public authority we must 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.

- The protected characteristics are: AGE, DISABILITY, GENDER REASSIGNMENT, RACE, RELIGION & BELIEF, SEX, SEXUAL ORIENTATION, PREGNANCY & MATERNITY, MARRIAGE & CIVIL PARTNERSHIP

- Having due regard to advancing equality of opportunity between those who share a protected characteristic and those who do not, involves considering the need to:
 - a) Remove or minimising 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 characteristic that are different from the needs of the 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.

- Having due regard to fostering good relations between persons who share a relevant protected characteristic and persons who do not, involves showing that you are tackling prejudice and promoting understanding.

- Complying with the duties may involve treating some people more favourably than others; but this should not be taken as permitting conduct that would be otherwise prohibited under the Act.