

## 7B. REFERRAL FROM FAR 7 SEPTEMBER 2022: COUNCIL TAX REDUCTION SCHEME 2023/24

**RECOMMENDED TO CABINET:** That Cabinet:

- (1) Note a full review is well underway and consultation with the public and Major Precepting Authorities will run for six weeks from 05 September 2022
- (2) Note progress made so far on the review and the intention is to introduce a new banded scheme for working age applicants from 01 April 2023
- (3) Note intention of review is to introduce a new scheme that will enable us to increase overall level of support for lowest income families and reduce administrative burden on Council, as well as making the scheme easier for our customers to understand and calculate entitlement
- (4) Note that modelling the new scheme may increase the costs from those of the current scheme

**REASON FOR DECISIONS:** To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:

- Provides the greatest support to the lowest income households
- Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
- Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

*Audio recording – 47:00*

Ian Couper, Service Director – Resources, presented the report entitled Council Tax Reduction Scheme 2023/24.

- Every year the Council is required to review its Council Tax Reduction Scheme. This year the Council has done a more fundamental review since there has been no major changes since the scheme was introduced.
- This report is to notify Cabinet what is going on but presented to FAR to comment on due to the financial implications.
- The proposal is that it will move to a banded scheme. This means that instead of each person or property being assessed a rate of council tax discount, they'll fall into bands meaning that small changes will have less of an impact and therefore they'll be less administration and less confusion for the residents.
- This scheme will only apply to working age claimants. Anyone who is an older claimant falls under the mandatory scheme and the Council doesn't have the ability to change the council tax reduction for those.
- The consultation will run from the 14<sup>th</sup> September 2022, which is after the Cabinet meeting next week, not from the 5<sup>th</sup> September 2022 as detailed in the report.
- The consultation will be with the public, Herts County Council and the Police and Crime Commissioner.

- The current estimate of impact is that it will reduce the number of properties in which we can charge council tax on. Those that are eligible for Council Tax Reduction count as less than one property, therefore if there is a lower council tax base there are more properties that are eligible for the Council Tax Reduction Scheme.
- The overall cost is low and the revenues team has forecast that the costs will go down
- Overall it provides a better experience for residents. People will stay in one band rather than keep moving around, especially those on universal credit
- There is a discretionary element for those who might lose out to aid transition so they will not be as badly affected initially

Ian Couper noted that Councillor Ian Albert has been very involved within this scheme and can also help with any questions Members may have.

The following Members asked questions:

- Councillor Terry Hone
- Councillor Terry Tyler
- Councillor Clare Billing

In response to questions Ian Couper advised:

- North Hertfordshire District Council are the first to make these changes to the Council Tax Reduction Scheme

Also in response to questions, Councillor Albert responded:

- This scheme will be put in place initially for one year, but will look at how it can progress further
- The scheme had been remodelled many times and it is predicted that less than 100 people will be affected. However, there should still be a discretionary scheme.
- The discretionary scheme is aimed at those who might not be entitled. We will identify who is in that situation and proactively contact them and propose the discretionary element of the scheme
- Since we will know their circumstances, we will work through it with them and decide on the discretionary element
- They won't need to fill in loads of forms as they will have completed an application to be on the scheme

Councillor Tyler suggested that we hear more about the scheme in the next session.

**RESOLVED:** That the Committee note and comment on the Council Tax Reduction Scheme 2023/24

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[The reports and papers associated with this item can be found here.](#)