

**6i REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 7 DECEMBER 2022  
– COUNCIL TAX REDUCTION SCHEME 2023/2024**

**RECOMMENDED TO CABINET:** To:

- (1) Note that a full review of the Council Tax Reduction Scheme has taken place and that consultation with the public and Major Precepting Authorities has taken place.
- (2) Note the aim of the review has been to introduce a new scheme that will:
  - enable us to increase the overall level of support for the lowest income households;
  - reduce the administrative burden placed on the Council following the introduction of Universal Credit;
  - make the scheme easier for our customers to understand and calculate entitlement.
- (3) Recommend to Council that a new banded scheme for working age applicants is adopted from 01 April 2023.
- (4) Recommend to Council the use of the Council Tax Hardship Grant to fund a discretionary scheme to provide additional transitional support where appropriate and that decisions regarding Discretionary support are delegated to the Service Director Customers in consultation with the Executive Member for Finance and IT.
- (5) Note that the new scheme may increase the costs from those of the current scheme, any increase will be split between the Council and its Major Precepting Authorities. The Council's share is expected to be around 12.5%.

**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 37 minutes 15 seconds*

The Executive Member for Finance & IT, Councillor Ian Albert presented the report entitled Council Tax Reduction Scheme 2023/24 and highlighted the following points:

- The Finance, Audit & Risk Committee had received an update on the proposed reduction scheme in September 2022; this was just before the consultation stage started;
- One of the key projects in the delivery plan was a full review of the reduction scheme, work has gone on throughout the year supported by a specialist consultant;
- One of the key aims of the scheme is to provide the greatest support to those who need it most; there will inevitably be people who do not benefit from these changes; they may see a reduction of their entitlement or end their entitlement all together;
- The review has led the Council to propose a banded scheme, which will enable key objectives to be met;

- Appendix A shows the percentages of increases and decreases; 81% will either receive an increase of entitlement or no change;
- Discretionary support will be provided to those who are experiencing exceptional hardship, these cases will be assessed on a case-by-case basis;
- Appendix B summarises the responses received during the consultation; the majority agree with the proposal to move to a banded scheme;
- The value of reduction ranges from very small amounts up to £29 a week;
- 372 people on an income of less than £100 a week will receive the maximum discount of 100%.

The following Members asked questions:

- Councillor Terry Tyler
  - Councillor Terry Hone
  - Councillor George Davies
  - John Cannon, FAR Independent Member
- In response to questions, the Executive Member for Finance & IT, the Benefits Manager and the Service Director - Customers respectively, advised:
- The discretionary fund would be considered if a resident contacted the Council, or a more proactive approach could be taken where residents who are known to the Council are offered the scheme;
  - There has been a change in the way benefits are processed, the Council now receives information directly from the Department of Work & Pension through an 'Atlas file'. As we have access to that information directly a declaration of income from a resident is not required and the possibility of fraud is lower;
  - The consultation was promoted as widely as possible through partners, registered landlords, Citizens Advice and social media channels. The views of those currently on the Council Tax Reduction Scheme was seen as very important. A number of pensioners responded to the survey and expressed concern that they would be effected in the proposed changes. We cannot directly link the responses between those who answered yes to being on the reduction scheme and those against the proposed scheme changes but there may be some correlation.

In response to the question from John Cannon, FAR Independent Person, the Service Director – Customers advised that more information on the income brackets of those being effected by the reduction scheme would be circulated after the meeting.

Councillor Phil Weeder proposed and Councillor Chris Hinchliff seconded and, following a vote it was:

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The reports and papers associated with this item can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th December, 2022, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)