

**COUNCIL
19 JANUARY 2023**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2023/2024

REPORT OF: SERVICE DIRECTOR CUSTOMERS

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1 Each year the Council is required to review its Council Tax Reduction Scheme in accordance with the requirements of schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.
- 1.2 The Council had committed to a full review of its Council Tax Reduction Scheme to meet the objectives as set out in 2.2. The review is one of the Councils key projects for 2022/23 included in the Council Delivery Plan.

2. RECOMMENDATIONS

- 2.1 That Council 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.
- 2.2 That Council 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 and
 - make the scheme easier for our customers to understand and calculate entitlement.
- 2.3 That Council approve the adoption of a new banded scheme for working age applicants from 01 April 2023.
- 2.4 That Council approve 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.
- 2.5 That Council 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%.

3. REASONS FOR RECOMMENDATIONS

- 3.1. 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Consideration has been given to a range of alternatives, listed below:
- a) Retain the current scheme as-is with no change in levels of support
 - b) Retain the current scheme with increased levels of financial support
 - c) To introduce 'fixed periods' or 'tolerances' to the current scheme
 - d) To implement a simplified discount-based scheme for UC claimants only
 - e) To implement a simplified discount-based scheme for all working age claimants

Options (a) to (d) have been discounted as they would not address all the issues with the current scheme. Option (e) addresses all the issues and is the option that has been progressed for further data modelling.




- 4.2 If the proposed scheme is not adopted then the scheme for 2023/24 will remain the same as the scheme for 2022/23.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member and Deputy Executive Member for Finance and IT have been consulted throughout the review and are in support of the proposed changes to the scheme.
- 5.2 The Shadow Executive Member for Finance and IT has been consulted on this proposal.
- 5.3 A full consultation has been undertaken in line with the statutory requirement with:
- The County Council (including Fire & Rescue)
 - The Hertfordshire Police and Crime Commissioner (PCC)
 - The Public
- 5.4 The public consultation ran for six weeks and closed on the 30 October 2022. The consultation was regularly promoted via our website, social media channels and in the local press and Council email bulletins. Details of the consultation were included on all emails sent from customer services and we also notified partners such as Citizens Advice, settle and other registered housing providers. Parish Clerks were also notified of the consultation.
- 5.5 No comments were received from the County Council or PCC.

- 5.6 North Herts Citizens Advice were consulted on the proposal and expressed support for the proposed scheme specifically noting that; *'the CTR scheme should benefit more of those who really need it. It seems like a fairer system and its very client focused'*.
- 5.7 The public consultation received 481 responses, 100% of respondents stated they live in North Herts. Just under 74% of respondents are not in receipt of CTR support and the majority of respondents (69%) were aged 55 and above with 40% being above 65. 68% of those who answered the question below agreed with introducing an income based banded scheme.

A summary of the full consultation results is attached at Appendix B.

2. Do you agree with introducing an income-based banded discount scheme?				
Answer Choices			Response Percent	Response Total
1	Yes		67.78%	223
2	No		18.54%	61
3	Don't Know		13.68%	45
			answered	329
			skipped	152

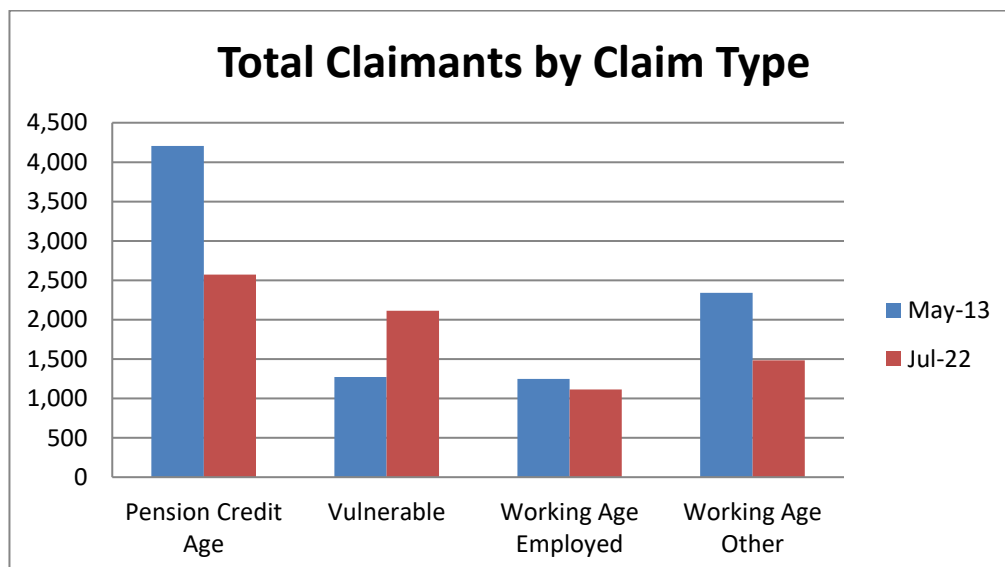
6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 29 July 2022.

7. BACKGROUND

- 7.1 Council Tax Reduction (CTR) 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 anyone of **pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.
- 7.2 Since that time, funding for the Council Tax Reduction Scheme has been amalgamated into other Central Government grants paid to Local Authorities (where in receipt of Revenue Support Grant) and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.

- 7.3 The current Council Tax Reduction Scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.
- 7.4 Pensioners, subject to their income, can receive up to 100 per cent support towards their Council Tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of Council Tax Reduction can only be made to the working age scheme.
- 7.5 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, even those on the lowest income, to pay an amount towards their Council Tax. This was achieved by applying a standard deduction from any award granted (with certain protected groups where the household would be considered disabled). The standard deduction is currently up to 25%.
- 7.6 Since its introduction, the working age scheme has only been amended slightly, primarily to adjust the standard deduction, to introduce a tolerance and to align it with Housing Benefit and Universal Credit where possible.
- 7.7 CTR claimants are split into four categories as follows:
- Pensioners - meaning they have reached Pension Credit age
 - Vulnerable - meaning that a member of the household is in receipt of a disability benefit such as Personal Independence Payment (PIP) or Disability Living Allowance (DLA)
 - Working age employed - of working age and in employment
 - Working age other - of working age and not in employment.
- 7.8 The chart below shows how the claimant numbers are made up and shows that since 2013 the numbers of claimants in each group have declined, except the vulnerable group which has increased as additional medical conditions have been included.



8. RELEVANT CONSIDERATIONS

8.1 There are several issues with the current scheme that need addressing if the system is to continue to provide effective support to low-income taxpayers and if the Council is to be able to provide the service in an efficient manner. The main issues are as follows:

- the need to assist low-income households and assist in the collection of Council Tax.
- the introduction of Universal Credit for working age applicants; and
- the need for a simplification of the scheme.

These issues are examined in more detail throughout this section of the report.

8.2 The need to assist low-income households and assist in the collection of Council Tax

8.2.1 Since 2013 and the introduction of Council Tax Reduction, the majority of authorities, including the Council have required all working age applicants to pay a minimum payment. Under the previous scheme (Council Tax Benefit) almost 75% of working age applicants would not have been required to pay any Council Tax and would have received full (100%) support.

8.2.2 As with many authorities, there is a strong view that there should be an increase in the level of support to those households on the lowest of incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis which had a major impact on household incomes generally and more recently with the cost-of-living crisis.

8.2.3 Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Reduction, the reality is that, since its introduction, low-income taxpayers, the poorest households, have been unable to pay the balance leading to additional costs, court and enforcement action which compounds the debt and in some cases the amounts demanded have been written off as uncollectable.

8.2.4 The costs of administration of these cases by the Council has increased significantly over the years. These costs are borne solely by the Council. With the difficulties experienced, the relatively low level of payment and the high administration costs incurred, it no longer makes the amounts economically viable to collect. Notwithstanding the negative effects to those poorest households. The proposed scheme (set out in 8.5) would address these issues by an increase in entitlement of up to 100% for those on the lowest income.

8.3 Council Tax Reduction and the roll out of Universal Credit

8.3.1 The introduction of Universal Credit within the district has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:

- the reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement.

- a high number of changes to UC cases received from the Department for Work and Pensions (DWP) requiring a change to Council Tax Reduction entitlement. On average 40% of UC claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays, and the demonstrable loss in collection.
- increased costs of administration through multiple changes with significant additional staff and staff time being needed. It is estimated that on average the Council receives around 39,000 notifications per year of change from the DWP for claimants on UC, that is a significant administrative burden that is likely to increase.

8.3.2 The number of Universal Credit claimants at present who are within the Council Tax Reduction Scheme is approximately 2884 which represents 60% of the working age caseload. The number of UC claimants will increase year on year and the majority of work within the working age cohort will revolve around these cases.

8.3.3 It is clear that the existing means tested Council Tax Reduction Scheme, which is too reactive to change, will not be viable in the longer term as UC continues to be rolled out fully within the area and with the massive increase in UC claimants due to the COVID-19 crisis. The move to a more efficient scheme from 2023 is now imperative.

8.4 The need for a simplified approach to the Council Tax Reduction Scheme

8.4.1 Notwithstanding the introduction of UC, the existing scheme is based on an old-fashioned means tested benefit scheme, which now has major defects namely:

- it is complex for customers to understand and is based on a complex calculation of entitlement.
- customers are not easily able to calculate their entitlement
- the administration for staff is complex, with staff having to request significant amounts of information from applicants.
- staff have to undergo significant training to be proficient in processing claims.
- the timescales for processing applications are lengthy, mainly due to the complexity and evidence required to support the applications.
- the administration of the scheme is costly when compared to other discounts for Council Tax.

8.4.2 Clearly there is now a need to simplify the scheme, not only to mitigate the effects of UC, but also make it easier for customers to make a claim and to significantly reduce the costs of administration. Our Customer Service Strategy commits to making it easier for customers to access our services and a simplified scheme would support that objective.

8.5 The proposed approach for the 2023/24 Council Tax Reduction Scheme

8.5.1 With the simplicity of the proposed new scheme and by taking a more Council Tax discount approach, it will address the problems associated with the increased administration of the current scheme as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and, where possible, Council Tax Reduction will be awarded automatically. In line with our People First priority the scheme will be easier for our customers to understand and available for them to access and calculate their entitlement at any time.
- For Universal Credit applicants any UC data received from the DWP will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed automatically without the need to request further information from the customer. These changes will have the following distinct advantages namely:
 - **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays.
 - **Maximising entitlement to every applicant.** As there will no requirement for Universal Credit applicants to apply separately for Council Tax Reduction, and for all other applicants, the claiming process will be simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating.
 - **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate.

8.5.2 In view of the issues now experienced with the current scheme, it is proposed that an alternative approach be taken from 2023/24. The approach has been to fundamentally redesign the scheme to address all the issues mentioned and in particular;

- (a) the level of support available to the lowest income households;
- (b) the problems with the introduction of full-service Universal Credit; and
- (c) the significant increase in administration costs due to the high level of changes received in respect of Universal Credit.

8.5.3 Work has been ongoing since early this year on modelling and developing a new scheme which is now complete. Consultation with the public and our Major Preceptors has been carried out. A summary of the full results of the consultation are included at Appendix B.

8.5.4 The proposed new scheme has a number of features as follows:

- more support shall be given to those households on the lowest of incomes than in the current scheme.
- the changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government.
- the current means tested calculations will be replaced by a simple income grid model that will be accessible on our website, the income bands are based on a weekly net income amount as shown below.

Band	Discount	Single Person	Single Person with one child	Single Person with two children	Single Person with three or more children	Couple with no children	Couple with one child	Couple with two children	Couple with three or more children
1	100%	£0 to £100.00	£0 to £165.00	£0 to £220.00	£0 to £330.00	£0 to £140.00	£0 to £205.00	£0 to £260.00	£0 to £340.00
2	75%	£100.01 to £180.00	£165.01 to £245.00	£220.01 to £300.00	£330.01 to £385.00	£140.01 to £220.00	£205.01 to £285.00	£260.01 to £340.00	£340.01 to £395.00
3	45%	£180.01 to £240.00	£245.01 to £305.00	£300.01 to £360.00	£385.01 to £445.00	£220.01 to £280.00	£285.01 to £345.00	£340.01 to £400.00	£395.01 to £455.00
4	25%	£240.01 to £300.00	£305.01 to £365.00	£360.01 to £420.00	£445.01 to £505.00	£280.01 to £340.00	£345.01 to £405.00	£400.01 to £460.00	£455.01 to £515.00
5	0%	Over £300.01	Over £365.01	Over £420.01	Over £505.01	Over £340.01	Over £405.01	Over £460.01	Over £515.01

8.5.5 It is proposed that the highest level of discount will be at 100% of the Council tax liability (Band 1) meaning, someone with 100% discount will not be expected to make a contribution towards their Council Tax bill. All current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) will receive this maximum discount.

8.5.6 All other discount levels are based on the applicant's and partner's (where they have one) net income.

8.5.7 The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants. There will be no charges made where an applicant has non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low-income families where adult sons and daughters for example remain at home.

8.5.8 To encourage work, a standard £50 per week disregard will be provided against all earnings. This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a childcare disregard (for childcare costs not paid for by Central Government schemes), the income levels in the 'grid scheme' are set at a higher rate. Further disregards are listed below:

- disability benefits such as Disability Living Allowance and Personal Independence Payment will continue to be disregarded.
- where any applicant, their partner or dependent child(ren) are in receipt of a disability benefits such as PIP or DLA, a further disregard of £50 per week will be given, thereby supporting those with disabilities.

- Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded.
- Child benefit and Child Maintenance will be disregarded.
- an amount in respect of the housing element, within Universal credit will be disregarded.
- the total disregard on war pensions and war disablement pensions will continue.
- extended payments will be removed; and the capital limit of £16,000 with no tariff (or assumed income) being applied

8.6 How the new scheme will address the issues with the current scheme

8.6.1 With the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by issues with the current scheme and Universal Credit:

8.6.2 The income bands of the proposed scheme are sufficiently wide to avoid constant changes in discount. The current Council Tax Reduction Scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages.

- Only significant changes in income will affect the level of discount awarded
- Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments; and
- The new scheme is designed to reflect a more modern approach, where any discount changes will be effective from the day of the change rather than the Monday of the following week.

8.7 Analysis of the Impact of changes.

8.7.1 Analysis of the impact, based on comparing the current caseload entitlement with the proposed entitlement, shows that 81% of working age claimants will receive no change or an increase (this figure does not include pensioners who are unaffected by the proposal), 6.8 % will receive a decrease in entitlement and 11 % will no longer be entitled to council tax reduction.

8.7.2 The majority of changes in entitlement that will see a reduction will be because of one of the following reasons, which are explained in more detail:

- Changes to the vulnerable element of the scheme
- Removal of the Better Buy and 2AR element of the scheme

8.7.3 Changes to the vulnerable element of the scheme

Under the current scheme if anyone in the household is in receipt of a disability benefit such as personal independence payment (PIP) or disability living allowance (DLA) then they are 'passport' into the vulnerable category and automatically entitled to 100% reduction, regardless of household income. Under the proposed scheme there will no longer be an automatic 100% reduction applied and the percentage reduction will be based on the income band that the household is in, once the relevant disregards have been applied.

It is important to note that the income assessed for the purposes of CTR will have already disregarded disability benefits (such as PIP and DLA) and an additional £50 disability disregard will be applied, a further £50 disregard will also be applied if the claimant is working. There are some examples calculations shown in Appendix A

8.7.4 Removal of the Better Buy and 2AR element of the scheme

Under the current scheme Second Adult rebate (2AR) replaces the single persons discount of the liable person if they have a second adult move into their home who is on a low income. Unlike any other UK state benefit, 2AR is not based on the income and capital of the applicant or partner but that of another adult.

Where an applicant is not entitled to CTR but resides with a second adult, another calculation assesses entitlement to 2AR by ignoring the financial circumstances of the claimant and taking those of the second adult into account. The discount applied depends on the income of the second adult and could be 7.5%, 15% or 25%. This can also result in entitlement to 2AR being awarded even where the applicant has more than £16000 assessed capital.

Where an applicant has entitlement to both main CTR and 2AR, the amount of CTR to which they are entitled is the higher of the two, this is commonly known as a 'better buy' calculation.

8.7.5 Increase in entitlement

The majority of changes in entitlement that will see an increase in entitlement will be because currently all working age other and working age employed claimants are required to pay 25% of their council tax regardless of their income. As an example, under the current scheme a claimant whose only income is Universal Credit at £77 per week is required to pay 25% of their council tax. In many cases it is not affordable and will not be paid, leading to debt and potentially further costs added for recovery action. Some further examples of these calculations are included in Appendix A.

8.7.6 The changes in the proposed scheme make the scheme much fairer by assessing all working age claimants on their assessable income once any relevant disregards have been excluded.

8.8 Transition to the new scheme and the Exceptional Hardship Scheme

8.8.1 The Council must be mindful that any change in scheme or a transition to a new scheme may result in a change to the entitlement of some applicants.

8.8.2 Inevitably, with any change in scheme, there will be some who will not benefit from the changes and will see a reduction in entitlement or entitlement end altogether, whilst we have tried to minimise this, any changes in entitlement will be based on income levels.

- 8.8.3 The proposed scheme has been designed to support the most financially vulnerable. It is proposed that the new scheme will contain additional discretionary provisions to support individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for a CTR hardship award for a specified period of time. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate, further support will be given to the applicant.
- 8.8.4 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The CTR Hardship Scheme will form part of the Council Tax Reduction Scheme and fall to be borne by the Council.

9. LEGAL IMPLICATIONS

- 9.1 The Council is required to maintain and annually review its Council Tax Reduction Scheme in accordance with Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).
- 9.2 Schedule 1A to the Local Government Finance Act 1992 requires the Council to make any revision to its scheme or any replace scheme no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 9.3 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme". Cabinet's terms of reference include at 5.6.44 recommending to Full Council "The Council Tax Reduction Scheme".
- 9.4 Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it,
 - Publish a draft scheme in such manner as it thinks fit, and
 - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

10. FINANCIAL IMPLICATIONS

- 10.1 The current Council Tax Reduction Scheme costs approximately £7.77m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in the following proportions for (2023/23):
- County Council (including Fire and Rescue Service) (76.4%)
 - Police and Crime Commissioner (11.1%)
 - District Council (12.5%)

These proportions are based on the overall share of Council Tax income and will change over time in line with decisions made by each Authority on levels of Council Tax increase. Recently, these have mainly been affected by the levels of increase (without a local referendum) that have been allowed by Government.

The costs of Council Tax Reduction are not funded by the Precepting Authorities directly. Instead, the estimated level of eligibility is converted into a number of band D equivalent properties. That then reduces the overall tax base (i.e., the number of priorities expected to pay Council Tax), and therefore the amount of income that each Precepting Authority

should expect to receive. Differences between what was expected, and the amount actually collected are managed through a Collection Fund. The precepting Authorities will share any surpluses or shortfalls in the following year.

- 10.2 The approach and shape of the scheme is changing, and the overall approach will be to provide additional support to those households on the very lowest incomes. Based on current modelling, were the new scheme to be in place at the current time, the costs would be £7.89m the increase in cost that would be apportioned to North Herts is approximately £15,000.
- 10.3 The projected cost increase is the maximum expected. Modelling adjustments are continuing to be made to see if the increase can be reduced without having a significant adverse impact.
- 10.4 Whilst the expected costs of the scheme for 2023/24 will be slightly higher, the overall level of Council Tax Reduction as a proportion of the Council Tax Base has reduced year on year since 2013 as shown below at 10.6 and 10.7. The only exception was in the COVID-19 period (2020/21 and 2021/22) but the trend has started to show that the costs are falling again and the number of claimants reducing. Of course, since Covid we now face the cost-of-living crisis. We don't expect the cost-of-living crisis to automatically increase the numbers of claimants, unless it leads to job losses in which case we will see an increase in claimants, as would be the case under the present scheme.
- 10.5 Whilst the overall Council Tax liability has increased year on year the value of Council Tax Reduction claims as a percentage of overall liability had continued to decrease prior to the pandemic.

10.6 Council Tax Reduction as a Percentage of Gross Council Tax Liability

Financial Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross CT Liability £	83,774,520	84,591,594	86,434,938	89,845,133	94,684,222	100,685,225	105,302,251	110,123,753	115,611,353
CTR £	6,998,498	6,902,064	6,693,360	6,761,037	6,770,869	6,863,664	6,771,613	7,208,969	8,218,400
%	8.35%	8.16%	7.74%	7.53%	7.15%	6.82%	6.43%	6.55%	7.11%

10.7 Council Tax Reduction - Caseload Reductions

Financial Year Commencing	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Working Age	4797	4718	4537	4327	4187	4058	3980	4355	5151	4823
Pension Age	4214	4065	3831	3608	3404	3120	2981	2874	2746	2636
Total	9011	8783	8368	7935	7591	7178	6961	7229	7897	7459

11. RISK IMPLICATIONS

- 11.1. In transitioning from the old to the new scheme, there is a risk that there could be some initial confusion amongst applicants. If not managed well, this could lead to customers

not receiving discounts that may be due to them. By simplifying the current scheme and ensuring that we publicise the new scheme effectively, it will become easier for customers to make a claim and administrative costs will also be reduced.

- 11.2. There be some who will not benefit from the changes and will see a reduction in entitlement or entitlement end altogether and there is a risk that they may experience financial hardship. By introducing new discretionary provisions to the scheme, the Council will be able to encourage applicants to apply for an exceptional hardship award, and where appropriate, support will be given.
- 11.3 There is a risk that the new scheme will increase costs to the Council, work that has been undertaken to assess the potential impact of this so that it can be incorporated into the decision on whether to adopt the new scheme.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 It should be noted that this scheme only applies to and impacts a specific age group: working-age claimants. Changes suggested within this report aim to improve accessibility to the scheme for all claimants through a simplified process; and improve the support available to those that are on the lowest incomes. As noted at 8.7.2, there will be some who will inevitably not benefit from the changes and will see a reduction in entitlement or entitlement end altogether. Efforts have been made to minimise negative impacts.
- 12.3 By conducting extensive consultation, the Council has sought to collect information from those who may be potentially affected by these proposals.
- 12.4 An equalities impact assessment has been completed and is attached at Appendix C.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1 There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct Human Resources implications in this report, however the changes proposed would make the Council Tax Reduction Scheme significantly easier to administer and therefore this would reduce the additional burden that has been placed on the service because of Universal Credit.

16. APPENDICES

- 16.1 Appendix A – Impact of changes

- 16.2 Appendix B – Consultation feedback.
- 16.3 Appendix C – Equalities Impact Assessment
- 16.4 Appendix D – Draft CTR Policy

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18. BACKGROUND PAPERS

- 18.1 None