

8C REFERRAL FROM CABINET: 13 DECEMBER 2022 – COUNCIL TAX REDUCTION SCHEME 2023/2024

RESOLVED: That Cabinet

- (1) Noted that a full review of the Council Tax Reduction Scheme had taken place and that consultation with the public and Major Precepting Authorities had taken place.
- (2) Noted the aim of the review had been to introduce a new scheme that will:
 - a. enable us to increase the overall level of support for the lowest income households;
 - b. reduce the administrative burden placed on the Council following the introduction of Universal Credit and;
 - c. make the scheme easier for our customers to understand and calculate entitlement.
- (3) Noted 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%.

REFERRED TO COUNCIL: That Cabinet

- (1) Recommended to Council that a new banded scheme for working age applicants is adopted from 01 April 2023.
- (2) Recommended 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.

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 – 8 minutes 57 seconds

The Executive Member for Finance and IT presented the report entitled 'Council Tax Reduction Scheme 2023/2024' and advised of the following:

- Thanked the relevant Officers at the Council who had put work into this scheme.
- It proposed to increase the entitlement to over 1500 people, particularly those in the most vulnerable groups.
- There had been comments and input provided by Citizens Advice and residents during consultation.
- The important aspect would be managing the transition to the new scheme.
- Would continue to look at the discretionary support scheme for individual residents on a case by case basis.

David Airey, a consultant from ACS, advised that:

- ACS provided support to local authorities and the main areas of this was Council Tax reduction.
- Council Tax reduction was introduced in 2013 and all schemes run by local authorities needed to be updated due to the rollout of Universal Credit.
- This proposal would simplify the working age scheme and offer further support to residents.
- By 2023/24 it was expected that the majority of local authorities would be transferred across to a similar working age scheme.
- The pension age scheme is prescribed by the government and therefore cannot be changed.

The Chair of Finance, Audit and Risk Committee, Councillor Terry Tyler, presented the referral on this item and noted that there was some debate at the meeting, specifically with some concerns being raised about the transition. However, overall the Committee was content with the proposal and supportive of the scheme and approved the recommendations.

In response to a question from Councillor Ruth Brown, the Revenues Manager advised that this scheme would have a bearing on Parish Councils, but this would only be a small amount. Councillor Ian Albert noted that £38k had been allocated to support Parish Councils in the budget.

Councillor Ian Albert proposed and Councillor Elizabeth Dennis-Harburg seconded and, following a vote, it was:

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- (2) Noted the aim of the review had been to introduce a new scheme that will:
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 - b. reduce the administrative burden placed on the Council following the introduction of Universal Credit and;
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NB: The report considered by Cabinet at the meeting held on 13 December 2022 can be viewed here: [Agenda for Cabinet on Tuesday, 13th December, 2022, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)