

<b>Item No</b>	<b>Referred from:</b>	<b>CABINET</b>
<b>8A</b>	<b>Date:</b>	<b>16 JANUARY 2024</b>
	<b>Title of item:</b>	<b>COUNCIL TAX REDUCTION SCHEME 2024/25</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 10</b>

The report considered by Cabinet at the meeting held on 16 January 2024 can be viewed here: [Agenda for Cabinet on Tuesday, 16th January, 2024, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

**RECOMMENDED TO COUNCIL:**

(1) That the new branded scheme for working age applicants remains unchanged for 2024/25.

**REASON FOR DECISIONS:** To ensure that the Council has a Council Tax Reduction Scheme that continues to:

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

*Audio recording – 1 hour 53 minutes 9 seconds*

The Executive Member for Finance and IT, Councillor Ian Albert, presented the report entitled 'Council Tax Reduction Scheme 2024/25' and advised that:

- The aim of the new scheme was to provide significant help to the residents in North Herts who were in most need.
- This new scheme, in the first year, had cost more than was forecast and details of the additional costs were detailed in section 10 of the report, which was approximately £125k.
- The Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support, had been underspent. The surplus of this would be used to off-set the impact on the District Council in relation to the main scheme.
- A further review would take place ahead of consideration of the scheme in 2025/26 to seek to reduce these additional costs.
- The recommendation for 2024/25 to make no changes to the scheme was to allow time to provide the help that was needed and to collect 18 months of data before considering further amendments.
- In November and December 2023, a light touch consultation was carried out with Herts County Council, Police and Crime Commissioner and residents via the Council website.
- The Council acknowledged the Royal British Legion campaign for war veterans and confirmed that it already supported war veterans and was aligned to the aims of the RBL campaign.

- Herts County Council were proposing to provide council tax support to care leavers across the district up to the age of 21, which would be funded by the County Council. Details of this proposal were still being considered.

Councillor Ian Albert proposed and Councillor Alistair Willoughby seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Noted that the new scheme has had a greater financial impact than expected, and any resultant Collection Fund shortfall will be split between the Council and its Major Precepting Authorities. The Councils share will be around 12.5%.
- (2) Noted that the Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support, has been underspent, largely due to the positive impacts of the main scheme. (The surplus of this will be used to off-set the impact on the District Council in relation to the main scheme).
- (3) Noted a further review is being undertaken during 2024/2025, to ascertain any further changes to be considered for the scheme in 2025/2026.

**RECOMMENDED TO COUNCIL:**

- (1) That the new banded scheme for working age applicants remains unchanged for 2024/25.

**REASON FOR RECOMMENDATION:** To ensure that the Council has a Council Tax Reduction Scheme that continues to:

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