

Item No	Referred from:	OVERVIEW & SCRUTINY COMMITTEE
6B	Date:	6 JANUARY 2026
	Title of item:	EFFECTIVENESS OF COUNCIL TAX REDUCTION SCHEME AND PROPOSALS FOR 2026/27
To be considered alongside agenda item:		AGENDA ITEM 12

The report considered by Overview and Scrutiny Committee at the meeting held on 6 January 2026 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 6th January, 2026, 7.30 pm | North Herts Council](#)

**RESOLVED:** That the Overview and Scrutiny Committee:

- (1) Commented on the report and consider any further mechanisms that would provide data on the effectiveness of the Council Tax Reduction Scheme.
- (2) Provided comments on the recommendations to Cabinet.

**RECOMMENDED TO CABINET:**

- (1) To agree to amend the Council Tax discretionary policy to include the support provided to residents with a terminal illness, with the wording detailed in paragraph 8.7, and
- (2) To approve changes to the Council Tax Reduction Scheme bands to reflect the impact of the inflation.

**REASON FOR RECOMMENDATIONS:** To respond to the request from the Overview and Scrutiny Committee, and to consider changes for next year.

*Audio recording – 2 hours 37 minutes 32 seconds*

Councillor Ian Albert, as Executive Member for Resources presented the report entitled 'The Council Tax Reduction Scheme (Effectiveness and Proposals for 2026/27)' and advised that:

- The history of Council Tax support offered to working age residents, including the introduction of a banded scheme in April 2023, was detailed in section 7.
- Regulations for Council Tax support relating to pension age residents were set by the Government rather than the Council.
- More detail on the current scheme, including an assessment of its effectiveness and affordability, had been provided at the beginning of section 8.
- An ideal Council Tax Reduction Scheme (CTRS) would provide support to those that needed it most, however, the report highlighted the difficulties in measuring its effectiveness.
- Disregards incorporated into the scheme were set out in paragraph 8.2.
- The campaign by Marie Curie to prevent residents from dying in poverty and the actions that local authorities could take to address this through Council Tax reductions were described in paragraph 8.14.

- The differences between North Herts Council CTRS and the scheme offered by Manchester City Council as the exemplar authority for the campaign were described in paragraph 8.16.
- Marie Curie acknowledged that changes to the CTRS policy would take time to achieve due to the consultation required, however, they were yet to provide a response to the Council on their CTRS which provided up to a 100% Council Tax reduction for residents.
- Each threshold band would be uplifted by inflation as detailed in paragraph 8.19.
- The Council should be proud of their CTRS and the work of Officers.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Claire Winchester
- Councillor Elizabeth Dennis
- Councillor Ralph Muncer
- Councillor Jon Clayden

In response to questions, the Director – Resources advised that:

- It was hoped that all residents who needed support were captured by the CTRS and that the proposed changes to the discretionary scheme would provide further stop gaps to ensure this.
- It was anticipated that changes to the discretionary scheme would have a negligible cost to the Council.
- Those that were in poverty due to income would qualify for the main scheme, and the discretionary scheme would provide support to those that were facing additional costs outside of their income.
- It was difficult to predict the financial impact to the Council of uplifting the bands versus keeping them the same, however, it was estimated that approximately the same number of residents would be eligible after the bands were uplifted without accounting for wider economic conditions.
- Keeping the Council Tax bands the same could mean that residents would receive less support with their Council Tax, however, this may also cause difficulties with collecting payments and result in more bad debts.
- The banded CTRS created less of an admin burden than the previous scheme as a change in circumstances was less likely to trigger a review.

In response to questions, the Benefits Manager advised that:

- Increased publicity of CTRS would be done through their website and engaging with customers to encourage promotion through word of mouth.
- The reduction in pension age residents using the CTRS when compared to working age residents was likely due to an increase in pensioner wealth in the district.
- Universal Credit payment data was received to calculate the claims of working age residents which made the process less onerous than before.

In response to questions, Councillor Ian Albert advised that:

- The Council worked with Age UK and other external organisations to publicise several initiatives including CTRS.
- Conversations would be held with officers to ensure that residents who contacted them about the CTRS were sufficiently signposted to all support provided by the Council and external organisations.

- Residents that were in low paying jobs were supported by the CTRS scheme.
- Recording the number of calls where residents reported that they could not afford their Council Tax would be investigated, in addition to the average level of CTRS discount from movement between bands.

Councillor Vijaiya Poopalasingham proposed and Councillor Sadie Billing seconded and, following a vote, it was:

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