

Title of report: 2022/23 council tax reduction scheme

Meeting: Cabinet

Meeting date: Monday 31 January 2022

Report by: Chief finance officer

Classification

Open

Decision type

Budget and policy framework

Wards affected

(All Wards);

Purpose

To approve the 2022/23 local council tax reduction scheme (CTR).

Council tax charges can be reduced where the bill payer meets certain set criteria contained in the council tax reduction scheme (CTR). The 2021/22 CTR scheme was approved by Council on 12 February 2021 and increased the discount awarded. No amendments to the current scheme are recommended.

It is a legal requirement to annually review the council's council tax reduction scheme and the decision to approve the scheme is reserved to full Council.

Recommendation(s)

That:

- a) **The council tax reduction scheme for 2022/23, with the same parameters as the existing scheme, be approved.**

Alternative options

1. The local council tax reduction scheme discount was increased to its maximum level in 2021/22 therefore the discount could not be increased further in 2022/23. A reduced discount

could be decided for 2022/23. To reduce the discount statutory public consultation must be completed, this has taken place however it is not currently recommended as it is considered appropriate to leave the higher discount during 2022/23 to reflect the continued impact of Covid 19 on many households income.

Key considerations

2. Council tax charges can be reduced where the bill payer meets certain set criteria contained in the council tax reduction scheme (CTR). CTR is available to working age and pensioner claimants. The pensioner CTR scheme is set nationally. The working age CTR scheme is set locally by this council. More than 11,000 bill payers in Herefordshire are in receipt of CTR, with over 6,000 of claims from the working age.
3. The existing local working age CTR scheme was approved by Council in February 2021 increasing discounts in 2021/22 to mirror those available to pensioner cases. This means that a 100% discount is awarded under CTR (unless their income breaches the threshold) irrespective of the council tax band the property falls into.
4. During 2020/21 the working age CTR caseload increased reflecting a national picture and demonstrating the local impact of Covid-19 on the working age. 5,375 claimants were expected pre Covid 19 and currently total approximately 6,300. Expectations are that caseloads will begin to decrease again in around a year or so. Having a higher discount reduces potential debt recovery action if charges raised remain unpaid. The current CTR caseload and discount is shown below:-

Caseload type	Number of claims	Discount value (£000)
Working age	6,334	7,600
Pensioner	4,993	6,322
Totals	11,327	13,922

Community impact

5. In addition to the council tax reduction scheme the council provides other discounts, these are listed on our website. By maintaining a maximum discount in 2022/23 this has a positive impact on the community by minimising the debt burden on those that struggle to pay their council tax charge.

Environmental Impact

6. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
7. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy, for example by directing claimants to claim online.

Equality duty

8. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
9. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on administration functions, we do not believe that it will have a detrimental impact on our equality duty.

Resource implications

10. The 2022/23 budget proposals are being presented assuming the current CTR scheme continues in 2022/23. Should the local CTR discount be reduced then additional resources will be available however the resourcing of debt recovery action is also likely to be required.

Legal implications

11. The CTR scheme is locally determined by each billing authority under Section 13A and Schedule 1A of the Local Government Finance Act 1992.
12. For each financial year each billing authority must consider whether to revise its scheme or to replace it with another scheme and this must take place in the financial year preceding that for which the revision or replacement scheme is to have effect.
13. A statutory procedure is provided for under Paragraph 3 of Schedule 1A which a billing authority must follow when revising its scheme. Consultation with the public was through an online survey for the six weeks ending 8 October 2021 however scheme revisions are not recommended.

Risk management

14. By maintaining an increased discount the risk that claimants may not pay their council tax charge and move further into debt if summons charges are levied is removed. The costs and time associated with collecting overdue debts in relation to CTR charges is also reduced.

Consultees

15. An online public consultation questionnaire was hosted for six weeks ending 8 October 2021. 36 responses were received with varying points of view. The survey responses are provided in

Appendix A. Public consultation is required before scheme changes are proposed, no changes are proposed for 2022/23 however the survey responses will support improvements to encourage greater participation in future rounds of consultation.

Appendices

Appendix A Public consultation

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	Sarah Buffrey, Democratic Services Officer	Date 04/01/2022
Finance	Audrey Clements	Date 06/01/2022
Legal	Alice McAlpine	Date 29/12/2021
Communications	Luenne Featherstone	Date 20/12/2021
Equality Duty	Carol Trachonitis	Date 21/12/2021
Procurement	Mark Cage	Date 06/01/2022
Risk	Kevin Lloyd	Date 04/01/2022

Approved by Andrew Lovegrove Date 07/01/2022

Glossary of terms, abbreviations and acronyms used in this report.

CTR Council tax reduction, where a council tax charge is reduced due to the occupant's status