

Title of report: 2024/25 Council Tax Reduction Scheme

Meeting: Cabinet

Meeting date: Thursday 25 January 2024

Cabinet Member: Peter Stoddart, Finance and corporate services

Report by: Director of Resources and assurance

Report author: Head of Strategic Finance (Deputy S151 Officer)

Classification

Open

Decision type

Budget and policy framework

Wards affected

All Wards

Purpose

To recommend to Council the 2024/25 local Council Tax Reduction (CTR) scheme.

Recommendation(s)

That:

- a) **The Council Tax Reduction Scheme for 2024/25, with the same parameters as the existing scheme, be recommended to Council for approval.**

Alternative options

1. The local CTR scheme discount was increased to its maximum level in 2021/22 and this was maintained in 2022/23 and again in 2023/24. It cannot be increased further in 2024/25. A reduced discount scheme could be proposed for 2024/25 however this is not recommended as it would limit the support offered to residents; maintaining the maximum level of discount in 2024/25 will ensure that eligible households receive support as the impact of the rising cost of living continues.

Key considerations

2. Council tax charges can be reduced if the bill payer meets certain set criteria contained in the CTR scheme. 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 currently in receipt of CTR, with over 6,000 claims from working age applicants.
3. The existing local working age CTR scheme was approved by Council in February 2023 and is included at Appendix 1; with the maximum discount maintained in 2023/24 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 recent years, the working age CTR caseload has increased; reflecting the national picture and the impact of increases in the cost of living and inflation on working age residents. Having a higher discount rate reduces potential debt recovery action where charges raised cannot be paid. The CTR caseload for 2022/23 and the value of discount awarded is shown below.

Caseload Type	Number of claims	Discount value (£'000)
Working age	6,570	7,812
Pensioner	4,885	6,370
Total	11,455	14,182

Community impact

9. In addition to the CTR scheme, the council provides other discounts and these are listed on the council's website. Maintaining the maximum discount in 2024/25 will have a positive impact on the community by minimising the debt burden on residents who struggle to pay their council tax charge.

Environmental Impact

10. 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.
11. 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 apply online.

Equality duty

12. 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.
16. 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. The approved scheme will provide financial assistance to council taxpayers on low incomes with pension age and working age claimants able to benefit from this support.

Resource implications

17. The 2024/25 budget proposals are being presented assuming the current CTR scheme continues in 2024/25. Should the local CTR discount be reduced then additional resources will be available however the resourcing of increased debt recovery action is also likely to be required.

Legal implications

18. The CTR scheme is locally determined by each billing authority under Section 13A and Schedule 1A of the Local Government Finance Act 1992.
19. For each financial year a 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.
20. A statutory procedure is provided for under Paragraph 3 of Schedule 1A which a billing authority must follow when revising its scheme. Public consultation to determine support for continuation of the discount took place, via an online survey, between 21 November and 31 December 2023.

Risk management

21. 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 reduced. The costs and time associated with collecting unpaid, overdue debts is also reduced.

Consultees

22. Public consultation is required before scheme changes are proposed. Public budget consultation took place between 21 November and 31 December 2023; the results report clear support for continuing discount for council tax for those most in need. Whilst no changes are proposed for 2024/25, the responses of the survey will support improvements and inform plans to increase participation in future rounds of consultation.

Appendices

Appendix 1 Approved 2023/24 Council Tax Reduction Scheme.

Background papers

None identified.