

Report for: Full Council 2nd of March 2023

Title: Review of Council Tax Reduction Scheme Administration for 2023/24

Report authorised by: Jon Warlow, Director of Finance & S151 Officer

Lead Officer: David Graaff, Head of Service Delivery

Ward(s) affected: All wards

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 This report sets out details of the review of Haringey's current Council Tax Reduction Scheme (CTRS) 2022/23 and recommends that it continues unchanged for 2023/24.
- 1.2 The Council must approve the final scheme by 11th March 2023, even where the scheme remains unchanged, ready for implementation on the 1st April 2023.

2. Cabinet Member Introduction: Cllr Chandwani, Cabinet Member for Customer Service, Welfare and The Public Realm

- 2.1 Since the decision by the Government to abolish Council Tax Benefit in 2013, we recognise there has been a significant financial burden on many of the lowest income households in Haringey.
- 2.2 Despite the significant cut to funding from Central Government, Haringey has designed a CTRS scheme which increased the maximum protection to disabled claimants and working age claimants with children to that already given to pensioners. This means that these groups continue to receive the same level of support as they did prior to the abolition of Council Tax Benefit.
- 2.3 Continuing the protection of these groups by maintaining the current scheme allows the council to provide essential financial support to some of the most vulnerable residents in the borough and contribute to the stated ambition of making Haringey a fairer borough for all to live in.

3. Recommendations

That the Council:

- 3.1 Notes that an Equalities Impact Assessment (Appendix 2) has been undertaken in relation to the Council Tax Reduction Scheme and that the findings of this EIA

must be taken into account when making a decision regarding the Scheme for 2023/24.

- 3.2 Agrees to adopt the Council Tax Reduction Scheme 2023/24 as contained in Appendix 1 and therefore retains the same Scheme agreed for 2022/23. This means that from 1st April 2023 there is a means-tested scheme which provides:
- I. That pensioners continue to receive support for the payment of Council Tax up to 100%.
 - II. That working age claimants in receipt of certain disability benefits continue to receive support for the payment of Council Tax up to 100%.
 - III. That working age claimants with children continue to receive support for the payment for Council Tax up to 100%.
 - IV. That all other working age claimants continue to receive support for the payment for Council Tax up to 80.2%.
- 3.3 Authority to be given to the Director of Finance, the Director of Customer, Transformation and Resources and Assistant Director of Corporate and Customer Services to take all appropriate steps to implement and administer the Scheme.

4. Reasons for decision

- 4.1 The CTRS is a way the Council can redistribute the financial burden on Council Taxpayers and provide additional support to those in financial need.
- 4.2 The recommendation to retain the current scheme would help to ensure that the already protected claimants will not be further disadvantaged and pays due regard to the challenging financial climate.
- 4.3 The real reduction in Council resources and service pressures have required the Council to implement significant annual expenditure reductions since 2011. These are forecast to continue for 2023/24 and future years. The affordability to the Council of the CTRS scheme therefore continues to be an important consideration.
- 4.4 Haringey's scheme is comparable with other London local authorities and its scheme reflects the need to strike a fair balance between protecting the wellbeing of our residents and recognising the challenging financial situation we are in.
- 4.5 Consideration has been given to revising the current scheme, however a longer period is needed to fully evaluate the impact of the last changes.
- 4.6 The Council is obliged to consider whether to revise or replace its CTRS each year. However, it is not obliged to revise or replace it. If any revision or replacement is to be made, the Council must follow the consultation process set out in the legislation and the decision must be made by Full Council.

5. Background Information

- 5.1 Haringey Council has a Council Tax Reduction Scheme to provide support to residents who need help to pay their Council Tax.

- 5.2 As part of the government's welfare reforms, responsibility for setting Council Tax support was devolved to Local Authorities. Council Tax Benefit was abolished and replaced with locally managed Council Tax Reduction Schemes from 1 April 2013. Nationally, CTRS had 10% less government funding than the previous Council Tax Benefit. There was a mandate to protect pensioners from any changes.
- 5.3 Haringey's Council Tax Reduction Scheme protected pensioners (as prescribed by Central Government) and those in receipt of certain disability benefits and passed on the funding cuts by giving a maximum level of support of 80.2% to all other claimants.
- 5.4 Following a consultation process in 2018, the scheme for 2019/20 was amended to increase the maximum level of support from 80.2% to 100% for working age claimants with children and to reflect some national welfare changes. This scheme continued unchanged until 2022/23.
- 5.5 The scheme was reviewed in 2021 and, following consultation, was amended in 2022/23 to:
- Simplify the claims process by adding a new channel for residents on Universal Credit to claim council tax reduction automatically
 - Stabilise entitlement for residents by simplifying what happens when a working age resident's income changes by a small amount during the financial year
 - Extend the period for backdating council tax support for working age residents to up to 12 months to allow more time for residents to claim
- 5.6 The Council must consider whether to revise or replace its CTRS for each financial year but does not actually have to revise or replace it and can choose to make no changes.
- 5.7 Before making any new scheme, the Council must follow the consultation process set out in the legislation.
- 5.8 The final decision must be made by Full Council before 11th March 2023, to take effect from 1st April 2023.
- 5.9 The CTRS reduces the level of council tax which the Council and the GLA collect from Haringey residents. The current cost of CTRS is £33m.

6 Contribution to Strategic Outcomes

- 6.1 This recommendation links to the Positive Resident Experience; Children and Young People; Adults, Health and Welfare; and the Place and Economy themes of the Corporate Delivery Plan.
- 6.2 Continuing to extend the maximum level of financial support for households with children will ease the financial burden of families in Haringey and promote better outcomes for children and young people. There are clear links between socio-

economic and health inequalities, and therefore reducing the financial burden on recipients of CTRS will contribute to wider positive life outcomes.

7.0 Statutory Officer Comments

Finance

- 7.1 Council Tax is the only form of core funding over which the Council has direct control (albeit subject to referenda limits imposed by the government). CTRS has the effect of reducing the level of Council tax collected by the Council and the GLA. The current scheme is costing £33m per annum and, although the Council's medium term financial outlook is challenging, the financial implications of the scheme has been built into the 2023/24 Budget workings.

Procurement

- 7.2 Strategic Procurement notes the contents of this report. There are no procurement implications.

Legal

- 7.3 The Head of Legal & Governance Services has been consulted on this report and makes the following comments.
- 7.4 As set out in section 13A (2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act. Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 7.5 This report recommends that Full Council continues the provisions of the Council Tax Reduction Scheme 2022/23 that was agreed at Full Council on 1 March 2022 for the council tax year 2023/24.
- 7.6 There is no obligation to consult as no changes are being recommended for the 2021/22 scheme. Where changes are proposed, schedule 1A to the 1992 Act prescribes the consultation process. The Council must, in the following order:
- a. consult any major precepting authority which has power to issue a precept to it,
 - b. publish a draft scheme in such manner as it thinks fit, and
 - c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

7.7 The Council must ensure that it has due regard to its Public Sector Equality Duty (PSED) under the Equality Act 2010 in considering whether to revise or replace its scheme.

Equalities

7.8 The Council has a public sector equality duty under the Equality Act 2010 to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.9 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/belief, sex, and sexual orientation. The first part of the duty also applies to the protected characteristic of marriage and civil partnership. Although it is not enforced in legislation as a protected characteristic, Haringey treats socioeconomic status as a locally protected characteristic.

7.10 The council is not seeking to change the current scheme or to reduce the maximum entitlement awarded since 2019. This could be expected to have a positive impact on the groups that share protected characteristics.

7.11 The continuation of the existing scheme is likely to have a positive impact on child poverty and persons with a disability. As most CTRS claimants are likely to financially benefit from continuing the scheme it is likely that this would reduce the financial burden on groups in particular need.

7.12 An Equality Impact Assessment (EqIA) is attached as Appendix 2.

8. Use of Appendices

Appendix 1: CTRS

Appendix 2: Equalities Impact Assessment

9. Local Government Access to Information Act 1985

[Full Council March 2022: Review of Council Tax Reduction Scheme Administration](#)

[Full Council January 2019: Changes to 2019/20 Council Tax Reduction Scheme](#)