

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....24th June 2021

1. Title of Item/Report

Council Tax Reduction Scheme 2022/2023

2. Record of the Decision

Members were advised that a review of the local Council Tax Reduction scheme had been undertaken following the report to Cabinet received from the People Select Committee in December 2020.

Cabinet approval was sought to undertake a consultation with both the public and the Major Precepting Authorities in respect of proposed changes to the Council's Council Tax Reduction scheme with effect from 1 April 2022.

The scheme applied to working age applicants; the scheme for clients of pension age was prescribed by Central Government.

The current scheme was largely based on the housing benefit scheme which was being phased out by Government and was both complex for the customer to understand and burdensome for the Council to administer.

This report recommended a scheme which increased the maximum award from 80% to 100%, provided residents with the lowest income levels the greatest level of support, reduced the complexity for the customer and reduced the administration burden for the Council.

In the proposed scheme, modelling suggested that 9,300 (75%) would receive more support, including approximately 8,000 (approximately 65%) households which would no longer have to pay council tax at all. Inevitably, with any change in scheme, there would be some households that were adversely affected and modelling suggested this would be approximately 2,600 (21%).

The new scheme would contain additional provisions to protect individuals who experienced exceptional hardship. Where any applicant was likely to experience exceptional hardship, they would be encouraged to apply for an exceptional hardship payment. The Council would

consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support would be given to the applicant. This approach would enable individual applicants to be dealt with in a fair and equitable manner.

RESOLVED that Cabinet approve consultation with the public and major precepting authorities on the introduction of a new income banded Council Tax Reduction scheme for working age applicants with effect from 1 April 2022.

3. Reasons for the Decision

To present the option for the future Council Tax Reduction scheme, increasing the overall level of support for the lowest income families.

4. Alternative Options Considered and Rejected

The alternative to introducing a new scheme for Council Tax Reduction from 2022/23 is to leave the existing scheme in place and increase the level of maximum award. This is not a viable option to address the issues with the current scheme and will lead to increasing costs of administration and significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the Borough Council's area.

5. Declared (Cabinet Member) Conflicts of Interest

Cllr Ann McCoy declared a personal non-prejudicial, interest in respect of this item as it made reference to SDAIS in the report, and she is on the board of SDAIS.

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight - Friday 2nd July 2021

Proper Officer  
28 June 2021