

Scrutiny Panel 20th February 2023 Item 6 – Update on the Council Tax Reduction Scheme Scrutiny Panel Task and Finish Group	Item No 6
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OUTLINE

From 2013/14 local authorities have been required to publish a council tax support scheme setting out the council tax support in their area. But the recent pandemic has brought poverty to the fore. In addition, the Directly Elected Mayor and Cabinet made a commitment to review the rate of contribution for working age adults eligible for council tax support to their council tax bill.

Scrutiny Panel set up the Council Tax Reduction Scheme (CTRS) Task and Finish group to review the CTRS model in Hackney, the options and costs to the Council to reduce the liability of council tax contributions for relevant working age adults and; the cost implications to implement a zero based CTRS model in Hackney.

The Task Group membership was open to all Councillors that were members of an Overview and Scrutiny Commission in the municipal year 2021/2022. This Task Group held 3 evidence sessions between September 2021 - February 2022.

The Task Group reviewed the impact of localised council tax support schemes in England and Hackney and considered proposals by Hackney to reduce the local contribution rate paid by working age households eligible for council tax support from 15% to zero.

Over the 3 sessions the Task Group received a wide range of evidence from.

- Institute of Fiscal Studies (IFS)
- Child Poverty Action Group (CPAG)
- Citizen Advice Bureau (Hackney)
- Deaf Plus
- Age UK (East London)
- London Borough of Lambeth
- London Borough of Camden
- London Borough of Hackney.



Overview of the Task Group Work

Meeting 1

This session covered:

- 1) A **National Overview** about the impact of localised council tax reduction Schemes (CTRS).
 - The Institute for Fiscal Studies outlined their report and its findings, highlighted the impact on residents and the solutions they recommended to local authorities.
 - Child Poverty Action Group outlined their report and its findings, their views on council's use of hardship funds and the information they would like councils to consider.

- 2) **Cases loads and data** for Hackney from 3 local voluntary and community sector organisations (VCS) covering different cohorts of adults.
 - Citizen Advice Bureau (Hackney)
 - Deaf Plus
 - Age UK (East London)

The VCS organisations provided information about their organisation, support and service, number of cases, pressures facing local residents and their analysis of the impact since CTRS. The VCS also provided their views on the advice or information they would like councils to consider, to support residents needing council tax support.

- 3) Information from two local authorities on their **CTRS Models**. At the time of the review their CTRS models were:
 - London Borough of Camden - (zero contribution model)
 - London Borough of Lambeth (minimum £5 contribution)

The 2 local authorities above provided information about their CTRS schemes, rationale for their decision, cost of scheme, impact of pandemic on collection rates and use of hardship funding.

Meeting 2

In this session Hackney Council officers provided information about Hackney's CTRS model, data, collection and enforcement rates and use of the hardship fund.

Meeting 3

In this session Hackney Council officers outlined the options for change and cost implications to achieve a zero based CTRS model over the political term.



Purpose

The Scrutiny Panel Chair will provide a verbal update on the key findings and proposed recommendation areas from the Task Group.

ACTION

Scrutiny Panel is requested to note the update and ask questions.