

## **Cabinet – 25 July 2024**

### **Reference from the Performance and Finance Scrutiny Sub-Committee – 23 July 2024**

#### **46. Annual Review of the Council Tax Support Scheme for 2025-26 Financial Year**

The Sub-Committee considered the Annual Review of the Council Tax Support (CTS) Scheme for 2025/26 Financial Year. The report would be presented to Cabinet on 25 July 2024. Cabinet would be asked for authority to carry out a full consultation as required by legislation.

Moreover, a report would be submitted to the Sub-Committee and Cabinet later in the year with the results of the consultation.

The Portfolio Holder for Finance and Highways introduced the report and set out the background to the proposed consultation.

The Sub-Committee were informed that Council Tax Support (CTS) was previously funded by Central Government through a grant, with the Council being responsible for the administration, alongside Housing Benefit (HB). However, from April 2013, this system changed with the introduction of a locally determined system of council tax support.

In the discussion that ensued, the Sub-Committee asked the following questions, and made comments:

- In response to how the proposed scheme would protect vulnerable residents from Council Tax increases in the consultation, it was advised that a range of options to amend the Council Tax Support Scheme had been considered, which included: changing the value of the income band thresholds; reducing the maximum award for non-protected and protected households; restricting council tax support to a higher council tax band; adopting minimum weekly entitlement amounts; and increasing non-dependent deductions. Vulnerable residents would still have the protection under the proposed scheme, among them: the retention of the 86% maximum rate of award for vulnerable households; and the reduction of the maximum rate of award for all non-vulnerable working age to 50%.
- In terms of what the timeline was for the proposed consultation, it was advised that the consultation period would be from 5 August 2024 to 27 October 2024.

- Clarification as to whether Ward Councillors would be invited to consultative forums with residents was sought, and if these would be held borough-wide. It was advised that five sessions were currently planned across Harrow, and more would be added if necessary. Ward Councillors would be invited to attend the sessions. All Councillors would be informed of dates and venues and were welcome to attend.
- It was questioned how Harrow compared with other boroughs in providing CTS to residents. It was advised that, previously, Harrow's support scheme was not as generous as other boroughs. However, this had now changed. Since 2019, Harrow had had a more generous support scheme than comparator boroughs, including some in firmer financial positions. Moreover, overall, CTS costs were being impacted by the migration of claimants to Universal Credit by the Department of Work and Pensions as the scheme adopted in 2019 was much more generous to Claimants on Universal Credit.
- The Sub-Committee were informed that the current working age scheme was split between those in receipt of Universal Credit and those not in receipt of Universal Credit. As the managed migration of Universal Credit would be completed by December 2025, the revised CTS scheme would be implemented from April 2025. While the type of changes would also be applied to the non-Universal Credit scheme, it was anticipated that the number of households remaining on that scheme, once the migration to Universal Credit was complete, would be about 141.
- Furthermore, the non-Universal Credit scheme was means-tested and used the same criteria as the Universal Credit system. It also retained any equivalent protection for vulnerable groups.
- The Sub-Committee questioned what would happen if the consultation resulted in residents rejecting the proposals, and providing negative feedback. It was advised that the consultation was not a referendum, and Cabinet would take an informed decision whether to implement it or not. This would consider other savings generally available, the state of the budget, and the consultation feedback on impacts.
- In terms of consultation with external partners and, timings, the Sub-Committee were advised that a pre-consultation meeting would be held with the Voluntary and Community Sector (VSC). This would be to appreciate potential barriers for some groups of affected residents to access the consultation, and how these could be addressed. It would also be an opportunity to understand which groups, with protected characteristics, might be impacted, and how to effectively engage with them. This would ensure that their views informed the consultation.

The Chair thanked the Portfolio Holder for Finance and Highways, as well as Officers, for their attendance and answers to questions.

**RESOLVED:** That the Sub-Committee's comments be noted and forwarded to Cabinet for consideration.

**For Consideration**

**Background Documents:**

Annual Review of the Council Tax Support Scheme for 2025-26 Financial Year

Council Tax Support Scheme Consultation Proposals and Information on Objectives

CTS EqIA Cabinet Report July 2024

Minutes of Performance and Finance Scrutiny Sub-Committee – 23 July 2024

**Contact Officer:**

Mwim Chellah, Senior Democratic Services Officer

Tel: 07761 405966 Email: [Mwimanji.Chellah@harrow.gov.uk](mailto:Mwimanji.Chellah@harrow.gov.uk)