

MAIDSTONE BOROUGH COUNCIL

COUNCIL

8 DECEMBER 2021

REPORT OF THE POLICY AND RESOURCES COMMITTEE MEETING

HELD ON 24 NOVEMBER 2021

COUNCIL TAX REDUCTION SCHEME 2022-23

Issue for Decision

Each year Full Council has to approve the Council Tax Reduction Scheme for the following year. This report makes a recommendation on the scheme to be implemented for 2022-23.

Recommendation Made

That no changes be made to the Council Tax Reduction Scheme, as attached at Appendix 1 to the report, for the year 2022-23.

Reasons for Recommendation

The Council Tax Reduction Scheme (CTRS) was introduced in April 2013 as a replacement for Council Tax Benefit (CTB), a national scheme administered on behalf of the Department for Works and Pensions (DWP).

Since its introduction in April 2013, our local scheme has been 'refreshed' annually for general changes in applicable amounts (primarily in relation to disability premiums) and taking into account the introduction of Universal Credit.

Council Tax Reduction provides financial assistance in the form of a rebate on the Council Tax bill and this generally reduced over recent years before the COVID pandemic.

2016/2017 £10,679,971

2017/2018 £10,264,000

2018/2019 £ 9,058,176

2019/2020 £ 8,652,758

2020/2021 £ 9,499,392

2021/2022 £ 9,945,451 (estimated)

From April 2021, a new income banded scheme was introduced which has an in-built, simplified claiming process with wide income ranges. The new banded scheme means that frequent liability changes have been avoided, and revised bills are only being issued where income crosses into another earnings band.

This has made it less cumbersome for customers and has allowed us to convey a relatively simple eligibility message to residents.

Feedback from the Customer Services team and Citizens Advice has been positive with fewer enquiries being made about eligibility and understanding of the income banded scheme.

Table 1 shows the income banded scheme for households with no children, 1-2 children and 3 plus children:

Table 1

Band	Household size and earnings threshold			Maximum Award
	No children	1-2 children	3+ children	
Band 1	Passported/ max UC	Passported/ max UC	Passported/ max UC	80%
Band 2	Less than £316	Less than £387	Less than £441	65%
Band 3	£316-£631.99	£387-£774.99	£441-£882.99	50%
Band 4	£632-£947.99	£775-£1,162.99	£883-£1,324.99	25%
Band 5	£948-£1,263.99	£1,163-£1,550.99	£1,325-£1,766.99	10%

Passported in the table refers to legacy benefits (job seekers allowance, Income support, employment support allowance) for customers who have not migrated to Universal Credit.

Alternatives Considered and Why Not Recommended

Revise the current scheme - Any revisions to the scheme would at this stage be limited, difficult to identify and implement at this early stage of not having completed a full year of the new income banded scheme.

Background Documents

Maidstone Council Tax Reduction Scheme 2021-22: [Maidstone S13A Scheme 202122 v6.](#)

Appendices

Appendix 1: Council Tax Reduction Scheme 2022-2023.