

CRITERIA AND MANAGEMENT OF THE ABERDEEN CITY COUNCIL PILOT COUNCIL TAX ALLOWANCE (CTA) SCHEME

1. Introduction

The Aberdeen City Council Pilot Council Tax Allowance (CTA) Scheme aims to support residents experiencing severe and sustained financial hardship where Council Tax arrears are assessed as unlikely to be recoverable and continued pursuit would exacerbate poverty.

The scheme recognises that, in some circumstances, enforcement and recovery action can be counter-productive, increasing financial hardship, worsening health and wellbeing, and reducing engagement with current Council Tax liabilities.

The CTA Scheme will operate as a pilot, with learning used to inform the Council's longer-term approach to managing Council Tax arrears through a prevention-focused, trauma-informed, and anti-poverty lens.

The scheme is designed to operate as a last-resort intervention, used only after all reasonable debt options have been fully explored through recognised Money Advice services.

For the avoidance of doubt, a Council Tax Allowance under this scheme refers to a discretionary, one-off write-off of Council Tax arrears applied to the Council Tax account. It does not constitute an ongoing reduction, entitlement, payment, or benefit.

2. Purpose and Objectives

The Council Tax Allowance scheme aims to:

- Prevent escalation of unmanageable debt and associated hardship.
- Encourage engagement and maintenance of current Council Tax liabilities.
- Support the Council's wider anti-poverty, child poverty, and financial inclusion objectives.
- Reduce financial pressure on households and support engagement with current Council Tax liabilities
- Operate as a last-resort intervention, used only after all reasonable debt options have been fully explored through Money Advice.

3. Defining Financial Hardship

For the purposes of the CTA Scheme, financial hardship is defined as a situation where a resident is willing but unable to repay Council Tax arrears because their income is insufficient to meet essential living costs.

Financial hardship may arise from a range of circumstances, including but not limited to:

- Long-term illness, disability, or terminal illness
- Sustained low income, including low-paid or insecure employment
- Households with children facing high living or childcare costs
- Increased costs related to disability or caring responsibilities
- The ongoing impact of the cost-of-living crisis
- Domestic or financial abuse
- Periods of crisis, safeguarding concerns, or reduced capacity to engage

Applicants must demonstrate financial hardship through a full income and expenditure assessment completed by a recognised Money Advice service, showing that no meaningful payment towards Council Tax arrears can be made without causing further hardship.

4. Scope and Referral Pathways

4.1 Access to the Scheme

Applications to the CTA Scheme will be accepted only from recognised Money Advice agencies, including:

- Aberdeen City Council Financial Inclusion Team
- Aberdeen Citizens Advice Bureau (CAB)
- Grampian Housing Association SMART

The scheme is not open to self-referral by the public.

4.2 Role of Other Services

Other statutory and third-sector services (including Welfare Rights, Housing Support, Homelessness Prevention, Family Support, Health and community-based services) may:

- Identify households experiencing severe financial hardship
- Provide ongoing support and engagement
- Make supported referrals into recognised Money Advice services

Non-Money Advice services may not apply directly to the CTA Scheme.

This ensures consistent assessment, robust governance, and manageable demand.

5. Mandatory Money Advice Requirement

All applicants must have completed a full Money Advice appointment before a CTA application can be submitted.

The Money Advice appointment must include:

- A full income and expenditure assessment
- Consideration of all appropriate statutory and non-statutory debt options (e.g. budgeting support, payment arrangements, DAS, bankruptcy where applicable)
- Assessment of affordability, sustainability, and likely outcomes
- Consideration of all relevant Council Tax exemptions, discounts, and reductions

The Money Advice provider must confirm, using a standardised format, that:

- All reasonable debt options have been explored
- These options are unsuitable, unaffordable, or inappropriate
- The CTA Scheme is being recommended as a last resort

Completion of a Money Advice appointment does not guarantee an award.

6. Eligibility Criteria

Each case will be considered on its own merits by a multi-disciplinary panel.

To be eligible, all the following criteria must be met at referral or by the date of award:

- The applicant has current liability for Council Tax within Aberdeen City, or will have liability once rehoused from temporary accommodation
- Ongoing Council Tax liability is being maintained (e.g. regular payments or deductions from benefits)
- An income and expenditure assessment shows the applicant is unable to make payments towards Council Tax arrears
- A full Money Advice assessment has been completed and CTA identified as a last-resort option
- The applicant's circumstances are unlikely to improve sufficiently to address arrears going forward

7. Additional Considerations (Panel must review):

- Is the applicant in receipt of Council Tax Reduction (CTR) or would have been eligible but did not apply (with supporting evidence)?
- Whether reasonable efforts have been made to maintain the ongoing Council Tax account, applying flexibility where vulnerability exists.
- The presence of dependent children, and whether clearing Council Tax arrears would materially reduce child poverty or financial stress.

- Sole occupants qualifying for Severe Mental Impairment (SMI) exemption, unable to pay arrears.
- Applicants with terminal illness, severe disability, or long-term health conditions.
- Does the applicant have negative income, making the debt unrecoverable? Would pursuing the debt worsen poverty, especially during the cost-of-living crisis?
- Consideration of joint debts, previous joint liabilities, and the impact of domestic or financial abuse.
- Applicants liable for or will be due to being in temporary accommodation for Council Tax (not historic-only cases), to keep the scheme manageable and focused on ongoing engagement.

8. Engagement and Capacity to Engage

Engagement will be considered in the context of the applicant's circumstances and capacity, recognising that completion of a Money Advice appointment confirms assessment readiness but does not, on its own, evidence ongoing engagement.

The panel may recognise engagement through:

- Direct contact with Council Tax or Revenues services
- Supported engagement via Money Advice or other support services
- Engagement facilitated through third parties where appropriate

The panel will apply proportionate flexibility where barriers to engagement exist due to:

- Mental health conditions
- Neurodivergence
- Domestic or financial abuse
- Crisis or safeguarding concerns

Apparent non-engagement must be assessed contextually and supported by evidence.

9. Exclusions

- Cases where bankruptcy or another statutory debt solution is viable or imminent.
- Cases where a full Money Advice assessment has not been completed.
- Applicants who are not engaging, without evidence of vulnerability or mitigating circumstances.
- Cases where arrears clearly arise from deliberate non-payment, following a contextual, trauma-informed assessment.

10. Decision-Making Process

Decisions will be made through a Council-led, multi-disciplinary panel, ensuring appropriate professional input, consistency, and auditability, with final approval exercised in line with delegated financial authority.

10.1 Panel Composition

The CTA Panel will comprise **four officers**:

- Financial Inclusion Team Leader
- Corporate Debt Manager
- Revenue Operations Manager
- Benefits Operations Manager

All four panel members should normally be present. A minimum of three members must be present for the panel to make a recommendation.

Panel members must declare any actual or perceived conflict of interest and withdraw from discussion and recommendation where applicable.

10.2 Panel Recommendation

- The panel will consider each case on its individual merits against the scheme criteria.
- The panel will seek to reach a majority recommendation on whether a Council Tax Allowance should be applied to the Council Tax account and the value of that allowance.
- Where the panel is unable to reach a majority recommendation, the case will be referred for senior officer consideration.

10.3 Final Approval and Delegated Authority

Council Tax Allowance up to £10,000

- Where the panel recommends a Council Tax Allowance write-off of up to £10,000, final approval will be given by the Service Lead – Finance Service, in line with delegated authority arrangements.

Council Tax Allowances over £10,000

- Where the recommended write-off exceeds £10,000, the panel recommendation must be approved by the relevant Chief Officer, in consultation with the Service Lead – Finance Service, in line with delegated financial authority.

10.4 Review

There is no formal right of appeal; however:

- All refusals will be accompanied by clear written reasons
- Cases may be reconsidered where new, material evidence becomes available

11. Application of Council Tax Allowances

- All Council Tax Allowances will be applied directly to the Council Tax account as a discretionary write-off of arrears
- No payments will be made to the applicant or to third parties
- The value of any write-off will be limited to the level approved through the decision-making process.

12. Reporting and Monitoring

Monitoring reports will be produced on a regular basis, including:

- Total value of Council Tax arrears written off
- Number of cases considered and approved
- Household characteristics (including presence of children, disability, and employment status)
- Reasons for refusals
- Learning from panel decisions

This will support transparency, audit, and continuous improvement.

13. Outcomes and Evaluation

The Council Tax Allowance (CTA) pilot will be monitored and evaluated using a proportionate framework focused on financial control, decision quality, and prevention.

The pilot seeks to:

- Ensure Council Tax arrears are written off only where recovery is unlikely and continued pursuit would exacerbate hardship
- Support engagement with ongoing Council Tax liability following write-off.
- Reduce repeat enforcement or recovery action for households supported through the scheme; and
- Ensure eligibility criteria and governance arrangements are applied consistently and transparently.

13.1 Monitoring and Reporting

Quarterly monitoring will be provided to the Chief Officer – Finance and will report on:

- Number of cases considered, approved, and refused.
- Total and cumulative value of Council Tax arrears written off.
- Distribution of write-offs by value band.
- Whether, before a CTA application was progressed, the debt was already considered unlikely to be recoverable
- Early indicators of sustainability, including whether arrangements are in place to maintain current liability; and
- Aggregate profile information to support equality monitoring.

A **12-month evaluation** will be reported to the relevant Committee and will consider:

- Overall financial impact of the scheme.
- Repeat enforcement or recovery action following write-off.
Maintenance of ongoing Council Tax liability.
- Effectiveness of the last-resort test and diversion through Money Advice.
- Consistency of decision-making and governance; and
- Alignment with anti-poverty and child poverty priorities.

As the scheme is being delivered as a pilot, the outcomes and evaluation framework will be reviewed following the 12-month evaluation.

Evaluation will focus on objective, system-level and administrative outcomes within the Council's control. It will not seek to measure individual wellbeing or health outcomes, household spending decisions, or attribute wider poverty reduction impacts directly to the scheme.