

REPORT TO:	CABINET 24th January 2022
SUBJECT:	Review of Council Tax Support Scheme – 2022/23
LEAD OFFICER:	Richard Ennis – Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive Catherine Black – Head of Payments, Revenue and Benefits
CABINET MEMBER:	Cllr Stuart King Cabinet Member for Croydon Renewal Cllr Callton Young Cabinet Member for Resources & Financial Governance
WARDS:	All
<p>COUNCIL PRIORITIES 2020-2024</p> <p>In accordance with the Local Government Finance Act 1992, as amended, the Council was required to agree a local Council Tax Support scheme for working age residents who were on no or low income. The scheme replaced the Council Tax Benefit scheme which was administered by Local Authorities on behalf of the Department for Work and Pension. The local scheme was agreed and introduced on 1st April 2013, the scheme should be reviewed each year to ensure that it is an effective local Council Tax Support scheme, which will provide continued support to Croydon’s most vulnerable residents and residents who are most in need of support.</p> <p>Council’s priorities</p>	
<p>FINANCIAL IMPACT - The consulted scheme was expected to save £5.7m and is included in the MTFS proposals for 2022/23. The revised scheme is expected to save £4.4m (a reduction of £1.3m) having taken into account the representations made from consultation responses</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO. Not a Key Decision</p>	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 Cabinet is asked to recommend changes to Croydon’s Council Tax Support Scheme following review and due regard to the statutory consultation feedback. The new scheme will take effect from 1 April 2022.
- 1.2 Note the proposed income banded scheme that was consulted upon and the further changes that have been made to the scheme in-line with the resident and community feedback received.
- 1.3 Recommend to full Council, that the Councils Council Tax Support Scheme is amended to an income band scheme subject to the changes made following the

consultation, from 1 April 2022. A full copy of the Council's Council Tax Support Scheme in the form to be recommended, is circulated separately as Appendix 1.

- 1.4 It is recommended that Cabinet annually review the CTS Scheme, the principles of the income banded scheme and the addition of a hardship fund in August 2022 and then annually.
- 1.5 Cabinet is asked to accept and recommend to full council that a hardship fund is agreed to support resident's transition to the new CTS Scheme.

2. EXECUTIVE SUMMARY

- 2.1 Croydon's Council Tax Support scheme [CTS] has not been reviewed since it was introduced in 2013 as a replacement to the former Council Tax Benefit scheme which was a national scheme, and which remains the default scheme for pensioner claimants. A review is needed to ensure that the scheme is still achieving the aims of protecting our most vulnerable residents.
- 2.2 Cabinet received a report in October 2021 which outline the principles of the proposed changes to the CTS scheme which were agreed, and that statutory consultation on the suggested scheme with residents and preceptors should commence.
- 2.3 The consultation ran between 28th October 2021 and 9th December 2021, and having now considered those responses, recommendations are now being made for approval to change the existing CTS scheme to an income banded CTS scheme with effect from 1st April 2022 and refines the proposal taking into account consultation responses.
- 2.4 Each financial year the Council is required to review its CTS scheme in accordance with the requirements of schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or to change it.
- 2.5 The current CTS scheme was introduced from 1st April 2013 when it replaced the Central Government funded Council Tax Benefit regime for families on low or no income. From its inception, the funding available to the Council from Government was 90% and it has reduced year on year. The table below shows how Croydon's Settlement Funding has reduced but the Council Tax Support Funding has stayed the same, this is creating a financial pressure for the council.

	2013	2021
Council Tax Support Funding (CTSF)	£26m	£26m
Settlement Funding Assessment (SFA)	£162m	£88m
% of SFA for CTSF	16%	30%

- 2.6 Since its introduction in 2013 Croydon's CTS scheme has remained unchanged. Over this time the costs have grown from £28.7m to £35.04m. The introduction

of Universal Credit has reduced the information Government share with the Council, significantly increasing the administrative burden on the Council and making the application process for the CTS scheme far more complex for residents.

2.7 By recommending that the Council changes the CTS scheme to an income banded scheme, we will remove the complexity for our residents and simplify the process for making a claim and remove the administrative burden on the Council of processing claims.

2.8 It is recommended that in line with consultation a review of our scheme will impact the amount of support awarded based on a residents income and protect the most vulnerable residents, including disabled residents not working, carers and families.

2.9 By accepting the feedback from the consultation a financial impact of £4.4m savings is expected, this is a reduction from the originally consulted changes to the scheme of £1.3m.

2.10 Consultation feedback asked that we look to further support the following residents:

- Single parents with children under 5 years old
- Families with children
- Carers
- Disabled residents not in work
- Residents in receipt of Universal Credit Housing Element

2.11 After listening to resident's feedback during the consultation period the proposed changes to Croydon's CTS Income Banded Scheme is summarised in the table below.

Resident Type	Pensioners	Disabled Not Working	Disabled Working	Single Parents (With a Child Under 5)	Families	Working Age Residents
Number of Residents in Scheme	8,000	7,000	820	2,320	7,910	4,300
Amount of Capital Before Nil Entitled	No Changes to this group of Residents	16,000	8,000	8,000	8,000	8,000
Band Cap		No Band Cap	Council Tax Band: D			
Incomes Disregarded		100% of Child Care Costs 100% of Child Maintenance 100% of Universal Credit Housing Element 50% of Carer's Allowance				
Earned Income Disregard		Nil	£50 per week	Nil	Nil	Nil

Non-Dependant Deductions		No no-dep deductions	£5 non-working £10 up to £23,999 £30 for £23,000 over
Self-Employed Min. Income Floor		Will be applied in-line with Universal Credit (UC)	

2.12 By changing the CTS Scheme we aim to bring the support offered up-to-date in-line with residents changing needs. Fairly providing more support to those on a lower income whilst simplifying the scheme so it is easier for residents to understand and make a claim.

2.13 Cabinet agree to continue to invest £30m into the revised CTS Income Banded Scheme.

2.14 A hardship fund is being made available to support residents' transition to the Income Banded CTS Scheme. The value of the hardship fund is recommended to be £640,000. The hardship fund would be grant funded and will be available to support residents for more than 1 year.

3. DETAIL

3.1 CTS scheme was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme, administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction the Government:

- Placed the duty to create a local scheme for Working Age claimants with local authorities;
- Reduced initial funding by the equivalent of 10% from the level paid through benefit subsidy to Local Authorities under the previous Council Tax Benefit scheme; and
- Prescribed that persons of Pension Age would be dealt with under the existing regulations set by Central Government and not the Local Authorities local scheme

3.2 Since that time, funding for the CTS scheme has been absorbed into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources for the CTS scheme, but in real terms, funding to the Council has continued to reduce since 2013, whilst the number of claimants has increased. So the funding gap is growing each year.

3.3 The current CTS scheme created by the Council is divided into two schemes, with pension age claimants receiving support under the rules prescribed by Central Government, and the scheme for working age claimants being determined solely by the local authority.

- 3.4 Pensioners, subject to their income, can receive up to 100% support towards their Council Tax. The Council has no powers to change the level of support provided to pensioners and therefore any changes to the level of CTS can only be made to working age scheme.
- 3.5 On 22nd November 2012 the Government published regulations governing this area namely the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, which came into force on 27 November 2012. In addition, the Government published the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 which came into force on 18th December 2012.
- 3.6 The principles of the existing CTS scheme for working age residents remain in place for the new income banded CTS scheme. It should be noted the CTS scheme including the principles are reviewed each year to ensure the scheme supports residents most in need.
- **Council Tax Support should be paid to those with minimal savings** – residents who have Capital of more than £8,000 cannot claim;
 - **Council Tax Support should be property related** – Residents can only receive Council Tax Support to a maximum of band D;
 - **Everyone should pay something** - all residents will be asked to contribute something towards Council Tax unless they are in one of the protected groups;
 - **Everyone in the household should pay something** – Other adults living in a household who are not the main taxpayer or their partner will contribute to meeting the cost of Council Tax for the property;
 - **Make Work pay** – the discount is paid incrementally, the lower the income the higher the discount awarded; and
 - **Protecting the vulnerable** – Residents who are either pensioners, or care leavers under 25 years of age and disabled people not working.
- 3.7 Since the introduction of the existing scheme in 2013 no revisions have been made to align the existing CTS scheme with Housing Benefit or Universal Credit. This means that the Council is administering multiple support schemes for residents, which is not only complex and confusing for residents, it is administratively burdensome and time-intensive for the Council.
- 3.8 There are a number of issues with the current scheme that will need to be addressed if the system is to continue to provide effective support to low-income residents, and also if the Council is to be able to provide the service in an efficient manner. The main issues are:
- The Introduction of Universal Credit for working age claimants and
 - The need for a simplification of the scheme
- 3.9 The introduction of Universal Credit has brought a number of significant challenges to both the administration of CTS scheme and also the collection of Council Tax generally. We have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for CTS leading to a loss in entitlement;

- A high number of changes to Universal Credit cases received from the Department for Work and Pensions requiring a change to CTS entitlement. On average 40% of Universal Credit claimants have between 8 and 12 changes in entitlement per year. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and a potential loss in collection; and
- The increased costs of administration through multiple changes with more staff time being required.

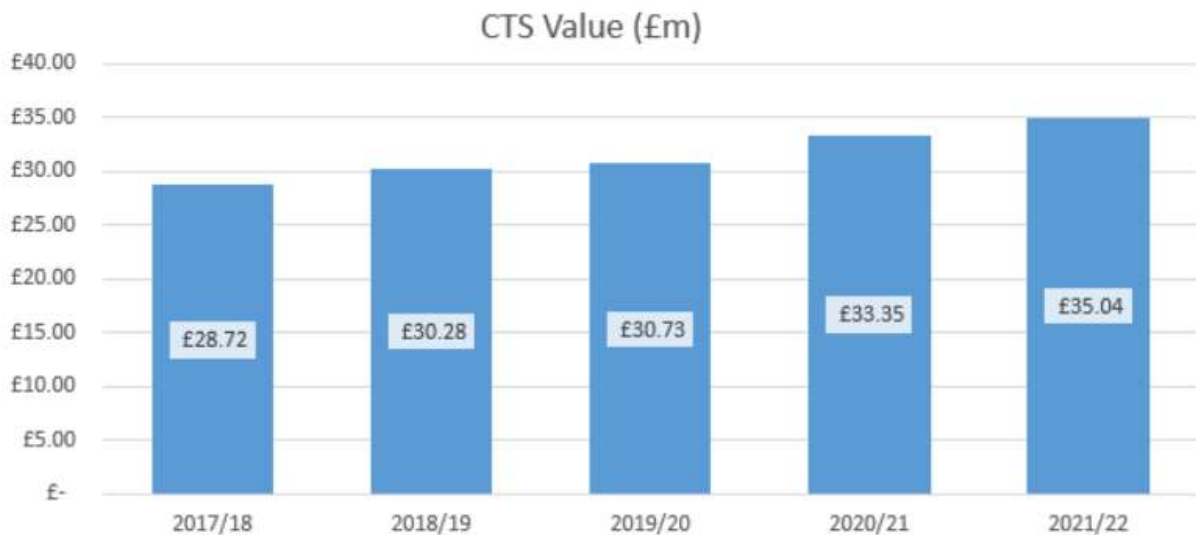
3.10 It is clear the existing means tested CTS scheme, which is too reactive to change in circumstances, will not be viable in the longer term now that Universal Credit has been rolled out significantly within the borough. It had been anticipated when the furlough scheme ended at the start of October that we would see an increase in claims for Universal Credit and Council Tax Support. However, the ending of the furlough scheme has not resulted in an increase in claims for Council Tax Support or increased claims in Universal Credit so we can be confident that residents have not yet been unduly affected by the ending of the furlough scheme.

3.11 The need for a simplified approach to the CTS scheme is because the existing scheme is based mainly on “old fashioned” means tested benefit scheme, meaning:

- It is difficult for residents to understand based on the complex calculation of entitlement;
- The administration for staff is complex, with staff having to request significant amounts of information and evidence from residents;
- Staff have to undergo significant training to be proficient in processing claims; and
- The timescale for processing claims is delayed mainly due to the complexity and evidence required to support the claims

There is a need to simplify the existing scheme not only to mitigate the effects of Universal Credit, but to make it easier for residents to make a claim and reduce the costs of administration.

3.12 The funding that Croydon receives each year towards the cost of CTS scheme expenditure is contained within the annual government Settlement Funding Assessment. Whilst Central Government grant funding is reducing year on year, CTS scheme expenditure is increasing year on year. The following table details the value of expenditure from 2017/18 to 2021/22:



Option to adopt an Income banded scheme

3.13 In view of the challenges being experienced with the current scheme, Cabinet agreed in October 2021 to undertake a statutory consultation into changing the current CTS scheme to an income banded scheme. The consultation ran from 28th October 2021 to 9th December 2021, the result from the consultation is detailed in sections 5, 6 and 7 below. Income banded schemes have already been adopted by other London boroughs including Camden, Barnet, Sutton and Brent.

Options to retain the existing CTS scheme or to make minor adjustment to the existing scheme were considered but not progressed as they would not address the existing financial or administrative challenges resulting from the introduction of Universal Credit.

3.14 An income banded scheme takes into consideration the net combined household income of a claimant and partner only. A Council Tax discount would be paid incrementally, e.g. residents in receipt of the lowest income would receive the highest discount towards their Council Tax liability, and residents in receipt of higher income would receive a lower discount towards their Council Tax liability. This means support is targeted at households with the lowest incomes and in the greatest need.

3.15 The final details of any new scheme will need to take account of the outcome of the public consultation which can be seen at sections 5, 6 and 7 below. Cabinet agreed the following principles for the design of a new scheme as the basis for the public consultation between 28th October 2021 and 9th December 2021:-

- Retain 100% protection for pensioners, care leavers under 25 and disabled non-working residents;
- Income bands should be based on intervals of £50;
- The maximum level of income per week before someone is not eligible for CTS of £450 per week or £23,400 per year;
- The maximum discount awarded for (non-protected) working age residents should be 80%; and

- Introduce a Hardship Fund to support residents transition for the current CTS scheme to an income banded scheme

3.16 The table below demonstrates a £50 income banded scheme which provides 80% discount to residents on the lowest income.

Net Weekly Income in £50 Banded Schemes	Yearly income	% Discount Awarded
1. Claimant and/or partner with disability benefits and not working		100%
£0 to £150	£0 - £7,800	80%
£151 to £200	£7,800 - £10,400	70%
£201 to £250	£10,400 - £13,000	60%
£251 to £300	£13,000 - £15,600	50%
£301 to £350	£15,600 - £18,200	40%
£351 to £400	£18,200 - £20,800	30%
£401 to £450	£20,800 - £23,400	20%

3.17 In simplifying CTS to an income banded scheme, the only other information that is needed before calculating entitlement is the banding of the property (which we will know), and the income of any other adults (non-dependents) living the property, for which we will make a deduction. These deductions have been simplified into 3 groups for ease of administration. A non-dependent is another adult living in the property who is not the claimant or partner, a non-dependent could be an adult son or daughter living with their parents. All adults are expected to contribute towards payment of Council Tax and therefore we make a deduction to the amount of CTS entitlement, which is called a non-dependent deduction. The non-dependent deductions are £5.00 where the non-dependent is not working e.g. claiming Universal Credit or Job Seekers Allowance, £10.00 where the non-dependent earns less than £23,999 and £30.00 where the non-dependent is earning £24,000 or above.

3.18 The table below demonstrates the financial implications of moving to a £50 income banded scheme, where pensioner claimants and vulnerable claimants not expected to work are 100% protected from any changes to the scheme, and the maximum discount awarded to residents on the lowest income is 80%.

Income Band Scheme Example

Income Bands of £30 with no CTS paid if earned income over £300 per week. CONTAINS ALL CHANGES DONE FOR PREVIOUS MODELLING											
Original Income Bands for DISABWORK and INCOMEBAND											
Income Banded with Vulnerable Protection	Net Weekly	% Discount	% Council Tax		As per the cabinet report all income Revisions below have been taken into consideration in calculating the total savings - see 6.3.1-16 of Cabinet Report.						
	Income in £s	Awarded	To Be Paid								
Disabled Residents Not able to work = 100% Protected	0 to 150	80	20		Income banded with vul protection Band D Cap New Non-Dependent Deductions EBK Capital limit applied Changes to Child Maintenance ie first £50 disregarded Minimum income floor for self employed earnings Removal of 2 AR						
Disabled Residents who are able to work = not 100% Protected	151 to 200	70	30								
	201 to 250	60	40								
All other claims, not 100% Protected	251 to 300	50	50								
	301 to 350	40	60								
	351 to 400	30	70								
	401 to 450	20	80								
			PENSIONABLE	DISABWORK	DISABWORK	INCOMEBAND	TOTAL FINANCIAL IMPACT	LBC FINANCIAL IMPACT	HARDSHIP FUND	NET FINANCIAL IMPACT	
Amount		-	-	665,032.95	64,762.78	-	7,584,626.98	-8,184,898.49	6,547,918.79	818,489.85	-5,729,429.95

- 3.19 The total financial impact is a reduction in expenditure of £8.18m, the impact to Croydon is 80% £6.54m, and we are also proposing a hardship scheme which is 10% of the total financial impact £818k and reducing the net financial impact to £5.72m.
- 3.20 Further to the principles set out at 3.14 above, the proposed scheme has been designed to protect the most vulnerable residents including care leavers under 25 and disabled residents not able to work.
- 3.21 Any income disregarded (i.e., not counted) under the current scheme will continue to be disregarded under the new scheme, e.g., Disability benefits such as Disability Living Allowance and Personal Independence Payments. Any disregards on war pensions and war disablement pensions will continue.
- 3.22 Where a disabled resident is working we will disregard (remove) £50 from their earned income prior to calculation of CTS under and income banded scheme in order to provide additional protection.
- 3.23 Leaving Care residents under 25 are not affected by these changes as they will receive a Council Tax Reduction of 100% and so continue to have no Council Tax liability to pay.
- 3.24 A hardship scheme consisting of 10% of the financial impact was proposed to support those most in need to transition from the existing CTS scheme onto the new income banded scheme. The hardship scheme will be administered by the Revenues team who are best placed to understand household circumstances and resident's ability to pay Council Tax. Eligibility for the hardship scheme will be clearly defined once the new CTS scheme has been confirmed, but in principle households could qualify for the hardship scheme where:
- Specific families or circumstances mean families are not able to afford the changes; and
 - Households need support for a certain period of time in order to be able to amend their income and expenditure arrangements, to meet the changes in their Council Tax liability.

4. CONSULTATION AND OUTCOMES

4.1 It is important that residents and other stakeholder's views are taken into account and reflected in the final design of any changes to the CTS scheme. A full and comprehensive consultation allowed us to seek feedback and explore options and to further mitigate any negative impacts of the changes to the income banded CTS scheme.

4.2 The statutory consultation ran between 28th October 2021 and 9th December 2021.

4.3 Section 13A of the Local Government Act 1992 requires the Council as the billing authority to make a localised Council Tax Support scheme in accordance with section 1A of the Act. Each financial year the council must consider whether it wants to revise the scheme, leave as is or replace it. Consultation must occur on any option required to change the scheme prior to introduction, and is set out in Schedule 1A (3) of the Local Government Finance Act 1992:

- Consult any major precepting authority which has power to issue a precept to it;
- Publish a draft scheme in such a manner as it thinks fit; and
- Consult such other persons as it considers are likely to have an interest in the operation of the scheme

4.4 When consulting the following guiding principles for a fair consultation must have been adhered to:

- At a time when the proposal are at a formative stage;
- Include sufficient reasons to enable those consulted to give consideration and respond;
- Awareness of the factors which are of decisive relevance to the decision;
- Adequate time for consideration and response; and
- The result of the consultation should be conscientiously taken into account by the decision makers when the decision is made.

4.5 Consultation took place with the following:

- Major Precepting Authorities – a formal request has been made for comments on the proposed scheme. This was done through writing to the GLA giving a 14 day timescale for any response. Experience from previous consultations have shown that preceptors will be focussed on the effect on the Council Tax base as well as the effect on residents. The GLA have responded to our consultation and this can be seen in paragraph 6.2 below. The GLA also suggested that we notify our local London Assembly member which we did on 5th November 2021;
- Public – an open invitation has be given to all residents of Croydon to comment on the proposed new scheme, irrespective of whether they are in receipt of Council Tax Support or not. We have contacted all (30,000) CTS recipients both working age and pension age residents, and we have encouraged them to respond, although it should be noted that the scheme for pension age claimants is prescribed by Central Government. The Council can only change the working age Council Tax Support scheme; and
- An online survey was made available via the Council's website, and a new web page was developed, we also had a comprehensive communications plan to ensure as much feedback as possible.

The link to the webpages and consultation is [here](#)

4.6 The consultation has been publicised using our social media accounts as well as being publicised in community newsletters.

4.7 All residents in receipt of Council Tax Support were contacted to advise them about the proposed changes to the Council Tax Support scheme.

4.8 13,000 emails were sent to residents in receipt of Council Tax Support, where email details were held.

4.9 5,000 SMS messages were sent to residents in receipt of Council Tax Support where mobile phone numbers were held.

4.10 3,500 letters were sent to residents in receipt of Council Tax Support where no contact details were held.

- Other stakeholders – including commissioned providers as follows:
 - Age UK Lead – Disability Croydon & Croydon Vision;
 - Citizens Advice Bureau (CAB);
 - MIND;
 - Purley Cross Community Information Centre;
 - Royal Association for Deaf (RAD) People; and
 - John Whitgift Foundation / Carers Information Service

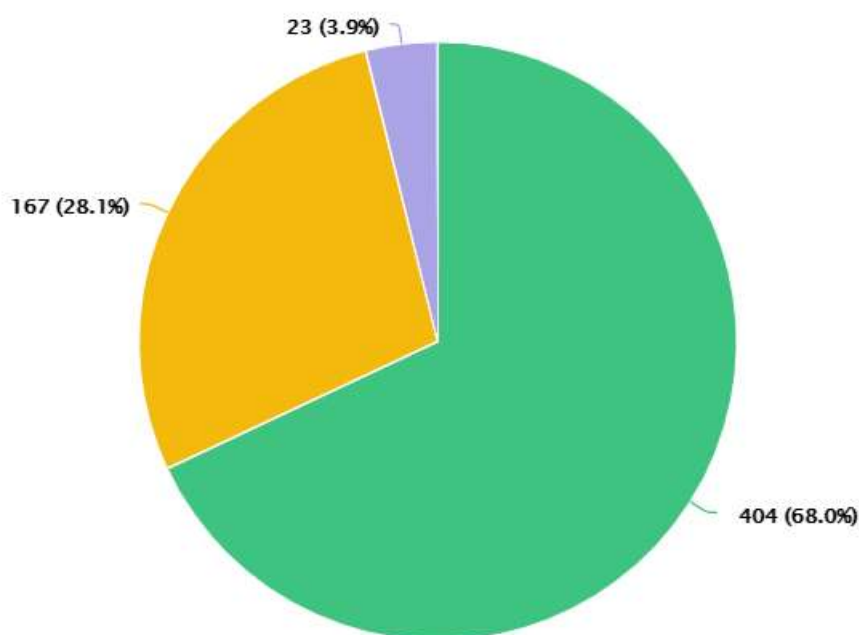
4.11 The Council also contacted other interested stakeholders such as Money Advice and Pension Service (MAPS), South West London Law Centre.

- 4.12 A stakeholder engagement session was held face to face in the Town Hall on Tuesday 2nd November 2021.
- 4.13 We also met with the Asian Resource Centre of Croydon Limited to discuss their concerns with the consolation and the affects any change would have on our residents.
- 4.14 A Money Matters event in conjunction with Hammerson was carried out over 2 days. Croydon Council had a presence in the Whitgift centre to promote the changes in Council Tax Support. During the event other stakeholders were present, such as our Gateway service team, the Money Advice and Pension Service, South West London Law Centre and the Credit Union (Croydon Plus).
- 4.15 Conversations took place with individual residents discussing the new scheme, and what these changes meant for them. Residents were encouraged to complete the survey and did so with assistance when unsure.
- 4.16 Approval to commence consultation by officers was agreed by Cabinet in October 2021, to enable adequate consideration of proposals resulting from the consultation by December 2021, being the year prior to the scheme being implemented.
- 4.17 In addition to formal consultation, the Council will provide information on its website as to the proposed changes.
- 4.18 The Council will contact any Council Tax payers affected by these changes.

5. RESPONSES TO CONSULTATION

- 5.1 The consultation period resulted in 594 responses to the proposed changes. When Croydon Council consulted in 2013 on changes to the scheme, around 450 responses were received.
- 5.2 **Percentage of respondents currently in receipt of Council Tax Support**
- 5.3 68% (404) of respondents are currently in receipt of Council Tax Support, we can be confident that those who completed the survey will potentially be affected by any proposed changes. 28.1% of responders were not in receipt of Council Tax Support, which indicates a certain level of engagement from those who do not rely upon financial support to pay their Council Tax. 3.9% (23) of residents did not know if they were in receipt of Council Tax Support.

Responses from Residents, by CTS Receipt Status



In receipt of CTS | Not in receipt of CTS | Not Sure

There are no themes to these responses as the question replies were just a yes, no or do not know.

5.4 Where do our Consultation Respondents Live?

5.5 The survey received 98.5% responses from residents who live in the London Borough of Croydon. We can be confident the responses to this consultation have been received from local residents.



5.6 18.7% also confirmed that they work in Croydon, 1.3% own a business in Croydon, 3.2% stated they visit Croydon and 0.5% of responses came from those who live outside the London Borough of Croydon.

5.7 Protecting Pensioners, Vulnerable Residents and Care Leavers under 25

5.8 When asked during the consultation if people would support or not support Croydon continuing to protect pensioners, vulnerable residents not able to work and care leavers under 25. 55.4% strongly supported protecting these groups.

24.4% were in support, with 7.4% neither supporting nor not supporting and 4.4% having no opinion. 3.5% do not support this proposal and 4.9% (29) strongly did not support the scheme protecting the aforementioned groups. We can be confident that those who responded were of the opinion the scheme should protect these groups.



Themes from strongly support and support responses:

- Right thing to do for vulnerable residents;
- Duty to protect the mental health of residents especially during the pandemic;
- Most pensioners cannot work so it is right to protect this group; and
- Everyone should receive the same level of support if circumstances not changed.

Themes from strongly do not support and do not support responses:

- More than 3 categories should be protected, such as carers;
- Single people with children under 5 should be protected;
- Croydon Council's financial position should not result in benefit cuts; and
- Support should continue and not change.

5.9 Introduction of a hardship Scheme

5.10 When asked if residents would support the introduction of a one year hardship fund to help residents adversely affected by changes to our Council Tax Support scheme 45.3% strongly supported introducing a hardship fund. 24.1% supported this action with 12.3% neither supporting nor not supporting. 6.4% did not support introducing a hardship scheme and 7.1% strongly did not support, with 4.9% having no opinion. We can be confident an overwhelmingly large percentage of respondents believe introducing a hardship scheme is the right thing to do.



Themes from strongly support and support responses:

- It is the right thing to do;
- Support will be required for those who have to pay more as a result;
- Important to support those who need it; and
- Short term supported needed to allow sufficient time to adjust.

Themes from strongly do not support and do not support responses:

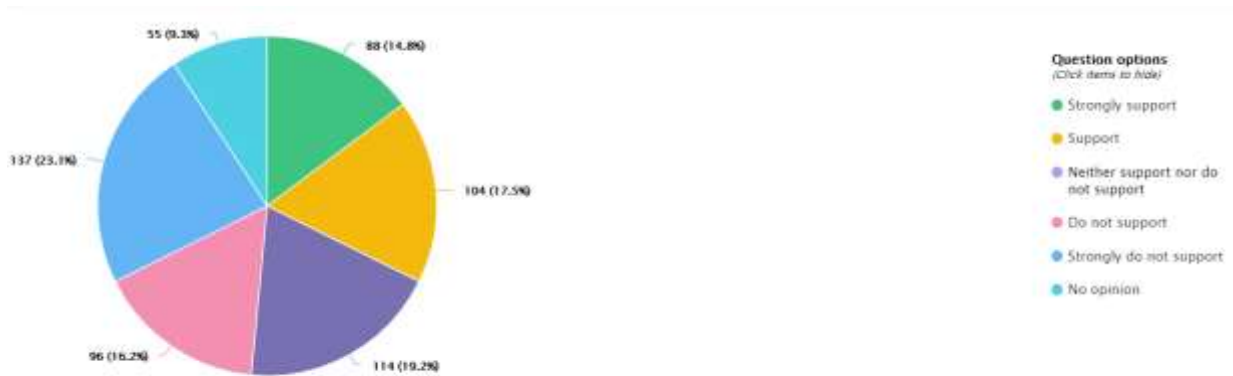
- Does not encourage correct people to adjust by re-budgeting their finances;
- The changes are to reduce costs, so why introduce a hardship scheme;
- One year will not be enough; and
- Croydon Council's financial position should not result in benefit cuts.

5.11 **New charges for working age adults living in the property (who are not the claimant or partner)**

5.12 Deductions are currently made to Council Tax Support for residents who have a non-dependant adult of working age (18 or over) living in the property, depending on the income the non-dependant is in receipt of. 32.3% of respondents either supported or strongly supported changing the deductions currently charged. 25.5% either had no opinion or neither supported or did not support these changes. 39.3% of respondents did not support these changes.

5.13 It should be noted the new charges being proposed make it simpler for residents in receipt of Council Tax Support to understand how they will be affected.

5.14 Whilst a large proportion of respondents do not agree with the changes proposed this also represents the outcome from the previous consultation regarding Council Tax Support in 2013 and non-dependant deductions have always been applied to Council Tax Support.



Themes from strongly support and support responses:

- Non dependant deductions have always been applied;
- Deduction should be based on the salary of a non-dependant; and
- Everyone should pay and contribute to household bills.

Themes from strongly do not support and do not support responses:

- Young people working and studying will not be able afford to contribute;
- It's not fair on young people;
- Will penalise parents with children; and
- Croydon Council's financial position should not result in benefit cuts.

5.15 Supporting low-income households

5.16 Of those who responded 81.0% support the principle a Council Tax Support Scheme should prioritise residents on a low income. 19% felt this was not something the scheme should do.



Themes from strongly support and support responses:

- It is the right thing to do;
- Single parents need help and support;
- Poorest should be helped to prevent poverty; and
- Everyone deserves help.

Themes from strongly do not support and do not support responses:

- Others are struggling not just those on a low income need support;
- Everyone should pay the same;
- Should encourage more people to work; and
- Croydon Council's financial position should not result in benefit cuts.

5.17 Introduction of an Income Band Scheme for Council Tax Support

5.18 49.3% of respondents either strongly supported or supported the introduction of an income banded scheme for Council Tax Support. 26.1% did not support or strongly not support the income band approach. 24.6% either had no opinion or neither supported or not support.

5.19 The results of the consultation show a vast majority support an income band approach.



Themes from strongly support and support responses:

- Easier and simpler to understand;
- Those who can afford to pay should pay;
- Good idea; and
- Single parents need help and support.

Themes from strongly do not support and do not support responses:

- People not able to find higher paid work;
- Increase in cost of living means less disposable income; and
- Income threshold should be increased.

5.20 Increasing the amount of Council Tax residents have to pay for those not in a protected group

5.21 28.9% of respondents strongly supported or supported the principle those who are not in a protected group should have to contribute more towards their council tax. 22.4% of respondents had no opinion or neither supported or not support this principle. Whereas 48.6% of respondents did not support or strongly not support this principle. The previous results indicate we should be protecting vulnerable residents but these results show that when it comes to paying more, almost half do not agree they should pay more if they are not in a protected category



Themes from strongly support and support responses:

- Right thing to do;
- Higher income should result in having to pay more;
- Vulnerable groups need more support; and
- Should pay according to income.

Themes from strongly do not support and do not support responses:

- Increase in cost of living means less disposable income;
- Don't want to pay any more as Council Tax is already very high; and
- Unable to access Council Services

5.22 £50 weekly income bands for Council Tax Support entitlement

5.23 34.9% of respondents strongly support or support introducing the £50 a week income band when assessing entitlement to Council Tax Support. 29.8% had no opinion or neither supported or did not support this approach. 35.7% of respondents did not support or strongly did not support this approach.



Themes from strongly support and support responses:

- Right thing to do;
- Adequately designed for the purpose; and
- Reflects residents income.

Themes from strongly do not support and do not support responses:

- Income threshold should be increased;
- Cuts will continue to affect residents already struggling;
- Percentage should be reviewed as not generous enough; and
- Current scheme should not be changed.

5.24 Maximum income level of £450 to be entitled to receive Council Tax Support

5.25 46.7% of those who responded felt having a weekly income over £450 should mean there is no entitlement to Council Tax Support. 19.9% had no opinion or neither support or not support this income level. 33.5% strongly did not support or not support this income level being the threshold for entitlement. The majority agree this level of income, £450 per week, should mean no support should be provided in the way of Council Tax Support.



Themes from strongly support and support responses:

- It is fair;
- Help lower income feeling supported; and
- Brings in line with the benefit cap.

Themes from strongly do not support and do not support responses:

- Cost of living is increasing;
- Should be encouraged to work;
- Income threshold is not high enough; and
- Income should be lowered to £401.

5.26 Demographic responses

5.27 Age

5.28 Out of the 594 respondents, 591 answered the questions regarding to the age of the respondent. 40.1% were between the ages of 26-45, 20% were between the ages of 46-55. 18.8% were aged 56-65, 13.9% aged 66 or over 5.9% preferred not to declare their age and 1.4% were between the ages of 18-25. As the changes to the scheme affect residents of working age, the proportion of responses reflects those who would be affected by any changes.



5.29 The council tax support caseload indicates that 43% of those who claim are between the age of 26-46 and the response to the consultation closely mirrors those who would be affected.

5.30 Gender

5.31 578 residents answered the question regarding gender, of which 62.8% confirmed they identified as being female (including male to female Trans women). 20.2% identified as being male (including female to male trans men), 0.5% confirmed they identified as being non-binary, 12.5% preferred not to say what they identified their gender to be and 4.0% preferred to self-describe the gender identity.



5.32 Data on gender identity is not routinely captured. A person's innate sense of their own gender, whether male, female or something else may or may not correspond to the sex assigned at birth.

5.33 We will attempt to collect data on all protected characteristics when we transition onto a new supplier for Council Tax Support online application forms. The estimated time line for this is during the financial year 2022/23.

5.34 Ethnicity

5.35 When asked about ethnicity 544 respondents answered this query and 50 declined to answer.

- 54.6% of those who responded confirmed their ethnicity to be white (British, Irish or any other white background);
- 5% confirmed their ethnicity to be Asian (Indian, Pakistani, Bangladeshi Chinese's or any other Asian background);
- 22% stated they regarded their ethnicity to be black (Caribbean, African or any other black background); and
- 14.9% preferred not to declare their ethnicity and 3.5% confirmed their ethnicity to be other.

5.36 The Caseload for Council Tax support shows that 42.9% of Council Tax Support recipients are of a white background, 13.24% have declared their

ethnicity to be Asian and 37.08% are Black. It has to be stated almost 50% of Council Tax Support recipients do not complete details regarding ethnicity and 14.2% of those responding to the consultation chose not to declare their ethnicity (which would be 17.8% including those who stated other).

5.37 Whilst the demographic of respondents does not exactly mirror the council tax support caseload we can be confident that our responses are reflective of a diverse population and reflects the make-up of our authority.



5.38 Disability

5.39 584 respondents confirmed whether or not they considered themselves having a disability.

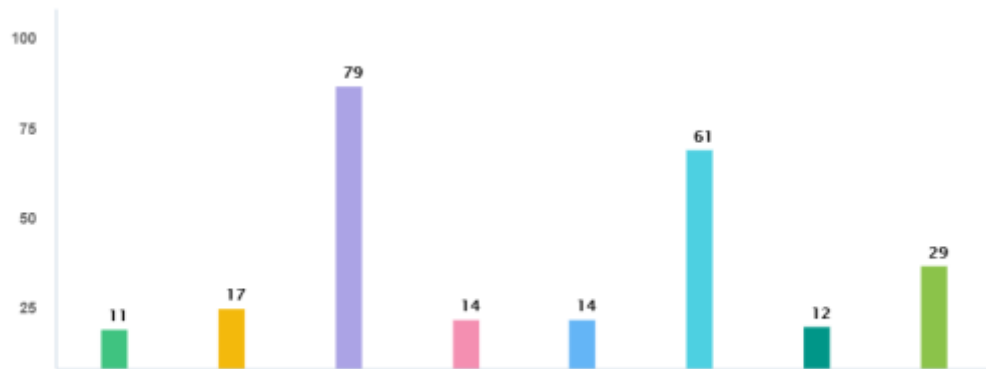
5.40 27.1% considered themselves having a disability, 59.1% answered no and 13.9% preferred not to say.



5.41 157 of the above went on to declare the disability that was identified.

- 7% were visually impaired;
- 10.8% declared a hearing impairment;
- 50.3% identified having a mobility disability;
- 8.9% declared a learning disability;
- 8.9% had communication difficulty;
- 38.9% had a hidden disability; and
- 7.6% preferred not to say

- 18.5% stated they identified as having another disability



6. FORMAL CONSULTATION RESPONSES

6.1 Following engagement with our external stakeholders we received official responses, details of which can be seen below.

6.2 Greater London Authority – GLA

6.3 The proposed minimum contribution rate of 80 per cent is in line with a number of other authorities and is lower than some. Similarly, the approach to excluding certain types of income, such as disability benefits, is in common with many other authorities. The GLA supports the principle of targeting support at households with the lowest incomes and in the greatest need and believes the use of percentage discounts and £50 band intervals is an appropriate approach.

6.4 The GLA recognises that local authorities have faced difficult choices on CTS schemes, as overall funding from central government has reduced and funding for CTS is no longer identifiable within the settlement. Moreover, the GLA is aware of the Council's current financial position and recognises that the proposed scheme is in accordance with the general principles set out by Government.

6.5 Concerns raised regarding families with children being adversely impacted and raised this as an area for review, but welcomed the proposal for a hardship scheme to assist those affected.

6.6 Reference was made to signing up to the Citizens Advice Protocol and recommended Croydon sign up. Croydon are one of the 8 London Boroughs who signed up to the protocol and did so almost 3 years ago

6.7 The Money Advice and Pension Service – MAPS

6.8 There were no concerns regarding the proposed scheme. MAPS have however offered to support residents affected by changes to the scheme by providing third party debt advice. Croydon are already a partner with the Monday Advice and Pension Service.

6.9 Asian Resource Centre of Croydon Limited – ARCC

- 6.10 Concerns were raised regarding the length of consultation – Croydon’s consultation period was for 6 weeks.
- 6.11 Croydon reviewed the consultation requirements and are satisfied our consultation period is aligned to government guidance and other local authorities who consulted on changing their CTS scheme. The previous consultation carried out in 2013 was also for a 6 week period.
- 6.12 There was a concern regarding our Equality Impact Assessment not being shared during the consultation. However, after discussing this matter with other local authorities the EQIA was only made available after the consultation period had ended and the full report published and made available in the public domain.
- 6.13 Concerns were raised regarding the impact of our changes to parents with children. This has been a common theme raised within the consultation.
- 6.14 In relation to engaging with 3rd party stakeholders, ARCC raised concerns that they were not involved in the stakeholder meeting that took place on 2 November 2021. The stakeholder engagement session was held with stakeholders that have ongoing regular engagement/liaison meetings regarding their client base with the council, including the revenues and benefits service.
- 6.15 Issues regarding Universal Credit income was also raised.

6.16 South West London Law Centre – SWLLC

- 6.17 Concerns were raised regarding the length of the consultation, but as stated above, the period has been considered in line with guidance and other local authorities.
- 6.18 The matter of enforcement action against those in receipt of Council Tax Support was raised, however, no enforcement action is currently taken against residents who are in receipt of Council Tax Support.
- 6.19 Questions were also raised regarding the operation of the Hardship Fund.

6.20 The Royal British Legion

- 6.21 They were concerned how certain war/military pensions were treated under the new scheme as there was no reference to these incomes, however, as this income is currently disregarded under our current scheme it will remain to be disregarded under the new scheme.

6.22 Child Poverty Action Group – CPAG

- 6.23 CPAG were concerned that no adjustments were made for household size in the proposed new scheme.

- 6.24 They also raised concerns around child poverty CPAG suggested the new scheme should include some mitigation for families with children.
- 6.25 They are suggesting that all benefit income should be disregarded from CTS.
- 6.26 They proposed that Croydon's scheme should reflect the fact that larger families need more money to meet their basic needs.
- 6.27 They raised concerns for single parents with children under 5 who are currently 100% protected.
- 6.28 Academic research has shown that families on the lowest incomes have been severely affected by the pandemic, particularly families with children
- 6.29 The £20 cut to universal credit and the sharp rise in the cost of living, could push some residents into crisis

7. OUTCOME FROM THE CONSULTATION

- 7.1 The consultation period ended on December 9th 2021 with the outcome confirming an overwhelming majority supporting protecting the most vulnerable residents, such as Pensioners, Vulnerable residents not working and Care Leavers under the age of 25.
- 7.2 The majority of those who responded support introducing a hardship scheme, but some felt one year was not long enough for the scheme.
- 7.3 With respect to changing the deductions taken from Council Tax Support based on the income of any other working age adult over the age of 18, the majority did not support this. There are current non-dependant deductions in place in the existing Council Tax Support Scheme. Non-dependant deductions were part of the Council Tax Benefit scheme, non-dependant deductions exist as part of the pensioner prescribed scheme, and non-dependant deductions will form part of the new income banded scheme. This aligns to the principle that everyone in the household should pay something. It should be noted that this feedback was similar to the previous consultation regarding non dependant deductions in 2013.
- 7.4 Respondents agreed that it was the right thing to provide financial support to those on the lowest incomes
- 7.5 The consultation responses approved with introducing an income banded scheme, as this made the scheme fairer and easier to understand.
- 7.6 Respondents agreed that we should protect pensioners, vulnerable residents not working and care leavers under 25. However, they did not want to pay more towards their council tax as a result of providing this protection.
- 7.7 Almost an equal proportion of responses supported or did not support the level of income bands within the scheme being proposed. Some believed this approach was fair where others were concerned with the increase in the cost of

living meant there would be additional strains on families struggling to pay Council Tax.

7.8 The income threshold of £450 per week or £24,300 per year was supported as being the amount of income a person could receive and not be eligible for support under the new Council Tax Support Scheme.

7.9 The key themes for consideration from the formal consultation were to offer more protection to:

- **Universal Credit Housing Element** (11,720 Claims);
- **Disabled Residents** (7,000 Claims);
- **Lone parents** (2,320 Claims);
- **Families with children** (7,910 Claims); and
- **Carers** (2,310 Claims).

8. REVIEW OF CONSULTATION RESPONSES AND RECOMMENDED CHANGES TO PROPOSED CTS SCHEME

8.1 The principles of the consulted scheme are set out below:

- Retain 100% protection for pensioners, care leavers under 25 and disabled non-working residents;
- Income bands should be based on intervals of £50;
- The maximum level of income per week before someone is not eligible for CTS of £450 per week or £23,400 per year;
- The maximum discount awarded for (non-protected) working age residents should be 80% ; and
- Introduce a Hardship Fund to support residents transition for the current CTS scheme to an income banded scheme.

8.2 Following feedback from the consultation, some changes to the principles are being recommended below:

Principle	Proposed new scheme
Retain 100% protection for pensioners, care leavers under 25 and disabled non-working residents	Agreed – no change
Income bands should be based on intervals of £50	Agreed – no change
The maximum level of income per week before someone is not eligible for CTS of £450 per week or £23,400 per year	Recommended change
The maximum discount awarded for (non-protected) working age residents should be 80%	Recommended change for some residents
Introduce a Hardship Fund to support residents transition for the current CTS scheme to an income banded scheme	Agreed – no change

8.3 Consulted scheme

8.4 The table below confirms the proposed value of the income bands together with the proposed percentage discount awarded (Table 1)

Proposed value of income bands (£)	Proposed percentage discount awarded
0 to 150	80%
151 to 200	70%
201 to 250	60%
251 to 300	50%
301 to 350	40%
351 to 400	30%
401 to 450	20%
451+	0%

8.5 We are proposing 2 new variations to the value of income bands and percentage discounts awarded.

8.6 Lone Parents (Table 2)

Proposed new scheme (£)	Lone Parents (children under 5)
0 to 100	80%
101 to 150	70%
151 to 200	60%
201 to 250	50%
251 to 300	40%
301 to 350	30%
351 to 400	20%
401+	0%

8.7 All other working age residents not protected (Table 3)

Proposed new scheme (£)	All other CTS recipients
0 to 100	75%
101 to 150	60%
151 to 200	40%
201 to 250	30%
251 to 300	20%
301 to 350	15%
351 to 400	10%
401+	0%

- 8.8 The explanation for the proposed changes is clarified in paragraph 8.24
- 8.9 Taking the consultation feedback themes in order, as at paragraph 7.9 above the following changes are being recommended:

8.10 Universal Credit [UC] Housing Element Protection

Current CTS Scheme	Consulted Scheme	Revised Recommendations
The UC housing element is currently not treated as separate income, rather a premium is applied to offset the housing element.	All Universal Credit income is considered as income, including the Housing Element.	The Housing Element has been disregarded as income for UC residents. This change would treat both Housing Benefit and UC residents equally.

- 8.11 The financial impact by making this changed resulted in a loss of £2.2m to the MTFS savings.
- 8.12 It is therefore necessary to review all of the proposed changes to the income banded scheme in an attempt to make up the £2.2m loss above. This includes the value of income bands and percentage discounts awarded as per 8.6 (Table 2) and 8.7 (Table 3) above.

8.13 Disabled Residents Not Working

- 8.14 All disabled residents not working will continue to be protected, in some cases the new scheme provides additional protection. We have simplified how we categorise disabled resident not working.
- 8.15 Only when a resident starts work will they move to an income banded scheme. Until then, they will receive 100% support on their Council Tax.
- 8.16 We simplified how we identify when a disabled residents is not working and as a result of this change, we have increased the numbers of residents who qualify for this support, resulting in additional support of £255,000.

8.17 Lone Parent Protection

Current CTS Scheme	Consulted Scheme	Revised Recommendations
Protected to high levels	Consulted income banded scheme – 80% protection for those in the lowest income band. Minimum amount of protection of 20% for all lone parents that are entitled as part of this scheme.	The proposed new bands continue to offer support at the same 80-20% banding however the income bands are brought down offering those on the lowest income maximum support. Lone parents are provided more support than other working age residents.

8.18 Families with Children

Current CTS Scheme	Consulted Scheme	Revised Recommendations
Childcare costs expenses are disregarded from a claim at a rate of £175 for 1 child and £300 for 2 or more children.	Childcare costs expenses are not disregarded in the consulted scheme	100% of child care costs expenses are disregarded as income from a claim.
Child Maintenance is 100% disregarded.	The first £50 of Child Maintenance is disregarded.	100% of Child Maintenance is disregarded.
Child benefit is not considered as income.	Child benefit is not considered as income.	Child benefit is not considered as income.

8.19 Carer Protection

Current CTS Scheme	Consulted Scheme	Revised Recommendations
A premium of £31 is awarded to residents in receipt of Carer's Allowance, this equates to 46% of the allowance.	No disregard of Carer's Allowance.	A 50% disregard for Carer's Allowance.

8.20 Other Recommended changes following consultation

8.21 As we are recommending the housing element of Universal Credit is fully disregarded resulting in a loss of £2.2m savings as per paragraph 8.10 and 8.11, as a result we have reviewed the value of income bands and percentage discounts awarded.

8.22 Whilst we have kept the same number of income bands, we are recommending changes to the value of the bands and the percentage discounts awarded.

8.23 We are also recommending a change to the maximum income threshold to £401 per week, which is aligned to the London living wage of £397 per week from 1 April 2022.

8.24 The changes to the income bands values and percentage discounts are detailed below:

Value of Bands

Consulted Bands	Revised Bands
0 to 150	0 to 100
151 to 200	101 to 150
201 to 250	151 to 200

251 to 300	201 to 250
301 to 350	251 to 300
351 to 400	301 to 350
401 to 450	351 to 400
451+	401+

Percentage Discount awarded

	Lone Parents	Working Age
0 to 100	80%	75%
101 to 150	70%	60%
151 to 200	60%	40%
201 to 250	50%	30%
251 to 300	40%	20%
301 to 350	30%	15%
351 to 400	20%	10%
401+	0%	0%

8.25 Comparing the proposed scheme to that of other London Authorities can be seen in the table below

	Proposed Scheme	Sutton	Barnet	Camden	Brent
Protected residents	Pensioners Disabled Not Working Parents Carers	Pensioners Disabled not Working	Pensioners	Pensioners Parents	Pensioners
Capital Tariff	No Tariff	No Tariff	No Tariff	No Tariff	Schedule 6 of the 2012 Prescribed Regulations
Capital Limit	£8,000	£10,000	£6,000	£16,000	£6,000
Band Cap	D	D non-Protected expected to pay 20% of band D rate	No	No	No
Income Disregards	100 %Child Maintenance disregard 100% Child benefit disregard 50% Carer's Allowance Disregard £50 earned income disregard for Disabled Working	Earned income: £20 for non-vulnerable households £50 for vulnerable households Child Maintenance £50 75% Child benefit disregard	Earned income will be calculated net of income tax, national insurance and 50% of pension contributions, there will be no other deductions.	In accordance with Schedule 5 of Prescribed Requirements Regulations	All DWP and HMRC benefits are disregarded
Non-Dependant Deductions	£5 non-working £10 up to £23,999 £30 for £23,000 over No deduction for Disabled Scheme	£5 non-working £10 up to £23,999 £30 for £23,000 over	£0 - DLA £5 - non-working up to £199.99 £11 - Earning more than £200	If working 30% of liability is deducted from CTS if income over £86.79	£5 - Not working £10 - up to £150 net £15 up to £200 net £20 over £200 net

9 PRE-DECISION SCRUTINY

- 9.1 No pre-decision scrutiny made as of yet as the consultation period has just ended and no final decision has been made.

10 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 10.1 The current CTS scheme costs around £35m of which 80% or £28m is borne by the Council's Collection Fund. The remaining 20% or £7m is attributed to the GLA.

- 10.2 The cost of CTS has increased year on year whilst Central Government funding has reduced year on year, so the financial gap is growing each year. As Central Government grant funding is contained within the Revenue Support Grant and has been amalgamated with Business Rates Retention scheme, it is not possible to determine the exact extent of the current funding gap.

- 10.3 Should CTS continue to growth at the existing pace, and no change is made to the existing scheme, the cost of the scheme could rise as follows:

- 2022/2023 £36.8m
- 2023/2024 £38.7m
- 2024/2025 £40.6m

10.4 Revenue and Capital consequences of report recommendations

There is an income saving of £4.4m set in the Medium Term Financial Strategy for each of the years 2022/23, 2023/24 and 2024/25.

- 10.5 The effect of the decision to move to an income banded scheme is two fold

- Some working age resident will be asked to contribute more towards their Council Tax, whilst pensioners and disabled residents will remain 100% protected from any change to their current CTS entitlement; and
- The new scheme will be simplified with less complexity and it will be easier and faster for residents to make a claim.

- 10.6 Risks – as we are asking some residents to pay more towards their Council Tax there is a risk that they may struggle to make the requested payments. To mitigate this risk, the Council will implement a hardship scheme to support those most in need or unable to pay their Council Tax due to the transition from the existing CTS scheme. In addition to this the Council have close working partnerships with welfare agencies e.g. CAB and MAPS to further support residents in need.

- 10.7 The financial impact of the recommendation set out in this report will be included in the budget setting and MTFS proposals 2022/23.

Approved by: Matthew Davis Interim Director of Finance (Deputy 151)

11. LEGAL CONSIDERATIONS

- 11.1 The Head of Litigation and Corporate comments on behalf of the Interim Director of Legal Services that the Council is required, under the Local Government Finance Act 1992 ('the 1992 Act'), for each financial year, to consider whether to revise or replace its CTS scheme. The Council's first substantive review, detailed in this report, complies with this requirement.
- 11.2 The 1992 Act provides that a billing authority's Council Tax Reduction Scheme must include proscribed matters set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. As a consequence the Council is required, without any exercise of discretion, to amend the CTS Scheme, to reflect any changes made to those regulations.
- 11.3 This report includes a recommendation in relation to the revised and proposed CTS scheme which has been consulted upon to reflect both the regulations under this requirement and the other changes set-out within this report.
- 11.4 When a billing authority decides to revise or replace its scheme it is required to comply with the preparation requirements set-out in the 1992 Act. Any proposals over and above from what is required by statute must ensure these preparation requirements are adhered to. This includes publishing the draft scheme and consulting upon it.
- 11.5 Details of the consultation which has been undertaken are set-out within the report. The consultation process was required to be conducted in accordance with the Gunning principles, as set-out at paragraph 4.4.
- 11.6 Under the 1992 Act, a decision to revise a billing authority's scheme is required to be made by the authority, not its executive.

Approved by: Sandra Herbert Head of Litigation and Corporate Law on behalf of the interim Director of Legal Services and Deputy Monitoring Officer

12. HUMAN RESOURCES IMPACT

- 12.1 There are no immediate HR issues arising from this report for LBC employees or staff. Any impacts would be managed through the appropriate Council procedures and in consultation with the recognized trade unions.

Approved by: Gillian Bevan Head of HR Resources and Assistant Chief Executives.

13. EQUALITIES IMPACT

- 13.1 An equalities impact assessment has been completed and this will be reviewed after the statutory consultation has taken place and results have been analysed.

13.2 The Council recognised that some people may be affected more than others. The groups listed below were identified by the Council to be affected by the new CTS scheme

- Families with children
- Lone parents with children under 5 years
- Carers
- Full time and part time workers
- Single people and couples with children
- Single people and couples who are not working and receiving means tested benefit or Universal Credit

13.3 In the absence of relevant data, it is not possible at this time to determine whether there is a correlation between the aforementioned groups who may be more affected by the scheme and the equality characteristics. It is noted that consultation will be taking place with other interested stakeholders such as Citizens Advice Bureau and Money Advice and Pension Service along with groups providing welfare advice to residents. Once such consultations have taken place and feedback received with regard to the characteristics of service users of these support organisations, it will be necessary to review the impact on each protected characteristic.

13.4 There are four potential outcomes of an Equality Analysis these are:

- No major change - the Equality Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken;
- Adjust the proposed change to lessen the impact should it adversely impact the Council's ability to meet any of the Public Sector Duties and/or remove barriers or better promote;
- Continue the proposed change despite potential for possible adverse impact or missed opportunities to promote equality – as we are satisfied that these will not lead to unlawful discrimination and there are justified reasons to continue as planned;
- Stop and remove the change – if there will be potential for adverse effects on one or more protected groups that are not justified and cannot be mitigated it must be stopped and removed or changed.

13.5 Until full Council have made their decision around what changes will be made to the existing scheme (if any), it is not possible to confirm the outcomes of an Equality Analysis. This will be updated once we are made aware of the Full Council decision in January 2022.

Approved by: Denise McCausland, Equalities Programme Manager

14. ENVIRONMENT AND CLIMATE CHANGE IMPACT

14.1 Failure to adopt a new simplified scheme will lead to an increase in administration. This in turn will lead to an increase use of resources.

14.2 Moving to an income banded scheme will result in less effort, evidence and information sharing. Further automation will be used, and as a result of this less

resources will be used. And this will have a positive impact on environment and climate change.

- 14.3 The Council has a commitment to address environmental sustainability as an integral part of all activity. The Green Commitment and Environmental Procurement Policy are key relevant policies.

15. CRIME AND DISORDER REDUCTION IMPACT

- 15.1 No impact on Crime and Disorder.

16. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 16.1 The current scheme is closely based on the old Council Tax Benefit scheme, so does protect the most vulnerable residents, any changes to the scheme would mean that some residents will be asked to pay more towards their Council Tax. However, the current scheme is at significant cost to the Council, and many Councils have moved away from the old CTB scheme to income banded schemes which are simpler and less complex to administer and understand.
- 16.2 It is not known how much funding the Council receives from Central Government to help pay for CTS expenditure, which is currently £35.04m. What we do know is that expenditure is increasing year on year and that funding is decreasing year on year. The Council is not in a financial position to continue with the existing CTS scheme.
- 16.3 The Council is therefore recommended to agree a move to an income banded CTS scheme as per this report.

17. OPTIONS CONSIDERED AND REJECTED

- 17.1 Cabinet has previously considered 3 Options in relation to CTS scheme, and these are:
- Do nothing to change the existing CTS scheme
 - Make slight changes to the existing CTS scheme
 - Move to a new income banded CTS scheme
- 17.2 They have rejected the options to do nothing, or make slight changes to the existing scheme as they are not viable. They agreed to move to an income banded CTS scheme.

18. DATA PROTECTION IMPLICATIONS

- 18.1 None required. The new scheme uses only existing data held. No further personal data will be requested, obtained, held or published.
- 18.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING**

OF 'PERSONAL DATA'?

YES

Name, Address, Date of birth, National insurance number, income details, capital information and household information which may include special category data, such as ethnicity and health information

18.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

YES

Approved by: Catherine Black, Head of Payments, Revenue and Benefit

CONTACT OFFICER: Catherine Black, Head of Payments, Revenue and Benefit

APPENDICES: Appendix 1 Copy of Council Tax Support Scheme
Appendix 2 Equalities Impact Assessment

BACKGROUND DOCUMENTS: None