



## London Borough of Enfield

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<b>Report Title</b>	Council Tax Support scheme 2024/25
<b>Report to</b>	Cabinet
<b>Date of Meeting</b>	21 <sup>st</sup> February 2024
<b>Cabinet Member</b>	Cllr Tim Leaver
<b>Executive Director / Director</b>	Fay Hammond
<b>Report Author</b>	Sally Sanders – sally.sanders@enfield.gov.uk
<b>Ward(s) affected</b>	All
<b>Key Decision Number</b>	5642
<b>Classification</b>	Part 1 Public
<b>Reason for exemption</b>	N/A

### Purpose of Report

1. To seek approval of changes to the Council Tax Support Scheme for the financial year 2024/25 and other related matters.
2. In particular, members are asked to agree the following changes to the scheme for 2024/25:
  - Restricting council tax support to a maximum Band C council tax liability
  - Introducing a minimum non-dependant deduction for most households with other adults living in the property and increasing the current deductions by 20%
  - Standardising the maximum award for most working age claimants at 50% (excluding war widows and single people under 25 including care leavers who will remain at 100%)

3. This follows agreement by Cabinet in September 2023 to consult residents on the amendments to the Scheme. The results of this consultation are included within this report.

## **Recommendations**

### **Cabinet agrees:**

4. To recommend to Full Council the revised Local Council Tax Support Scheme for 2024/25 at Appendix A incorporating the following changes:
  - I. Restricting council tax support to a maximum Band C council tax liability
  - II. Introducing a minimum non-dependant deduction for most households with other adults living in the property and increasing the current deductions by 20% as set out in the report
  - III. Standardising the minimum payment for most working age claimants at 50% (excluding war widows and single people under 25 including care leavers)
5. To recommend to Full Council to increase the Discretionary Hardship fund by £1m.
6. To recommend to Full Council the Council Tax Support Hardship Policy attached as Appendix E.
7. To recommend to Full Council that authority be delegated to the Executive Director, Resources, to make consequential changes to the Support Scheme and the Hardship Policy in order to effectively implement the decisions of the Council in respect of the Support Scheme and the Hardship Policy.

## **Background and Options**

8. As part of the 2010 spending review the Government announced its intention to localise support for Council Tax from 2013/14 and reduce expenditure by 10%. This would replace Council Tax Benefit, a nationally funded scheme which allowed households in receipt of out of work benefits to receive 100% council tax benefit and therefore not have to pay council tax. The Local Government Finance Act 2012 introduced the Council Tax Support Reduction Schemes (provision for which is now made in section 13A of, and Schedule 1A to, the Local Government Finance Act 1992).
9. In 2013/14 the Government provided the Council with £25m to finance this scheme. Since this time, Council funding levels have reduced by 32% and at the same time the total cost of the scheme has grown to £40.7m. This means that unlike other universal benefits which are funded from central government, Council Tax support is financed by councils, through a combination of council tax, business rates and the balance of the original government grant.

10. The delays in reviewing the way Councils are funded (known as the Fair Funding review) means that our funding levels do not reflect the current population demographic need.
11. Council Tax Support is awarded as a reduction on a council taxpayers' bills, like a discount, so the resident pays less. The scheme has two parts – a statutory scheme for pensioners and a non-statutory scheme that covers the working age population. These proposals impact only on the non-statutory elements of the scheme and do not affect the statutory scheme for pensioners.
12. The total scheme costs of £40.7m consist of the discretionary scheme costs of £29m and statutory scheme costs of £11.7m. The discretionary scheme costs have disproportionately increased whilst the statutory scheme costs have reduced.
13. The Council currently provides support to residents to ensure that they are accessing appropriate benefits, debt advice and hardship payments. This advice and support service is provided through a team of Welfare and Debt advisers to over 3,000 residents a year. Funding has also been provided to our voluntary sector partner, Citizens Advice, to provide debt advice which is funded out of the discretionary hardship fund at a cost of £18k per annum. The Council currently operates a discretionary hardship scheme with funding of £500k per annum. Residents are able to apply for support under this scheme. External grants have also been used in 2023/24 to support residents in crisis. The council tax support hardship fund policy is shown at Appendix E.

## **Financial Context**

14. As reported in September 2023, the Council faces a challenging budget gap. One of the options to close this budget gap includes reviewing the Council Tax Support Scheme. The Council Tax Support Scheme is the Council's largest area of discretionary spend, and benchmarking demonstrates that the Council's costs were the highest in London, and therefore a consultation was launched in September 2023 to consider proposals to amend the Council Tax Support Scheme. The Council's budget gap has arisen due to inflation costs and the impact of significant cost pressures in statutory services such as homelessness and demographic pressures in Adults and Children's services.
15. The Council's final budget is now proposed to Cabinet and the Council. The final government settlement has now been received, and there is a wide gap between the Council's cost pressures and available government funding. Enfield council's budget pressures total £45.864m; in addition to this, a further £10m is required to be held as a specific homelessness risk reserve. The level of pressures far exceeded the levels of grant funding received in the final settlement. Following robust and far-reaching review of the Council expenditure and income, the 2024/25 budget includes extensive and cross-Council savings proposals of £16.568m. These savings and income proposals equate to 5.8% of the Council's total net revenue budget (or 12.3% excluding adults and children's social care). Since 2010/11 the Council has identified savings of £228.7m, identifying a further £16.568m in 2024/25 has

been a demanding process. This is the highest level of Council savings identified in the last five years.

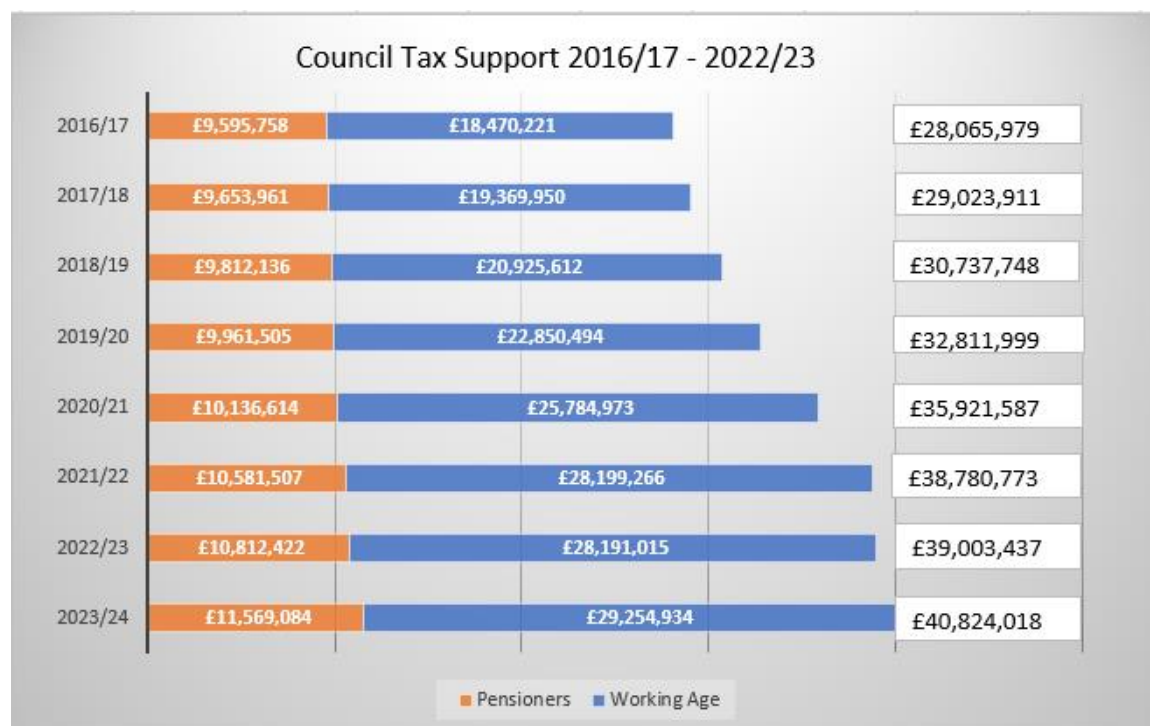
- The budget also increases the Council Tax by the maximum permitted without a referendum. However, the Council Tax Support Scheme proposals are also required to help close this budget gap. The budget gap cannot be closed by drawing on reserves as the Council's level of reserves are already depleted and remaining financially resilient and setting a balanced budget is critical to maintain key services.

### Review of the operation of the 2023/24 Council Tax Support Scheme

- The total cost of the Council Tax Support Scheme as of 31<sup>st</sup> December 2023 was £40.7m (36.5k cases) representing one of the largest areas of council expenditure. The percentage cost of Council Tax Support scheme (including the Greater London Authority share) as a proportion of the Council's net budget is 14.24%. In July 2022, the total cost of the scheme was £38.5m (35.5k cases). The cost of the non-statutory working age scheme (28.8k cases) as of 31<sup>st</sup> December 2023 is £29m. The cost of the statutory pensioner scheme is £11.7m (7.6k cases).

- The chart below shows the increasing proportion of the Council Tax Support discretionary element compared to the statutory element between 2016/17 and 2022/23.

Chart 1: Council Tax Support Scheme Costs – Enfield Council 2016/17 – 2023/24

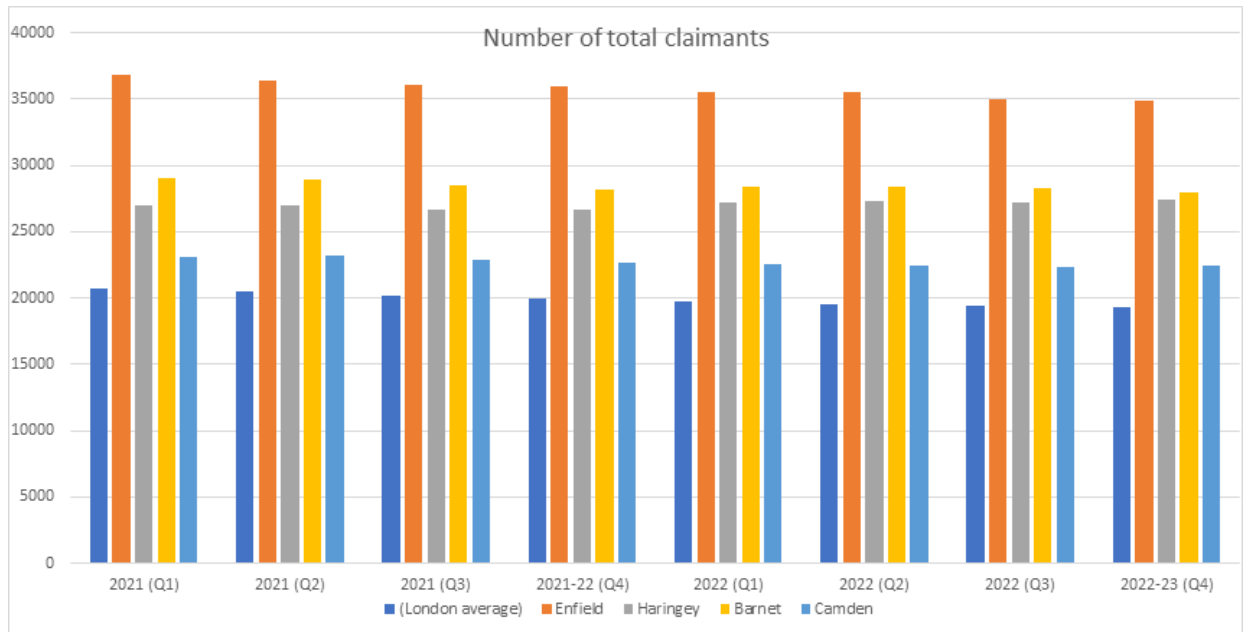


- Without changes, it is estimated that the scheme costs could potentially rise to above £50m by May 2026.

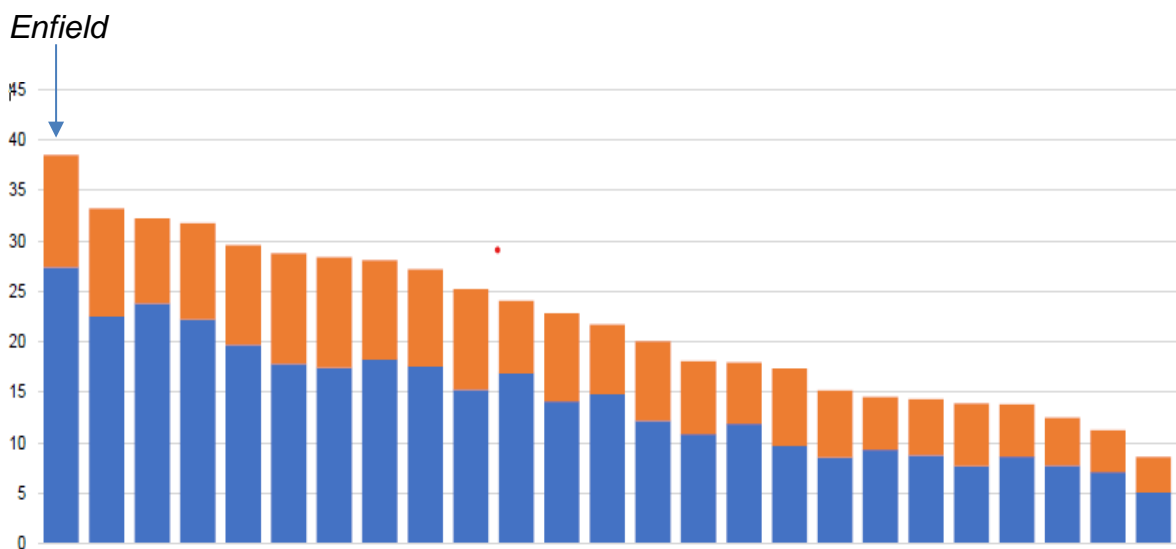
20. For context, the chart below shows the council tax support caseloads for the working-age and pensioner schemes in Enfield and other neighbouring London boroughs for the 2022/23 financial year. The data shows that Enfield has the highest working-age council tax support caseload out of the benchmarked boroughs.

21. The recommended changes to the discretionary council tax support scheme will bring the overall scheme costs closer to the London average of £22m. The second chart below shows Enfield Council Tax Support spend compared to neighbouring boroughs and the London average. The chart shows an average cost of around £22m for council tax support among London boroughs for 2022/23.

**Chart 2: Council Tax Support Scheme Number of Claimants – 2021/22 and 2022/23**



**Chart 3: Council Tax Support Scheme Costs £m – 2022/23 Enfield and other London Borough Councils**



22. The total reduction in the proposed Council Tax Support Scheme is £14.3m and the contribution towards the Council's budget gap is £5.8m net. This is, in part because the Council Tax Support Scheme applies to funds collected by the Council on behalf of the Greater London Authority. In addition, the council has prudently estimated that the collection rate for those impacted by the change may be lower. There is a commitment of an additional £1m to mitigate the impact of these proposals by increasing the existing discretionary hardship scheme to a total of £1.5m. Additional staff resources will be required to collect the additional income, respond to customer queries and provide access to the Welfare Debt Advice Service, this will be funded by setting aside £500k from the additional income generated. This is set out in the table included in the Financial Implications heading.

### **2024/25 Council Tax Support scheme principles**

23. The 2024/25 scheme will be based on the principles below:

- Ensuring everyone in the household makes a fair contribution towards funding local services via the council tax
- Those living in higher banded properties should not receive greater levels of support than those occupying lower banded properties
- The Scheme provides targeted support for those impacted by the changes to the scheme through the Council Tax Support hardship fund.

### **Rationale**

24. It is proposed to introduce changes to the 2024/25 Council Tax Support scheme to contribute towards the budget gap facing the Council, alongside other cost savings and income proposals to ensure that the Council remains financially resilient.

25. The proposal to introduce the restriction of council tax support to band C will mean that those living in higher banded properties will no longer receive a higher level of support than those living in lower banded properties.

26. The proposed scheme includes introducing a minimum reduction on the amount of support that would otherwise be available for most households with other adults living in the property (known as a non-dependent deduction), as well as increasing the current deductions by 20% (see appendix C). This inclusion of other resident adults in the financial assessment will ensure households with a larger number of resident adults make a higher council tax contribution when compared to single, couples and those with dependent children (i.e., children for whom child benefit is received for).

27. The introduction of a standard minimum payment for all households receiving benefit levels based on the government assessed needs allowance means that all households will make the same level of council tax contribution.

28. Restricting Council Tax Support by council tax band, a minimum payment and by non-dependant deductions are common methods of reducing the cost of local working age Council Tax Support schemes in England.

### **Scheme options Considered and Transitional Arrangements**

29. A range of other options to amend the Council Tax Support Scheme have been considered. These included increasing the value of the income band thresholds, increasing the maximum award for non-protected households only, restricting council tax support to a higher council tax band, and reviewing the earned income taper, minimum weekly entitlement, and capital limits. However, none of these options achieved the required level of savings.

30. As part of the initial modelling undertaken prior to the consultation, consideration was also given to adopting different levels of minimum payment, of 30%, 40% and 50%. However, the preferred option, which was put out to consultation, was to consult on 50% minimum payment. This was because:

- the cost of Enfield's Council Tax Support Scheme is the highest in London and one of the objectives of this proposal was to reduce the scheme total cost to closer to the London average.
- The budget gap facing the Council is significant. Given the scale of the budget challenge, the Council's preferred option was to consult on the proposal which resulted in the greatest saving for the Council.

31. Consideration has been given to the introduction of a transitional council tax support scheme for 2024/25 to lessen the impact of the proposals on the protected groups, in particular for those disabled people who previously received the maximum award of 100%, and who were previously treated as a protected group. A transitional scheme could, for example, have made the maximum award for protected groups 75% in 2024/25, moving to 50% in 2025/26. It is estimated that this sample transitional arrangement would reduce the level of income that we could otherwise collect in 2024/25 by £2.5m (GLA and Council). However, given the scale of the budget gap the Council faces, no transitional arrangements are proposed. Rather than a "blanket" transitional arrangement to support previously protected groups, it is recommended that financial support be provided through targeted support via the increased Hardship Fund of £1.5m. The Hardship Scheme will consider individual household circumstances, including household income and outgoings for each claim.

### **What are the proposals to amend the Council Tax Support scheme in 2024/25?**

32. The proposed revised Scheme for 2024/25 is attached at Appendix A. Further information on those aspects which must be followed in all schemes can be found in the Council Tax Reduction Schemes (Prescribed Requirements)

(England) Regulations 2012 (and subsequent amendments). Anyone who is liable for Council Tax (tenants and homeowners) can apply for council tax support. An Application for Housing Benefit or Universal Credit can be used as a claim for council tax support, or a separate council tax support application can also be completed. Generally, low-income households (including those that work) will be entitled to some level of support towards their council tax, this depends on the individual circumstances.

The amount of council tax support in a council tax bill depends on:

- The local council tax support scheme
- Household type – working age (subject to the local scheme agreed) or pension age (subject to prescribed government regulations which must be adhered to)
- Household circumstances (for example single, part of a couple, number of children the household receives child benefit for, residency status)
- Household income - this includes savings, pensions, benefits and earnings for claimant and partner

33. Under the 2023/24 scheme, Enfield has four distinct financial assessments within the overall scheme:

- The statutory scheme for pensionable age claimants
- The Council's scheme to protect disabled people, carers, and care leavers from making the minimum payment
- The financial assessment for working age households still in receipt of legacy benefits e.g., Income Support
- The banded income financial assessment for working age households in receipt of Universal Credit

34. There are three proposed changes in the 2024/25 scheme:

- Restricting the Council Tax Support to a maximum Band C council tax liability
- Introducing a minimum non-dependant deduction for most households with other adults living in the property and increasing the current deductions by 20%.
- Introducing a standard minimum payment for most working age households, excluding war widows and single under 25's (includes care leavers) to ensure the majority contributes to their council tax.

35. Eligible households (war widows and single under 25s) on a low income can receive a council tax reduction of up to 100%. Council taxpayers can apply if they own their own home, rent, are unemployed or working.

The 100% support maybe further reduced depending on:

- Other proposed local council tax support scheme changes that may apply (restriction to Band C and non-dependant deduction changes, including the 20% increase in 2023/24 rates) Household circumstances (for example income, number of children, benefits, residency status)



- Household income - this includes savings, pensions, and partner's income
- Children who live in the household
- if other adults live in the household

36. Example calculations of the changes are shown at Appendix B.

**(1) Restricting council tax support to a maximum Band C council tax liability**

37. It is proposed that Council Tax Support be restricted to a Band C council tax liability. This means that households in higher banded properties will have their support reduced to the council tax liability level as if they occupied a Band C property. Example calculations are shown at Appendix B. The 28,818 households in properties by council tax band in receipt of Council Tax Support as of 31<sup>st</sup> December 2023 is set out below:

- 2,153 residents in Band A
- 4,664 residents in Band B
- 11,039 residents in Band C
- 8,183 residents in Band D
- 2,258 households in Band E
- 437 households in Band F
- 83 households in Band G
- 1 household in Band H

**(2) Introducing a minimum non-dependant deduction for most households with other adults living in the property and increasing the deduction rates made in 2023/24 by 20%**

38. A non-dependant is a person living as a member of the applicant's household who is not their partner or a child/young person for whom they are responsible (receive child benefit for). There are certain exceptions such as joint-occupiers, boarders, and paid carers, who are not treated as non-dependants. Non-dependants aged 18 or over are usually expected to contribute to household expenses such as council tax. The level of contribution is calculated as a "non-dependant deduction," based on circumstances and income that the non-dependant receives.

39. An estimated 7,250 households have non dependants and will be impacted by this change. 3,000 claims will have a deduction introduced who do not currently have one as either receiving out of work benefits or disregarded due to the claimant and/or partners circumstances (because of them being registered blind or receiving certain disability benefits). In future, the Council Tax Support scheme will restrict the current range of non-dependants where a zero deduction is made to ensure most adults living in the property contribute towards the council tax.

40. Part of this proposal is to also increase the non-dependant deduction rates by 20% in 2024/25. This will impact on all households with non-dependants. The details of this deduction are set out in paragraph 47 of the proposed Scheme and Appendix C. The weekly deduction will vary depending on whether the non-dependant is in work (£24.60) or not in work (£5.52). Where the non-

dependant in work has low gross weekly earnings, the deduction is reduced correspondingly. The highest non dependant deduction rate has not been uprated since the introduction of Council Tax Support. The other rates had been frozen since 2013/14 before government uprating applied for last few years. The 20% uprating ensures all non-dependents make a fair contribution towards the council tax.

41. This change will introduce a deduction for non-working adults and pensioners in the financial assessment. Students, boarders, sub-tenants, and adults disregarded for council tax purposes will remain excluded from a deduction. A list of council tax disregarded adults is included at Appendix C. The rationale for maintaining this exclusion is that the person either does not live within the household e.g., a person in detention or is a patient in hospital or care home, receives little or no state benefit, e.g., students, is still classed as a child for child benefit purposes or is a diplomate or similar. An example calculation of the proposed non-dependant deduction is shown at Appendix B, example 4. Appendix C shows the current and proposed non dependant deduction rates.

### **(3) Introducing a standard *minimum* payment for all working age households to ensure everyone contributes to their council tax.**

42. The current scheme contains two levels of minimum payment dependent on the households as set out below:

- A minimum payment of 24.5% is currently paid by 18,000 households who are working age and either out of work or in low paid work and receiving Universal Credit or a legacy benefit e.g., Income Support.
- There is currently no minimum payment for 11,000 households, known as protected groups, where:
  - A claimant or their partner is in receipt of Carers Allowance
  - A claimant or their partner is in receipt of High-Rate Disability Living Allowance (Mobility and Care component) or Enhanced Personal Independence Payments (Daily Living and Mobility Component)
  - A claimant or their partner is in receipt of the support component of Employment and Support Allowance.
  - A claimant or partner is a foster carer and was recruited and trained by Enfield Council.
  - An applicant or their partner is in receipt Universal Credit and has the following elements included in their awards - limited capability for work, disabled child element or carer element
  - War Widows
  - A single claimant under 25 years old (including care leavers)

43. Under the proposed CTS for 2024/25, the scheme will have one standard 50% minimum payment for all working age households (save for war widows and under 25s). This is likely to increase the amounts paid by those set out in the previous paragraph, although the precise increase will depend on an individual's particular circumstances. Example calculations are shown at

Appendix B. Appendix D shows the proposed income bands which are based on the existing 2023/24 levels.

### War Widows and Under 25 years old

44. The proposal will retain “protected groups” status for working age War Widows and for single people under 25 years old. There is currently one war widow household receiving protection for minimal CTS cost. Given the small cohort of households and small cost, the Council proposes to continue this protected group. In December 2023, 400 households receive the under 25-year-old protection at a cost of £69,000 per annum. The Government assessed personal allowance is reduced for claimants under 25 years old. Given the lower level of benefit for under 25s, the relatively small cost of CTS for this group and the extra challenges faced by care leavers, the Council proposes to continue this protected group.

### Summary of Changes

45. The table below aims to summarise the proposed changes:

	Who affected	23/24 Scheme	24/25 Scheme
Council Tax Banding	Impacts Band D and above 11,000 Working Age Claims	Based on the banding of the home –	Restricting the support to a maximum of Band C council tax
Non-dependent income	Households with adults property 7,250 Working Age Claims	No non-dependent deduction if non-dependent in of work benefit – No non-dependent deduction regardless of income if claimant or their partner receives certain disability benefits Non-dependent deduction rate based on working and other income	Introduce a minimum deduction of £5.52/wk. Remove claimant/partner circumstances disregard Increase all deduction rates by 20%
Minimum Payment	Everyone 29,000 Working Age Claims	–24.5% for those not protected 0% for protected groups	50% - same minimum payment for both groups

### What is the impact of the proposal on households?

46. Circumstances of households vary significantly, and circumstances change frequently, so it is not possible to provide details of the impact for all claimants

in 2024/25. Based on current caseload most working age households will be impacted by this change. The charts below show the number of Council Tax Support claims and potential range of financial loss on the weekly council tax due. The data shows the expected impact of the changes on households by age, council tax band and household type. The Equality Impact Assessment (Appendix H) provides further details on the expected impact on households and the different protected characteristic groups.

**Impact – Number of impacted CTS (Council Tax Support) households by age**

Age band	Enfield population 2021	% of total	CTS Claimants	% of total
Aged 4 years and under	21300	6.5%		
Aged 5 to 9 years	22800	6.9%		
Aged 10 to 14 years	24100	7.3%		
Aged 15 to 19 years	21300	6.5%	26	0.1%
Aged 20 to 24 years	19100	5.8%	647	2.2%
Aged 25 to 29 years	21200	6.4%	1812	6.2%
Aged 30 to 34 years	23100	7.0%	3210	11.0%
Aged 35 to 39 years	24000	7.3%	4388	15.1%
Aged 40 to 44 years	24600	7.5%	4491	15.4%
Aged 45 to 49 years	22700	6.9%	4208	14.5%
Aged 50 to 54 years	22700	6.9%	3757	12.9%
Aged 55 to 59 years	21100	6.4%	3285	11.3%
Aged 60 to 64 years	17100	5.2%	2591	8.9%
Aged 65 to 69 years	12800	3.9%	690	2.4%
Aged 70 to 74 years	11200	3.4%		
Aged 75 to 79 years	8200	2.5%		
Aged 80 to 84 years	6500	2.0%		
Aged 85 and older	6400	1.9%		
<b>All persons</b>	<b>330200</b>	<b>100%</b>	<b>29105</b>	<b>100%</b>

**Impact – Weekly household reduction in CTS by council tax band**

	Less than £5 per Week	£5-£9.99	£10-£14.99	£15-£19.99	£20-£24.99	£25-£29.99	£30-£34.99	£35-£39.99	£40-£65.00	Grand Total
A	1370	775	145	82	12					2384
B	1908	1375	1640	81	39	16				5059
C	4895	3334	2459	942	188	86	40			11944
D	2195	3104	1039	1329	775	285	80	71		8878
E	478	350	644	244	260	194	194	35	57	2456

F	64	35	65	97	58	43	21	33	56	472
G	15	10	5	13	14	10	10	2	14	93
H								1		1
<b>Total</b>	<b>10925</b>	<b>8983</b>	<b>5997</b>	<b>2788</b>	<b>1346</b>	<b>634</b>	<b>345</b>	<b>142</b>	<b>127</b>	<b>31287</b>

### Impact – Weekly reduction in CTS by household type

Weekly reduction in CTS by household type										
Household Type	< £5 per Week	£5-£9.99	£10-£14.99	£15-£19.99	£20-£24.99	£25-£29.99	£30-£34.99	£35-£39.99	£40-£65.00	Grand Total
<b>Couple with 1 child</b>	890	535	268	192	121	42	19	11	12	<b>2090</b>
<b>Couple with 2 or more children</b>	1445	1559	665	433	192	85	25	11	15	<b>4430</b>
<b>Couple with no children</b>	517	270	360	323	222	133	71	39	33	<b>1968</b>
<b>Lone parent with 1 child</b>	2571	1833	878	351	171	58	40	6	6	<b>5914</b>
<b>Lone parent with 2 or more children</b>	2438	2615	1127	580	191	56	32	15	10	<b>7064</b>
<b>Single person</b>	3023	2170	2699	909	449	260	158	60	51	<b>9779</b>
<b>Total</b>	<b>10884</b>	<b>8982</b>	<b>5997</b>	<b>2788</b>	<b>1346</b>	<b>634</b>	<b>345</b>	<b>142</b>	<b>127</b>	<b>31245</b>

47. On average across all claims, residents will be expected to pay £8.84 more a week towards their council tax bill. It is estimated, if these proposals are agreed, 10,800 households (33%) will be required to pay up to an additional £5 a week more council tax than currently.

48. Council Tax Support for pensioners will continue to apply to the whole council tax bill in accordance with the statutory Government scheme. A pensioner is someone who has reached the qualifying age for state pension credit. The proposal will impact working age households with a pensioner non dependant. There are less than 200 pensioner non-dependants who could potentially be included within the financial assessment for the first time and an estimated deduction of £5.52 per week will be made if the scheme is amended in 2024/25.

49. Note the modelling above is based on caseloads, household income details, and the Council Tax billing values in Autumn 2023. Therefore, this modelling excludes the impact of the proposed increase in Council Tax of 4.99% and the

GLA increase in Council Tax and changes in caseloads and income levels of residents. The impact of any increase in the rate of council tax will be kept under review.

### **How will the Council seek to mitigate the impact of these proposals?**

50. Specific measures to mitigate the impact of the change in scheme include:
51. Applying alternative applicable council tax regulations, where reductions are based on circumstances that are not financial but based on non-financial circumstances e.g., disabled relief (based on adaptations to the property that can reduce the council tax liability to the equivalent to one band lower) and severely mentally impaired exemptions (based on doctor's certification and the award of appropriate disability benefits). These are sometimes not claimed where Council Tax Support based on financial circumstances are claimed so these options may now become more beneficial to mitigate the impact in the reduced support. The Council has proactively identified and contacted households to ensure that they are aware of these potential reliefs in advance of the proposed scheme being implemented.
52. Disability benefits and disability related premiums will continue to be disregarded in the Council Tax Support calculation. This is particularly relevant to those who are currently protected due to being in receipt of disability benefits and/or carers allowance. This ensures that those currently protected and losing their protection, continue to have a higher income than those not protected, to reflect their additional disability related costs.
53. The examples below show the difference in income between a single person with disability benefits and a single person who doesn't have disability benefits. They will both be asked to pay the same Council Tax under the new scheme proposals; although the person with disability benefits has greater income levels (to support their needs) this income is not taken into account:  
**Example 1 Single person protected in 23/24 with disability benefits**  
Income per week in 24/25 will be £280.55/wk., made up of £108.55 personal independent payments disregarded £172.00 Universal Credit calculated from (£81.50 Severe disability premium + £90.50 applicable amount as over 25 years old)  
**Example 2 Single person not protected with no disability benefits**  
Income per week in 24/25 will be £90.50/wk., made up of £90.50/wk. Universal Credit calculated from (£90.50 applicable amount as over 25 years old)
54. All households currently in receipt of Council Tax Support were offered one-to-one advice on how the change directly impacts their household either via email or over the phone to investigate options to mitigate the impact of this change. This also included contacting relevant voluntary sector organisations, including those that are focused on disability, e.g., Enfield Carer's Centre, contacting the GLA (Greater London Authority), and holding local advice surgeries.
55. Increase the money available under the discretionary Council support hardship fund. Enfield's council tax support Hardship Policy is shown at Appendix E.

The policy ensures that a level of support is available to those applicants most in need (those with extreme financial hardship). It should be noted that the Council Tax Support Hardship fund is intended to help in cases of extreme financial hardship. Extreme Financial Hardship is 'hardship beyond that which would normally be suffered.' The policy outlines the Hardship fund application, and award process. The total hardship fund for 24/25 will be £1.5m, an increase of £1m from the previous year. However, it must be noted that any financial mitigation may only partially or temporarily assist with the higher council tax bills.

56. The Council will continue to provide the Welfare Advice & Debt Support Team service which helps to support vulnerable residents to maximise their income and get their full entitlement to welfare benefits and provides advice and assistance. The Team also supports residents with council debts such as rent arrears, Adult Social Care debt, Housing benefits overpayments and Council tax arrears/debt. For other debts residents can be offered a fast-track referral process to Citizens Advice. The aim is to holistically case manage the resident's situation.

### **Affordability**

57. The Council has considered the affordability for impacted council tax support households and in particular those previously protected groups where the protection is to be removed under the 2024/25 scheme. The Council does not hold details of household outgoings for the 29,000 impacted households and so it is not possible to assess the affordability of the impact on all 29,000 households.
58. The aim of these proposals is for all households to make a contribution towards the Council services that residents in the borough benefit from. However, it is recognised that where a resident is unable to work because of their disability they may face a particularly significant impact, as they may have higher disability related costs and will not have the ability to increase their income. The Council Tax Support scheme seeks to reduce this impact, by disregarding the disability related benefits or disability premiums in the Council Tax Support calculation. See Appendix 5 of Appendix A for details of the income that is ignored fully or in part. This also applies to residents that are not able to increase their income due to carers responsibilities. These residents will be able to retain more of their income when calculating the level of Council Tax Support in recognition of this, so that that income remains available for contributing towards disability related costs.
59. If an individual household is experiencing significant financial hardship as a result of the increase in council tax the Council will support that household via welfare and benefit advice to maximise income, and through the hardship fund if the increase is still unaffordable.
60. The increase in council tax hardship scheme of £1m is aimed to mitigate the impact of the proposed changes, and individual household income and outgoings are considered as part of the application process.

## **The Consultation Process**

61. The consultation was originally run for 12 weeks between 22nd September and 17th December 2023. The consultation was promoted in a variety of ways as detailed in the council tax support scheme 2024 – 2025 campaign plan (See Appendix I). This included:
- sending around 800 voluntary and community sector organisations in the borough several VCS e-bulletin newsletters since September,
  - using the Council's social media platforms; MyLife website.
  - emailing all councillors.
  - articles in local newspapers,
  - Housing Newsletters sent to all tenants and leaseholders, and posters in libraries.
62. In addition, all 29,000 working age council tax support recipients, affected by the proposals, were emailed or sent a letter, offering 1-1 discussion. 66 made contact and were all spoken to and advised about how the proposals would affect them, any alternative support they may have been entitled to and about the council tax support hardship scheme.
63. The Greater London Authority was invited directly to respond to the consultation as part of the statutory consultation process and specific meetings were held to set out the proposals.
64. Teams across the council whose client groups may be affected by these proposals were also made aware via presentations and an opportunity to ask questions. This included customer services, community hubs, housing, and social services. There was also a general briefing to the wider council middle managers.
65. In addition, the council proactively engaged with representative groups of residents, including the learning disability and mental health partnership boards setting out the implications. Following feedback from the learning disability partnership board, the Council took additional action and extended the consultation to provide people with additional time to respond. The FAQs were updated, an easy read version was produced, and the Council's hardship policy was added to the consultation.
66. Subsequently, the consultation was extended by 4 weeks to 21st January 2024. In total 308 responses were received, of which 24 were received during this extended time period. Additional promotion during this period was made as detailed in the Campaign Plan (See Appendix I)

### **On-line questionnaire for residents**

67. All 29,000 working age claimants impacted by the proposal were emailed or written to, regarding the online consultation and offering a one-to-one session with a Council Tax officer to give an indication of how the proposal may impact on their household.



68. An easy read version of the FAQs for those who may have problems completing the standard version, such as those with learning difficulties, was also made available on the website from the 11<sup>th</sup> of December 2023.

### **Voluntary and Community Sector (VCS) e-newsletter**

69. Articles were added to the VCS e-newsletter, which is sent to around 800 local VCS organisations. VCS organisations were invited to respond to the consultation and were also asked to promote the consultation among their clients and service users. The first article was sent during the first week the consultation was launched, and another article added to the e-newsletter at the mid-point of the consultation period. Individual consultation briefings were made to Citizens Advice and the Learning Disability and Mental Health Partnership Boards.

### **Targeted communications campaign**

70. The consultation was also promoted via the following means:

- Social media posts - Organic Enfield Council Facebook and Twitter platforms
- Enfield Council e-newsletters - Jobs and Training, Information for Council tenants and leaseholders, Benefits and Social Support, Health & Wellbeing and News from the council
- Poster advertising in libraries and civic buildings
- Housing News (hard copy newsletter to Council tenants and leaseholders)
- Newspaper Adverts - Local and foreign-language newspapers, including Greek and Turkish newspapers
- Enfield Council internal staff channels - Staff Matters (staff newsletter), TV screens and posters in corporate buildings

### **Consultation Response Summary**

71. In total, 308 responses were submitted. 297 were completed questionnaires and 11 were emailed responses, of which two were from voluntary and community sector groups, and a response from the Greater London Authority. 66 emails requesting individual advice regarding the impact of the proposal on household Council Tax were received. Of these, 42 would be negatively impacted and were given welfare benefit and other financial advice. Information from these sessions has been captured and considered. Personal information specific to the individuals' circumstances will not be shared.

72. The results of the consultation can be viewed in Appendix F. Part 1 shows the Greater London Authority (GLA) response and Part 2 displays the responses to the questionnaire from residents and representatives of voluntary and community sector organisations.

### **Greater London Authority (GLA) Response**

73. A more detailed summary of the feedback received from the GLA is contained in Appendix F. The GLA acknowledges that local authorities face difficult choices on CTS schemes considering their challenging financial circumstances. This is particularly acute in outer London boroughs like Enfield which are seeing rapid population growth leading to core pressures on services and rising costs in areas such as temporary accommodation due to rising rents and pressures on the supply of housing. The GLA acknowledged that Council funding has not been updated to reflect current need.
74. The GLA feedback also suggested that the Council should develop more detailed analysis of households' ability to meet these increased liabilities using established platforms and methodologies.
75. The GLA welcomed the Council's proposed additional £1 million hardship scheme. Adequate support should be made available to households facing the most significant impact due to the changes made.
76. The GLA would encourage the council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval, in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2024-25. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.
77. The GLA commented that the proposed minimum contribution rate of 50% is higher than other boroughs in London.

## **Response**

78. The Council does not hold data regarding individual household outgoings for the 29,000 households impacted by the proposal. In estimating the householder's ability to pay, and therefore the collection rate, an allowance has been made in the calculations for non-collection and bad debt. This estimate was based on using a recognised methodology – using the data the Council holds on the collection rates for existing households in receipt of council tax support as a guide. The GLA also clarified that "customer platforms" or online calculators would need to be developed. Officers have queried with the GLA what they meant by 'using established platforms and methodologies' to carry out more detailed analysis of households' ability to meet increased liabilities, as officers are not aware of any established platforms and methodologies that could achieve this. The GLA has seen the modelling already carried out by the Council, and contained in this report/appendices. The GLA confirmed to officers that their focus was on the desirability of customer platforms or online calculators being made available to model the impact of the changes for customers. The Council website contains detail on how to claim, who is eligible and the scheme rules. These will be updated for 2024/25. Online calculators are already available on the Council website, and these will be updated as a matter of course.
79. If individual households are unable to afford to pay the increased council tax the mitigation will be via the £1.5m hardship scheme for those in extreme

hardship. Staff to support this process are in place through the Welfare advice and debt team. In addition, a specific team has been set up to manage the debt collection for those specifically impacted by this proposal and debt recovery processes adapted.

80. Applications for support under the Hardship Fund support are assessed by considering the household income and outgoings on a case-by-case basis. As requested, the Hardship Fund will provide support to those households facing the most significant impact due to the changes made.
81. The rationale for the minimum payment of 50% has been set out above. The Council has the highest cost of Council Tax Support Scheme in London and in order to bring the total cost of the scheme in line with the London average and assist in addressing the budget gap the Council faces, significant changes are needed. The figure of 50% is recommended so as to maximise the income the Council receives, and to contribute towards the Council's budget gap.
82. The Council has sent the GLA the requested supporting calculations and assumptions.

### **Key findings from the questionnaire**

83. The key consultation findings from residents and voluntary sector representatives are shown at Appendix F with analysis contained in Appendix G. Overall, those that responded appeared to understand the changes well.
84. Of the 28,000 emails sent to those affected by the changes, 67 responded to offers to explain the changes and how they would be impacted and all 67 were contacted to provide this and to advise of any other help they were entitled to.
85. There was balanced representation from those responded with the following breakdowns:
- 53% of respondents are currently claiming Council Tax Support
  - 50% of respondents live in the east of the borough and 50% of respondents live in the west of the borough
  - 46% of respondents have a disability 48% of respondents are from Black and ethnic minority groups
  - 68% of respondents were female
  - 53% of respondents were under 50
86. Between 54% and 67% disagree with all 3 elements of the proposal.
87. Most concerns expressed are around the affordability and loss of decent standard of living for those impacted individuals with disabilities losing protection.

### **Proposal 1: Restricting the support to a maximum Band C Council Tax liability**

88. A majority of those responding disagree with this proposal, with close to two thirds of claimants with a disability stating they disagree. Claimants who may

be impacted by the proposal are concerned about financial hardship, especially those who have a disability. Suggestions to mitigate the impact include considering individual circumstances rather than applying a uniform approach, maintaining support for those who are vulnerable, and not increasing council tax every year.

## **Response**

89. The Council could decide not to agree this proposal to restrict support to a maximum Band C Council Tax liability, but that would reduce the amount of income that would otherwise be generated by the change. A variation on the proposal could be considered e.g., limiting the support to, say, Band D or higher but, again, this will not generate the same level of income as that generated by the proposed change and, consequently, other savings or income would need to be identified in substitution, which has not been possible.
90. The proposed Council Tax Support scheme is application based and does consider each individual household's income but not expenditure. A full income and expenditure assessment is conducted should an application for hardship be made.
91. The option of maintaining the existing scheme or for example considering specific exceptions was considered. There are two exceptions proposed, namely war widows and care leavers. However, if we had retained the existing scheme for householders that are in receipt of disability benefits and/or carers benefits this would have reduced the cost of the Council Tax Support scheme by some £5m and Council income by £1.5m when taking into account the GLA share, bad debt and administration costs. Given the Council's financial context, it was not possible to agree further exceptions. The £1.5m hardship fund is aimed to mitigate this impact.
92. A Council Tax increase of 4.99% proposed for 2024/25 is expected to raise £9m income. The Government's core spending power assumptions for councils assume that Council Tax will be raised by the level up to the referendum limit (4.99%). If Council Tax is not increased by 4.99%, the Council will not be able to set a balanced budget.
93. Although not raised in the response above, householders with a disability may be able to apply for a reduction in their council tax bill which is equivalent to a reduction in Council Tax banding where the property has been adapted and meets the criteria for disabled relief. See the Local Government Finance Act 1992 for the disabled relief provisions.

**Proposal: Introduce a minimum non-dependent deduction for households with other adults living in the property and increase the current deductions by 20% (excluding students, boarders, and others).**

94. A majority of those responding disagree with this proposal, including almost six out of 10 benefit claimants. Those who could potentially be impacted by the proposal are concerned about increased financial challenges for households (including young adults and students) and a negative impact on

the quality of life and wellbeing of claimants. Mitigating actions suggested including continuation of the CTS scheme in its current format, exemptions for some claimants and for savings to be reinvested back into the community for improvements, particularly in public spaces and amenities.

## **Response**

95. The suggestion of continuing with the existing discretionary scheme was considered but will impact on the Council's commitment to remain financially resilient to meet its statutory duties and to ensure that vital universal and targeted services can continue to be delivered. The option of including exceptions to the scheme were considered - two are proposed, war widows and single people under 25 (includes care leavers). However, if we had retained the existing scheme for householders that are in receipt of disability benefits and/or carers benefits this would have reduced the cost of the Council Tax Support scheme by some £5m and Council income by £1.5m when taking into account the GLA share, bad debt and administration costs. Given the Council's financial context, it was not possible to agree further exceptions. The £1.5m hardship fund is aimed to mitigate this impact.

96. The proposal to reinvest the savings in the community is noted. The savings generated will be used to maintain existing essential and other services.

### **Proposal 3: Standardising the minimum payment for most working age claimants at 50% (excluding war widows and single people under 25 including care leavers)**

97. Around two thirds of those responding disagree with this proposal, including around three in four benefit claimants. Those who could potentially be impacted by the proposal were concerned about increased financial hardship and a negative impact on the vulnerable and those with a disability. Mitigating actions suggested: including protection of some groups (e.g., those receiving Disability Living Allowance, personal independent payments, and Carers Benefits), incrementally amending the maximum awards/minimum payments and to effectively communicate the changes.

## **Response**

98. As set out previously, the option of including exceptions to the scheme were considered - two are proposed, war widows and care leavers. However, if we had retained the existing scheme for householders that are in receipt of disability benefits and/or carers benefits this would have reduced the cost of the Council Tax Support scheme by some £5m and Council income by £1.5m when taking into account the GLA share, bad debt and administration costs. Given the Council's financial context, it was not possible to agree further exceptions.

99. The council tax support scheme is designed to ensure that the disability related benefits and carers allowances are considered as part of the calculation in recognition of the householders particular circumstances. For example, the Council Tax Support scheme disregards the additional disability related benefits in the calculation and the calculation also allows those in

receipt of carers allowance to retain more of their income when calculating the level of Council Tax Support.

100. The £1.5m hardship fund is also aimed to mitigate this impact which considers the householders income and outgoings on a case-by-case basis.

### **Summary of feedback from voluntary and community sector groups**

101. Voluntary and community sector groups highlighted several issues in submissions via email and the questionnaire:

- Unfair treatment of working age residents - Concerns about the perceived injustice of treating all working-age residents equally, emphasising the unique challenges faced by disabled individuals who cannot increase their income through work.
- Affordability challenges - Questions around the affordability of proposed deductions, especially for those on other benefits.
- Complexity of hardship fund access - Worries about carers, and vulnerable and disabled residents being directed to a difficult-to-navigate hardship fund, potentially causing vulnerable individuals to miss out on crucial support
- Impact of Council Tax on vulnerable and disabled residents – Issues raised regarding residents with complex needs housed in higher band Council Tax properties, emphasising the importance of considering financial need over residence in Council Tax Reduction Schemes.
- Lack of consultation – Criticism of the lack of public consultation events to enable claimants to better understand the proposals and the potential impact.

102. The key theme raised was negative impact on specific groups (e.g., those with a disability), particularly those who cannot increase their income through work).

103. A summary of the mitigating actions proposed by VCS groups are:

- Clarity in hardship fund process - Requesting a clear and straightforward explanation of the hardship fund and its application process, with a proposal for a dual application system during Council Tax Support applications to ensure clients do not miss out on the hardship scheme
- Protection for vulnerable residents - Calls to retain full protection for vulnerable working-age residents, especially those unable to work and in receipt of higher rate disability benefits (Higher Rate Disability Living Allowance, Higher Rate Personal Independence Payments, and the support component of Employment Support Allowance)

- Protection for carers – Suggestion to retain full protection for those in receipt of Carers Allowance
  - Military compensation disregard - Strong emphasis on disregarding all forms of military compensation (such as War Pension Scheme and Armed Forces Compensation Scheme) as income in Council Tax Support assessments and extending this principle to locally administered benefits like Disabled Facilities Grants, Housing Benefit, and Discretionary Housing Payments
  - Exemption for other adults - Recommending the exemption of military compensation received by other adults in an applicant's property to prevent unfair penalties for compensation recipients among other residents
104. Suggested mitigating actions focus on eliminating or reducing the potential impact on specific groups (including those with a disability, carers, and ex-military personnel).

## **Response**

105. It is acknowledged that there may be significant affordability challenges for individuals affected by the proposals and affordability will be considered when any applications to the hardship fund are assessed. However, if we had retained the existing scheme for householders that are in receipt of disability benefits and/or carers benefits this would have reduced the cost of the Council Tax Support scheme by some £5m and Council income by £1.5m when taking into account the GLA share, bad debt and administration costs. Given the Council's financial position, it is not possible to agree further exceptions. .
106. The report summarises above how disability benefits/premiums are excluded from the council tax support calculation; this results in individuals retaining these benefits that are provided to support their needs.
107. The Council will work closely with the voluntary sector to ensure vulnerable residents are supported with the council tax support hardship process and applications for any other appropriate exemptions or reliefs. The current hardship application form is being reviewed to simplify it. Frequently Asked Questions are included on the Council's website to address common queries. To support residents, face to face support will continue to be made available at our two library hubs in Enfield Town and Edmonton Green Library. The Welfare Debt and Advice Team will be available to provide support. As part of the consultation process, we asked if respondents were aware of the hardship scheme and 53% were aware. The Council recognises this challenge and will continue to explore ways of better promoting the hardship scheme.
108. Further, there are around 200 households that may be eligible to apply for a discount based on the fact that they are severely mentally impaired (this is a specific classification) and remain eligible for a full or partial reduction in their

Council Tax, this is part of the statutory Council Tax regulations. The council has proactively written to everyone who potentially can make a claim under this provision because historically residents did not need to make this application as the old council tax support scheme provided this 100% reduction. In addition, the Council has written to 500 carers that may be eligible for a 25% discount in their council tax where there are two adults in the property (i.e., having a carer present equates to a single person discount). Individuals in this situation may not have made this application previously, as the previous council tax support scheme provided a 100% reduction through another route.

109. The council tax banding system is a national scheme and the CTRS has to operate within the legislation which determines bands. However, where the property has been adapted and meets the criteria for disabled relief, householders can apply for a reduction in their council tax bill which is equivalent to a reduction in Council tax banding. These provisions are included within the Local Government Finance Act 1992. Further, where a household has been placed in a particular home (Band D and above) as a result of their care needs, and this causes significant hardship, the individual may apply to the discretionary hardship scheme for support.

110. The Council has undertaken extensive consultation using a variety of different consultative methods and has received feedback from over 300 individuals and groups.

111. With regards to disregarding military compensation the Council maintains the disregard in accordance with the Government default scheme.

### **General preferred approach**

112. Most respondents would rather no change is made. Support for this is especially strong among those in receipt of Council Tax Support that are impacted by the change, especially those with a disability. The preference for those that don't receive council tax support is to implement all three proposals.

### **Suggested alternatives**

113. Respondents were asked to identify any suggested alternatives to the proposals. Suggested alternatives include introducing income-based council tax, increasing revenue through, for example, property rationalisation, and working with the voluntary and community sector to provide support.

### **Response**

114. The Council cannot amend the statutory basis for council tax. The Council already seeks to maximise income where possible and rationalises property assets as a matter of course, as part of its property management service. The



Council will continue to work closely with the VCS once the proposals are implemented.

### **Awareness of Council Tax Support Hardship Scheme**

115. Just over half of respondents were aware of the council tax support hardship scheme prior to the consultation. There were slightly higher levels of awareness among those with a disability and those in receipt of council tax support. As a result, more awareness and support in claiming council tax support hardship will be put in place and will be part of every conversation and enquiry made where the council taxpayer in receipt of council tax support says they will struggle to pay the increase in council as a result of the changes

### **Further comments**

116. Except for lobbying central Government to review council tax and provide fair funding, all other issues are highlighted elsewhere in the report.

### **Financial Implications**

117. The total reduction in the Council Tax Support Scheme is £14.3m and the contribution towards the Council's budget gap is £5.8m net.

118. This is, in part because the Council Tax Support Scheme applies to funds collected by the Council on behalf of the Greater London Authority. In addition, the council has prudently, estimated that the collection rate for those impacted by the change may be lower. There is a commitment of an additional £1m to mitigate the impact of these proposals by increasing the existing discretionary welfare support scheme to £1.5m. Further this includes a £500k investment in staffing resources to support collection and to mitigate the impact through access to the welfare advice and debt service. This is set out in the table below:

	<b>Total</b> £m	<b>Council</b> £m	<b>GLA</b> £m
Increase in Council Tax Income as a result of the changes in the Scheme	14.326	11.057	3.269
Less assumed collection rates and bad debt	4.833	3.730	1.103
Total Income	9.493	7.327	2.166
Less:			
Hardship Fund increase	1.000	1.000	0.000
Additional staffing	0.500	0.500	0.000
Total expenditure	1.500	1.500	0.000
Net Impact	<b>7.993</b>	<b>5.827</b>	<b>2.166</b>

119. Where an Adult Social Care client contributes to their care costs, an assessment is undertaken which considers income and outgoings such as council tax. It is estimated that there are 274 clients where the proposed council tax support scheme would reduce the contribution the client makes towards their care by £220k per annum (based on current caseloads, at 2023/24 rates). This will reduce the income collectible for Adult Social Care, there is not specific cost pressure listed in the final budget reports as this impact has been subsumed into the overall forecast for ASC income in 2024/25.

## **Legal Implications**

120. Under the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, every billing authority in England is required to make a Council Tax Reduction Scheme (CTRS). Enfield Council refers to its CTRS as its Council Tax Support Scheme.

121. Each financial year, every billing authority in England is required to consider whether to revise or replace its CTRS. The Act imposes certain procedural requirements which must be satisfied before a billing authority can make any revisions, including a requirement to consult persons who are likely to have an interest in the operation of their CTRS. In determining what revisions, the Authority should make to its CTRS, if any, it must have regard to the requirements of the Act, must conscientiously consider the consultation responses, and must comply with the public sector equality duty and any other public law principles.

122. If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority sees fit: see paragraph 5(4) of Schedule 1A to the Local Government Finance Act 1992. The report considers potential transitional provisions above and explains why none are proposed at the current time.

123. The observations and responses to the consultation have been summarised and can be found at appendixes F and G. Members must carefully review and consider those responses before taking a decision.

124. The decision to revise the CTRS, or replace the CTRS, is reserved to full Council under section 67 of the Local Government Finance Act 1992. Accordingly, Cabinet is asked to make a recommendation to full Council that the CTRS be revised as suggested. If the Council's CTRS is to be revised as proposed the decision to do so must be made by Full-Council, no later than 11 March 2024 to enable the revisions to come into force on 1 April 2024.

125. The public sector equality duty requires public bodies to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

126. The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender, and sexual orientation. The Council also considers the impact on those who are care experienced and those facing socio-economic disadvantage.

127. A detailed Equality Act Assessment has been carried out and can be found at Appendix H. Members should carefully review this document. It is acknowledged that the revised scheme will adversely affect some of the protected groups, however the Council has implemented mitigating measures to reduce that impact, which are addressed in this report.

### **Equalities Implications**

128. To assess the impact of the proposal on the protected groups, an Equality Impact Assessment (EqIA) has been carried out and is attached at appendix H. The EqIA does identify potential negative impacts on children and young people, working age people, disabled people and carers, women, people from an ethnic minority group and people facing socio-economic disadvantage, and a summary of these impacts is included below. The EqIA identifies several actions to mitigate the impact of the proposals, and these are summarised below. The EqIA also includes findings from the consultation that are relevant to the protected groups.

### **Age**

129. The proposals include an increase in the minimum contribution for all working age residents (except war widows and single people under 25 who are protected from the minimum payment) from 24.5% to 50%. The proposals would therefore be expected to have a negative impact on most working age adult claimants as they will receive reduced council tax support and be required to contribute more towards their council tax. On average residents will be expected to pay £8.84 more a week towards their council tax bill.

130. Approximately half of all CTS households have children (a person under the age of 16 or aged 16 to 20 in full time education or training) and households with children are therefore expected to be more likely to be negatively impacted by the proposals.

131. Given the lower level of benefit received by those under 25, the small cost of providing Council Tax Support for this cohort (£69,000 in 2023/24), and the recognition of the extra challenges faced by care leavers, the Council is proposing to maintain the protected group status of single people under 25 (including care leavers). This means they will continue to qualify for a maximum of 100% reduction in council tax (depending on income).
132. Pensioners, as defined for prescribed regulation purposes, are not included in the local scheme, and are assessed under the Government prescribed regulations. The proposals to increase the minimum payment and restrict to band C council tax liability would therefore not impact on these defined pensioner claimants.
133. Fewer than 200 pensioner non-dependants would be included within the financial assessment for the first time and an estimated deduction of £5.52 per week would be made. This may have a negative impact on households with pensioner non-dependants.

## **Disability**

134. Disabled people are more likely to be living in poverty than non-disabled people. According to data published by the think tank Joseph Rowntree Foundation, the poverty rate for disabled people is 29%, 9 percentage points above those who are not disabled. The difference is even more significant for working-age adults: disabled working-age adults are almost twice as likely to live in poverty than those who are not (35% and 18% respectively).<sup>1</sup>
135. Research published by disability equality charity Scope in 2023 reported on the extra costs faced by disabled adults and families with disabled children.<sup>2</sup> They found that disabled households (with at least one disabled adult or child) need an additional £975 per month to have the same standard of living as non-disabled households. These figures account for disability benefit payments like Personal Independence Payment (PIP), which are designed to make a contribution towards these costs. These extra costs are driven by disability-related factors such as the need to purchase specialist equipment and home adaptations; higher energy use; and inaccessibility of public transport resulting in greater use of taxis. The report uses data from 2019/20. If this figure is updated to account for inflation over the current period 2022/2023, these extra costs rise to £1,122 per month.
136. Disabled people in Enfield face lower levels of employment than non-disabled people. In 2022/23, it was estimated that 52.2% of disabled people in Enfield were in employment, lower than London (55.4%) and national

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<sup>1</sup> Joseph Rowntree Foundation, [UK Poverty 2023: The essential guide to understanding poverty in the UK](#), 2023

<sup>2</sup> Scope,

(54.9%) averages.<sup>3</sup> People affected by disability in Enfield had an employment rate that was 23.8 percentage points lower than that of people who are not affected by disability. Charity Disability Rights UK highlights that disabled people face disproportionate barriers to employment. They attribute several reasons for this, including lack of supported employment and internship programmes and lack of confidence and awareness among employers about workplace adjustments. This means that disabled people may not have the same ability to supplement their income through employment as non-disabled people.

137. Analysis from the Joseph Rowntree Foundation also finds that informal carers are more likely to live in poverty than those without caring responsibilities: 29% compared with 20%.<sup>4</sup> Working-age informal carers are less likely to be employed.

138. Under the current scheme, the following groups qualify for a maximum 100% reduction in their council tax bill:

- An applicant (or their partner) receiving Carer's Allowance.
- An applicant (or their partner) receiving Disability Living Allowance (either care component at the highest rate or mobility component at the higher rate) or enhanced Personal Independence Payments (daily living or mobility component).
- An applicant (or their partner) receiving the support component of Employment and Support Allowance.
- An applicant (or their partner) receiving Universal Credit who have the following elements included in their awards – limited capability for work, disabled child element or carer element.

139. The revised Council Tax Support scheme for 2024/25 will have one standard 50% minimum payment for all working age households. The proposed changes to the scheme are expected to have a negative impact on disabled claimants and carers as they will receive reduced council tax support and residents receiving the benefits listed above would be expected to contribute to their council tax bill for the first time.

140. In relation to the consultation, disabled respondents were less likely to agree with the proposals than non-disabled respondents.

141. When asked to explain the negative impact of the proposals on their households, respondents highlighted that a reduction council tax support could result in heightened debt, increased poverty, and compromises in meeting essential needs for disabled people. Concerns were also raised about the practicality of finding additional funds to pay for the increase in Council Tax (e.g., through work), and the extra costs associated with disabilities. VCS groups also raised issues regarding residents with complex needs being housed in higher banded Council Tax properties and emphasised the importance of considering financial need over residence in

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<sup>3</sup> Department for Work and Pensions, [Employment of disabled people 2023](#)

<sup>4</sup> Joseph Rowntree Foundation, [UK Poverty 2023: The essential guide to understanding poverty in the UK](#), 2023

Council Tax Reduction Schemes. The response to these concerns had been set out above.

## **Pregnancy and maternity**

The proposed changes to the Council Tax Support Scheme may negatively impact people who are pregnant or who have recently had a baby. In particular, the proposal to increase the minimum payment. This group may have less ability to increase their income, for example by increasing hours at work due to childcare responsibilities.

## **Race/ethnicity**

142. As of 31 January 2024, 5,262 working age Council Tax Support claimants have provided their ethnic group (out of a total caseload of 28,797). 2,725 claimants were from White ethnic groups; 1,777 were from Black or Black British ethnic groups; 337 were from Asian or Asian British groups; 353 were from mixed or multiple ethnic groups; and 70 were from Other ethnic groups.

143. Poverty rates between ethnic groups vary significantly, with some groups at a much higher risk of poverty than others. Nationally, according to research from the Joseph Rowntree Foundation, poverty rates for the Bangladeshi and Pakistani ethnic groups are higher than other ethnic groups. Between 2018/19 and 2020/21, 51% of people from the Bangladeshi ethnic group were living in poverty while the poverty rate for the Pakistani ethnic group was 44%. More than 2 in 5 people from Black ethnic groups were also in poverty (42%). In comparison, around 1 out of 5 people from White ethnic groups were living in poverty (19%).<sup>5</sup>

144. When analysing ward ethnicity data and council tax support claims by ward, we see that, for the most part, the wards with the highest number of Council Tax Support claims are also the wards with the highest proportion of residents from an ethnic minority group.

145. Although we do not have ethnicity data for all council tax support claimants, if we apply the data above to Council Tax Support, it could be assumed that ethnic minority households would be more likely to be claiming council tax support. Therefore, it could be expected that ethnic minority households will be disproportionately negatively impacted by the proposed changes to the Council Tax Support Scheme.

## **Sex**

146. The proposed changes to the scheme are expected to have a negative impact on current and future working age claimants (regardless of sex) as claimants would have to contribute more towards their council tax bill than they previously had to. Although any change in the scheme would be applied universally, our evidence makes clear that a greater proportion of current

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<sup>5</sup> [Joseph Rowntree Foundation, UK Poverty 2023: The essential guide to understanding poverty in the UK, 2023](#)

Council Tax Support claimants are women and therefore it is expected that women would be disproportionately negatively impacted by the proposals. There are approximately twice the number of female council tax support scheme current claims (20,900) than male (9,651).

147. Lone parent households are the household type most likely to be claiming Council Tax Support as of July 2023. Local and national data shows that lone parents are significantly more likely to be women. According to the 2021 Census, there are 22,421 lone parent households in Enfield.<sup>6</sup> Of these, 91% had a female household reference person. The household reference person serves a reference point, mainly based on economic activity, to characterise a whole household and is therefore likely to be the parent in lone-parent households. This is likely to be one of the reasons why women are significantly more likely to be claiming council tax support than men. Childcare responsibilities could be a potential barrier to single parents increasing their hours or obtaining better paid employment.
148. Women are more likely to be informal carers than men. According to the 2021 Census data for Enfield, 9% of female residents are informal carers compared to 6% of men.<sup>7</sup> Female residents also provided, on average, more hours of care per week than men. 31% of female informal carers in Enfield provided 50 or more hours unpaid care a week, compared to 26% of male informal carers.
149. Women are also more likely to be disabled than men. According to the 2021 Census, 15% of women (25,378) in Enfield are disabled under the Equality Act compared to 12% of men (19,498).<sup>8</sup>
150. It could therefore be expected that women are more likely to be negatively impacted by the increase in the minimum payment for most working age residents to 50%.

### **Care experience**

151. Single people under 25 (including care leavers) receive lower rates of Universal Credit than single people aged 25 and over. Most single people under 25 also receive a reduced allowance for housing costs. As of December 2023, 400 households under 25 received protection as part of the Council Tax Support scheme at a cost of £69,000 per year. Given the lower level of benefit received by those under 25, the small cost of providing Council Tax Support for this cohort, and the extra challenges faced by care leavers, the Council is proposing to maintain the protected group status of single people under 25 (including care leavers). This means they will continue to be qualify for a maximum of 100% reduction in council tax (depending on income). Therefore, the Council Tax Support Scheme proposals for 24/25 are expected to have a positive impact on care leavers.

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<sup>6</sup> ONS, Census 2021

<sup>7</sup> ONS, Census 2021

<sup>8</sup> ONS, Census 2021

## **Socio-economic deprivation**

152. The Equality Act 2010 includes a socio-economic duty (section 1) which states that certain public bodies, when making strategic decisions, must consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage. However, the UK Government has not implemented Section 1 in England and the duty remains non-binding in England. We agreed to implement the socio-economic duty voluntarily in our Fairer Enfield Policy.
153. Council Tax Support in the main is targeted at households that are financially disadvantaged to support the payment of Council Tax and therefore any change to this scheme is expected to have a negative impact on households that are socio-economically disadvantaged.
154. In relation to the consultation, respondents who claim benefits were significantly less likely to agree with the proposals than respondents who do not claim benefits. Across all three proposals, respondents who claim benefits were more likely to disagree (than agree) that the Council should implement the change.
155. When asked to identify the potential negative impact on their households, respondents raised concerns that increases in the amount of council tax due would exacerbate existing financial strains, result in heightened debt, increased poverty, and compromises in meeting essential needs, and negatively impact on overall quality of life and mental health. Respondents also raised concerns about the inability to pay council tax without sacrificing other necessities such as food and heating.

## **Sexuality, gender reassignment, marriage and civil partnership and religion**

156. The proposed changes to the Council Tax Support scheme are not expected to have a differential impact on the grounds of sexuality, gender reassignment, marriage and civil partnership and religion.

## **Analysis**

157. The proposed changes are expected to have a negative impact on most working age adult claimants, as they will receive reduced council tax support and be required to contribute more towards their council tax.
158. The next section of the report summarises how the Council has had due regard to the three equality needs contained in section 149(1) of the Equality Act 2010.

## **The need to eliminate unlawful discrimination, harassment, victimisation, and any other unlawful conduct prohibited by the act**

159. The proposed changes to the council tax support scheme are expected to have a disproportionate negative impact on working age adults, people with a



disability, women, people who are pregnant or in the maternity period, people from an ethnic minority group and people who are socio-economically disadvantaged and

160. Any particular disadvantage is justified for the reasons set out above in this report. The Council is pursuing the legitimate aim of balancing the Council's budget in the context of the anticipated required savings, so that the Council can continue to deliver statutory services. With uncertain Government funding, economic conditions, increasing demand for services and a forecast significant reduction in reserves the Council has had to consider a range of options to bridge the funding gap and enable us to set a balanced budget and continue to deliver statutory services. The proposals are proportionate in light of those budgetary pressures, given the steps taken to limit council tax payments for these groups, and the mitigating measures set out below. This proposal asks all residents to contribute towards Council services that they benefit from.

161. For the same reasons, the Council considers that reasonable adjustments have been made in the revised scheme and mitigating measures to limit any disadvantage suffered by disabled persons. Given the need to make savings and balance the budget, it is not reasonable to go further and reduce still further the council tax that should be paid by this cohort.

**The need to advance equality of opportunity between people who share and people who do not share a relevant protected characteristic**

162. As highlighted above, most working-age claimants will be required to contribute more towards their council tax. Claimants would therefore be expected to have reduced disposable income which may mean they are less able to participate in public life and community activities, for example leisure activities, groups, clubs, and organisations.

**The need to foster good relations between people who share and people who do not share a relevant protected characteristic**

163. We do not anticipate that the proposals will have any impact on the Council's ability to foster good relations.

**Mitigating actions**

164. The Council recognises that some households will be more adversely affected by these proposals than others and that some will now be required to pay some element of their Council tax for the first time, creating affordability issues for many households. Alternatives to the proposals have been considered, as addressed in the report, but other options do not generate the same level of additional income which is required to help the Council meet its budget deficit. Mitigation measures have been considered, including those mentioned in response to the consultation, but most would add to the cost of the scheme and, again, would not allow the Council to generate the income

needed to help balance its budget. Those measures which are in place to mitigate the impact of the proposals on households include:

- Maintaining the protected group status of single people under 25 (including care leavers) and war widows. This means they will continue to be qualify for a maximum of 100% reduction in council tax (depending on income).
- The council tax support hardship policy outlines the council tax support hardship fund application and award process. The policy has been developed to ensure that a level of protection and support is available to those applicants most in need. Extreme Financial Hardship is considered to be 'hardship beyond that which would normally be suffered.' Information on the hardship fund is available on the Council website and included in all council tax bills.
- Increasing the Hardship fund by £1m from 23/24 to a total of £1.5m for 24/25.
- Maintaining the Cost-of-Living information on the Council website to provide residents with information on help with housing costs, debts and bills, extra income, saving energy and help with food.
- Continuing to offer the Welfare Advice & Debt Support Service that helps to support residents to maximise their income and get their full entitlement to welfare benefits and provide advice and assistance to support residents with council debts such as rent arrears, Adult Social Care debt, Housing benefits overpayments and Council tax arrears/debt. For other debts residents can be offered a fast-track referral process to Citizens Advice. The aim is to holistically case manage the resident's situation.
- Working with voluntary and community sector organisations to promote the Hardship Fund.
- Supporting residents to maximise the application of council tax regulations, where reductions are based on circumstances that are not financial but based on non-financial circumstances e.g., disabled relief (based on adaptations to the property that can reduce the council tax liability to the equivalent to one band lower) and severely mentally impaired exemptions (based on doctor's certification and the award of appropriate disability benefits). These are sometimes not claimed where Council Tax Support based on financial circumstances are claimed so these options may now become more beneficial to mitigate the impact in the reduced support. The Council will work with relevant voluntary groups and the Learning Disability Partnership Board to improve awareness and take up of these provisions.
- Maintaining the principle that the Council Tax Support financial assessment for those with disabilities is based on higher applicable amounts and premiums (the Government assessment of need). This results in a higher award of Council Tax Support when compared with a household with no disability. Similarly, if in receipt of Universal Credit or legacy passported benefits such as Income Support, Income based

Job Seekers Allowance or Income based Employment support allowance, the needs allowance is higher based on the same principle.

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**Report Author:**  **Sally Sanders**  
**Heads of Service**  
[Sally.sanders@enfield.gov.uk](mailto:Sally.sanders@enfield.gov.uk)

## **Appendices**

Appendix A - The 2024/25 Council Tax Support scheme

Appendix B – Proposed 2024/25 Council Tax Support Scheme – Example Calculations

Appendix C – Non-Dependant Deductions 23/24 and 24/25 proposal

Appendix D – Proposed income bands at 50% minimum payment

Appendix E – Council Tax Support Hardship Policy

Appendix F – Consultation Response Summary

Appendix G – Consultation Key Findings

Appendix H – Equalities Impact Assessment

Appendix I - Council Tax Support Consultation Communications Campaign Plan 2023-24

**Background Papers - N/A**