

MUNICIPAL YEAR 2019/2020 REPORT NO. 157

MEETING TITLE AND DATE:

Council – 29 January 2020

REPORT OF:

Acting Executive Director of Resources

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Agenda – Part: 1

Item:

Subject: Council Tax Support

Wards: All

Key Decision No: 5032

Cabinet Member consulted: Cllr Maguire

1. EXECUTIVE SUMMARY

- 1.1 In January 2013 Council agreed a new local Council Tax Support Scheme to replace the previous national Council Tax Benefit Scheme which was to be abolished by the Government in April 2013.
- 1.2 Every year the Council is obliged to consider whether to revise or replace its local Council Tax Support Scheme.
- 1.3 This report notes the result of the public consultation and notes that Cabinet recommended Council agree the Council Tax Support Scheme for 2020/21

2. RECOMMENDATIONS

- 2.1 That Council agrees the Local Council Tax Support Scheme for 2020/21 as summarised in Appendix A to provide financial support for households on low incomes in paying their Council Tax taking into account the Equality Impact Assessment (Appendix B) and the results of the customer consultation shown at Appendix C. The 2020/21 scheme is based on the 2019/20 scheme, updated for legislative amendments, income uprating and administrative changes and the following changes which were the subject of public consultation:

For the 2020/21 scheme:

- Reducing the council tax support minimum payment for working age claimants from 26.5% to 24.5% and increasing the excess income taper from 20% to 22.5%, and
- Reduce the earned income threshold for working age council tax support claimants receiving Universal Credit from £1,265 to £1,100 per month (note the one-year transitional protection for existing claimants to be provided as part of the council tax support hardship scheme).

3. BACKGROUND

- 3.1 The council tax support scheme provides financial support for residents to pay their council tax. Every year the council sends out over 125,000 council tax bills totalling £175m (before the council tax support scheme is applied). Enfield's scheme supports over 8,500 pensioners at a cost of £10.1m and 26,400 in other groups at cost of £22.3m. The 2020-21 Scheme is set out in Appendix A. The scheme is agreed annually by Council in the January for the following financial year. Statutorily the council is required to decide to amend the Scheme or not and should changes be proposed, this requires consultation with residents. The history to the scheme is set out below.
- 3.2 There are rules around what the council can and cannot do with Council Tax Support Schemes. For example, we cannot change the prescribed regulations for pensioner's, but we do have control over working age assessments.

History

- 3.3 In 2012 the Government announced that as part of a series of welfare reforms, the national Council Tax Benefit scheme was to be abolished and replaced with local schemes. At the time, funding for the replacement local schemes was reduced by 10% and Enfield faced a £5m shortfall in funding if it continued to follow the previous national policy.
- 3.4 Enfield consulted widely on a proposed local scheme and in January 2013 approved a scheme which saw pensioners and war widows protected from any change and working age claimants seeing a 19.5% reduction in support. The Scheme was based on the principle of a fully funded scheme so that minimum contributions are set at a level to cover the costs of the scheme only and council tax payers are not asked to contribute to the costs. At the same time, Council agreed changes to exemptions and discounts to Council Tax which saw the discount for empty and refurbished homes reduced to one month, no discount given for second homes and the introduction of a new empty homes premium of 150% of Council Tax for homes left empty for more than two years, the maximum increase allowable.
- 3.5 In 2014-15, the scheme was no longer funded as a separate government grant and became integrated in the council's budget. The Scheme was reviewed in this year, and the Council increased the range of protected groups further to include foster carers registered with the Council, people in receipt of Carers Allowance and people 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). This means that if you are a carer on the minimum needs allowance, for example, and your council tax bill was £1,000 a year, the carer would receive the full £1,000 in council tax support and would not be required to pay the minimum contribution.

- 3.6 Every year the Council is obliged to consider whether to revise or replace its local Council Tax Support Scheme.
- 3.7 During 2017/18 the Government has included Enfield Council in the roll out of Universal Credit full service. The current council tax support scheme for 2019/20 takes into account the effect of the roll out of Universal Credit and ensures the scheme remains affordable while at the same time seeks to protect vulnerable council taxpayers.
- 3.8 For 2019/20, the government changed the legislation so that empty homes attract a 200% premium on their council tax, effective from the 1st April 2019.
- 3.9 Since December Cabinet the applicable amounts, premiums and disregards have been updated in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020, in force on 11th February 2020, issued by the Ministry of Housing, Communities and Local Government on 14 January 2020. The 2020/21 agreed council tax support scheme and a summary of the scheme will be placed on the council web site following January Council."

How does the current scheme work?

- 3.10 The Scheme assessment process is complex and therefore difficult to explain as each household circumstances are different and each of these circumstances are taken into account when calculating the council tax support. For example, two households with the same income levels in the same council tax banding, will pay different levels of council tax support depending on how many children are in the household for example. But broadly, simplifying the scheme works as follows:
 - For claimants receiving a passported benefit e.g. Income Support, Jobseekers Allowance (income based), Employment Support Allowance (income-related) – the minimum they have to pay is 26.5 %
 - For claimants with income above the income threshold – once they are over the minimum applicable amount (applying the governments threshold) they pay an additional 20% of the excess income – this is known as the Income 'taper'.
 - Pensioner age council tax support claimants can receive 100% of the council tax if they are on or below the minimum income threshold.

4. ADDITIONAL SUPPORT FOR HARDSHIP

- 4.1 In recognition of the difficulties faced by local households, the Council introduced and has maintained a discretionary Council Tax Hardship Scheme. Households facing exceptional financial hardship can apply to the scheme and receive help with their Council Tax. Payment from the Council Tax Hardship Scheme this year will exceed £200,000. The Council Tax Hardship Scheme is called upon over time not simply within the current financial year of the scheme.

- 4.2 Further, the council also provides core funding to the Citizens Advice Bureau of £340k which includes the provision of debt advice.
- 4.3 For 2020/21 the council is exploring ways to change our debt collection processes to support our more vulnerable council tax payers. Following the conclusion of the consultation, should this proposal be agreed, any additional available resources from this Scheme change will be re-invested to support these improvements.

5. AMENDMENTS TO THE COUNCIL TAX SUPPORT SCHEME CONSIDERED

- 5.1 For 2020/21 the current scheme has been reviewed to see whether the minimum contribution for households living on the basic needs allowance can be reduced from the current 26.5%. The impact of this proposal is to reduce the council tax bills for residents who have the lowest income levels and are in receipt of Council Tax Support.
- 5.2 There are many ways to assess council tax support but given the financial position outlined in the Medium-Term Financial Plan (updated at July 2019 Cabinet) the council must manage the cost of any future council tax support scheme within its projected financial constraints. Therefore, the aim of this proposal to reduce the threshold is funded from within the current scheme envelop.
- 5.3 Universal Credit was introduced in 2013 by the Government to gradually replace 6 means tested benefits, including Housing Benefit. It only affects working age claimants. From 2015 the roll out of Universal Credit commenced in Enfield. To date over 4,000 housing benefit claims have been cancelled as tenants are migrated across. Over 6,700 council tax support claimants currently receive Universal Credit. As set out above the council's CTS scheme was amended in 2017-18 to take account of this new benefit. However, since then, the Government has increased the Universal Credit work allowance and the current Scheme needs to be reviewed for residents in receipt of this benefit because there is now a disparity in the way the scheme works for residents on universal credit and other types of benefits.
- 5.4 The proposal that was subject to public consultation as agreed at Cabinet on the 17th July 2019 is set out below:

Proposal for consultation

- 5.5 **Reducing the council tax support minimum payment and increasing the excess income taper.**

What is the proposal? – The proposed council tax support change for 2020/21 is to decrease the minimum payment level from 26.5% to 24.5% and to increase the excess income taper from 20% to 22.5%.

What is the impact on the resident? - The change in minimum payment level will benefit most working age claimants and cost the council £290,000 while only working age claimants with income above their applicable amount (the Government assessment of basic living needs) will be impacted by the increase in the income taper.

This option would reduce the council tax payable for c12,200 council tax payers on the lowest level of income not affected by the income taper by on average £0.60 per week. Some 7,300 household's above the basic needs allowance level would be affected by the increase in income taper by £0.49 per week on average. The range and households impacted by the proposed change are shown below:

Weekly Saving Breakdown Working Age		Couple one or both over 18	Family one or both over 18	Lone parent	Single claimant
£ Range	No of Claims				
£0-0.50	1404	43	582	521	258
£0.51-1.00	1920	58	769	749	344
£1.01-1.50	1787	63	750	761	213
£1.51-2.00	1215	40	560	495	120
£2.01-2.50	590	30	304	204	52
£2.51-3.00	304	17	213	59	15
£3.01-3.50	76	6	54	11	5
£3.51-4.00	28	2	21	2	3
£4.01-4.50	5	3		2	
		262	3253	2804	1010
		3515		3814	
		<i>Couples</i>		<i>Singles</i>	

What is the impact on the budget? – Reducing the minimum payment will increase the cost of the council tax support scheme by £290,000. Increasing the income taper to 22.5% will increase council tax income by £390,000, an overall estimated net saving of £100,000.

What does the proposal achieve? – The proposal means that benefits claimants on or below the basic needs allowance, i.e. those on the lowest income levels will pay reduced council tax e.g. residents receiving Job Seekers Allowance, Income Support, Employment Support Allowance. Claimants who are above the threshold will pay an additional 2.5% of their income above the threshold towards their council tax bill.

5.6 Amend the universal credit earned income threshold.

What is the proposal? - An administrative change to the council tax support scheme to adjust the earned income threshold for residents claiming Universal Credit from £1,265 to £1,100 per month. Currently over 6,700

households receive Council Tax Support based on an award of Universal Credit.

This change will reduce the threshold to align with a recent increase in the Universal Credit earned income disregard (known as the Work Allowance) by the Department for Work and Pensions from 1st April 2019 and will also ensure the council tax support scheme for council tax payers receiving Universal Credit remains equitable when compared with non-Universal Credit Council Tax Support assessment.

What is the impact on the resident? - This would impact 233 current Universal Credit claimants by an average of £18.33 per week. The range and households impacted by the proposed change are shown below:

Weekly Cost (before transitional arrangements) Working Age Not Protected	Family one or both over 18				Single claimant 25 or over
	Couple one or both over 18	Family 1 or both state pension	Family one or both over 18	Lone parent	
£0-£5 0					
£5-10 4				2	2
£10-15 42			3	30	9
£15-20 85	4		13	51	17
£20-25 87	5	1	55	19	7
£25-30 13	2		4	4	3
£30-35 2			1	1	
233	11	1	76	107	38

Please note, the original calculations included 122 impacted residents, this has now been refreshed to reflect current residents in receipt of Universal Credit impacted by this proposal.

What is the impact on the budget? - This change will increase council tax income for the council by £220,000, based on current levels but is likely to be reduced by approximately 50% for one year as a result of the anticipated transition scheme.

What does the proposal achieve? – The proposal will ensure the council tax support scheme assessment remains equitable for Universal Credit and non-Universal Credit working age claimants in preparation for the possible introduction of an increased number of income banding levels in future years.

6. THE CONSULTATION PROCESS AND RESULTS

- 6.1 The consultation was available for 12 weeks between the 12th August and the 3rd November and included:

- A questionnaire for residents
- A questionnaire for Third Sector representatives which was sent to the voluntary sector (over 600)
- Hard copies of the questionnaire for residents available at Edmonton Green, Palmers Green, Enfield Town and Ordnance Road libraries
- For customers receiving Council Tax Support, the offer to book a one-to-one session with a Council Tax officer to give an indication of how the proposal may have an impact on the household. Sessions were available on the following dates:
Tuesday, 10 September 2019 at Enfield Town Library (10am to 2pm)
Thursday, 19 September 2019 at Edmonton Library (10am to 2pm)
- Online consultation form via the Council's website
- Targeted social media campaign
- 19,000 emails were sent to existing contacts on the Council Tax database for working age claimants receiving council tax support
- Presentation to the Carers Group
- Granicus digital newsletter articles to residents signed up for Information for Council tenants and leaseholders information September edition. 5,520 subscribers
- Third Sector Development Bulletin: e-newsletter article in to Enfield's voluntary organisations to c.600 organisations
August edition: <https://new.enfield.gov.uk/services/your-council/third-sector-development/#16>
- Housing News: Article and advert
October edition – distributed to 17,000 Council Tenants and Leaseholders
- Poster campaign
Civic Centre, Council Buildings, Libraries, Voluntary Sector Organisations
- Social media posts:
17,174 number of times messages appeared on social media feeds
482 number of people interacted with social media posts
Google analytics data: <https://new.enfield.gov.uk/consultations/2019-08-12-council-tax-reduction-scheme-for-202021/>
from 12 August to 3 November there were 2,514 page views
- Internal staff communications
staff matters, TV screens, posters in staff areas: c.2500 staff

The consultation included the preferred proposals set out above and the no change option.

6.2 In total, 108 completed questionnaires were received.

- 37 who receive council tax support
- 71 who do not receive council tax support
- 15 who receive council tax support and Universal Credit
- 6 who receive Universal Credit but no council tax support

Council officers met with four CTR recipients, one-to-one to discuss the proposals. Information from these sessions have been captured and considered. However, the information is specific to the individuals' circumstances, so it will not be shared

No responses were submitted by Third Sector organisations. However, the Council did discuss the proposals, prior to the consultation, with Citizens Advice Enfield

6.3 The results of the consultation can be seen at Appendix C. Part 1 shows the Greater London Authority (GLA) response and Part 2 all other responses.

6.4 The Council's actions to the GLA's response are shown below and includes the introduction of a one year transitional protection scheme for existing claimants receiving Universal Credit significantly affected by the reduction in earned income threshold to be provided as part of the existing council tax support hardship scheme

GLA Response	Enfield's Actions
Recognises that local authorities face difficult choices on CTS schemes, as overall funding from central government has reduced and funding for CTS is no longer identifiable within the settlement	Noted
Welcomes the proposal that potential additional resources will support improved debt prevention and debt collection processes and the support the Council continues to provide to those CTS claimants experiencing financial hardship, both through its discretionary hardship scheme and financial support to the Citizens Advice Bureau.	<p>In addition, the Enfield Council are the first Local Authority to enter into a contract with Indesser to collect current year council tax arrears for customers receiving council tax support. The pilot scheme will help low income households avoid expensive court and bailiff costs and to agree affordable payment arrangements. Indesser are a private business, jointly owned by the Government, which offers fair and ethical collection services which take account individual circumstances. As a partner to the Government a share of the company earnings goes back to the public purse.</p> <p>The Council also intends to create a team from February 2020 to provide and co-ordinate welfare advice and debt support to vulnerable and low-income households.</p> <p>Both initiatives are the subject of funding bids to the GLA to support the Council in developing these services.</p>
Supports the council's proposal to reduce the minimum payment to 24.5%; the offsetting changes to the taper would not appear to significantly increase council tax bills for the majority of claimants affected by this change.	The recommendation to amend the scheme is included within this report.

Is concerned about the large increase which a small number of claimants will face as a result of the proposed change. Around 120 existing claimants will face a large increase in their council tax bill, a significant change to manage in household budgets. If the Council decides to adopt this proposal, the GLA would encourage the Council to consider whether transitional arrangements should be implemented.	Following consultation comments received, the Council will amend the council tax support hardship scheme to allow transitional protection in 2020/21 for claimants suffering a significant loss of council tax support following the reduction of earned income threshold for working age council tax support claimants receiving Universal Credit from £1,265 to £1,100 per month.
Would encourage the Council to consider whether more income could be generated through the additional flexibility billing authorities will have from April 2020 to increase the empty homes premium	The council tax base report scheduled for January Cabinet includes a recommendation to increase the empty homes premium as suggested
Would encourage Enfield to consider adopting the Citizens Advice Council Tax Collection protocol.	The Council will adopt the Citizens Advice Council Tax Collection protocol early in 2020.
Communicates clearly, in advance of the changes, with those affected	All council tax support claimants will receive notification of their council tax support assessment in advance of the new financial year.

6.5 Appendix C Part 2 shows the findings from residents and Third Sector responses. The findings suggest:

- residents who receive CTS are more positive and less negative about the proposals than those who do not benefit from CTS
- Of those who receive CTS, 54% think it will have a positive impact on their household and 11% think it will have a negative impact if implemented. While 35% gave a more ambivalent response (that is, *neither positive nor negative* or *don't know*). The base sizes of 37 and 71 are relatively small so the findings should be considered indicative rather than authoritative. Those who do not receive CTS are less positive and more negative about this proposal, compared to those who receive CTS. The reasons for this may be due to a perceived impact on Council finances
- When asked if the proposal to align rules with the Universal Credit calculation would have a positive or negative impact (Q6), around three out of 10 (31%) said it will have a positive impact on their household, while a little more than two out of 10 (23%) said it would have a negative impact
- When asked what the potential negative impact(s) could be (Q7), seven of the four CTR recipients who said the proposal will have a negative impact, shared their views. As expected, the impact is financial. Three of the four CTR

recipients who responded to this question suggested that the current scheme should remain in place.

- All respondents were asked, in view of the proposals, if they think the Scheme should be changed (Q9). Around half (48%) *agree with the changes*.
- Respondents were asked for alternatives they would like the Council to consider (Q11). Around a quarter (28 individuals) responded to this question. Most responses are not suggestions for reconfiguring the CTRS. The most popular suggestions appear to relate to:

The Council making further savings and efficiencies (x3)
Scrapping/replacing Council Tax (x3)

7. REASONS FOR RECOMMENDATIONS

- 7.1 The recommendations contained in this report follow an assessment of options, experience of operating the scheme to date and the Equality Impact Assessment. The recommended changes introduced in 2014 for defined protected groups and the further extension of care leavers under the Equality Impact Assessment support the Council's aims to build strong, stable communities and are recommended to be continued next year.

8. COMMENTS OF OTHER DEPARTMENTS

8.1 Financial implications

The agreed Council Tax base will be built into the 2020/21 budget and Council Tax to be recommended to Council in February 2020. The overall cost of £32m for the Council Tax Support Scheme for 2020/21 would be reduced by an estimated £100,000 and £110,000 (net of transition) respectively based on 2019/20 council tax levels as a result of the proposals contained in this report.

This is net of the Greater London Authority share and would be reflected in the Council's council tax collection fund estimate to be agreed in January 2020. These figures are based on the current cohort of resident and therefore are an estimate. This will provide additional resources to re-invest in improved debt prevention, welfare advice and debt collection improvement processes.

8.2 Legal implications

- 8.2.1 The Welfare Reform Act 2012 provided for the abolition of Council Tax Benefit (CTB). Provisions for the localisation of Council Tax support were included in the Local Government Finance Act 2012. Since 1 April 2013 local authorities in England have been responsible for administering their own Council Tax Reduction Schemes subject to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885). Some authorities chose to adopt the default scheme provided for in the

Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) Regulations 2012 (SI 2012/2886). Each year, after a Council Tax Reduction Scheme (Council Tax Support Scheme) has been implemented, the Council must consider whether to revise or replace its scheme. Any revision or replacement to the scheme must be made by 11 March, preceding the financial year in which the revision or replacement is to have effect. The Secretary of State prescribed a default scheme which took effect from April 2013 where a billing authority failed to make a scheme on or before 31 January. Following the Independent Government review in the Schemes (see below), there was a finding that that Councils find the date of 31st January, as arbitrary, illogical, too early and inefficient. Key Government announcements and budgetary decisions may impact as the consultation process may have concluded resulting in potentially, a further consultation exercise.

This default scheme retains the criteria and allowances previously in place for CTB (Council Tax Benefit). Authorities can revise or replace their schemes in preparation for the start of each financial year. They may not make in-year revisions. Transitional arrangements must be put in place where revisions result in a reduction or removal of assistance for a class or classes of persons.

As the proposed Council Tax Support Scheme for 2020/2021 will be a replacement or revision to the current scheme it falls under the statutory requirement to consult under the 13A Local Government Finance Act 1992, which is the Act under which the Council Tax Support Schemes are formed. If there is a replacement or revised scheme, proposed, then the statutory duty to consult is mandatory.

This report sets out in the Appendix C, the outcomes of the statutory consultations and takes into account those results, together with the Equality impact assessment in Appendix B for its recommendations for the 2020/2021 proposed Council Tax Support Scheme.

8.3 Property Implications

None

9. Key Risks

- 9.1 The key risks relate to operational, financial and reputational concerns. There is an operational risk of failure to collect the estimated amount, e.g. if any category of exemption has not been specified and following implementation of the scheme the Council is unwilling to pursue recovery action in particular cases of default. The operational risks are mitigated by assisting payers with supportive payment arrangements and by applying fairly, consistently and promptly the recovery process.
- 9.2 The financial risk is of insufficient collection rates and of Universal Credit caseload rises being beyond those anticipated in calculating the Local

Scheme costs and deductions required from support. In the initial year of the scheme there was a risk that collection rates may be over or under stated. The Council has adjusted anticipated ultimate collection rates in the scheme for 2019/20 based on experience to date and the impact of increase in contribution rates. Variation between the estimated and actual collection rates and caseload levels will result in either a deficit (or surplus) on the Collection Fund in future years. The current Medium-Term Financial Plan assumes variation to current assumptions. The cost of the 20/21 scheme will be monitored, paying particular attention to those on Universal Credit with a net Earned Income up to the revised level. Options to introduce more earned income bands, for those getting Universal Credit, to attract different maximum contribution rates will be considered for 2021/22.

- 9.3 The reputational risk is of failure to make proper provision for people on low income losing some of the current level of support. The reason for this scheme arises from a Government decision to replace the existing national scheme with local schemes with reduced grant funding and clearly considerable help will need to be available to payers facing increased Council Tax bills as a result of the change in scheme. Conversely, failure to properly pursue payment of Council Tax due in such cases would create inequality of treatment with other Council Taxpayers many of which will have income levels only marginally above the limit for obtaining Council Tax Support.

10. IMPACT ON COUNCIL PRIORITIES

10.1 Good homes in well-connected neighbourhoods, Sustain strong and healthy communities, Build our local economy to create a thriving place

Council tax income helps fund essential Council services. Council Tax Support helps households on a low income pay the council tax. Enfield's Local Council Tax Support helps over 35,000 residents pay the council tax. The Council works closely with residents and its partners to maximise welfare benefits where possible.

10.2 Sustain strong and healthy communities

Enfield's Local Council Tax Support helps over 35,000 residents pay the council tax. The Council works closely with residents and its partners to maximise welfare benefits where possible.

10.3 Build our local economy to create a thriving place

N/A

11. EQUALITIES IMPACT

As part of the modelling undertaken for this proposal and equalities impact assessment has been undertaken. The modelling of the average weekly change, range, no. of claims and households affected by the proposals and indicates a broad range of affected households and no one particular

household group impacted more than another. The recommendations contained in this report retain financial support for protected working age vulnerable groups.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

None.

13. PUBLIC HEALTH IMPLICATIONS

Council Tax Support helps residents who may also be struggling financially due to the wider Government welfare changes. The implications will depend upon the success of residents gaining employment or, for those in low paid employment, obtaining better paid employment. Supporting people facing hardship and stress will be key to promoting the ability of families to provide healthy food, to pay bills and to promote sound mental health.

APPENDICES

Appendix A – 2020/21 Council Tax Support Scheme

Appendix B – Equalities Impact Assessment

Appendix C - Results of the customer consultation

Appendix A

The Council Tax Reduction Scheme - Summary - 2020/21

Introduction

The London Borough of Enfield's Council Tax Reduction Scheme is based on the CTRS (Default) Scheme Regulations 2012 except where otherwise stated and the Prescribed Regulations updated and issued annually by Government.

The definition and detail of the above Regulations can be found on the National Legislation website below.

<http://www.legislation.gov.uk>

The full CTRS Scheme for 2019/20 can be found at the following link –

<https://new.enfield.gov.uk/services/benefits/housing-benefit-and-council-tax-support>

The 2020/21 scheme is based on the 2019/20 scheme, updated for legislative amendments, income updating and administrative changes

Principles of the Scheme for 2020/21

The principles of the scheme continue to provide for a system based on -

Ensuring that those who can afford to pay make a fair contribution;

Support is provided for those in difficult circumstances;

The Scheme protects the most vulnerable.

The reduction in Council Tax Support for working age reflects the on-going reduction in Government funding for the scheme and other services.

Classes of Persons

Classes of persons excluded from the Scheme are set out in the Prescribed Regulations, including those treated as not resident in Great Britain and who are subject to immigration control.

Uprating

Working Age claimants – The uprating of applicable amounts, premiums and disregards are updated in line with the Housing Benefit Statutory Regulations 2006 as amended.

Pensionable Age claimants– The uprating of applicable amounts, premiums and disregards are updated in line with the Prescribed Regulations issued by the Ministry of Housing, Communities and Local Government.

Working Age Claimants

The main changes to the Default Scheme Regulations 2012 are summarised below–

The second adult rebate (2AR) was removed from 2013.

The higher rate non-dependant deduction is £20.50 per week for those earning above £436.90 gross income per week. All other non-dependant deductions have been increased in line with the Prescribed Regulations.

Claimants in receipt of Universal Credit and earning more than £1,100 **net** per month do not qualify for CTS. Only those whose income goes above £1,100 per month need to report a change which will result in the award ending. The effective date of change will be the Monday following the date Universal Credit changed.

The contribution towards Council Tax is 24.5% unless a claimant is in a protected group.

The upper Capital threshold is £6,000.

The minimum weekly entitlement is 0.50p

Claims may be backdated for up to 12 months where good cause has been established.

CTS may be payable on two homes in cases of Domestic Violence.

The restriction on Personal Allowances to two children is aligned with Housing Benefit. This restriction will only apply where a new application for CTS is made or a claimant becomes responsible for a new young person.

A Council Tax Hardship Fund was introduced in 2013. Information regarding the fund is available at <https://new.enfield.gov.uk/services/benefits/discretionary-payments>.

Protected Groups.

The following groups are exempt from the contribution towards their Council Tax.

War Widows

A Claimant or partner in receipt of Carers Allowance

A Claimant or partner 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 partner in receipt of the support component of Employment and Support Allowance.

A Claimant or partner who are Foster Carers and who were recruited and trained by Enfield Council.

Care Leavers under 25 years old.

Pensioners

The second adult rebate (2AR) is retained for those of pensionable age.

Non-dependant deductions and income bandings are increased in line with the Prescribed Regulations.

Backdating may be awarded for up to 12 months where good cause has been established.

The date of change for those reporting a change in their circumstances is the Monday following the date of change, regardless of the date notified.

Where Housing Benefit or Universal Credit is already in payment, a new claim for Council Tax Support is not required.

Appeals

A claimant can make an appeal to the Council concerning their entitlement to a Council Tax reduction under the Scheme or the amount of reduction they are entitled to. The appeals procedure is set out in the Prescribed Regulations.

An appeal must be made within one month of the decision and include the reason for the appeal and the period it applies to. Any additional evidence to support the appeal should be provided. The Council will consider the appeal and inform the customer of the outcome. Were a customer remains dissatisfied they can appeal further to the Valuation Tribunal.

Summary - 2020/21 Proposed Changes

Working Age Claimants

Claimants in receipt of Universal Credit and earning more than £1,100 net per month do not qualify for CTS. Only those whose income goes above £1,100 per month need to report a change which will result in the award ending. The effective date of change will be the Monday following the date Universal Credit changed.

The contribution towards Council Tax is 24.5% unless a claimant is in a protected group.

For excess income, the income taper of 22.50% (previously 20%) will be used to calculate the amount of reduction to be made

Appendix B

Enfield Council Predictive Equality Impact Assessment/Analysis

Department:	FRCS	Service:	Assessment Hub
Title of decision:	Council Tax Support Scheme 2020/21	Date completed:	25 th June 2019
Author:	Geoff Waterton/Sally Sanders	Contact details:	geoff.waterton@enfield.gov.uk sally.sanders@enfield.gov.uk

1 Type of change being proposed: (please tick)

Service delivery change/ new service/cut in service		Policy change or new policy	x	Grants and commissioning		Budget change	
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2 Describe the change, why it is needed, what is the objective of the change and what is the possible impact of the change:

The Council is obliged to set a local Council Tax Reduction Scheme every year following the abolition of the national Council Tax Benefit system in 2013. The Council introduced a local Council Tax Support Scheme to provide financial assistance for low income households in paying their Council Tax. Since 2013, the Council has reviewed the scheme every year and is now deciding on the scheme for 2019/20.

Following previous Equality Impact Assessments and consultations, the Council introduced a range of protected groups in the scheme that remain entitled to a maximum award of 100%. These are: pensioners, war widows, foster carers registered with the Council, people in receipt of Carers Allowance and people 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). Further information regarding the amounts set aside for protected groups is shown at Appendix 1 of the full Council report of the 23rd January 2019

All other working age households are expected to pay a minimum contribution towards Council Tax. A discretionary Hardship Scheme was introduced to provide support to those households that get into severe financial hardship.

The scheme proposed for 2020/21 aims to reduce the cost of council tax for households receiving the basic needs allowance within the council tax support scheme, introduce a corresponding increase to the excess income taper to ensure the scheme costs remain within the budgeted expenditure level and ensure assessment consistency for households receiving Universal Credit and those that are not.

If Yes answered to questions 3-6 above – please describe the impact of the change (including any positive impact on equalities) and what the service will be doing to reduce the negative impact it will have.

The Scheme has been designed to be fair to all whilst ensuring that those facing the greatest risk are prioritised. The proposed scheme includes protection for older people, carers, disabled working adults and foster carers who do not have the same opportunities as other working age households to gain employment and increase their income. The proposed changes will benefit claimants on the lowest income. Claimants with income above the income threshold will make an increased contribution. Income uprating maintains the level of support in real terms. The discretionary Hardship Scheme will ensure those households facing genuine financial hardship as a result of the change can access support. In addition, a new debt and benefit advice team will be created to provide co-ordinated debt and benefit advice to council tax payers.

5. Tackling Socio-economic inequality

Indicate Yes, No or Not Known for each group

	Communities living in deprived wards/areas	People not in employment, education or training	People with low academic qualifications	People living in social housing	Lone parents	People on low incomes	People in poor health	Any other socio-economic factor Please state;
Will the proposal specifically impact on communities disadvantaged through the following socio-economic factors?	N	Y	N	N	N	Y	N	N
Does the service or policy contribute to eliminating discrimination, promote equality of opportunity, and foster good relations between different groups in the community?	Y	Y	Y	Y	Y	Y	Y	Y
Could this proposal affect access to your service by different groups in the community?	N	N	N	N	N	N	N	N

If Yes answered above – please describe the impact (including any positive impact on social economic inequality) and any mitigation if applicable.

Working age households not in a protected group who are on incomes above the income threshold and will be required to pay a higher contribution to their Council Tax per annum. The Council has introduced a range of flexible payment arrangements for Council Tax Support recipients, has a discretionary Hardship Scheme for those households that face severe financial hardship and offers debt and welfare benefit advice.

6. Review

How and when will you monitor and review the effects of this proposal?

The Council is legally required to review its scheme annually and consider if any revisions are necessary.

Action plan template for proposed changes to service, policy or budget

Title of decision: Council Tax Support Scheme 2019/20.....

Team: Finance.....Department: Resources.....

Service Manager: Geoff Waterton/Sally Sanders... ..

Identified Issue	Action Required	Lead Officer	Timescale/ By When	Costs	Review Date/ Comments
Severe hardship/transitional protection - UC	Monitor debts and take-up of Council Tax Hardship Scheme	Sally Sanders/Geoff Waterton	Ongoing	none	
Impact of the scheme on claimants with income above the income threshold	Review impact of the scheme	Sally Sanders/Geoff Waterton	December 2020	none	
Communicate change in scheme to customers and key stakeholders	System to be amended to automatically apply the protected. Web advice to be amended	Sally Sanders/Geoff Waterton	On going	Within resources	

Council debt strategy to be developed and agreed to incorporate targeted support for vulnerable and customers with multiple debts	Cross Council and Voluntary Sector services to be coordinated to ensure optimum debt and income maximisation service is provided within existing resources	Sally Sanders/Geoff Waterton	Debt Strategy to be agreed during 2019/20 financial year	Within resources	
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Date to be Reviewed: ...December 2020.....

APPROVAL BY THE RELEVANT DIRECTOR - Fay Hammond.....
SIGNATURE.....

This form should be emailed to joanne.stacey@enfield.gov.uk and be appended to any decision report that follows.

Appendix C – Part 1 – Greater London Authority consultation response

LONDON BOROUGH OF ENFIELD: COUNCIL TAX SUPPORT SCHEME 2020-21

Thank you for your email of 13 August informing the GLA about the Council's consultation on proposals for the draft council tax support (CTS) scheme for 2020-21. The draft scheme options consulted on are summarised in this letter. This letter sets out the GLA's response to the consultation.

Introduction

As in previous years, the GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 are a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and
- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Proposed Options for 2020-21 Scheme

The London Borough of Enfield is proposing two main changes to its council tax support scheme from 2020-21 onwards:

- A reduction in the minimum payment from 26.5% to 24.5% and an increase in the income taper from 20% to 22.5%
- A net earned income threshold of £1,100 per month to ensure consistency with Government calculations and fairness

The Council states the proposed changes will help those who are most in need of support, reflecting that residents have increasingly found it difficult to pay contributions towards council tax. The proposed changes will also simplify the transition for those claimants moving from 'legacy benefits' to Universal Credit (UC). The two proposed changes are outlined in summary in the sections below. All the changes apply to working age claimants only; the scheme will remain unchanged for pensioners.

Reduction in minimum payment and increase in taper

The Council proposes reducing the current minimum payment from 26.5% to 24.5%. According to the consultation document, this would affect around 12,000 existing claimants on the lowest levels of income by reducing their council tax liability by an average of 60p per week or £31.20 a year. The reduction in income for the Council as a result of this proposal would be offset by an increase in the income taper rate from 20% to 22.5%. Households above the minimum income threshold would therefore make a higher contribution to their council tax bills. This change would affect around 7,300 households above the basic needs allowance level who would pay an additional 43p per week on average. The Council estimates 70% of households affected by this change would face increases of no more than £1.50 per week.

Alignment of rules with Universal Credit calculation

The Council proposes to amend the net earned income threshold for claimants receiving UC from £1,265 in the current arrangements to £1,100 per month from 2020-21. Claimants in households which earn more than the threshold would no longer receive CTS and would be required to pay the full amount of council tax. This change will align the scheme with an increase in the UC earned income disregard (known as the Work Allowance), implemented by DWP in April 2019. It is intended to ensure the CTS scheme for those receiving UC remains comparable to the assessment for those claimants who do not receive UC. In a report to the Council's Cabinet, on 17 July, the Council estimated the change would increase income to the authority by £117,000 per year and would affect 122 existing claimants, increasing council tax by an average of £17.67 a week or £919 per year.

GLA Response to Proposals

The GLA recognises that local authorities face difficult choices on CTS schemes, as overall funding from central government has reduced and funding for CTS is no longer identifiable within the settlement. Although there is uncertainty over future funding levels, the GLA notes that most London boroughs making changes to schemes in 2020-21 propose to maintain expenditure at current levels, whereas this proposal would reduce overall spending, albeit marginally. The GLA welcomes the proposal that potential additional resources will support improved debt prevention and debt collection processes.

Furthermore, the GLA welcomes the support the Council continues to provide to those CTS claimants experiencing financial hardship, both through its discretionary hardship scheme and financial support to the Citizens Advice Bureau.

The GLA supports the council's proposal to reduce the minimum payment to 24.5%; the offsetting changes to the taper would not appear to significantly increase council tax bills for the majority of claimants affected by this change. It would be useful to have the figures presented for this change in the same way as they are in the Cabinet report for the decrease in the minimum payment, with a table showing the financial impact, as well as the number and types of household affected.

The GLA recognises that the change to the UC earned income threshold proposed by Enfield more closely aligns the support offered through its CTS scheme to claimants on Universal Credit with those receiving legacy benefits. However, the GLA is concerned about the large increase which a small number of claimants will face as a result of the proposed change. Around 120 existing claimants will face increase in their council tax bill of over £10 per week, a significant change to manage in household budgets.

If the Council decides to adopt this proposal, the GLA would encourage the Council to consider whether transitional arrangements should be implemented. The Council could consider capping the maximum changes at a lower level for households with families, at least in 2020-21, to enable claimants to adapt to the new scheme. The GLA would also be covering part of the cost of a cap in proportion to the GLA precept element of council tax payable by these CTS claimants. Another council proposing changes to its scheme in 2020-21 plans to implement transitional arrangements, to ensure that households losing more than 10% of their existing award as a result of the changes will be awarded 50% of the overall loss in the first year, as a credit to the council tax bill.

Should the change be implemented as proposed, it is important that the Council communicates clearly, in advance of the changes, with those affected. This will give claimants advance warning to enable them to begin to budget for these additional costs.

Finally, the GLA would encourage the Council to consider whether more income could be generated through the additional flexibility billing authorities will have from April 2020 to increase the empty homes premium; this is set out in further detail

below. It is the GLA's view that the proposed changes should be considered in the whole. If one proposed change results in greater savings for the Council that could be used to reduce the need to apply other proposals, then we would encourage the Council to consider doing this as it would help to reduce the financial burden on individuals and families in Enfield who see their CTS entitlement reduced.

Technical Reforms to Council Tax

The GLA considers that in formulating its council tax support scheme each billing authority should consider the impact of the additional revenue it may be possible to raise through powers introduced in the Local Government Finance Act 2012 and the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

The GLA understands that Enfield no longer provides any discounts for properties undergoing major repairs (former class A), unoccupied and substantially unfurnished (former class C) or second homes. The Council has also decided to increase the empty homes premium up to the maximum threshold of 100% for properties that have been unoccupied and substantially unfurnished for a continuous period of two years, as allowed by the 2018 Act.

However, from the evidence available on the Council's website, it is not clear whether the Council plans to increase the empty homes premium further in subsequent years, up to the maximum percentage permitted for each category (i.e. a 200% premium for homes empty from 5-10 years from April 2020 and a 300% premium for homes empty over 10 years from April 2021). The additional revenues from maximising this flexibility could be used to reduce any shortfalls and thus the sums which need to be recovered from working age claimants through changes to the CTS scheme.

We would encourage the Council to inform us as soon as possible if any changes are proposed to its discount and premium policies, in order to assist us in assessing the potential impact on the Mayor's funding and tax base for 2020-21 and future years

Council Tax Protocol

In recent years the issue of council tax collection practices has become more high profile. The GLA, of course, recognises the importance of ensuring council tax arrears are collected wherever possible. However, in some instances poor collection practices can worsen debt problems for vulnerable residents.

Citizens Advice, in partnership with the Local Government Association, has developed a council tax protocol¹, which outlines a number of practical steps for early intervention to support people struggling with payments. In summary, the Protocol asks that councils:

- work with enforcement and advice agencies to help people pay their council tax bills while accessing debt advice;
- ensure all communication with residents about council tax is clear;
- use the Standard Financial Statement when calculating repayment plans;
- offer flexible payment arrangements to residents;
- do not use enforcement agents where a resident receives council tax support;
- publish their policy on residents in vulnerable circumstances

In London, eight boroughs have now signed up to the protocol and the GLA would encourage all boroughs to consider adopting the protocol.

Providing Information on Schemes

Whilst we recognise that the detailed rules on council tax support schemes are inevitably complex, the GLA would encourage all boroughs to make every effort to set out information on their schemes as clearly as possible. Information that may help potential claimants could include an online calculator, to identify whether potential claimants are likely to be entitled to support, as well as 'Frequently Asked Questions' and a summary document outlining concise details of the scheme. In addition, for existing claimants, we would encourage boroughs to consider how the process for reporting changes in circumstances can be made as straightforward as possible.

Setting the Council Tax Base for 2020-21 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2020-21 taking into account the potential impact of the discounts the Council may introduce in respect of council tax support and any potential changes the Council may implement regarding the changes to the treatment of empty homes. The Council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by any changes to council tax support, taking into account the experience in the first six years of the council tax support arrangements.

¹<https://www.citizensadvice.org.uk/Global/CitizensAdvice/campaigns/Council%20Tax/Citizens%20Advice%20Council%20Tax%20Protocol%202017.pdf>

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 2020-21. 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.

Collection Fund and Precept Payments

By 23 January 2020 the Council is required to notify the GLA of its forecast collection fund surplus or deficit for 2019-20, which will reflect the cumulative impact of the localisation of council tax support since it was introduced in 2013-14. The GLA would encourage the Council to provide it with this information as soon as it is available.

I would like to thank you again for consulting the GLA on your proposed council tax support scheme options for 2020-21.

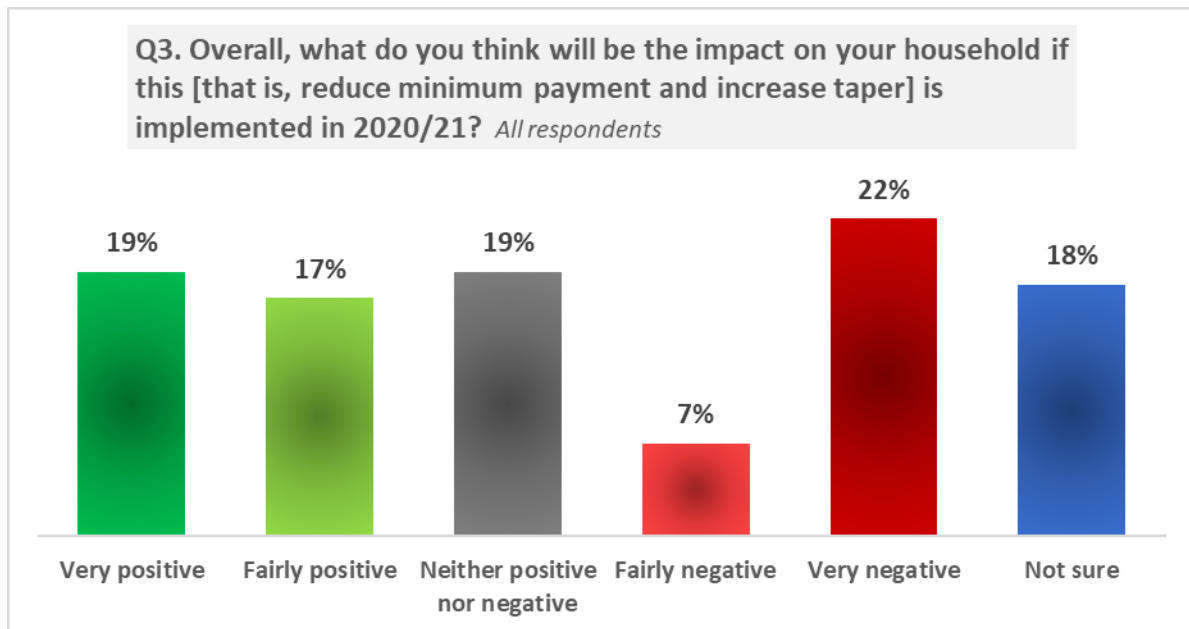
Appendix C Part 2

Council Tax Support Scheme consultation key findings – Residents

Proposal to reduce the minimum payment and increase the income taper

When asked about the **if the proposal to reduce the minimum payment from 26.5% to 24.5% and increase the income taper would have a positive or negative (Q3)**, just over a third (35%) said it will have a positive impact on their household, while just less than three out of 10 (29%) said it would have a negative impact. See Chart 1 for further details.

Chart 1



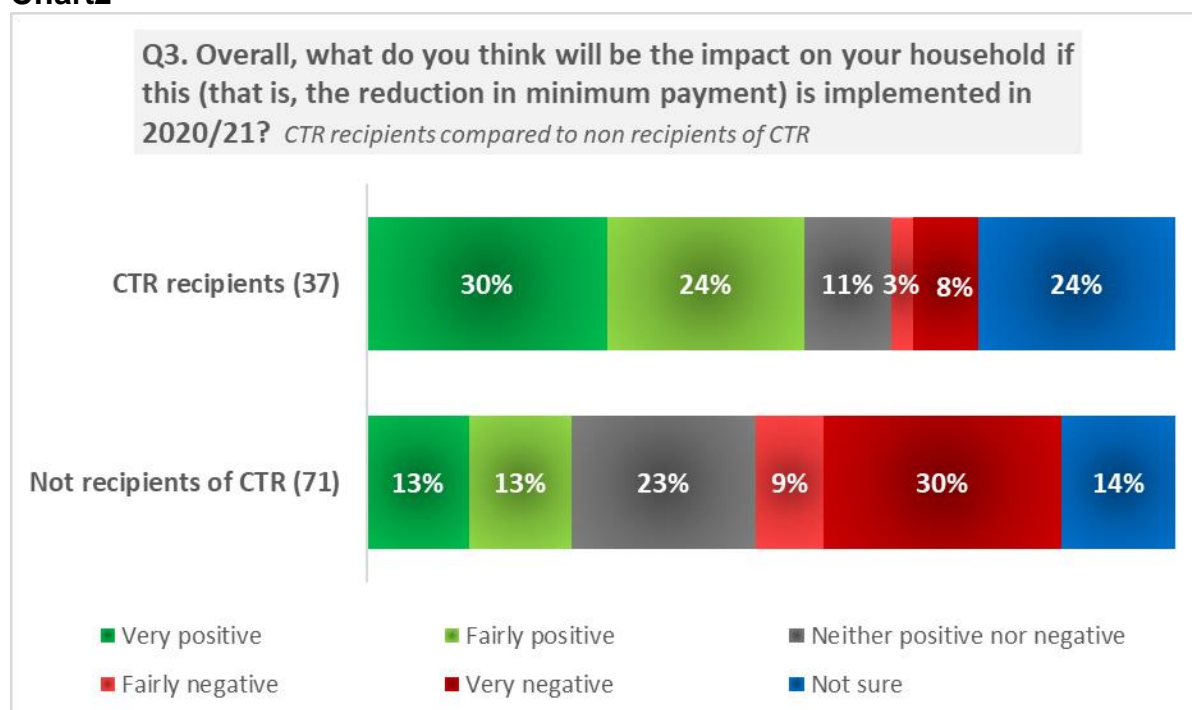
Base: All respondents (108)

N.B. The combined figure for positive is 35% after rounding (18.5% *very positive*, 16.7% *fairly positive*). The aggregate of *neither positive nor negative* and *don't know* is 36% (18.5% and 17.6% respectively)

Of the 35% who believe the proposal will have a positive impact on their household, 19% believe it will be *very positive* and 17% *fairly positive*. Close to three out of 10 (29%) believe that if implemented the proposal will have a negative impact on their household. This consists of 7% who think it will have a *fairly negative* impact and 22% who think it could be *very negative*. Around four of 10 (36%) did not have a definitive opinion - that is, they selected *neither positive nor negative* (19%) or *don't know* (18%).

The findings suggest that those who receive CTR are more positive and less negative about the proposals than those who do not benefit from CTR. See Chart 2 for details.

Chart2



Base size in parenthesis

N.B. The combined figure for those not receiving CTR who feel the proposal will have a positive impact, is 25% after rounding (12.7% *very positive*, 12.7% *fairly positive*) and the combined negative score is 38% after rounding (29.6% *very negative* and 8.5% *fairly negative*)

The base sizes of 37 and 71 are relatively small so the findings should be considered indicative rather than authoritative. This is the case in other parts of this report where the data has been stratified to compare the views of CTR recipients and those who do not received CTR.

Of those who receive CTR, 54% think it will have a positive impact on their household and 11% think it will have a negative impact if implemented. While 35% gave a more ambivalent response (that is, *neither positive nor negative* or *don't know*).

A relatively high proportion of CTR recipients (24%, 9 respondents) said they *don't know* what impact the proposal will have on them. We expected this may be the case in some instances. To reduce the potential number of respondents who may not know if the proposal will have an impact on them, we produced a Frequently Asked Questions document and we offered to meet CTR recipients one-to-one to discuss, among other things, their personal circumstances and how the proposals could affect the level of CTR they receive should the proposal be implemented.

Those who do not receive CTR are less positive and more negative about this proposal, compared to those who receive CTR. The reasons for this may be due to a perceived impact on Council finances (this will be discussed below). A quarter (25%) of those who do not receive CTR feel it will have a positive impact, around four out of 10 (38%) believe the impact will be negative. A comparatively high proportion of respondents (23%) who do not receive CTR selected *neither positive nor negative*, reflecting the fact that they do not currently receive CTR.

Some additional points to note in comparing the views of CTR recipients and those who do not receive CTR in relation to this question:

The highest recorded score for CTR recipients is that of *very positive*, while the highest score for those who do not receive CTR is *very negative*

The *net positive* figure (that is, the difference between those who state the proposal will have positive impact and those who said it will have a negative impact) for CTR recipients is 43%. The net positive figure for those who do not receive CTR is -13%. A difference in net positive scores of 56 points

Please note, the decision was made not try and establish, using the questionnaire, which respondents have an income level that may lead to them having to pay Council Tax should the taper be increased. It was felt this was neither practical nor would it likely to produce information that is reliable.

Those who said it would have a negative impact on their household, were asked **what the potential negative impact(s) would be (Q4)**. Of the four CTR recipients who said it would have a negative impact on their households, three shared their views. No key theme emerged. Below are the verbatim responses from these individuals.

"Increase in council tax payments. Lower opinion of Enfield council due to continually adjusting how the make support calculations which give rise to anxiety and stress"

"People who cannot work should not be asked to pay any council tax, where would the person find the money to pay, this is the worse idea ever."

"I am financially struggling to pay bills and feed the children already."

Of the 27 respondents who do not receive CTR and had said the proposal will have a negative impact on their household, 24 told us what they feel the potential impacts will be. One issue appears to stand out, with 14 claiming it would have an adverse effect on Council finances. They suggested this may be reflected in an increase in Council Tax, lower Council revenues or reduced services. The following verbatim comments from this group of respondents provides a flavour of this viewpoint:

"I will have to pay more council tax, which is already relatively high. Especially as you are making cuts such as our refuse collections!"

"Council tax will rise for other residents."

"will be paying higher rates of tax in order to cover the lower earnings in the borough"

"Council Needs all the funds it can get"

It should be noted that both within the Frequently Asked Questions document and the questionnaire, it was stated that, based on information currently available to us, reducing the minimum payment from 26.5% to 24.5% of Council Tax will be an additional cost to the Council. However, this increase in costs will be met from the reduction in costs delivered by increasing the income taper. However, a number of

respondents appear to think should the proposal be implemented, it will be an additional cost to the Council. Our estimates are based on a detailed analysis of those who currently receive CTR.

Those who said the proposals would have a negative impact were then **asked how the Council can mitigate the potential negative impacts of the proposal (Q5)**, should it be implemented. We received just three responses to this question from CTR recipients. From these, no theme emerged. The verbatim comments from these respondents are listed below.

“Stop fiddling around with your calculations to inspire confidence and certainty rather than fear and anxiety that support may be reduced.”

“By leaving things as they are.”

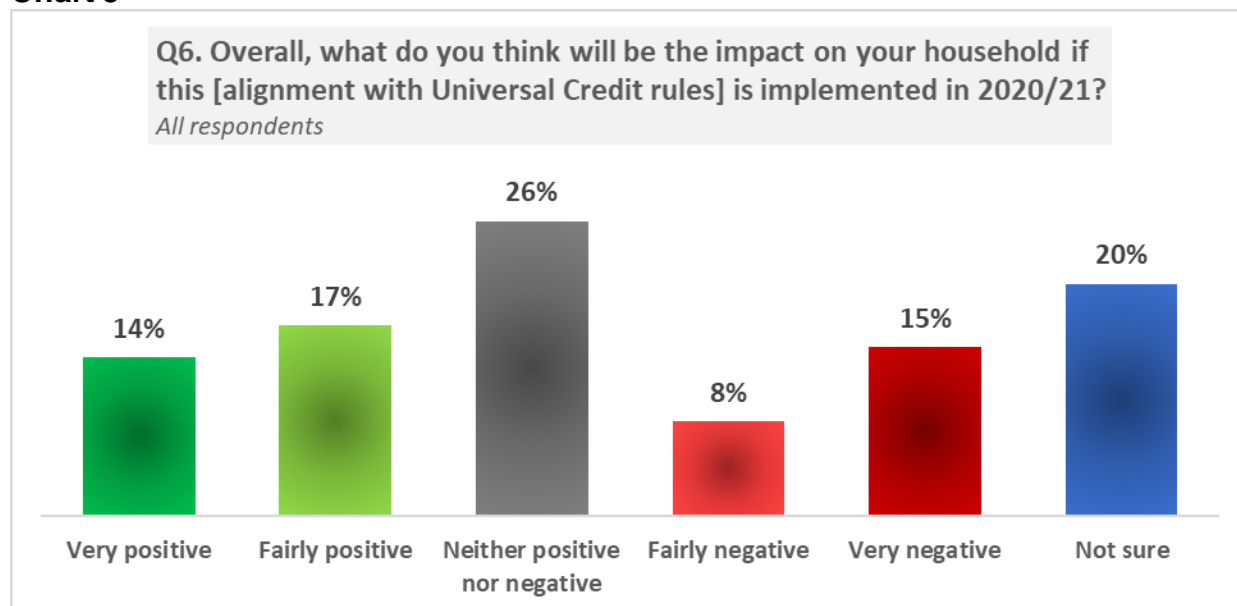
“keep any total annual rises below the average wage increase and considerer full financial limit”

When those who do not receive CTR were asked the same question, 23 responded. One key theme stood out, with 10 out of 23 claimed that no change should be made to the current scheme. Based on the responses of this group of respondents to the question asking what they believe are the potential negative impact(s) of the proposal (Q4), the suggestion of making no change to the scheme could, in part, be explained by the potential impact that making such a change to the scheme could have an adverse effect on Council finances.

Proposal to align rules with Universal Credit calculation

When asked **if the proposal to align rules with the Universal Credit calculation would have a positive or negative impact (Q6)**, around three out of 10 (31%) said it will have a positive impact on their household, while a little more than two out of 10 (23%) said it would have a negative impact. See Chart 3 for further details.

Chart 3



Base: All respondents (108)

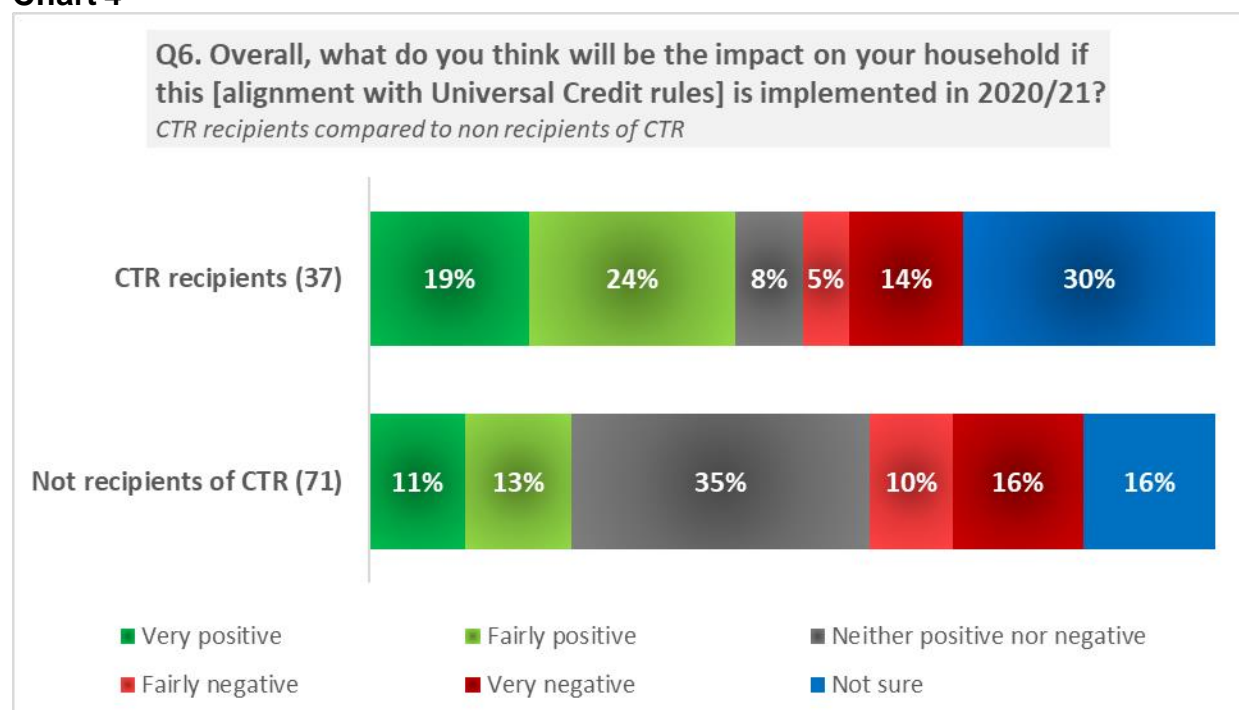
Of those who think it will have a positive impact, this is roughly split in half between those who think it will have a *very positive* impact and those who believe it will have

a *fairly positive* impact - 14% and 17% respectively. While the proportion of respondents who think it will have a *very negative* impact is almost the double the number of respondents who believe it will have a *fairly negative* impact - 15% cf 8% respectively.

Around a half (46%) did not have a definitive opinion - that is, they selected *neither positive nor negative* (26%) or *don't know* (20%). The relatively high proportion of those who selected *neither positive nor negative*, may be explained by the fact that 25 of the 28 who selected this response, do not receive CTR. While the 22 who selected *don't know* is equally split between those who receive CTR and those who do not.

If we look at the views of those who receive CTR, more than two out of five (43%) feel it will have a positive impact on their household, while around one out of five (19%) think it will have a negative impact. This compares to 24% of non-CTR recipients who think the impact will be positive and 25% who feel it will be negative. See Chart 4 for details.

Chart 4



Base size in parenthesis

N.B. The aggregate for non-CTR recipients who said the proposal would have a negative impact is 25% after rounding (15.5% *very negative* and 9.9% *fairly positive*)

Of those who receive CTR, 43% think it will have a positive impact on their household and 19% think it will have a negative impact if implemented. While 38% gave a more ambivalent response (that is, *neither positive nor negative* or *don't know*). A relatively high proportion (30%, 11 respondents) of CTR recipients said they *don't know* what impact the proposal will have on them. This highlights the need, should the proposal be implemented, for us to take steps, prior to April 2020,

to inform those who may see significant changes in the amount of Council Tax they may pay.

Those who do not receive CTR are less positive and more negative about this proposal. A quarter (24%) of those who do not receive CTR feel it will have a positive impact, while a similar number (25%) feel it will be negative. A comparatively high proportion of respondents (35%) who do not receive CTR selected *neither positive nor negative*. This may be explained by the fact that they do not receive CTR. While 16% said they *don't know*.

The *net positive* figure (that is, the difference in the number of those who are positive compared to those who are negative) for CTR recipients is 24%. While the net positive figure for those who do not receive CTR is -1%. A difference of 25 points. The difference in the net positive scores in relation to the proposal to reduce minimum payment and increase the taper is 56 points. Thus, suggesting that the views of CTR recipients and those who do not receive CTR are more closely aligned in relation to the proposal to use the Universal Credit calculation.

When asked **what the potential negative impact(s) could be (Q7)**, seven of the four CTR recipients who said the proposal will have a negative impact, shared their views. As expected, the impact is financial. Below are the verbatim comments submitted.

"I simply would not be able to afford or sustain paying full Council Tax. It would seriously impact negatively on my ability to live day to day, in terms of food shopping, etc."

"If I were to get a small payrise it could cost me all of my council tax support"

"Because my rent is £1100 that goes straight to my landlord Not to me I need help with council tax support as I do not have enough money to pay more"

"Struggling with stagnant pay and increasing household bills/school uniforms and overheads, so feel the current pressures will become unbearable"

Of the 18 who do not receive CTR, 15 shared their views about what they believe are the potential negative impacts on their households. The only key theme that emerged was that there is an expectation of Council Tax to increase as a result. This was referred to by six respondents. However, as stated in the Frequently Asked Questions document, this proposal is likely to reduce the cost of the CTRS by around £112,000, based on figures available at around the time the consultation was launched, and thus deliver a saving for the Council.

Those recipients who stated that they expect the proposal to align rules with Universal Credit calculation to have a negative impact on their household, were asked **how the Council can mitigate the impacts (Q8)**. Three of the four CTR recipients who responded to this question suggested that the current scheme should remain in place. The other CTR recipient suggested the following:

Increase in local higher pay/more affordable housing and living costs. Encourage new businesses to set up locally area that offer better paid jobs and keep rents affordable

We received 16 responses from the 18 participants who do not receive CTR but who feel it will have a negative impact on their household. In terms of mitigating the potential impact(s) the proposal could have on their households, there appears to be no suggestion that one issue is more prominent than all others. A number of the responses were not suggestions. Rather, they expressed an opinion about the proposal or some other issue. Below are the full set of verbatim responses from those who do not receive CTR.

"Ensure assets are taken into account in assessments"

"Those on benefit should do some form of community work and thus reduce the demand if paid work on the council Therefore the council budgets would be lower and those on benefits would build skills Of course , there will be some exceptions"

"Higher Council Tax bill"

"Keep the current system for Universal Credit households in place OR increase the income threshold at which households would be subject to paying council tax."

"Abolish universal credit"

"Decrease in my annual council tax bill."

"Become more efficient and leave the status as it is"

"Not change the current system"

"do not implement this tax on families who work hard but still struggle to get by"

"Increase in Council Tax"

"Cancel the change in taper limit. No need for it. Let us continue to pay what we are paying. Taking away bin services but you want to increase the council tax for working people. I'm better off on benefits, at least my children can then receive the basic free school meal."

"Reduce taxes for everyone and stop wasting money."

"Don't make the change"

"I work full time as does my husband. I think the rates we pay are ridiculous pretty certain it will go up to cater for those who don't work next year!"

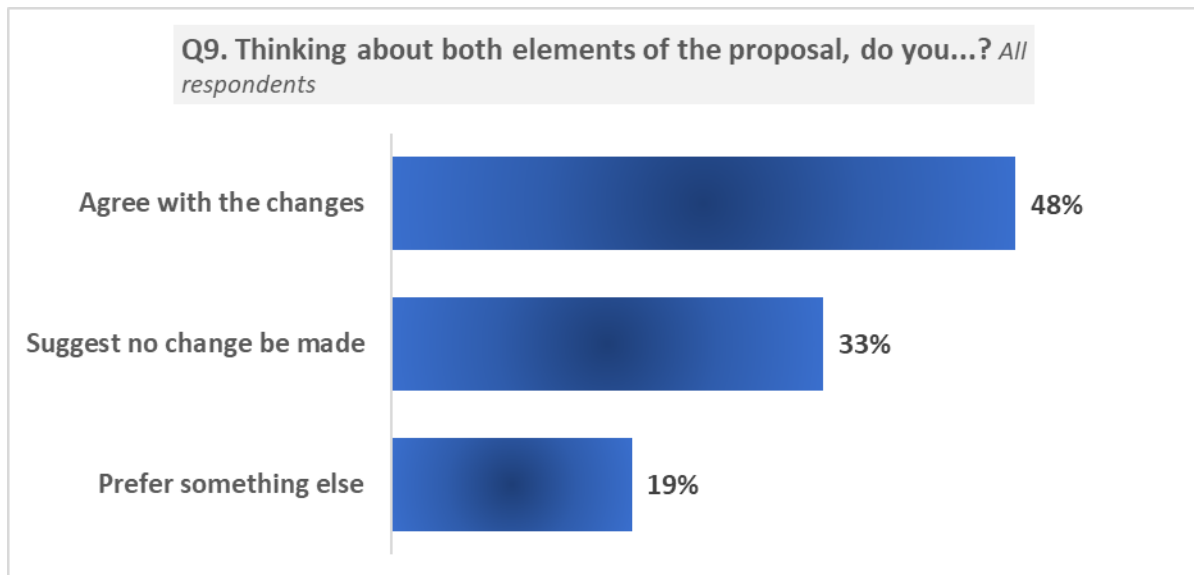
"The income threshold is too low for someone to have quality of life"

"Leave it as it is"

Whether or not changes should be made to the current scheme

All respondents were asked, in view of the proposals, **if they think the Scheme should be changed (Q9)**. Around half (48%) *agree with the changes*. The findings are detailed in Chart 5.

Chart 5

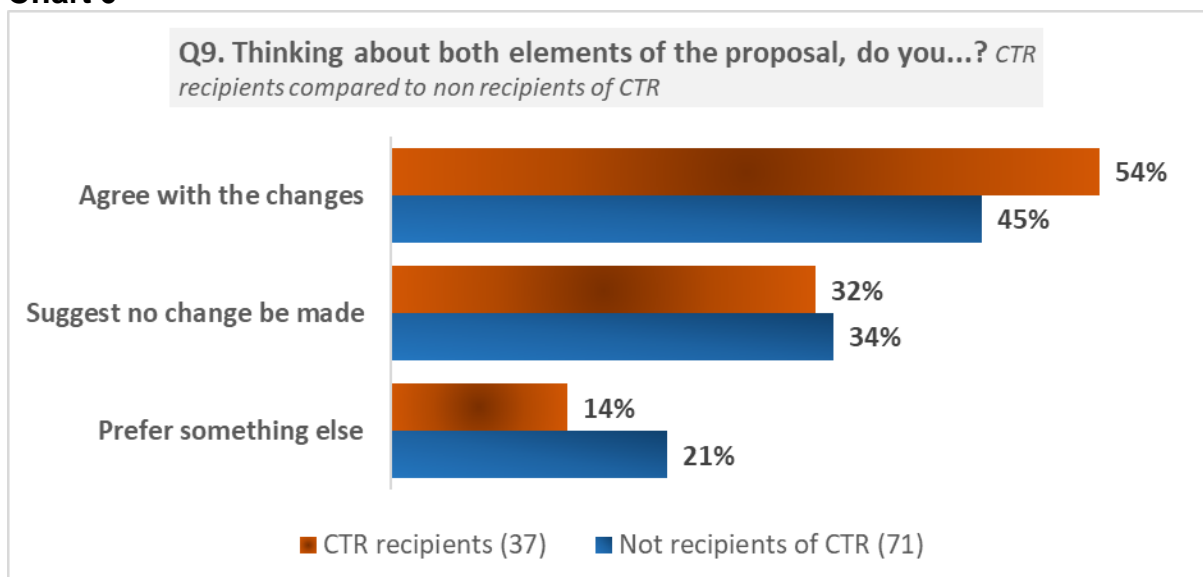


Base: All respondents (108)

The most popular response is *agree with the changes* (48%), followed by *suggest no changes be made* (33%), with the least popular response being *prefer something else* (19%).

This order of preference is also reflected in the views of those who receive CTR and those who do not. See Chart 6.

Chart 6



Base size in parenthesis

More than half (54%) of CTR recipients *agree with the changes*. This is higher than the score recorded for all respondents (48%) and those who do not receive CTR (45%). Thus, the majority of CTR recipients seemingly want to see the proposals implemented.

Similar proportions of CTR recipients, those who do not benefit from CTR and respondents as a whole, *suggest no change be made* (32%, 34% and 33% respectively).

Their scores for *prefer something else*, suggests that those who do not benefit from CTR and respondents as a whole have similar views (21% and 19% respectively). To some extent, this is expected as non-recipients represent the majority of the sample. A lower proportion of CTR recipients said they prefer something else (14%).

The stronger preference for *prefer something else* among those who do not receive CTR, compared to those who benefit from CTR, may be expected based on the views they expressed in response to questions 4 and 5, where some expressed concerns that proposed changes to the CTRS will have an adverse impact on Council finances.

Alternative suggestions

Respondents were asked for **alternatives they would like the Council to consider (Q11)**. Around a quarter (28 individuals) responded to this question. Most responses are not suggestions for reconfiguring the CTRS. The most popular suggestions appear to relate to:

- The Council making further savings and efficiencies (x3)
- Scrapping/replacing Council Tax (x3)

The full list of verbatim comments are available on request.

Other comments

Respondents were asked if they had any **other comments or suggestions they would like to make (Q12)**. Although 23 responded to this question, four responses were not comments or suggestions (for example, "N/A and "Po"). There are no clear themes emerging from the responses.

The full list of verbatim comments are available on request.