

Council Tax Support

Appendix D – Part 1 – Greater London Authority consultation response

LONDON BOROUGH OF ENFIELD: COUNCIL TAX SUPPORT SCHEME 2023-24

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 taxpayers – 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 2023-24 Scheme

The London Borough of Enfield is proposing two main changes to its council tax support scheme from 2023-24 onwards:

- An income banded scheme for households in receipt of Universal Credit

The Council states the proposed change to an income banded scheme for Universal Credit recipients will bring the financial assessment of working households in receipt of Universal Credit in line with other CTS assessments to ensure the scheme is equitable and fair. Working households receiving Universal Credit currently receive higher CTS awards than working households still in receipt of legacy benefits because the current scheme does not reduce CTS for Universal Credit households with earnings and awards maximum CTS.

Impact of proposals

The consultation document notes that increasing the minimum payment in 2023-24 is estimated to reduce CTS for around 16,000 claimants in receipt of Universal Credit and legacy benefits. Based on current caseload, it is estimated that 6,500 residents will be affected by the introduction of an income banded scheme for households in receipt of Universal Credit, although the circumstances of households vary significantly so it has not been possible to fully assess the impact of this change.

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.

The GLA recognises that the design of the final scheme is ultimately a matter for the council to determine. The GLA therefore does not raise any specific objections to the broad approach proposed by the council. If it decides to proceed with its proposals we would, however, encourage the council to monitor the impact of the changes on vulnerable low-income households given the current cost of living crisis.

The GLA welcomes the support the Council continues to provide to those CTS claimants experiencing financial hardship, through its discretionary hardship scheme and Enfield's Welfare Advice & Debt Support Team, as well as referral services to Citizens Advice.

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.

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 2023-24 and future years.

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 2023-24 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2023-24 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 over the last ten years of the council tax support arrangements.

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 2023-24. 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 2023, the Council is required to notify the GLA of its forecast collection fund surplus or deficit for 2012-23, 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 calculated on 15 January in line with the requirements of the 1992 regulation.

Appendix D Part 2

Council Tax Support Scheme consultation key findings – Residents

Council Tax Support Scheme consultation

We would like to hear what you have to say about our proposed Council Tax Support Scheme for 2023/24. Before you tell us your views, please read the Frequently Asked Questions document (FAQs) that accompanies this questionnaire.

The closing date for responses is 6 January 2023.

1. Are you responding as an individual (for example, as someone who receives Council Tax Support) or as a representative of an organisation (such as a local voluntary and community organisation)?

183 (98.9%) Individual 2 (1.1%) Representative

2. What is the name of the organisation you are representing?

Please use the space below.

Network Homes and Citizens Advice Enfield

3. Does your organisation offer advice on benefits and/or financial management to clients / service users?

2 (100.0%) Yes 0 (0.0%) No

4. How would you describe your employment status?

Please select all those that apply

58 (31.7%) Working - full time (30+ hours)

55 (30.1%) Working - part time (9-29 hours)

19 (10.4%) Self-employed

3 (1.6%) Working - under 8 hours

3 (1.6%) Full-time education at school, college, or university

7 (3.8%) Unemployed and available for work

20 (10.9%) Permanently sick/disabled

20 (10.9%) Wholly retired from work

5 (2.7%) Looking after family/home

3 (1.6%) Other/Doing something else

6 (3.3%) Prefer not to say

Council Tax Support (also known as Council Tax Reduction) is a benefit to help people who are on a low income or claiming certain benefits to pay some of their Council Tax bill. Currently, the Council pays up to 75.5% of the Council Tax bills of some working age households, with the household paying a minimum of 24.5%.

5. Do you receive either Council Tax Support, Housing Benefit or Universal Credit?

Please select all those that apply

65 (35.5%) Yes - I receive Council Tax Support/Reduction

45 (24.6%) Yes - I receive Housing Benefit

59 (32.2%) Yes - I receive Universal Credit

70 (38.3%) No - I do not receive any of these benefits

2 (1.1%) Don't know

6 (3.3%) Prefer not to say

Proposal: Introducing an earned income banded scheme for Universal Credit households only, based on earned income and household type

Calculations for Council Tax Support are different for those who receive Universal Credit than they are for those who do not. To ensure fairness with the Universal Credit calculations, we are proposing to introduce a Universal Credit earned income banded scheme to pay different percentages of Council Tax depending on household size and net earned income.

If a change of net earned income puts households into another band, the percentage of Council Tax to be paid will also change. A table providing details of the bands and payments are available in the FAQs that accompany this questionnaire (page 5 in the Frequently Asked Questions document).

The proposal, if implemented, will ensure that those working and in receipt of Universal Credit pay a similar amount of Council Tax to those working not in receipt of Universal Credit, where the award is tapered based on the actual income received.

It is expected that introducing this Universal Credit earned income banded scheme will simplify the Scheme and it could reduce the current cost of the Council Tax Reduction Scheme by around £1.6M. As the caseload and the number of working households moving on to Universal Credit increases, this change will reduce the potential increase in cost.

6. On the whole, do you think the proposal is fair or unfair?

74 (40.0%) Fair 62 (33.5%) Unfair 49 (26.5%) Not sure

7. Overall, what do you think will be the impact on your household if we introduced this proposal?

19 (10.4%) Very positive

21 (11.5%) Fairly positive

53 (29.0%) Neither positive nor negative / no impact

15 (8.2%) Fairly negative

39 (21.3%) Very negative

36 (19.7%) Not sure

8. What do you think will be the negative impact(s) on your household?

Please use the space below.

47 responses (available in separate document)

9. What could the Council do to reduce the negative impact(s) on your household?

Please use the space below.

48 responses (available in separate document)

10. Thinking about your clients/service users, what would you like to see the Council do to mitigate the potential negative impacts households may face should the proposal to introduce an 'earned income banded scheme for Universal Credit households only, based on earned income and household type'?

Please use the space below.

2 responses (available in separate document)

11. Would you rather we....?

55 (29.7%) Make no changes to the Council Tax Support Scheme

49 (26.5%) Implement the proposal (introduction of a Universal Credit earned income banded scheme)

38 (20.5%) Do something else with the Council Tax Support Scheme

43 (23.2%) Unsure

12. Do you have any suggestion on what you would like the Council to consider as an alternative to our proposal? *If you select 'yes', you will be asked for details*

26 (68.4%) Yes 12 (31.6%) No

13. What would you suggest as an alternative(s)?

Please use the space below.

26 (100.0%)

Households facing exceptional financial hardship can apply to the Council Tax Hardship Scheme and may receive help with their Council Tax after checks are made to ensure they are getting all the benefits and support they are entitled to. A resident may be eligible for a Council Tax Support Hardship payment if they are:

- Registered as a Council Taxpayer

- In receipt of Council Tax Support
- Actively taking steps to address the financial hardship they are facing

14. Before you had read this questionnaire and the FAQ document, were you aware of the Council Tax Hardship Fund?

71 (38.4%) Yes 114 (61.6%) No

15. If you have any other comments or suggestions you would like to make, let us know. You may want to tell us something that you have not had a chance to make clear elsewhere in this questionnaire.

Please use the space below.

69 responses (available in separate document)

About you

Enfield Council is working to provide a lifetime of opportunities for everyone in Enfield. Listening to and celebrating different views and perspectives makes Enfield a better place to live in, work in, study in or visit. Collecting, analysing, and using equalities information helps us to understand how our policies and activities are affecting different people and to identify any inequalities that may need to be addressed.

Please complete the following questions to help us to do this. The information you provide is strictly confidential and will only be used for monitoring purposes, it will be anonymised and cannot be used to identify you. This anonymised data is kept for three years to allow for comparisons. For more details about how we use personal data, see our Privacy Notice on the website or ask us for an accessible copy.

16. Do you want to provide this information for us and therefore help us to better understand your feedback?

130 (71.0%) Yes 53 (29.0%) No

17. In which postal district do you live?

21 (16.2%) EN1

17 (13.1%) EN2

26 (20.0%) EN3

0 (0.0%) EN4

0 (0.0%) EN6

1 (0.8%) EN8

25 (19.2%) N9

4 (3.1%) N11

9 (6.9%) N13

6 (4.6%) N14
13 (10.0%) N18
8 (6.2%) N21
0 (0.0%) N22
0 (0.0%) Other

Please provide details below.

0

18. How old are you (years)?

0 (0.0%) 19 or under
1 (0.8%) 20 - 24
3 (2.3%) 25 - 29
18 (13.8%) 30 - 34
17 (13.1%) 35 - 39
19 (14.6%) 40 - 44
10 (7.7%) 45 - 49
18 (13.8%) 50 - 54
17 (13.1%) 55 - 59
14 (10.8%) 60 - 64
6 (4.6%) 65 - 69
1 (0.8%) 70 - 74
5 (3.8%) 75 - 79
0 (0.0%) 80 - 84
0 (0.0%) 85 or older
1 (0.8%) Prefer not to say

19. What best describes your gender?

39 (30.0%) Male
86 (66.2%) Female
1 (0.8%) Prefer to self-describe
4 (3.1%) Prefer not to say

Please provide details below.

1 response

20. Do you consider yourself to be transgender? *Transgender is an umbrella term to describe people whose gender is not the same as, or does not sit comfortably with, the sex they were assigned at birth.*

0 (0.0%) Yes

120 (92.3%) No

1 (0.8%) Prefer to self-describe

9 (6.9%) Prefer not to say

Please provide details below.

1 response

21. What is your ethnic group?

49 (37.7%) WHITE - English/Welsh/Scottish/Northern Irish/British

2 (1.5%) WHITE - Irish

0 (0.0%) WHITE - Gypsy/Irish Traveller

0 (0.0%) WHITE - Roma

3 (2.3%) OTHER WHITE - Greek

3 (2.3%) OTHER WHITE - Greek Cypriot

9 (6.9%) OTHER WHITE - Turkish

3 (2.3%) OTHER WHITE - Turkish Cypriot

2 (1.5%) OTHER WHITE - Kurdish

0 (0.0%) OTHER WHITE - Albanian

3 (2.3%) OTHER WHITE - Polish

14 (10.8%) OTHER WHITE - Any 'Other White' background

4 (3.1%) MIXED/MULTIPLE ETHNIC GROUPS - White and Black Caribbean

1 (0.8%) MIXED/MULTIPLE ETHNIC GROUPS - White and Black African

0 (0.0%) MIXED/MULTIPLE ETHNIC GROUPS - White and Asian

0 (0.0%) MIXED/MULTIPLE ETHNIC GROUPS - Any other 'Mixed/Multiple Ethnic' background

2 (1.5%) ASIAN/ASIAN BRITISH - Indian

1 (0.8%) ASIAN/ASIAN BRITISH - Pakistani

3 (2.3%) ASIAN/ASIAN BRITISH - Bangladeshi

- 0 (0.0%) ASIAN/ASIAN BRITISH - Sri Lankan
- 0 (0.0%) ASIAN/ASIAN BRITISH - Chinese
- 1 (0.8%) ASIAN/ASIAN BRITISH - Any other 'Asian' background
- 6 (4.6%) BLACK/AFRICAN/CARIBBEAN/BLACK BRITISH - Caribbean
- 10 (7.7%) BLACK/AFRICAN/CARIBBEAN/BLACK BRITISH - African
- 0 (0.0%) BLACK/AFRICAN/CARIBBEAN/BLACK BRITISH - Any other 'Black/African/Caribbean/Black British' background
- 0 (0.0%) OTHER ETHNIC GROUPS - Arab
- 6 (4.6%) Other
- 8 (6.2%) Prefer not to say

Please provide details below.

18 responses

22. Do you have a physical or mental health condition or illness lasting or expected to last for 12 months or more?

40 (31.0%) Yes 75 (58.1%) No 14 (10.9%) Prefer not to say

Thank you for taking the time to tell us your views