

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Council Tax Reduction Scheme 2020/2021 – Consultation on recommended option	
<b>REPORT OF</b> Director of Customer Services	
<b>FOR SUBMISSION TO</b> Disability Oversight Panel	<b>DATE</b> 24 July 2019
<p><b>SUMMARY OF REPORT</b></p> <p>This report considers the recommend option for a Council Tax Reduction Scheme for working age people for the year 2020/21.</p> <p>The scheme supports the poorest households in Camden to pay Council Tax and enables a number of Camden 2025 outcomes to address poverty and debt, employment and supporting children and people with disabilities.</p> <p>This report sets out the rationale for changing the scheme, the options considered to date and the proposed scheme that is now out for consultation. The proposed scheme:</p> <ul style="list-style-type: none"> <li>• sees no reduction in the total amount of financial support awarded – over £16m a year for working age and £9m for pensioners</li> <li>• maintains our commitment to having no minimum payment for all – over 10,000 out of work and low income households will still get 100%</li> <li>• delivers fairness, simplicity and affordability through a reduction in bureaucracy - enables £500,000 to be saved in staffing and other costs</li> <li>• supports people’s transition to Universal Credit</li> <li>• supports young adults to stay with their families in Camden</li> <li>• targets financial support at the poorest households</li> <li>• provides additional support for families, disabled people and carers and disregards children and disability benefits in income calculations</li> <li>• provides greater certainty and in work progression incentives for those in low pay</li> </ul> <p>The consultation methods are set out in this report. It is anticipated that the results of any consultation will be considered in the Autumn with the Council needing to agree any scheme in January 2019 as any revision to or replacement scheme must by law be made no later than 11 March 2020.</p> <p><b>Local Government Act 1972 – Access to Information</b></p>	

No documents that require listing were used in the preparation of this report

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**RECOMMENDATIONS**

That the Disability Oversight Panel is asked to:

1. Consider the recommended scheme and it's impact on residents with a disability
2. Note that the final decision on a scheme will be taken by Council in January 2019

Signed:

Date:

## **1. CONTEXT AND BACKGROUND**

- 1.1. Every year the Council must decide whether to keep the existing Council Tax Reduction Scheme or revise it. The decision to adopt a scheme must be taken by Full Council.
- 1.2 Any revision to the scheme or any replacement scheme must be made no later than 11 March 2020. If Full Council does not adopt a revised scheme by 11 March 2020, the existing scheme continues to apply for the following financial year.
- 1.3 This report does not discuss the scheme provisions for people of pension credit age as this is prescribed by law and cannot be changed. Nor does it propose to change the 21 statutory exemptions and discounts from Council Tax or the Council's policy to award a discount to foster carers and care leavers.
- 1.4 The Council Tax Reduction Scheme (CTRS) awards a reduction in Council Tax for residents receiving benefits or on a low income. Camden currently spends £25m a year on council tax reductions for 22,600 people, 15,000 of which are working age (at a cost of £16.8m). Of these 11,228 receive 100% support.
- 1.5 Most Council Tax Reduction awards are calculated using data from Housing Benefit claims. As claimants move to Universal Credit, fewer Council Tax Reduction claimants will also be claiming Housing Benefit. They will need to make a separate claim for a Council Tax Reduction.
- 1.6 The cost of processing Housing Benefit and Council Tax Reduction Scheme claims is funded by Government. This funding is expected to reduce by over £1m a year by 2023 leading to a budget pressure if the Council Tax Reduction Scheme remains the same.
- 1.7 When the Government localised council tax support, they cut the funding by 10%. Since then it has been rolled up into the revenue support grant and subject to further reductions. The Local Government Association concludes that Government funding for the scheme has reduced by a minimum of 28%. Camden's own analysis has identified that if the CTRS grant remained the same % of the revenue support grant as in 2013/14, the Council is now providing an additional £10m a year to sustain the scheme. This is likely to increase as the Government further reduces local government funding.
- 1.8 The Council is committed to sustaining the same investment in the scheme to ensure that the poorest continue to receive 100% support, with no reduction in the total level of financial support overall. However, the Council is considering redesigning the scheme to make it simpler to claim, sustain and administer, delivering fairness for those on Universal Credit and legacy benefits. As such the Council included a proposal, subject to consultation and consideration of equality impacts, to save £500,000 in the Medium Term Financial Strategy to reduce the cost of staffing and other costs (e.g. postage) from April 2020 associated with administering the CTRS.

1.9 Universal Credit (UC) is being fully rolled out with over 100 claims a week transferring to the new benefit. The migration of existing claimants is expected to start in 2020 with the process being completed by December 2023.

1.10 There are a number of concerns about the Council's current Council Tax Reduction Scheme:

- The Council's current scheme results in Universal Credit claimants in work receiving an average of 9% less support than if they stayed on legacy benefits due to the way income is treated. This will increasingly impact on working households in Camden as the roll-out of UC continues, potentially impacting 5000 in work claimants. Redesigning the scheme can ensure greater fairness and parity between working households on Universal Credit and those that remain on legacy benefits.
- The Council's current scheme only allows claims to be backdated for one calendar month. Most people on legacy benefits would have made a single claim for both Housing Benefit and Council Tax Reduction and the claims would have been assessed at the same time. However, under UC, claimants need to make a separate claim for a Council Tax reduction and for many there is a delay before claiming. In that time, they become liable for Council Tax which would not be covered by the one month CTRS claim backdate and they would struggle to pay the difference.
- The current scheme is very complex with little transparency and understanding on entitlement, using 50 different criteria to determine eligibility. Every household has an applicable amount which is the amount they can earn before their entitlement reduces. This amount varies considerably (from £75 to £700 a week) depending on the household circumstances. After this amount, financial support is reduced by 20p for every £1 earned. Each change in income results in a full reassessment and potentially a new bill. The Council currently does 1000 reassessments a week which could double under UC. All this means that claimants have to provide a wealth of information to claim, it is very difficult for earners to understand their entitlement or plan future budgeting and sustaining a claim can be a significant burden if income changes regularly. This all leads to a very poor resident experience with few in work progression incentives built into the scheme.
- There are 5,700 Council Tax reduction claims with non-dependents living at home that are subject to a further deduction. Deductions are based on the circumstances of the non-dependent. It is estimated that up to a quarter of correspondence dealt with by the Benefit Service relates to non-dependents. Simplifying the arrangements for non-dependents will reduce the amount carried out by the Benefit Service reducing both staffing and administration costs and gives the potential to support those that stay at home until 25.

- 1.11 A report by the Institute of Fiscal Studies, “The impact of Localised Council Tax Support Schemes (2019)” has evaluated the impact of different council tax support schemes across the country. It noted that the majority of councils had implemented a ‘minimum payment’ of varying amounts. The analysis concludes that arrears are most likely to be in households that previously received 100% support and did not receive a bill. The size of the new bill did not make a material difference in likelihood to pay for these groups. Whereas those who were already receiving partial support did not see a large spike in arrears.
- 1.12 The Council’s is committed to sustaining investment in the scheme to ensure that the poorest continue to receive 100% support, with no reduction in the total level of financial support, whilst redesigning the scheme to make it simpler to claim, sustain and administer, delivering fairness for those on Universal Credit and legacy benefits.
- 1.13 The Council has been modelling different options for scheme design with the aim of mitigating impacts on those that need the financial support the most. Despite the commitment to keep the total funding for the scheme the same, every scheme design results in different households gaining and losing support.

## 2. PROPOSED SCHEME

- 2.1 Through Camden 2025, Camden has made clear its commitment to tackling poverty and supporting those most in need. In so doing it has provided extra support for foster carers and those leaving care as well as invested in retaining 100% support for council tax for the poorest households.
- 2.2 It is proposed that Council continue to invest in maintaining the same level of financial support with Council Tax for Camden’s poorest households and consult on a new Council Tax Support Scheme to address the loss of entitlement for working UC claimants and reduction in administration funding. The aim is to design a scheme for working age households that is **simpler** to claim and sustain, delivers **fairness** for those on UC and legacy benefits, **affordable** in the context of the Council’s Medium Term Financial Strategy and **reduces unnecessary bureaucracy**.
- 2.6 The Council has worked with independent expertise and analysis from Policy in Practice to consider a range of options set out in section 3 below.
- 2.7 A roundtable discussion with local advice providers, One Housing, Zacchaeus 2000 and the Child Poverty Action Group took place to develop draft principles that should guide the future design. The organisations welcomed the opportunity to discuss the need for change and a follow-up will be held when the consultation on the recommended option for a scheme is launched. These sessions and other discussions with those leading on the Council’s employment support concluded with the following key principles:

- Focus of our investment should be supporting people in poverty rather than administration
- No minimum payment for all irrespective of circumstance
- Easy to work out entitlement, claim and sustain
- Providing stability and certainty for claimants to enable better budgeting
- Support for the poorest and least able to pay - retaining 100% for those out of work
- Based on people's real earnings (no minimum income floor for self-employed people)
- Continuing flexible/sensitive approach to debt recovery with a hardship fund
- Maintaining employment and in work progression incentives
- Responsive to changes/avoiding overpayments
- Fair to those on UC and legacy benefits
- Supporting households through the transition to UC
- Supporting young adults into employment
- Supporting households with children (especially lone parents)
- Supporting households with a disability or carer
- Support for single adults with health needs with the lowest ability to pay

2.8 The Council agreed to consult on a hybrid income and circumstance model summarised below and in Appendix A, as this provides the best opportunity to reflect the costs of children and disability alongside income bands.

	No Children	Children	Disabled or Carer *
Not Working or earning less than £84.40pw (8 x London Living Wage (LLW))	100%	100%	100%
Earning between <b>£84.40 to £168.80pw</b> (16 hours x LLW)	55%	65%	85%
Earning between <b>£168.81 to £379.80</b> (36 hours x LLW)	35%	45%	55%
Earning between <b>£379.81 to £417.78</b> (36 hours x LLW+10%)	0%	30%	45%
Earning between <b>£417.79 to £474.75</b> (36 hours x LLW+25%)	0%	15%	30%

\*To qualify for a Disabled Award the applicant or their partner have to be receiving Disabled Living Allowance (DLA), Personal Independence Payments (PiP) or Carers Allowance.

2.9 The recommended option for consultation will also:

- Stop making deductions for non-dependents under the age of 25 to support young people entering employment and non-dependents (of any age) in receipt of DLA/PiP or students

- Exempt childcare expenditure in the income calculation up to the level set out in the Government's default regulations, currently up to £300 a week
- Not implement the minimum income floor for self-employed workers
- Allow backdating of a claim for CTRS from 1/4/2020 or start of Universal Credit Claim or Passport Benefit claim if after this date – this will help those claiming UC who don't realise they have to make a separate claim
- Retain £16,000 capital limit
- Income thresholds are based on the published London Living Wage (LLW) and will update automatically with announcements
- Introduce a set non-dependent rate of 30% council tax liability for those in work aged 25 and over earning over £84.40/week.
- Change the name of the scheme document to Council Tax Support to address the current confusion with discounts
- Cease the use of Enforcement Agents for Council Tax debts for those in receipt of Council Tax Support
- Extend the use of the hardship fund to support those households facing genuine hardship as a result of the change
- Reassess existing claims at the launch of the scheme without people having to make a claim

2.10 The recommended option for consultation delivers a number of the principles set out in 2.7 above.

- sees no reduction in the total amount of financial support awarded – over £16m a year for working age and £9m for pensioners
- maintains our commitment to having no minimum payment for all – over 10,000 out of work and low income households will still get 100%
- delivers fairness, simplicity and affordability through a reduction in bureaucracy - enables £500,000 to be saved in staffing and other costs
- supports people's transition to Universal Credit
- supports young adults to stay with their families in Camden
- targets financial support at the poorest households
- provides additional support for families, disabled people and carers and disregards children and disability benefits in income calculations
- provides greater certainty and in work progression incentives for those in low pay
- provides a sensitive approach to debt collection with a hardship fund for those facing hardship

2.11 The draft scheme is now subject to a consultation with recipients, council tax payers and local advice agencies/voluntary organisations. An initial Equality Impact Assessment is set out in Appendix B. This will be updated as consultation progresses to incorporate any relevant feedback before a final decision is taken.

2.12 If, subject to consultation, an amended scheme is approved by Cabinet and full Council in December 2019/January 2020 in line with the current proposed option, then it is anticipated that the Benefit Service would undergo a restructure to save £500k for the 2020/21 financial year.

### 3. IMPACT ON CLAIMANTS WITH A DISABILITY

- 3.1 There are 596 Council Tax Reduction claimants who are receiving either Disabled Living Allowance or Personal Independence Payments. There are a further 210 claimants who receive Carer's Allowance due to the disability of a family member.
- 3.2 Claimants with a disability who receive Income Support, Employment Support Allowance, Job Seekers Allowance or are earning less than £84.40 per week will receive full benefit and will not have to pay any Council Tax, less any Non-Dependent Deduction.
- 3.3 The recommended option recognises the additional expenditure faced by claimants with a disability and those supporting a disabled family member. Claimants with these circumstances in employment will receive a higher award than those not disabled with similar earnings.
- 3.4 The recommended option is proposing to make changes to Non-Dependent Deductions. These are deductions made from a Council Tax Reduction Award for each adult living with the claimant (that is not a spouse or partner). Currently if the main claimant or their partner is on DLA/PIP, their non-dependents are not required to pay towards council tax, even though they may be high earners. However, in the current scheme, if the main claimant does not have a disability, but their adult children do, there is a non-dependent deduction for non-dependents with disability. A list of the current deductions is shown below: -

	Weekly deduction
Student	Nil
On Benefits (JSA,IS,ESA, UC No Earnings)	Nil
Nil Income	£ 4.00
Earning £0 - £207.70	£ 4.00
Earning £207.71 - £360.10	£ 8.10
Earning £360.11 - £447.40	£ 10.20
Earning more than £447.40	£ 12.20

Under the recommended option there will be no non-dependent deduction where the non-dependent is receiving Disabled Living Allowance or Personal Independence Payments.

- 3.5 Non-dependent deductions create a significant amount of administration as the Council is constantly adjusting the status of young adults living at home and chasing families for evidence of student status. Therefore it is proposed that the non-dependent deductions are changed to mean that all non-dependents under the age of 25 are exempt from a deduction. There would be a set



deduction of 30% of Council Tax liability for any non-dependent aged 25 and over in work and earning over 8 hours x LLW a week.

- 3.6. **Backdating** – Claimant can currently have their claim for Council Tax Reduction backdated for one calendar month. In order to bring the backdating of working age claim in line with pensioners it was considered that the scheme could be changed to backdate a working age claim to the start of a Universal Credit claim. This would reduce the administration costs of recovering small debts from people in receipt of welfare benefits and help disabled claimants who may struggle with the transition to Universal Credit.

#### 4. **WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 4.1 The award of a Council Tax Reduction reduces financial pressures on the poorest residents by reducing their liability for Council Tax. If we are to change the scheme, we must design a Council Tax support scheme that is simple to claim as possible and targets support for those that need it most. Equally it is important that Camden fully understands the impact of any proposed scheme on its residents.
- 2.2 An independent organisation, Policy in Practice has been commissioned to undertake a more detailed evaluation of the impact of the proposed hybrid model compared to if the current scheme was retained in 2020/21. This has fed into an Equality Impact Assessment (Appendix B). These impacts, listed below, have been fully considered in determining the Council's recommended scheme for consultation.
- 12,383 (81%) would receive the same or more financial support
    - 7,309 (48%) households retain the same level of support as now
    - 5,074 (33%) households would gain financial support (at least £1 a week). These are predominately single adults, lone parents plus some couples with children across out of work, in work and self-employed groups. Average gain is £5.23/week
  - 10,343 (68%) would continue to receive 100% support
  - 2,992 (19%) households lose financial support (at least £1 a week). These are all in work households and generally couples with children with higher household incomes. Average loss is £9/week.
  - 1,282 (8%) would move from 100% entitlement now to having something to pay – these are all in work or self-employed.
  - 59 households currently receiving partial support would lose all entitlement due to high earnings.
  - Generally, Council Tax bands ABC see an increase and EFGH see a reduction
  - There is no statistical difference according to tenure
- 2.3 In determining the recommended scheme for consultation the Council has modelled a number of different options and tried to find a fair balance between

those losing and gaining support. Seeking to protect some groups from significant change would then result in bigger impacts on other groups. Therefore the Council has chosen to prioritise those with the lowest household incomes and therefore least able to pay. The equalities impact assessment identifies the potential impact on larger working families, which may result in impacting specific ethnicities as the scheme does not give more support according to the number of children or whether the claimant is single or in a couple. However as the scheme disregards child benefit, working tax credit, child tax credit and the children element of Universal Credit, these households have greater total household income than other households.

- 2.4 On broader risks, it is impossible to quantify who is not currently claiming that would under a new, more transparent scheme. Nor can we forecast who will transfer to Universal Credit and when or the impact of Brexit on employment. Therefore a risk remains that the numbers claiming and the numbers eligible for 100% can vary, resulting in changes to the total cost of the scheme. As such the scheme will need to be reviewed each year.
- 4.5 There is a risk that the software needed to administer any new scheme would not be in place by April 2020. Initial meetings with Civica, our benefits software supplier, have confirmed they are already working with other local authorities to provide software for schemes similar to the recommended scheme for consultation in this report. Some of these will go live in April 2019.

## **5. LINKS TO OUR CAMDEN PLAN**

- 5.1 A Council Tax Reduction is awarded to claimants on low pay and therefore assists those furthest from the labour market move into employment. It also provides vital financial support for the poorest households in the borough and as such contributes to reducing debt and poverty.
- 5.2 The Council is also committed to designing services around the needs of citizens so this provides Camden with an opportunity to understand what matters to local people and design a new scheme that delivers priority outcomes.

## **6. CONSULTATION/ENGAGEMENT**

- 6.1 The change to the scheme is being fully publicised with a wide ranging engagement strategy to ensure everyone can have their say. The consultation started on the 17<sup>th</sup> June 2019 and closes on the 15<sup>th</sup> September 2019 with a supporting communications strategy. See [www.camden.gov.uk/CTRS](http://www.camden.gov.uk/CTRS)
- 6.2 Details of the scheme have been sent to organisations supporting residents with disabilities. Their views will be sought at the regular Camden Advice Partnership meetings and throughout the engagement process. We will be able to have more detailed discussion with organisations and support groups, if requested.

- 6.3 Whilst designing a new scheme is complex, the consultation and details of the proposed scheme are as simple as possible to understand, distilling complex information into plain English. The consultation breaks down information and questions to support people to submit informed responses. An information pack that uses infographics and scenario-based examples to help people understand the implications, and include both top-level information and the full details of the scheme for transparency and to engage people with ranging levels of understanding and interest. We will provide questions and answers in the information pack for key queries that are likely to come up.
- 6.4 The consultation is available to complete online and on paper to make sure that people who are not digitally active can participate, and will also be available in different formats such as large print and translation on request. The consultation runs over three months to make sure that people who are away over the summer can still participate, and communications and engagement will be sustained across this period.
- 6.5 The consultation and engagement will target both council taxpayers and existing recipients of Council Tax Reduction.
- 6.6 We are directly contacting residents, holding focus groups, place targeted content on relevant parts of the website using user cookies and more universal communications to ensure everyone has a chance to give their views on the proposals. At the centre of this will be a short animated video that visually and in plain English explains the recommended CTRS and why changes are needed, which we will encourage our partners to share.
- 6.7 We will utilise other organisations' channels to promote the consultation, including TRAs and DMCs, GPs and leisure centres. We will promote the consultation internally to encourage staff to share with residents and to take part if they are among the 20% of staff who live in Camden.
- 6.8 Communications will sit alongside a wide-reaching programme of engagement, including:
- A presence within Contact Camden at 5PS, both publicising the proposals and the opportunity to feedback thoughts, as well as helping navigate residents through how the changes would impact them.
  - A series of drop in sessions across the borough's nine libraries, providing opportunities to come and speak to officers directly to understand how the system works and what the proposal may mean for them.
  - Officers taking part in summer events, working with housing, leisure and children's service colleagues to ensure physical presence at events, especially focussed where a high proportion of impacted residents will be present.
  - A follow-up meeting with organisations working to reduce poverty (Citizens Advice Camden, Child Poverty Action, Zacchaeus 2000 Trust) has already taken place.

## 7. LEGAL IMPLICATIONS

7.1 There is a statutory obligation on the Council to have a scheme specifying the reductions that apply to amounts of council tax payable by (a) persons whom the authority considers to be in financial need; or (b) persons in classes consisting of persons who the authority considers to be, in general, in financial need. A scheme must state the classes of persons who are entitled to a reduction under the scheme and the Local Government Finance Act 2012 states that classes may be determined by reference to, in particular:

- (a) the income of any person liable to pay council tax to the authority in respect of a dwelling;
- (b) the capital of any such person;
- (c) the income and capital of any other person who is a resident of the dwelling;
- (d) the number of dependants of any person within paragraph (a) or (c);
- (e) whether the person has made an application for the reduction.

7.2 For each financial year, the Council must consider whether to revise or replace its scheme and any revision or replacement must be made by 11 March in the preceding financial year to that which it is to take effect. The statutory requirement to consult applies to the Council when revising or replacing the scheme. These require that the authority must (in the following order):

- (a) consult any major precepting authority which has power to issue a precept to it;
- (b) publish a draft scheme in such manner as it thinks fit; and
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

7.3 In addition, wherever there is a duty to consult, it is a duty to engage in lawful (and therefore fair) consultation. When looking at the precise circumstances of a case, however, the court will have in mind certain guiding principles that must be followed if consultation is to be fair, frequently referred to as "the *Gunning* principles":

- The consultation must be at a time when proposals are still at a formative stage.
- The proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response. Those consulted should be aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the problem, see [R \(Robin Murray & Co\) v The Lord Chancellor \[2011\] EWHC 1528 \(Admin\) \(16 June 2011\)](#).
- Adequate time must be given for consideration and response.
- The product of consultation must be conscientiously taken into account in finalising any statutory proposals.

The Supreme Court has held that the demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an

existing benefit or advantage than when the claimant is a bare applicant for a future benefit

7.4 The DCLG guidance “Localising Support for Council Tax: Vulnerable people-key local authority duties”(February 2014) outlines the duties local authorities need to consider in relation to vulnerable groups in designing their schemes (other than those of state credit pension age who receive statutory protection). The duties have changed since the guidance was written and the summary below takes account of these amendments:

a) the public sector Equality Duty (The Equality Act 2010). The need for the local authorities to consciously consider this duty as an integral part of the decision making process and ensure it has sufficient information to do so is reiterated as is the need to take into account disabled peoples disabilities when making decisions about policies or services and the impact of their schemes on disabled people. This is a continuing duty.

b) the duty to mitigate effects of child poverty (The Child Poverty Act 2010). The relevant provisions were repealed by the Welfare Reform and Work Act 2016 in May 2016 and the Act renamed the Life Chances Act 2010 and replaced with a new duty on the Secretary of State to report levels of educational attainment and worklessness. However it is noted the guidance also referred to the fact that authorities may wish to use their scheme to help encourage separated parents to make child maintenance arrangements and maximising the money reaching children for example by fully disregarding child maintenance when assessing eligibility.

c) The duty to prevent homelessness (The Housing Act 1996). Authorities will want to consider how information about their scheme is made available to homeless households once they are secured accommodation and when taking into the equality duty, have regard to vulnerable individuals for whom it secures accommodation, or who are at risk of becoming homeless- for example, young people or individuals suffering from mental illness.

7.5 The public sector equality duty is a continuing duty and Cabinet Members must take into account in coming to any decision the Councils equality duties. In summary these legal obligations require the Council, when exercising its functions, to have ‘due regard’ to the need to 1. Eliminate discrimination, harassment, victimisation, and other conduct prohibited under the Act; 2 to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion or belief, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc the protected characteristic of marriage and civil partnership is also relevant. In this case, for this decision, at present, the attached EIA concludes that there is no potential for discrimination and all appropriate opportunities to advance equality and foster

good relations have been taken and the EIA will be kept under review as the consultation progresses.

## **8. RESOURCE IMPLICATIONS**

- 8.1 Funding of £150,000 will be required to change the Council Tax Reduction Scheme. This will cover the independent evaluation of any proposed schemes, any public consultation costs and any software changes.
- 8.2 The restructuring of the Benefit Service will lead the deletion of up to ten posts in 2020/21 and further reduction in later years. As any redundancies would be a direct result of the roll out of Universal Credit redundancy costs will be met by the Department for Work and Pensions.(see Universal Credit Local Authority Bulletin UC1/2017 <https://www.gov.uk/government/publications/universal-credit-local-authority-bulletins-2017>)

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 At present, it is planned that the consultation will run from June to September 2019. The results will be analysed with recommendations for a final scheme likely to go to Cabinet in December 2019 and Council in January 2020. Subject to the outcome of the consultation and any subsequent decision on a scheme , it is currently anticipated that any required restructure will begin alongside changes to the software to enable the changes to go live in April 2020 and be reflected in the Council Tax bills issued in March 2020.

## **10. APPENDICES**

- A – Proposed option for Council Tax Reduction Scheme for consultation
- B – Equalities Impact Assessment

**REPORT ENDS**

## Appendix A

### Recommended changes to the Council Tax Reduction Scheme for consultation

For working age households only - Income based scheme based on household composition

	No Children	Children	Disabled or Carer
Not Working or earning less than £84.40pw (8 hours x London Living Wage)	100%	100%	100%
Earning between <b>£84.40 to £168.80pw</b> (16 hours x LLW)	55%	65%	85%
Earning between <b>£168.81 to £379.80</b> (36 hours x LLW)	35%	45%	55%
Earning between <b>£379.81 to £417.78</b> (36 hours x LLW+10%)	0%	30%	45%
Earning between <b>£417.79 to £474.75</b> (36 hours x LLW+25%)	0%	15%	30%

- Earnings based on London Living Wage and uplifted in line with announcements
- Disabled or Carer awards are made where the claimants or partner are in receipt of either Disabled Living Allowance, Personal Independence Payments or Carers Allowance
- Capital Limit - £16,000
- Maximum Income £474.75 per week
- Self-Employed – Actual Figures based on last tax return
- Non-Dependent Deductions – nil for all under 25, students and those in receipt of DLA/PIP. 30% of council tax liability for all household members aged 25 and over in employment earning over 8hours x LLW a week
- Backdating to 1/4/2020 or start of Universal Credit Claim or Passport Benefit claim if after this date.
- Childcare costs are disregarded in accordance with the MHCLG default regulations currently £175/week for one child and £300/week for two or more where lone parent or both parents work at least 16 hours/week
- Disregard income from child benefit, child tax credit, working tax credit, disability benefits and the disability and child elements of Universal Credit

The detailed scheme is available to view at [www.camden.gov.uk/benefits](http://www.camden.gov.uk/benefits)