

Report Title:	Council Tax Reduction Scheme
Contains Confidential or Exempt Information	No - Part I
Council Member:	Cllr Hilton Council Member for Asset Management, Commercialisation, Finance and Ascot.
Meeting and Date:	Council – 21 February 2023
Responsible Officer(s):	Adele Taylor – Director of Resources.  Louise Freeth, Head of Revenues, Benefits, Library and Resident Services.
Wards affected:	All

## REPORT SUMMARY

1. Council Tax Reduction (CTR) provides financial assistance to council tax payers on a low income. The Local Government Finance Act 1992 places a legal requirement on local authorities to consider whether to change their working age Council Tax Reduction (CTR) scheme on an annual basis.
2. While there were no significant changes to the current scheme proposed in 2023/24, there are a number of administrative changes proposed in order to simplify the system for both residents and officers. This report seeks to provide the results of a recent public consultation in respect of those changes.

### 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Council notes the report and, in particular notes the feedback from the consultation and:

- i) Approves the proposed amendments to the Council Tax Reduction scheme for the financial year 2023/24.

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report**

Option	Comments
Approve the proposed 2023/24 changes  <b>This is the recommended option</b>	This will ensure the scheme is easier to understand for residents, introduces fairness for those not/on UC and simplifies the administration for staff.
Do not approve the proposed 2023/24 changes.	This will continue to differentiate between how UC income is

Option	Comments
Not the recommended option.	treated and retain the complexity of administration for staff.

- 2.1 Since April 2013, billing authorities have been responsible for devising their own Council Tax Reduction (CTR) schemes to assist working age council tax payers who are on a low income.
- 2.2 It is a legal requirement that consideration is made, on an annual basis, to changing the scheme even where a decision is made that the scheme should be unchanged or where proposed changes may be considered minor e.g. uprating means tested allowances in line with the Department of Work and Pension figures.
- 2.3 No changes may be made to the pensionable age CTR scheme as these regulations are amended, annually, by the Department for Levelling Up, Housing and Communities (DLHUC). Responsibility for their maintenance rests with DLHUC.
- 2.4 Councils are required to consult on any changes which they wish to make to the operation of their scheme. They must first consult with their major precepting authorities as it has a direct financial impact upon them. They must also consult anyone else who may be affected i.e. recipients of CTR and the wider council tax payers.

### 3. KEY IMPLICATIONS

- 3.1 There are currently 2,059 pensionable age CTR recipients, this is down from 2,100 in April 2022. None of these proposals would affect them.
- 3.2 There are currently 2,204 working age CTR recipients, this is down from 2,347 in April 2022. Of these 2,204 a total of 1,221 are in receipt of Universal Credit.
- 3.3 Total expenditure on the CTR scheme is currently £3,923,755 split into £2,094,196 in respect of pensionable age recipients and £1,829,558 for those of working age.
- 3.4 Any proposed change must be consulted on in a specific order i.e. with the major precepting authorities first and then anyone else considered to have an interest in the scheme i.e. residents whether in receipt of CTR or not.
- 3.5 Prior to the public consultation both Thames Valley Police and Royal Berkshire Fire and Rescue Service were consulted and confirmed they would not have any objection to the proposed changes

**Table 2: Key Implications**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Amend the working	Working age CTR	Scheme updated	N/A	N/A	01 April 2023

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
age CTR scheme as proposed	scheme remains as is	by 31 March 2023			

#### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The financial impact for the Royal Borough is difficult to predict as it is not possible to identify relevant customers from existing records and there should be a focus, not only on the cost of CTR awards, but also on the costs associated with officer time, printing and posting additional CTAX bills and chasing outstanding CTAX debts associated with CTR claims.
- 4.2 It is also not possible to predict whether or not the number of CTR recipients will increase in 2023/24 as a result of the cost of living crisis although it should be noted that this has not been the case during the current financial year.
- 4.3 The potential costs of these changes are however perceived to be small compared to the benefit of the simpler administration of the scheme, for both customers and officers as well as the increasing fairness and support for many customers.
- 4.4 The table below summarises the effect of each change for both the customer and the council.

**Table 3: Summary of proposed changes.**

Change	Financial impact for customer	Financial impact for authority	Primary purpose
UC customers – limited reassessments.	No impact	No impact	More efficient administration of the scheme
UC customers – automatic re-awards	No impact, provided they previously submitted a new claim on time. Not possible to quantify costs.	Potentially more CTR support awarded as removing the burden of submitting a new claim. Not possible to quantify costs.	More efficient administration of the scheme
UC customers – Net vs Gross income	Negative impact – would receive less CTR. Would only affect new UC claims or where the UC reduces after 01.04.23. However anyone suffering financial hardship would be eligible to submit	Would be awarding less CTR. Not possible to quantify costs.	To align the way in which UC income is treated with other Benefit income types.

	an application for a Discretionary S13A(1)(c) reduction in the CTAX charge. Not possible to quantify costs.		
All working age customers – 3 months backdating	Potentially positive if they qualified for the whole 3 month period rather than the current 1 month. Not possible to quantify costs.	Negative impact as would be potentially awarding more CTR but need to consider the possibility of chasing small debts for outstanding Council Tax if not awarded. Not possible to quantify costs.	More efficient administration of the scheme – aligning working age customers to existing rules for pensionable age customers.
All working age customers annual uprating	Positive impact – increased allowances would mean more CTR awarded. Not possible to quantify costs.	Negative impact as would be awarding more CTR. Not possible to quantify costs.	More efficient administration of the scheme, aligning CTR claims with those for Housing Benefit.

## 5. LEGAL IMPLICATIONS

- 5.1 Section 13A of the Local Government Finance Act 1992 (as amended) (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended in 2020) prescribe matters which must be included in such a scheme in addition to those matters which must be included in such a scheme by virtue of paragraph 2 of Schedule 1A to the 1992 Act.
- 5.2 The 1992 Act also requires an authority reducing CTR to consider the issue of whether to award such transitional protection as it sees fit to affected customers. It is proposed that, since the primary purpose of these changes is to simplify the scheme and mitigation already exists for those individuals suffering any potential financial hardship as a result, to create a complex transitional protection scheme would not be appropriate.
- 5.3 The council has existing powers under S13A(1)(c) of the 1992 Act where an affected customer believes they have suffered financial hardship as a result of these changes. This power enables the council to reduce the amount which a council tax payer is liable to pay, as respects the dwelling and the day, to such extent as it thinks fit on an individual basis.
- 5.4 The 1992 Act also places a requirement on councils to consult with anyone who may be affected i.e. recipients of CTR assistance and Council Tax Payers,

should they wish to make any amendments to their scheme. The Council has sought to do so following consultation with the major preceptors i.e. Thames Valley Police and Royal Berkshire Fire and Rescue.

## 6. RISK MANAGEMENT

- 6.1 As this is a complex means tested form of public assistance it is not possible to outline the impact on each individual, but it is anticipated that only 1 proposed change may have a negative financial impact on new UC customers, or those existing UC customers whose income subsequently reduces, as a result of a debt repayment. It is not possible to accurately forecast numbers.
- 6.2 It should however be noted that the council is retaining existing protection for vulnerable customers within its current scheme. These include:
- Disregarding income received from Child Benefit and Child Maintenance for both couples and lone parents with children.
  - Disregarding eligible child care costs up to £175 per week for one child and £300 per week for two or more children.
  - Disregarding income received from Disability Benefits such as Attendance Allowance, Disability Living Allowance and Personal Independence Payments.
- 6.3 The council also has existing powers under S13(A)(1)(c) of the Local Government Finance Act which allows for the reduction of the charge, as the Borough sees fit. The Borough's policy specifies that where an affected customer believes they have suffered severe financial hardship this discretionary power may be utilised. This power enables the council to reduce the amount which a council tax payer is liable to pay, as respects the dwelling and the day, to such extent as it thinks fit on an individual basis. It is proposed that this existing power is used in the event of customers facing financial hardship as a result of this change.
- 6.4 In addition, since this consultation concluded, Government have also announced a further £100m to be allocated to English local authorities to assist in protecting the most financially vulnerable from the effect of increased Council Tax changes. Guidance provided to local authorities on 23 December 2022 advises that the Royal Borough has been allocated £113,000 and is required to award all existing CTR recipients up to £25 additional CTR for the 2023/24 financial year, depending upon their net liability. Details of this award and the use of any potential underspend are subject to further discussion at this time. Any potential negative impact of the changes proposed within this report will be further mitigated by this new award.

**Table 4: Impact of risk and mitigation**

Risk	Level of uncontrolled risk	Controls	Level of controlled risk
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Existing customers affected by the change could suffer hardship	Medium	S13(A)(1)(c) permits cases to be considered on an individual basis	Low
Collection rates in respect of Council Tax will not be achieved	Medium	The Revenues Team will ensure the focus remains on collection and that this is monitored monthly.	Low

## 7. POTENTIAL IMPACTS

- 7.1 The council has to give due regard to its Equalities Duties, in particular with respect to general duties arising pursuant to the Equality Act 2010, section 149. Having due regard to the need to advance equality involves, in particular, to the need to remove or minimise disadvantages suffered by persons who share a relevant characteristic that are connected to that characteristic. Further details about the Equalities Duties are set out in the Equality Impact Assessment, which all councillors should read before taking the decisions identified in this report.
- 7.2 The council tax system is programmed to identify all CTR accounts. There is no evidence to indicate that groups with protected characteristics have been disproportionately affected by the operation of the scheme previously and while the changes proposed may reduce support available to individuals this would be based on the individual's circumstances rather than merely because they share a protected characteristic.
- 7.3 The powers provided within S13A(1)(c) of the Local Government Finance Act also provide further mitigation.
- 7.4 Standard questions relating to Equality and Diversity were included on the survey, but it was made clear that answering these was not compulsory. While 499 responses were received, not all respondents chose to complete the questions regarding their circumstances or ethnic background
- 7.5 **Equalities.** An Equality Impact Assessment is available as Appendix A.
- 7.6 **Climate change/sustainability:** no impact identified.
- 7.7 **Data Protection/GDPR:** no impact identified.

## 8. CONSULTATION

- 8.1 A public consultation exercise was undertaken during the period from 02 September 2022 to 02 December 2022. The consultation was available on the RBWM Together platform with paper copies available upon request. Only 1 request was received for a paper copy, which was issued but not returned. The consultation was promoted through a variety of channels during this time:
- A link was immediately available on the Royal Borough's website and posters put up in the Libraries.

- Automated messages highlighting the consultation were placed on the generic Council Tax and Benefit acknowledgement e-mails.
- An e-mail was issued to recipients of CTR, where these details were held, (4,100 residents) on 02 September 2022
- An e-mail was issued to residents liable for Council Tax, where these details were held (39,375), on 07 October 2022
- Information was included in both the Resident's Newsletter and Members Update on 07 October 2022.
- A newspaper advert, of all live consultations, including reference to the CTRS consultation, was placed in the local press on the 13<sup>th</sup> and 14<sup>th</sup> October 2022.
- A paper flyer was produced, of all live consultations, including reference to the CTRS consultation, and a distribution house engaged to issue it to every household within the Borough from 27<sup>th</sup> to 29<sup>th</sup> October 2022
- E-mails were issued to community groups and charities, identified from various sources, during this period culminating in a final reminder to 623 organisations who were sent an e-mail on 27 November 2022.

8.2 In total there were 499 responses received, compared with 191 last time this matter was consulted upon in October 2020.

8.3 Supplementary questions were asked, for monitoring purposes, to determine whether respondents were currently in receipt of CTR or were completing the consultation on behalf of a representative body. While only 8 respondents advised that they were completing the survey on behalf of a representative body, only 4 respondents then went on to state which group in the community they represented. Analysis of the 4 shows that responses were received from West Windsor Hub, Age Concern and the Disability and Inclusion Forum with the fourth response being from "pensioners" which may or may not be in connection with a community group.

8.4 Of those who chose to respond to these questions, 56 of the 494 respondents answering this specific question (11.33%) stated that they were currently in receipt of CTR and 47 of the 52 answering this specific question (90.38%) advised that they were of working age.

8.5 The consultation exercise was based on five questions to residents of the Royal Borough regarding the specific changes proposed, with options for free form text comments to be made if residents disagreed. The remaining question was entirely free text regarding any alternative savings proposals, or additional changes, that respondents would wish to see. Standard Equality and Diversity questions were also asked but it was made clear that providing this information was voluntary.

8.6 In summary:

- 400 respondents (82%) agree that customers in receipt of Universal Credit (UC) and CTR should have their reassessments limited.
- 384 respondents (79%) agree that UC customers whose income increases for a 4 week period should not have to complete a new claim if their income subsequently drops.

- 372 respondents (77%) agreed that UC customers whose income is reduced as a result of debt repayment, should have their gross UC income taken into account in CTR.
- 419 respondents (86%) agreed that the current backdating period of 1 month should be extended to 3 months.
- 409 respondents (85%) agreed that working age amounts should be updated and aligned to pensionable age sums, where they overlap.

8.7 In making its decision, in relation to the CTR Scheme, the Council must conscientiously take into account the feedback from the consultation process. The Council should look carefully at the comments made, including the alternative proposals suggested as to savings/revenue generation.

## 9. TIMETABLE FOR IMPLEMENTATION

If approved, the proposals would become effective from 01 April 2023.

## 10. APPENDICES

10.1 This report is supported by two appendices:

- Appendix A – Equality Impact Assessment
- Appendix B - Consultation pre-amble showing full narrative and questions posed
- Appendix C – Summary of consultation responses

## 11. BACKGROUND DOCUMENTS

11.1 This report is not supported by any background documents:

## 12. CONSULTATION

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	<b>19.12.22</b>	<b>22.12.22</b>
Emma Duncan	Director of Law, Strategy & Public Health/ Monitoring Officer	<b>19.12.22</b>	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	<b>19.12.22</b>	
Elaine Browne	Head of Law (Deputy Monitoring Officer)	<b>19.12.22</b>	<b>29.12.22</b>
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>			



Lyn Hitchinson	Procurement Manager	<b>NA</b>	
<i>Mandatory: Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>			
Samantha Wootton	Data Protection Officer	<b>NA</b>	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer	<b>07.02.23</b>	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Tony Reeves	Interim Chief Executive	<b>19.12.22</b>	
Andrew Durrant	Executive Director of Place	<b>19.12.22</b>	
Kevin McDaniel	Executive Director of People Services	<b>19.12.22</b>	<b>19.12.22</b>

Cllr Hilton	Council Member for Asset Management, Commercialisation, Finance and Ascot.	<b>19.12.22</b>	
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## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To follow item?</b>
Council report: Key decision. First entered into the Council Forward Plan: 01 December 2022.	No	No

Report Author: Louise Freeth, Head of Revenues, Benefit, Library and Resident Services. Tel: 01628 685664
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## APPENDIX A - EQUALITY IMPACT ASSESSMENT

### 1. Background Information

Title of policy:	Council Tax Reduction
Service area:	Revenues, Benefits, Library & Resident Services
Directorate:	Resources

**Provide a brief explanation of the proposal:**

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The overall aim of the proposed policy is to make a number of minor administrative changes to the existing working age Council Tax Reduction scheme for the financial year 2023/24 in order to make the scheme simpler to understand for residents and for officers to administer.

Each local authority has a duty to review its Council Tax Reduction scheme on an annual basis with any changes being approved by Council prior to 11<sup>th</sup> March preceding the financial year in which any changes would be implemented.

The authority must also consider any transitional protection, as it sees fit, where any changes would adversely affect individuals currently receiving such assistance.

### 2. Relevance Check

**Is this proposal likely to directly impact people, communities or RBWM employees?**

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

Yes this will directly impact some of the residents who claim Council Tax Reduction.

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

### 3. Evidence Gathering and Stakeholder Engagement

**Who will be affected by this proposal?**

For example, users of a particular service, residents of a geographical area, staff

Potentially Council Tax Reduction recipients who are of working age, depending upon their specific circumstances or changes to their circumstances.

**Among those affected by the proposal, are protected characteristics (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) disproportionately represented?**

For example, compared to the general population do a higher proportion have disabilities?

There is no evidence to suggest that those affected with protected characteristics would be disproportionately represented. The council tax system is programmed to identify all CTR accounts. There is no evidence to indicate that groups with protected characteristics have been disproportionately affected by the operation of the scheme previously and while the changes proposed may reduce support available to individuals this would be based on the individual's circumstances rather than merely because they share a protected characteristic.

**What engagement/consultation has been undertaken or planned?**

- How has/will equality considerations be taken into account?
- Where known, what were the outcomes of this engagement?

As required by the Local Government Finance Act, a public consultation exercise was undertaken during the period from 02 September 2022 to 02 December 2022. The consultation was available on the RBWM Together platform with paper copies available upon request. Only 1 request was received for a paper copy, which was issued but not returned.

Standard questions relating to Equality and Diversity were included on the survey, but it was made clear that answering these was not compulsory. Not all respondents chose to complete the questions regarding their circumstances or ethnic background.

The results of the individual consultation questions are summarised in para 8.6 of the main report but they do confirm the majority of those who responded were in support of the proposals.

**What sources of data and evidence have been used in this assessment?**

Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.

The feedback from the public consultation was taken into account when considering whether to proceed with the proposals.

## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age	DLHUC prescribe the regulations which govern the assessment of Council Tax Reductions customers of pensionable age. Authorities are unable to amend these.  The proposals will affect some, but not all, customers of working age, in receipt of Council Tax Reduction in the future.	N/A – no change  Yes – 2 of the changes may result in a positive impact	N/A – no change  Yes – 1 of the changes may result in a negative impact
Disability	The authority will continue to disregard income received from disability related benefits e.g. Disability Living Allowance and Personal Independence Payments. However, in order to ensure the scheme remains simple to administer there is no proposal to exempt customers, en masse, as a result of disability. They, like anyone else, will be able to apply to consider remitting the costs on the basis of financial hardship in accordance with the authority's existing S13A(1)(c) Policy.	Yes – 2 of the changes may result in a positive impact	Yes – 1 of the changes may result in a negative impact
Sex	Not applicable		
Race, ethnicity and religion	Not applicable		
Sexual orientation and gender reassignment	Not applicable		
Pregnancy and maternity	Not applicable		

Marriage and civil partnership	Not applicable		
Armed forces community	Not applicable		
Socio-economic considerations e.g. low income, poverty	The CTR scheme is a means tested form of assistance therefore all recipients are on a low income as they would not otherwise qualify. See Table 3 for an analysis of each change.	Yes – 2 of the changes may result in a positive impact	Yes – 1 of the changes may result in a negative impact
Children in care/Care leavers	A local exemption is currently in force for care leavers ensuring they held liable for but not charged Council Tax, until age 25. There is no intention to remove this local exemption.		

## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

<p><b>What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?</b> For example, adjustments needed to accommodate the needs of a particular group</p>
<p><b>Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?</b></p> <ul style="list-style-type: none"> <li>For planned future actions, provide the name of the responsible individual and the target date for implementation.</li> </ul> <p>The Council has existing powers under S13(A)(1)(c) of the Local Government Finance Act which allows for the reduction of the charge, as the Borough sees fit. The Borough's policy specifies that where an affected customer believes they have suffered severe financial hardship this discretionary power may be utilised. This power enables the council to reduce the amount which a council tax payer is liable to pay, as respects the dwelling and the day, to such extent as it thinks fit on an individual basis. It is proposed that this existing power is used in the event of customers facing financial hardship as a result of this change.</p> <p>In addition, since the consultation concluded, Government have also announced a further £100m to be allocated to English local authorities to assist in protecting the most financially vulnerable from the effect of increased Council Tax changes. Guidance provided to local authorities on 23 December 2022 advises that the Royal Borough has been allocated £113,000 and is required to award all existing CTR recipients up to £25 additional CTR for the 2023/24 financial year, depending upon their net liability. Details of this award and the use of any potential underspend are subject to further discussion at this time. Any potential negative impact of the changes proposed within this report will be further mitigated by this new award.</p> <p>The Royal Borough is also committed to ensuring all residents are aware of help available and will continue to provide information through the Here to Help campaign.</p>

**How will the equality impacts identified here be monitored and reviewed in the future?**

See guidance document for examples of appropriate stages to review an EQIA.

Requests for a S13(A)(1)(c) Discretionary Reduction will be monitored to determine whether those with protected characteristics are facing financial hardship as a result of these changes.

**6. Sign Off**

<b>Completed by:</b> Louise Freeth	<b>Date:</b> 07.02.23
<b>Approved by:</b> Ellen McManus-Fry	<b>Date:</b> 09.02.23

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b> Louise Freeth	<b>Date:</b> 09.02.23
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