

Report for:
ACTION
Item Number: 10

Contains Confidential or Exempt Information	No
Title	Revised Council Tax Support scheme for 2019/20
Responsible Officer(s)	Alison Reynolds – Director Customer Services Ext 5329
Author	Joanna Pavlides – LWA and Benefits Support Manager Ext 9279
Portfolio(s)	Cllr Jasbir Anand- Business and Community Services
For Consideration By	Cabinet
Date to be considered	11 th December 2018
Implementation Date if Not Called In	2 nd January 2019
Affected Wards	All
Keywords/Index	Council Tax support, localism, CTS

Purpose of Report:

This report sets out the findings of the consultation on a revised localised system of Council Tax Support (CTS) and makes recommendations as to a revised local Council Tax Support Scheme to be adopted from 1 April 2019.

1. Recommendations

It is recommended that Cabinet:

1. Notes the outcome of consultation on the proposed change to Council Tax Support scheme.
2. Notes the potential financial impact and potential liabilities resulting from the introduction of the revised Council Tax Support scheme.
3. Notes the equality impact assessment which has been carried out in relation to the proposal to revise the Council Tax Support scheme which is attached at Appendix 3.

4. Recommends that the revised Council Tax Support scheme for 2019/20, attached at Appendix 1, be approved by Full Council on 26th February 2019.

2. Background and reasons for the decision

- 2.1 The Welfare Reform Act 2012 abolished the Council Tax Benefit (CTB) system and replaced it under the Local Government Finance Act 2012 with the Local Council Tax Support scheme (CTS) from 1 April 2013, thereby transferring responsibility from central to local government. The Local Government Finance Act 2012 also legislated that pensioners must receive protection, in that they must receive the same levels of entitlement under the new local Council Tax Support scheme as they had received under the old Council Tax Benefit scheme.
- 2.2 Funding was moved from central government to local government with a 10 per cent reduction in year one of £2.455m.
- 2.3 Funding for the first year of the scheme was provided in a form of a ring-fenced grant and it amounted to £22.093 million.
- 2.4 Funding for CTS schemes ongoing is no longer identified separately and is now rolled into formula funding. As CTS is now a discount the cost is reflected in the Taxbase figures in the Council's Financial Plan.
- 2.5 The formula grant the Council receives from RSG and Business Rates will have reduced by 20.8% in 2018/19 since 2012/13 (the last year before CTS). A further reduction of £15.0m by 2020/21 will be a total 32.2% fall on the 2012/13. As almost all specific grants have also been scrapped and subsumed into the formula, the platform for providing CTS is considerably smaller.
- 2.6 There is also a requirement for the Council to continue support for Pensioners at the same level as existed in 2012/13.
- 2.7 On 11 December 2012 Full Council determined its first localised CTS scheme which took effect from 1 April 2013. The scheme was in place for 3 years until March 2016. The Council then approved subsequent schemes for the following years with some changes in April 2016 and April 2018.
- 2.8 The original design of the CTS scheme took into account Department of Communities and Local Government's (DCLG) guidelines available at the time on how a new scheme should be developed. The guidelines for the working age scheme were for the local schemes to incentivise working, protect the vulnerable and have due regard to the introduction of Universal Credit.
- 2.9 Following the DCLG guidance the Council adopted 7 principles which continue to guide the local CTS scheme:
The 7 principles are:
 - Principle 1. Everyone should pay something toward their Council Tax

All working age claimants who do not fall into vulnerable groups are required to make a minimum contribution towards their Council Tax. The minimum contribution has been set at 25%.

- Principle 2. The most vulnerable should be protected

Claimants falling into the vulnerable category are eligible for up to 100% of their Council Tax liability depending on their income. Additional protection has also been built into the calculation of CTS entitlement for this group. Certain vulnerable claimants are also entitled to higher premiums within the calculation of the entitlement which allows the claimants to keep more of their income. Disability benefits received by CTS claimants are not taken into account as income when calculating CTS entitlement. Some are also exempt from non-dependant deductions.

- Principle 3. The scheme should aim to incentivise work

The scheme incentivises work by allowing claimants in employment to keep more of what they earn through various earning disregards which are applied during the assessment of the CTS entitlement.

- Principle 4. The Council should prepare for wider welfare reforms

Council Tax Support was introduced by the government as part of a wider welfare reform. The Council continues to use a minimum income figure for those who are self-employed which has been set in line with the UK National Living Wage based on 35 hours per week. For self-employed lone parents and for partners in households where both members of a couple are self-employed the minimum wage for 16 hours per week is used. Where the self-employed earnings exceed the minimum level the actual amounts earned are taken into account. This minimum income figure does not apply for new businesses during a designated start-up period of 12 months. This ensures that the self-employed earnings are calculated in the same way as they are under Universal Credit.

- Principle 5. Everyone in the household should contribute

Non-dependants (other adults in the claimant's household) are expected to contribute to the household's Council Tax. Certain exemptions to non-dependant deductions apply including non-dependants who are students and households where a claimant or his partner is in receipt of care component of disability living allowance or daily living component of personal independence payment.

- Principle 6. Council Tax support should not be paid to those with relatively large income or capital /savings

Those with savings or capital exceeding £8,000 are not entitled to Council Tax Support. The capital limit has remained unchanged since the local scheme was first introduced in April 2013.

- Principle 7. The Council should pay the right amount of support at all times

If Council Tax Support has been paid to someone who is not entitled to it or the support paid should have been less, all overpayments are recoverable from the claimants.

2.10 The Council’s approach to scheme design was to mirror the assessment process of the national Council Tax Benefit scheme with a number of amendments including an introduction of minimum payments for certain groups of working age claimants.

2.11 The maximum percentages of council tax liability for working age claimants in different categories since the introduction of the local CTS scheme have been set as follows:

Working age category	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Maximum CTS support for non -vulnerable	80%	80%	75%	75%	75%	75%
Maximum CTS support for JSA claimants (2 months+)	70%	70%	70%	75%	75%	75%
Maximum support available for vulnerable	100%	100%	100%	91.5%	91.5%	100%

2.12 For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. If the Council does not make a decision to adopt a new or revised scheme by 11th March 2019 the current Council Tax Support Scheme will continue to have effect.

3. Overview of the current scheme

3.1 Council Tax Support caseload is divided in a number of categories.

3.2 Pensioner category applies to those who reached state pension retirement age. This category is protected and Council Tax Support is paid according to the regulations which are prescribed by central Government.

3.3 Household vulnerable scheme applies to lone parent households with a child under 5. This group is a protected group and is eligible for up to 100% of Council Tax Support.

3.4 Vulnerable category includes households where claimant, partner of a child is in receipt of one of the disability benefits or carers allowance and is also protected and eligible for up to 100% of Council Tax Support.

3.5 Working age employed category applies to residents who are in employment or are self-employed.

- 3.6 Working age other category applies to residents who claim DWP benefits or have other income which is not derived from employment or self-employment.
- 3.7 The scheme is means tested and therefore Council Tax Support calculation takes into account household composition and income in order to calculate CTS entitlement according to the formula specified.
- 3.8 The makeup of the CTS caseload for the last 3 financial years and the current year has been broken down in the table below:

Scheme Group	2015/16		2016/17		2017/18		2018/19	
	Caseload	% of caseload						
Pensioner	9,336	36.09%	9,000	37.06%	8,676	36.95%	8,541	36.89%
Household vulnerable	1,738	6.72%	1,557	6.41%	1,398	5.95%	1,366	5.90%
Vulnerable	6,136	23.72%	5,838	24.04%	5,970	25.42%	5,986	25.85%
Work age employed	4,934	19.07%	4,449	18.32%	4,200	17.88%	4,053	17.50%
Work age other	3,726	14.40%	3,443	14.18%	3,240	13.80%	3,209	13.86%
Total	25,870	100%	24,287	100%	23,484	100%	23,155	100%

- 3.9 Pensioner caseload accounts for 36.89% of the caseload and working age for 63.11%.
- 3.10 CTS caseload has been reducing year on year since CTS was introduced and since the scheme began the caseload has reduced by 17.7% since 2013.
- 3.11 Decreases in caseloads have been observed nationally and are attributed to the improving economy and more people moving into employment, which reduces reliance on the CTS and also helps local authorities manage the cost of the schemes. Work incentives built into the scheme together with additional support available to claimants also play pivotal role in reducing numbers of working age residents who rely on Council Tax Support and other Council's funds such as Discretionary Housing Payments (DHP) and Local Welfare Assistance (LWA).
- 3.12 The table below shows the Council's expenditure on CTS since the scheme began. Until 2017/18 the expenditure was falling in line with reducing caseload. The increase in expenditure for 2018/19 came as a result of increases in Council Tax and changes to the scheme where maximum amount of CTS for this group increased from 91.5% to 100%.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m*
CTS Expenditure	27,161	25,567	23,810	21,432	20,882	22,966

*forecasted as per current caseload at October 2018

- 3.13 The current expenditure per each individual group of recipients has been broken down in the table below. Pensioner scheme accounts for over 41% of the total cost of CTS scheme with further 36.34% of overall cost being spent on vulnerable and household vulnerable groups.

CTS scheme	Expenditure £m	% of CTS expenditure
Pensioners	£9,454	41.17%
Household vulnerable	£1,375	5.99%
Vulnerable	£6,970	30.35%
Work age employed	£2,875	12.52%
Work age other	£2,292	9.98%
Total:	22,966	100%

- 3.14 The Council Tax collection rates for each year are shown in the tables below. The collection rates for CTS recipients are slightly lower than the collection rate for those not claiming CTS.

	2014/15	2015/16	2016/17	2017/18	2018/19 (to 31/10)
Pensioners in receipt of CTS	97.61%	104.93%*	109.78%*	111.35%*	79.21%
Working age in receipt of CTS	72.89%	79.34%	80.29%	82.39%	56.47%
Overall CTS collection rates	85.28%	84.57%	85.96%	87.60%	61.22%

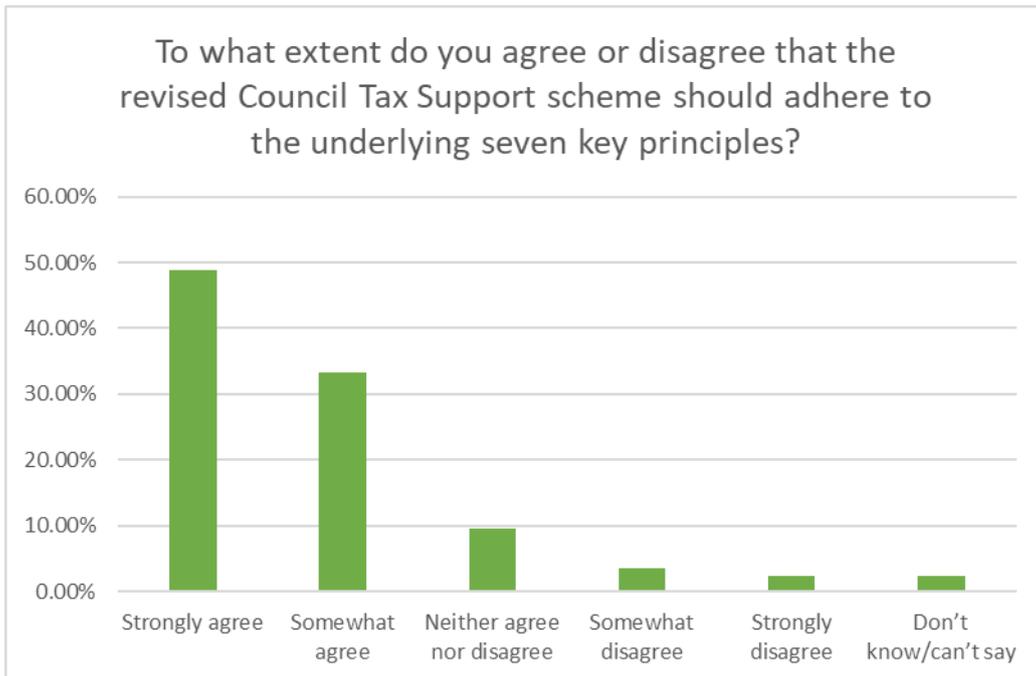
* Collection above 100% indicates that council tax has been paid in respect of future year

4. Considered change to the CTS scheme and outcome of the consultation

- 4.1. Two options were put forward for public consultation which ran between 24 September 2018 and 4th November 2018.
- 4.2. Option 1 proposed 3 changes to the current CTS scheme:
- **Change 1:** Disregard changes in overall income for claimants of Universal Credit which are likely to result in a reduction or an increase in their Council Tax Support award by less than £2 per week. (Due to the formula that is being used to calculate Council Tax Support entitlement, this will be an equivalent to a change in a claimant's and or partner's net income of £10 or less per week).
 - **Change 2:** Customers who are considered as vulnerable under the Council Tax Support scheme can receive up to 100% of their Council Tax liability. One of the groups considered vulnerable under the scheme is care leavers under the age of 22. The Council is proposing to increase this to 25. This change will allow care leavers to receive up to 100% of their Council Tax liability for an additional three years.
 - **Change 3:** Reduce the amount of capital threshold for entitlement to Council Tax Support from £8,000 to £6,000. This means that people who have more than £6,000 would not be eligible for Council Tax Support.
- 4.3. Option 2 proposed for Council Tax Support scheme to remain unchanged and to continue with the current scheme.
- 4.4. Proposed change 1 is driven by Universal Credit (UC) and its impact on the local Council Tax Support administration. DWP reassesses the entitlement to Universal Credit monthly and then notifies Local Authorities about the UC entitlement for their residents if they indicated that they are also claiming help with their Council Tax payments.
- 4.5. Many changes result in minimal variations to the residents Council Tax Support awards, however, the Council is required to issue new notification letters and new Council Tax bill every time this takes place. For some CTS recipients this may mean that they will receive up to 12 notification letters a year and their Council Tax bill will be reissued every month. These also trigger amendments to direct debits, instalments and increased number of enquiries.
- 4.6. Since the roll out of Universal Credit in Ealing at the end of March 2018, the number of changes reported by DWP for Universal Credit claimants has increased significantly from around 200 per week at the beginning of April to an average of 720 per week in October. This is for a relatively low number of claimants (1,489) of CTS who currently receive Universal Credit.
- 4.7. Universal Credit rollout is progressing and it is expected that majority of working age CTS recipients will transfer onto Universal Credit by 2023.

- 4.8. Proposed change 1 would ensure that the cost of administration of the Council Tax Support scheme is not increasing as more residents are claiming Universal Credit.
- 4.9. Change 2 proposes to increase the age limit for care leavers so they can be considered vulnerable for the purposes of CTS for additional 3 years, until the age of 25 and has derived from new duties and responsibilities placed on the Council by the Children and Social Work Act 2017.
- 4.10. From April 2018, one of the new duties placed by the Act is for the Council to publish information, known as a Local Offer, regarding services the Council provides to young people leaving local authority care. The Local Offer can include discretionary support such as prevention of homelessness and Council Tax arrears amongst local authority care leavers.
- 4.11. Change 3 proposal is to reduce the capital limit under which applicants may be entitled to Council Tax Support from £8,000 to £6,000.
- 4.12. As Department of Work and Pensions ignores the first £6,000 of capital held by claimants but calculates notional income called tariff income thereafter, the proposed change will remove the need to verify capital holdings of Universal Credit claimants for the purposes of Council Tax Support reducing administrative burden of the Council having to verify claimants' capital to ensure it falls below £8,000.
- 4.13. The public consultation was publicised through the Council's website and the consultation was also promoted amongst local voluntary organisations and social landlords.
- 4.14. The consultation was also sent to Ealing's Residents Panel, which currently has 1,550 people interested in council consultations, who were referred to the public consultation on the council's website. Regular messages on Facebook and Twitter were also posted to ensure residents are aware of the consultation. A dedicated e-mail address was created for additional queries from individuals and organisations.
- 4.15. Despite extensive publicity the response to this consultation was low and in line with the number of responses received from previous CTS consultations. There were 85 responses in total with 75 responses coming from the Residents' panel and additional 10 responses received from general public.
- 4.16. The number of responses from residents' panel was particularly disappointing as number of questions were skipped and remained unanswered.
- 4.17. Not all questions were answered by all the respondents. Full analysis of the consultation results has been included in Appendix 2.
- 4.18. The vast majority of respondents from both sources agreed that a revised Council Tax Support scheme should still adhere to the seven underlying

principles, with 82% of the responses to this question in agreement as shown below.



4.19. The respondents were presented with two options. Option 1 was to implement the changes listed below and option 2 was to continue with the current Council Tax Support scheme as is.

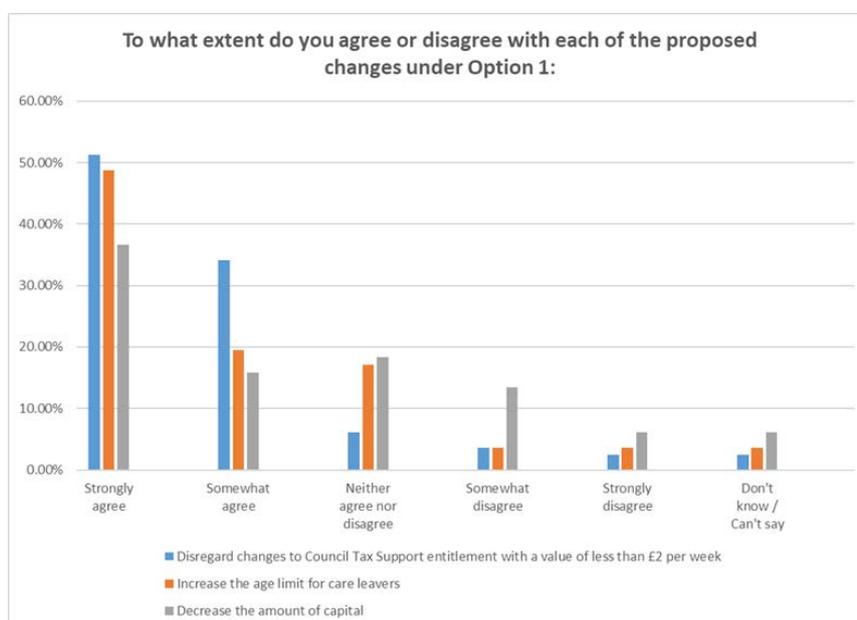
Change 1: Disregard changes in overall income for claimants of Universal Credit which are likely to result in a reduction or an increase in their Council Tax Support award by less than £2 per week.

Change 2: Customers who are considered as vulnerable under the Council Tax Support scheme can receive up to 100% of their Council Tax liability. One of the groups considered vulnerable under the scheme is care leavers under the age of 22. The Council is proposing to increase this to 25. This change will allow care leavers to receive up to 100% of their Council Tax liability for an additional three years.

Change 3: Reduce the amount of capital threshold for entitlement to Council Tax Support from £8,000 to £6,000. This means that people who have more than £6,000 savings would not be eligible for Council Tax Support.

4.20. Option 1 of was the one most favoured by both the Residents Panel and public response with 85% of the combined responses agreeing with Option 1 as shown below.

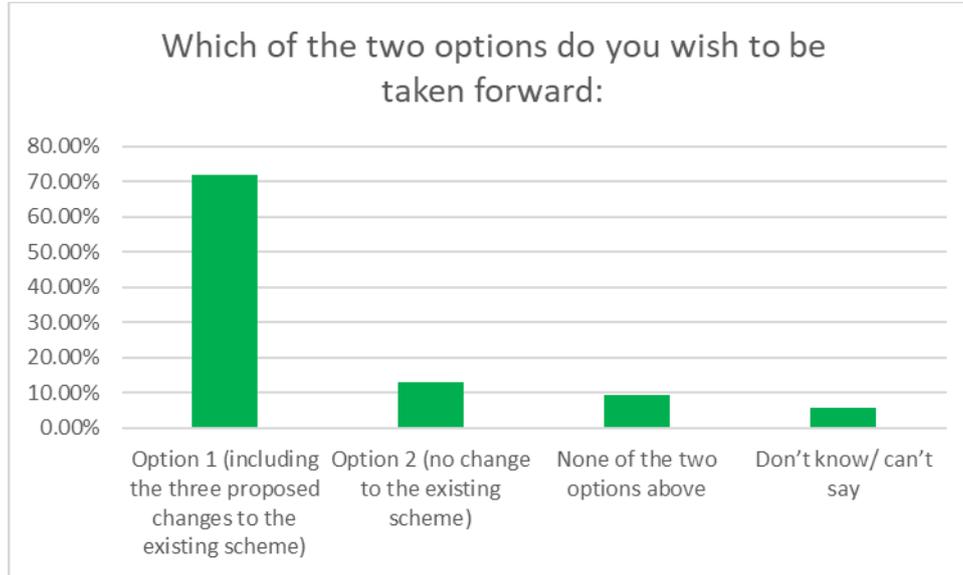
	Strongly agree		Somewhat agree		Neither agree nor disagree		Somewhat disagree		Strongly disagree		Don't know / Can't say		Total
Disregard changes to Council Tax Support entitlement with a value of less than £2 per week	51.22%	42	34.15%	28	6.10%	5	3.66%	3	2.44%	2	2.44%	2	82
Increase the age limit for care leavers	48.78%	40	19.51%	16	17.07%	14	3.66%	3	3.66%	3	3.66%	3	79
Decrease the amount of capital	36.59%	30	15.85%	13	18.29%	15	13.41%	11	6.10%	5	6.10%	5	79



4.21. In response to the question regarding which options the respondents wished to take forward, 71.76% were in favour of the Council adopting changes, with only 12.94% against them.

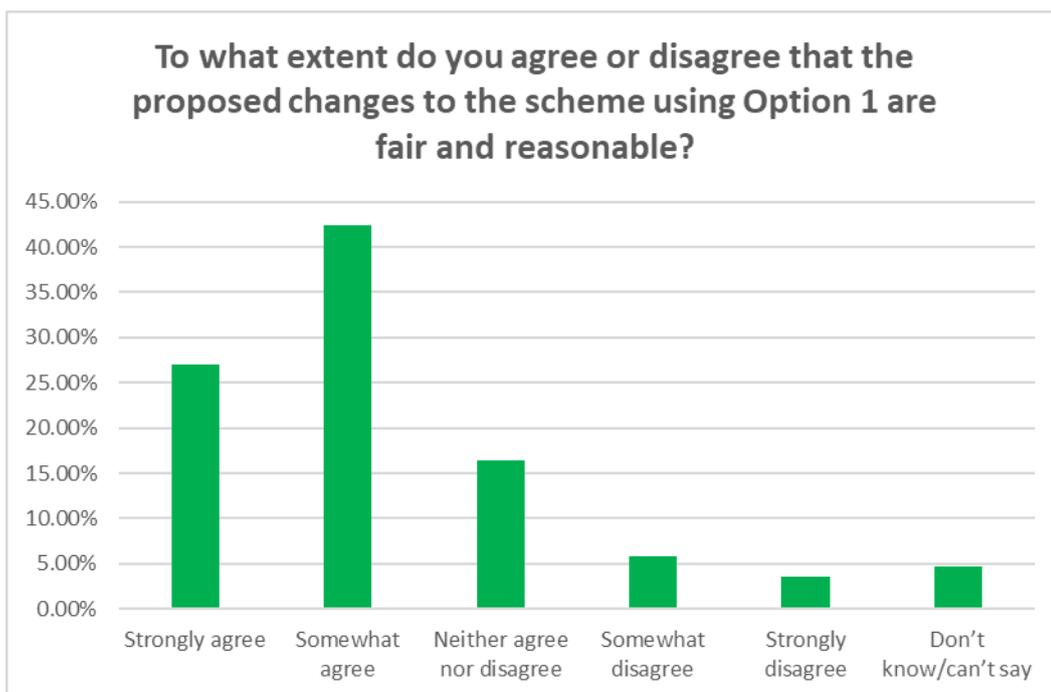
Answer Choices	Responses	
Option 1 (including the three proposed changes to the existing scheme)	71.76%	61
Option 2 (no change to the existing scheme)	12.94%	11
None of the two options above	9.41%	8

Don't know/ can't say	5.88%	5
	Answered	85
	Skipped	95



4.22. In response to the question regarding the fairness of the proposed revision of the CTS scheme, 69.41% of respondents considered the changes to be fair and reasonable.

Answer Choices	Responses	
Strongly agree	27.06%	23
Somewhat agree	42.35%	36
Neither agree nor disagree	16.47%	14
Somewhat disagree	5.88%	5
Strongly disagree	3.53%	3
Don't know/can't say	4.71%	4
	Answered	85
	Skipped	95



4.23. Consultation also provided an opportunity for additional comments on the proposals and the Council Tax Support scheme overall. All responses have been included in the Consultation findings document, Appendix 2.

4.24. Greater London Authority (GLA) is also supportive of the proposed changes and it has recognised that the changes will help the Council to manage the impact of Universal Credit. It will also bring the Council in line with other local authorities with regard to treating care leavers as vulnerable for the purposes of the CTS scheme until the age of 25. It also recognised the fact that changes to the capital limits will also reduce the Council's administrative burden of verify capital for working age claimants.

5 Key Implications

5.1 The CTS scheme must stay in force for the complete financial year. Any changes to the scheme proposed for the next financial year must be subject to public consultation.

5.2 Changes in the economy and demographics will impact either positively or negatively on the number of new claims made and therefore the overall expenditure of the local Council Tax Support scheme.

5.3 The proposed change to disregard an increase or a decrease in income for claimants of Universal Credit if it results in change in Council Tax Support award of less than £2 per week, will help the Council avoid additional costs of administering Council Tax Support scheme due to increased volumes of changes being notified to the Council for Universal Credit claimants. The threefold increase in the number of changes has been observed in the first 6 months of the Universal Credit roll out and the it is expected to rise with an increase of UC claimants in the borough.

5.4 The reduction in capital limits will also help avoid additional costs of verifying the amount of capital for working age claimants, especially those who claim Universal Credit. There are currently 125 existing claimants who will lose their entitlement to Council Tax Support once the change is implemented, however they will have an option to reclaim it when their capital goes down.

6 Financial

6.1 The cost of the scheme falls into two areas: scheme expenditure and scheme administration. The cost of administration is linked to the costs associated with the processing of housing benefit. These costs are met by grants from DCLG and DWP.

6.2 The efficiencies are currently achieved by assessing entitlement to Housing Benefit and Council Tax Support simultaneously.

6.3 The roll out of Universal Credit means that the Housing Benefit (HB) caseload will continue to reduce at a rate of around 1% per month due to claimants coming off housing benefits and claiming Universal Credit. It is estimated that HB caseload will reduce by around 8,400 cases by the end of 2019/20.

6.4 The Council will still retain the duty of assessing the Council Tax Support for the Universal Credit claimants, and as a single benefit, the CTS scheme will effectively become more expensive to administer.

6.5 DWP is also likely to reduce their administration grant it currently provides for housing benefit administration in line with the reduction of the caseload.

6.6 The purpose of proposed changes is to avoid additional administration costs associated with Universal Credit.

6.7 The Council shares the financial burden of Council Tax Support with GLA. Under current arrangements the GLA share is 20.57%, so for every additional £100k in CTS awarded the Council would pay £79,430 and the GLA £20,570.

6.8 It is anticipated that the proposed changes will neither increase nor reduce the Council Tax Support expenditure unless the Council decides to make changes to Council Tax for 2019/20. Although this change is anticipated to have a net nil impact compared to the current scheme, Council Tax Support effectively serves to reduce the Council Tax base that can be fed into the Medium Term Financial Strategy.

6.9 The current Council Tax Support expenditure (as of October 2018) broken down by the Ealing and GLA share has been calculated below:

CTS spend	Ealing share £m	GLA share £m	Total £m
Current scheme	18.2418938	4.7241062	22.966

6.10 Sensitivity Analysis

The forecasted CTS costs are based on current caseload and current levels of Council Tax. Any possible Council Tax rises will further increase the CTS expenditure in respect of all recipients. The following table demonstrates the cost of the Council Tax Support scheme broken down by the net cost to the Council together with GLA share:

Annual Cost of Council Tax Scheme (CTS) based on current caseload			
Council tax increase	Ealing	GLA	Total CTS
	share	share	expenditure
	£m	£m	£m
0.00%	18.242	4.724	22.966
1.00%	18.424	4.771	23.196
2.00%	18.607	4.818	23.425
3.00%	18.789	4.866	23.655
3.99%	18.970	4.912	23.882

7 Legal

- 7.1 The Local Government Finance Act 1992 requires local billing authorities to operate a localised Council Tax support scheme which provides for the Council Tax liability of persons meeting the criteria set out in the scheme to be reduced to the extent set out therein. The Secretary of State has prescribed by regulations some requirements for all schemes but otherwise local authorities are able to determine the contents of their own schemes.
- 7.2 By virtue of the Local Government Act 2000, the Local Authorities (Functions and Responsibilities (England)) Regulations 2000 and the Council Constitution only full Council can approve or adopt schemes in relation to the level of local taxation. Therefore, the Council Tax Support Scheme needs to be approved by Full Council.
- 7.3 The Local Government Finance Act 1992 also provides for local authorities to have discretion to agree to reduce a person's council tax liability to such extent or such further extent, where already reduced by virtue of the Support scheme, as the authority thinks fit. These discretionary reductions are separate to such reductions as are provided for in the scheme.
- 7.4 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other

conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.

- 7.5 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 7.6 An EIA has been completed so that these issues can be considered within the decision making process, where discrimination may occur as a result of the decision mitigation should be put in place. An EIA assessment has been attached as Appendix 3. Variation in the data quoted in this report and in the EIA is due to the data being extracted at different points between September and November 2018.
- 7.7 As well as the public sector equality duty the DCLG advises that the following should be taken account of when deciding on a CTS scheme.
- Child Poverty Duty under the Child Poverty Act 2010
 - Children’s Acts 1989 and 2004
 - Homelessness Act 2002;
 - Armed Forces Covenant;
 - Chronically Sick and Disabled Persons Act 1970,
 - Disabled Persons (Services, Consultation and Representation) Act 1986.
 - Children and Social Work Act 2017
- 7.8 The Human Rights Act 1998 makes it unlawful for public authorities to act in a way that is incompatible with a Convention right. Anyone who feels that a public authority has acted incompatibly with their Convention rights can raise this before an appropriate UK court or tribunal.
- 7.9 The Human Rights Act protects a person from discrimination in the enjoyment of those human rights protected by the European Convention of Human Rights. These rights include the absolute right not to be subject to inhuman or degrading treatment, the right to respect for their private and family life, their home and their correspondence which may only be restricted only in specified circumstances and the right to hold a broad range of views, beliefs and thoughts, and to follow a religious faith. The right to manifest those beliefs may be limited only in specified circumstances.
- 7.10 The Human Rights Act prohibits discrimination on a wide range of grounds including ‘sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status’.
- 7.11 The case law relating to this right has shown that the term ‘other status’ includes, among other things, sexual orientation, illegitimacy, marital status,

trade union membership, transsexualism and imprisonment. It can also be used to challenge discrimination on the basis of age or disability. Discrimination occurs when a person is treated less favourably than another person in a similar situation and this treatment cannot be objectively and reasonably justified.

8 Value For Money

- 8.1 A localised scheme of support is a mandatory requirement. The failure of the Council to agree a revised scheme by 11th March 2019 would result in the legal requirement to operate the existing scheme.
- 8.2 The result of which would be that the Council would be required to give the same level of support as it currently does.
- 8.3 The proposed changes intend to avoid increase in costs of administration due to Universal Credit and the way the new benefit is administered by the Department of Work and Pensions.
- 8.4 Processes are in place to reduce the administrative cost of running the scheme. For example, the use of an e claim has been developed to reduce the cost of printing, postage and scanning.
- 8.5 Due to the continued administration of Housing Benefit by the Council as far as practically possible the administration and assessment of CTS is being aligned to reduce duplication and potential error.
- 8.6 The service will continue to work with the software suppliers to ensure that their product meets requirements of the Council scheme to reduce manual workarounds. Risk Based Verification is being used to reduce a number of supporting documents required to process a CTS claim and only high risk claims require supporting documentation.
- 8.7 Data sharing arrangements are in place with the DWP in order to access their data base to verify income and capital.

9 Sustainability Impact Appraisal

- 9.1 E-claim is widely used to claim current Council Tax Support and there are no plans to reintroduce a paper claim form. Use of Risk Based Verification has also reduced number of documents required to be photocopied. Both solutions have significantly reduced use of paper.

10 Risk Management

- 10.1 The actual level of awards made under CTS cannot be accurately determined as the scheme includes elements which are subject to external forces; this includes for example the number of successful claims made. A downturn in the

economy would lead to an increase in claims and therefore an increase in the level of financial support.

- 10.2 Predictions have been based on historical data to provide the best picture to work from. The level of spend will be monitored throughout the year and the Council has the option of changing its scheme, subject to public consultation, on an annual basis.
- 10.3 The scheme has been designed to ensure that collection rates are supported by looking at areas like capital and non-dependant where there is a higher capacity to pay Council Tax liabilities. In addition, the provision of a discretionary Council Tax discount is available to those in most need and unable to meet their Council Tax liability.
- 10.4 Ongoing Welfare Reform and changes made to other social security benefits may have adverse effect on residents' ability to meet their Council Tax liability. Because of the interplay between many of the changes it is difficult to analyse the overall impact on residents and working families in particular.
- 10.5 Such changes may also lead to changes in demographics and population levels as residents and potential residents make decisions on where they live. Services across the Council could see increased demand placed upon them. Where possible modelling is taking place to try and identify possible changes. Until these changes are "bedded in" the true impact will not be known.

11 Community Safety

- 11.1 None.

12 Links to the priorities for the Borough

- 12.1 The scheme links directly and indirectly to all strategic objectives for the Ealing Borough.

- **Genuinely affordable housing.**

This means working with landlords to improve renting in the borough, as well as continuing our house building and estate regeneration programmes. It also means demanding that homes in the borough are of a good quality and safe to live in, and helping to tackle homelessness.

- **Opportunities and living incomes**

This will involve continuing to find ways to attract investment and jobs by maximising regeneration opportunities such as Crossrail, as well as helping young people reach their potential. We want to have even more schools rated 'good' or 'excellent' by Ofsted; and we will continue creating more chances to find training, apprenticeships and achieve 'up-skilling'; it also means

encouraging businesses to adopt the London Living Wage and helping those on benefit to secure a better income

- **A healthy and great place**

Working with residents to build strong, fair communities and to keep the borough a clean, safe and attractive place to live. That includes keeping people physically active, well and independent; helping those who need care to live better lives; encouraging sport and leisure; and striving to improve our air quality and reduce crime. It also means working with others to maintain the excellence of our parks and open spaces, and the streets we live in.

- 12.2 Well balanced Council Tax Support scheme contributes to creating the right conditions for economic growth and supports residents into employment. The scheme also supports residents who may be vulnerable and on low income.

13 Equalities, Human Rights and Community Cohesion

- 13.1 A full equalities impact assessment of the proposed revised scheme was undertaken. The full EIA is attached as Appendix 3.
- 13.2 The provision of a Discretionary Council Tax Discount, the protection against the reduction in eligible Council Tax for those considered vulnerable under the current scheme and the introduction of the proposed local welfare fund will assist in mitigating against any adverse impact the introduction of the revised scheme may have.

14 Staffing/Workforce and Accommodation implications

- 14.1 There is no requirement for additional staffing in Benefits, Revenues and Customer Services as a result of the adoption of a revised scheme.

15 Property and Assets

- 15.1 There are no property implications.

16 Consultations

- 16.1 Consultation with the public and GLA are mandatory requirements of setting up a local scheme.
- 16.2 Consultation took place with the GLA on 6 September 2018 and a response was received from them on which broadly welcomed the proposed scheme. More details of their response are shown within the consultation report attached.

16.3 Public consultation took place between 24 September 2018 and 4 November 2018.

16.4 Details of the methodology and responses are shown in the attached consultation report in Appendix 2.

17 Timetable for Implementation

Recommendation to adopt/not to adopt revised Council Tax Support scheme to be considered by Cabinet	11 December 2018
Recommendation to adopt/not to adopt revised Council Tax Support scheme to be considered by full Council	26 February 2019
Date by which Council must adopt a local scheme	11 March 2019
Revised CTS scheme live	1 April 2019

18 Appendices

Appendix 1 - Ealing Council Tax Support scheme –revised with option 1

Appendix 2 - Report on Public Consultation results

Appendix 3 - Equalities Impact Assessment

19 Background Information

- Department of Communities and Local Government statement Default Scheme
- Department of Communities and Local Government vulnerable people and Key Local Authority Duties
- Department of Communities and Local Government taking work incentives into account
- Department of Communities and Local Government localising support for Council Tax: transitional grant scheme
- The Local Government Finance Bill laid on 19th December 2011
- Cabinet Report on Introduction of Local Council Tax Support Scheme, 27 November 2012

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Cllr. Jasbir Anand	Business and Community Services	6/11/2018		

Keith Townsend	Executive Director – Environment and Customer Services	6/11/2018		
Ian O'Donnell	Executive Director – Corporate Resources	6/11/2018		
Ross Brown	Director of Finance	6/11/2018		
Nick Rowe	Strategic Finance Partner – Local Tax & Accounts Receivable	6/11/2018		
Helen Harris	Director of Legal and Democratic Services	6/11/2018		
Alison Reynolds	Director of Customer services	6/11/2018		
Keith Robinson	Senior Lawyer	6/11/2018	9/11/18	EIA
Moira Mercer	Head of Communications	6/11/2018		
Shabana Kausar / Chris Neale	Finance Manager Strategic Planning / Head of Accountancy	6/11/2018		
External				
N/A	N/A	N/A	N/A	

Report History

Decision type:	Urgency item?
Key decision	yes
Report no.:	Joanna Pavlides, pavlidej@ealing.gov.uk