

**Council Extraordinary**

**Thursday 22 January 2015**

**CONFIRMATION OF CABINET RECOMMENDATIONS AND RELEVANT  
ORIGINATING BACKGROUND PAPERS**

<b>ITEM ON SUMMONS</b>	<b>CABINET / COMMITTEE RECOMMENDATION</b>	<b>ORIGINATING REPORT</b>
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Recommendation I: Cabinet  
(11 December 2014)

2.	REVIEW OF THE FEEDBACK ON THE COUNCIL TAX SUPPORT SCHEME (CTS) CONSULTATION AND CONSIDERATION TO RETAIN EXISTING SCHEME FOR 2015/16 AND BEYOND	Report of the Corporate Director of Resources (Pages 1 - 18)
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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	11 December 2014
<b>Subject:</b>	Review of the Feedback on the Council Tax Support Scheme (CTS) Consultation and Consideration to Retain Existing Scheme for 2015/16 and Beyond
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Tom Whiting, Corporate Director of Resources
<b>Portfolio Holder:</b>	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No, as the decision is reserved to Council
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 EqIA Appendix 2 Consultation Feedback Report Appendix 3 Petition Wording Appendix 4 Harrow Council Tax Support Scheme 2015-16 and beyond <i>(The appendices are available to view on the Council's website)</i>

**Section 1 – Summary and Recommendations**

The report provides members with feedback from the consultation carried out with Harrow residents and stakeholders and shows how the feedback has informed the proposal being put to Members for a decision.

### **Recommendations:**

Cabinet is requested to make the following decision:

1. Agree, after reviewing the local scheme, not to recommend any changes to the CTS scheme for 2015/16.
2. Acknowledge the effects on vulnerable people that any change could have, and the key themes highlighted by the consultation which supported
  - Protecting the vulnerable
  - Protecting the disabled
  - Acknowledge the lack of affordability for the individual.
3. Recommend to full Council that the current Council Tax Support Scheme should continue in 2015/16 and in following years, unless and until a decision is taken to replace or alter the scheme at annual review.

### **Reason: (For recommendation)**

The Council has carried out a wide consultation to ensure that residents within Harrow were given the opportunity to give their view and help shape a future Council Tax Support Scheme. Feedback from the consultation has informed the recommendation to Cabinet.

## **Section 2 – Report**

### **Background**

- 2.1 Council Tax Benefit (CTB) was previously funded by Central Government via grant, with the Council being responsible for the administration of it alongside Housing Benefit (HB).
- 2.2 From April 2013, this system changed with the introduction of a locally determined system of council tax support (CTS). There is no longer a nationally governed CTB scheme, although certain aspects of the localised scheme are prescribed by regulation.
- 2.3 Pensioners (of state pensionable age) are still protected under these new arrangements. CTS for pensioners is prescribed at a national level. This means CTS must still cover up to 100% of their Council Tax bill if the individual meets certain prescribed criteria.
- 2.4 Full Council determined on the 21 January 2013 to introduce a CTS scheme. The scheme set out the reductions which were to apply in Harrow to specified classes of persons whom the authority considered

to be in financial need. The scheme took effect for the financial year commencing 1 April 2013, with some changes phased in from 1 April 2014.

- 2.5 In reviewing the operation of the current scheme, Cabinet agreed in June 2014, that changes to the existing scheme should be considered, in view of the Council's overall financial situation. Cabinet agreed to consultation on various models within the draft scheme.

## **Options Considered**

- 2.6 The scheme was consulted on to see what changes could be made that would result in a reduction in the schemes' costs. Due to the Council's overall financial position, which has resulted in the Council consulting on a number of savings proposals across services and consideration of an increase in Council Tax, the viability of continuing with the current scheme needed to be considered. The Council's level of General Reserves are low compared to most other authorities. In a survey by the LGA of the level of general reserves compared to percentage of net revenue showed Harrow the lowest in London and 346 out of 353 in England. For this reason, June 2014 Cabinet agreed to increase general reserves from £8.646m to £10m to try and bring Harrow closer in line with other London Borough's. Despite this increase Harrows general reserves are still only 5% of the Revenue Budget (Quarter 2 £174.4m) and use of the non recurrent general reserve would not be prudent against an ongoing estimated 4 year budget gap of £75m
- 2.7 The Council consulted on four model schemes, each making a financial saving of £2 million per annum. The Council also asked for general views and views on phasing in any new scheme. When considering the consultation responses, the Council must consider the option of keeping the current scheme, as well as implementing one of the models proposed in the draft scheme consulted on.

## **Council Tax Support Scheme Review**

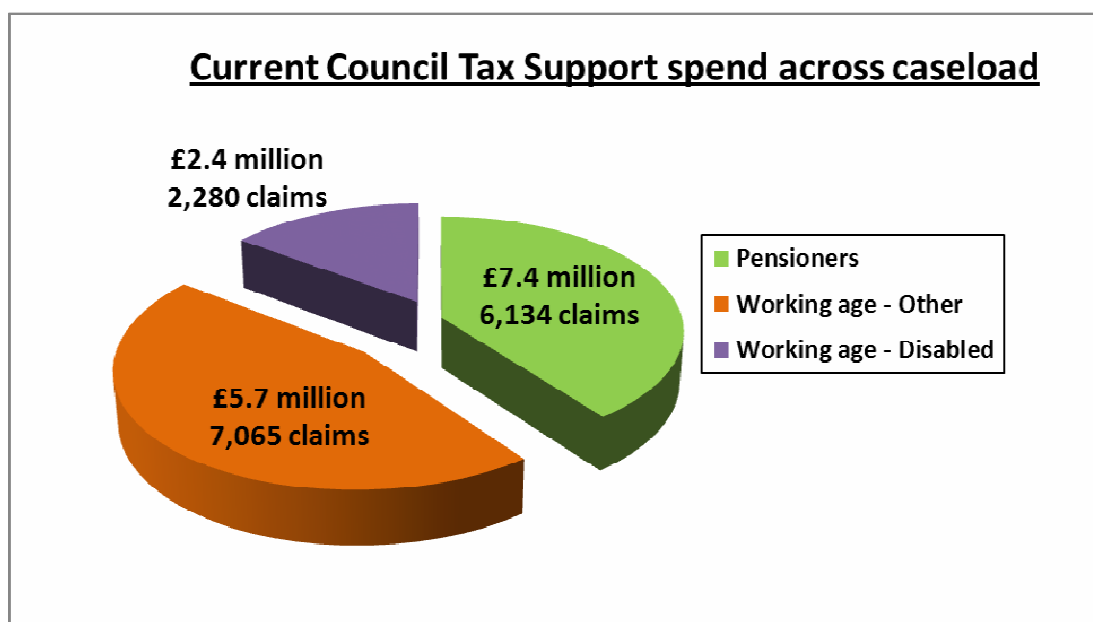
- 2.8 The Council has approximately 88,200 domestic households of which 15,479 are Council Tax Support claimants. Because claimants of pension credit age are protected and the proposed revised local scheme does not apply to them, this means that working age claimants will bear the full reduction in budget applied to any future Council Tax Support scheme. Out of the existing 15,479 Council Tax Support claimants, 6,134 are pensioners, leaving 9,345 working age claimants to take the full brunt of any reduction in funding in this area.
- 2.9 Local authorities have the right and autonomy to develop a scheme that meets the needs of their local area. However councils must follow a statutory framework that includes the following:

- § Local authorities must have a revised scheme agreed by 31<sup>st</sup> January of the preceding year to the year of implementation
- § There will be no change to the amount of help claimants who are of pension credit age currently receive
- § Guidance confirms that councils can decide the rules for their schemes, but should consider the impact on the most vulnerable when designing or reviewing their scheme
- § Guidance also confirms that the scheme should encourage people to work and should not act as a disincentive to working.

2.10 The current Council Tax Support scheme has three groups of claimants:

1. Pensioners – who are not affected by these changes
2. Working Age Disabled and War Widows Pensioners – which consists of households where the customer, a partner or a dependent child is physically or mentally disabled and receives one of the following: Disability Living Allowance, Employment Support Allowance (Support group), Incapacity Benefit, Mobility Supplement, Severe Disablement Allowance; people who are registered blind; people who live in a property which has been granted a disabled band reduction; or anyone who receives War Disablement Pension or War Widows Pension.
3. All other working age – this group is for people who do not fall into either of the above categories

2.11 Chart 1 shows the proportion of the total Council Tax Support fund that is spent on each of these groups.



2.12 Savings can only be made to the CTS scheme by changing the rules used to assess eligibility and determine financial awards. There are many different rules within the CTS scheme. Amending the rules will

have a different effect on different groups, although this will only affect working age claimant households.

- 2.13 Several scheme options were consulted on based on the fact that although all categories of working age recipients would need to pay more, different models proposed would change the scheme parameters in different ways. Different parameter configurations would either ensure awards were more proportionate to the council tax charged for all working age claimants, or ensured that working age disabled claimants received slightly more generous awards with less impact on other working age groups of claimants.

### **Consultation Activity**

- 2.14 Consultation was carried out over a ten week period (from 7<sup>th</sup> of July to the 12/9/14) to give residents and stakeholders an opportunity to give their views on proposed changes to the Council Tax Support scheme and to identify potential impacts of the changes. The process included a formal consultation with the Precepting Authorities, publication of a draft scheme and consultation with interested parties as required in statute. The Council determined that interested parties were current claimants, council tax payers as a whole and groups representing the interests of vulnerable residents.

A multi-agency Community Reference Group supported the consultation to assist in communicating a complex message and enabling respondents to give an informed response.

Four proposed schemes were developed to demonstrate how Council Tax Support could be revised to find a saving of up to £2 per annum million. Each scheme included a variation of six key rules within the scheme that in combination enabled the maximum saving target to be met.

The Consultation Feedback report, appendix 2, gives detail on the consultation approach and materials. A summary of the four proposed schemes presented in the consultation is shown in the table below;

Rule	Current Council Tax Support Scheme	Proposed Model Scheme 1	Proposed Model Scheme 2	Proposed Model Scheme 3	Proposed Model Scheme 4
Liability Cap	86% - Working age disabled	70% - All working age	75% - Working age disabled	80% - Working age disabled	75% - Working age disabled
	70% - Working age other		70% - Working age other	70% - Working age other	70% - Working age other
Include disability benefits as income	No	No	Yes	No	No
Include Child Benefit as income	No	Yes	Yes	Yes	Partly -Only for families with more than one child
Keep additional earnings disregard	Yes	Yes	Yes	No	No
Minimum weekly Council Tax Support level	£2.00	£7.50	£6.50	£6.50	£10.00
Non-dependant deductions	£3.30 up to £19.80 per week	Increased to the next whole £	£5 up to £25 per week	£5 up to £25 per week	£5 up to £25 per week

2.15 The proposals would affect different working age groups to differing extents. The main categories within the Council Tax Support scheme that could be affected are:

- Working Age Disabled due to the change to the liability cap
- Working Age Disabled not in receipt of passported benefits (Jobseekers Allowance income based, Income Support, Employment Support Allowance income related) due to the inclusion of disability benefits as income
- All working age households with children who are not in receipt of passported benefits due to the inclusion of child benefit as income
- Working households by removing the Additional Earnings Disregard
- Households who don't receive full Council Tax Support if the minimum award level increases
- Households with non-dependants if the non-dependant deductions are increased



The consultation also asked whether the changes should be implemented in full from April 2015 or phased in over two or more years.

- 2.16 Using multiple channels over 25,000 residents were directly notified of the consultation, in addition to broader publicity such as local press and the Harrow website. Toolkits were issued to nearly 400 organisations across the borough and 31 events and discussion groups were attended.

The events gave an opportunity for face to face discussions and enabled residents and organisations to ask questions on a complex matter to inform their response. A full list of events can be found in the consultation report. The attendance varied from 3 to over 1,000 dependent on the type of event and nature of the audience.

In addition to the detailed feedback received at the events, 230 consultation questionnaires were returned either hard copy or online. This relatively low return rate is countered by the number of people seen at events which exceeded 4,600. Formal responses were also received from five organisations: Harrow Citizens Advice Bureau, Harrow Mencap, Harrow Law Centre, Zacchaeus 2000 Trust (Z2K)/Child Poverty Action Group (CPAG) and the preceptor Greater London Authority (GLA).

As a response to the consultation, Harrow Council has received a petition from residents regarding the proposed changes to the Council Tax Support scheme. The petition is signed by 411 people. A copy of the petition is included in the Consultation Report at appendix 3.

### **Consultation Feedback**

- 2.17 Respondents were not asked to choose their preferred scheme however were asked to tick if they agreed a scheme should be adopted and therefore could tick none, one or more of the four proposed Council Tax Support models put forward. Feedback to the consultation showed that proposed Scheme 3 was the model with the highest number of 'Yes' responses and fewest number of 'No' in the questionnaires. Whilst there were significantly more 'No' than 'Yes' responses for Proposed Schemes 1, 2 and 4, Scheme 3 still has less than 50% in favour.

The table below summarises the responses:

<b>Scheme adoption</b>	<b>Scheme 1</b>	<b>Scheme 2</b>	<b>Scheme 3</b>	<b>Scheme 4</b>
Yes	57 (25%)	45 (19%)	90 (39%)	48 (21%)
No	136 (59%)	142 (62%)	99 (43%)	134 (58%)
Blanks	37 (16%)	43 (19%)	41 (18%)	48 (21%)

2.18 This could therefore be interpreted as Scheme 3 being the least disliked of the four put forward in the consultation. Furthermore, four of the formal respondents, excluding the GLA who made no specific comment on the proposed schemes, stated that they were unable to select any of the four schemes because of the impacts of the proposed changes for recipients of Council Tax Support.

Respondents believed that schemes 1, 2 and 4 would have greatest impact on disabled households and large families, while scheme 3 was thought to have most impact on large and small families and people in work.

<b>Proposed Scheme</b>	<b>Most Disadvantaged Groups</b>	
<b>Scheme 1</b>	1.	People in receipt of disability benefits and not entitled to full Council Tax Support
	2.	People in receipt of disability benefits and entitled to full Council Tax Support
	3.	Families with 3 or more children
<b>Scheme 2</b>	1.	People in receipt of disability benefits and not entitled to full Council Tax Support
	2.	People in receipt of disability benefits and entitled to full Council Tax Support
	3.	Families with 3 or more children
<b>Scheme 3</b>	1.	Families with 3 or more children
	2.	Families with 1 or 2 children
	3.	Full or part time workers
<b>Scheme 4</b>	1.	People in receipt of disability benefits and not entitled to full Council Tax Support
	2.	Families with 3 or more children
	3.	People in receipt of disability benefits and entitled to full Council Tax Support

The top three reasons why these groups were selected and why they would be impacted are summarised below:

<b>Proposed Scheme</b>	<b>Why respondents believed the groups identified will be affected by the proposals</b>	
<b>Scheme 1</b>	1.	Impact on the Disabled (including due to Liability cap change)
	2.	Families will have financial difficulties
	3..	Affects all groups financially  Impact through increase in non-dependant deductions on households, carers and those unable to work

<b>Scheme 2</b>	1.	Impact on the Disabled as including DLA as income will further reduce income (already included in social care)
	2..	Families will have financial difficulties  Impact through increase in non-dependant deductions on households, carers and those unable to work
	3.	Affects all groups financially
<b>Scheme 3</b>	1.	Affects families the most
	2.	Impacts on vulnerable/disabled/those on benefits who will be forced to cut other things
	3..	Affects all groups financially  Households with non-dependents due to increased deductions  Those on Child Benefit as included as income
<b>Scheme 4</b>	1.	Impacts on vulnerable/disabled/those on benefits who will be forced to cut other things
	2.	Affects all groups financially
	3.	Affects families the most

2.19 The main themes of the general consultation feedback, including feedback from representative groups and the petition are set out below, with the Council's response to each theme. The feedback can be viewed in detail in the Consultation Report in Appendix 2

2.20 Need to protect the vulnerable, including disabled

Council's Response - The Council is committed to protecting services for vulnerable residents as much as possible, however it has a significant projected budget shortfall over the next four years and needs to make some difficult decisions. The Council has taken account of the strength of feeling in the consultation that the vulnerable, those with disabilities and those in financial hardship should be protected when decisions are made about savings

2.21 Consultation process is complex

Council response - The Council was under a statutory duty to publish a draft scheme and consult interested parties. In order to properly consult, it was necessary to include sufficient information on the proposals to allow residents to understand the potential impact and properly respond. The consultation documentation was prepared with the assistance of the community reference group, however future consultations will ensure that complex issues are explained in a better way.

2.22 Lack of affordability

Council response – The Council is facing a challenging financial environment and needs to make some difficult decisions. However, the Council also recognises that making changes to the existing scheme

will mean that some households on low income will be expected to pay more. The Council is considering the extent of its hardship fund and its enforcement policies to ensure that they take account of the needs of those in severe financial hardship. The Council has also taken account of the strong consultation responses about the need to ensure the scheme is affordable.

2.23 Scheme should be scrapped and no subsidy offered

Council response - The Council has a duty to have a council tax support scheme, which as a minimum must comply with the prescribed regulations. In addition, the Council considers that some support should be offered to its most vulnerable residents and those who are on low incomes, to ensure that residents are not disincentivised from taking up paid employment. This needs to be balanced with the needs of the population as a whole to ensure that decisions are fair. It is not considered fair to provide no subsidy to those households on very low incomes.

2.24 Scheme should incentivise work and support working families

Council response – The Council agrees that the scheme should incentivise work and that ensuring that there are long term employment opportunities in the Borough is the best way to support families in financial hardship. Harrow has in 2014/15 invested £75k in the Xcite program, a project that will support residents to gain vocational skills and qualifications, which in turn will enable clients to progress in employment and increase their earning power, and therefore their ability to pay more towards their council tax.

2.25 Harrow's scheme is harsher than schemes elsewhere

Council response – Other local authorities are consulting on amendments to their schemes. We have decided not to make any further cuts to our scheme

2.26 Find savings from elsewhere eg. raising council tax, cutting other services Council response

The level of financial savings required over the next four years is such that proposals for savings are being considered across the Council's services which includes the scope for an increase in Council Tax. Raising council tax by 2% or more requires the council to hold a referendum.

2.27 Use of disabled and child benefits is unfair as these are for a specific purpose

Council's response – The Council has taken account of the strong consultation responses around the use of disability benefits and child benefit when considering income levels.

2.28 Increase in enforcement activity shows that people are struggling to pay current council tax levels

Council response – The collection rates for those receiving CTS are lower than for the population as a whole. The Council will continue to monitor its collection rates and enforcement activities to ensure that those in severe financial need are protected.

## **Conclusion / Recommendation**

- 2.29 Cabinet has taken account of the consultation feedback and the equalities implications of the proposed decision. For these reasons, Cabinet considers that the current scheme should remain in place for 2015/16 and that none of the four model schemes should be implemented.

## **Legal Implications**

- 3.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the CTS scheme is to be revised or replaced. Where the scheme is to be revised or replaced the procedural requirements in paragraph 3 of that schedule apply. Any revision/replacement must be determined by 31 of January in the preceding year to the year which the changes are to apply.
- 3.2 Revisions/replacement of the scheme must also be accompanied by a public consultation, consultation with the GLA, the publishing of a draft scheme and a determination by Full Council to adopt the scheme before 31<sup>st</sup> January.
- 3.3 Although the current scheme is under spending based on previous financial parameters, the money transferred to local authorities for this area is not ring fenced for council tax support.
- 3.4 The original purpose of consulting and determining a 2 year scheme was so the Council would have the opportunity to reflect on the financial situation and on any issues or unforeseen consequences of the scheme and to consider whether revisions or a replacement scheme was required.
- 3.5 On 21 May 2012, the Department for Communities and Local Government published a guidance note setting out the key local authority duties affecting vulnerable people in relation to the decision to localise council tax support. This covered the public sector equality duty, which is set out elsewhere within this report, duty to mitigate the effects of child poverty, the armed forces covenant and the duty to prevent homelessness.
- 3.6 The Child Poverty Act 2010 requires local authorities and other public bodies to co-operate, understand needs and develop and deliver a strategy for their local area. The joint strategic needs assessment 2011 identifies health needs for the community and covered information on child poverty. The strategy is covered in the Harrow Children and Young People's Commissioning Plan 2011-2014 and the joint strategic needs assessment 2009.
- 3.7 The Armed Forces Covenant seeks to redress the disadvantages that the armed forces community face in comparison with other citizens. The existing council tax benefit regulations require local authorities to disregard the first £10 per week of war pension and armed forces

compensation scheme payments, when calculating income. This requirement will continue. However, local authorities also have discretion to top up the disregard to the full amount. The Council previously made the decision to disregard the total payments from these schemes and the current proposals do not change this decision.

- 3.8 The Housing Act 1995 requires authorities to formulate homelessness strategies and to seek to prevent homelessness and secure sufficient accommodation and support in their areas. It is advisable to have good publicity to ensure that those in financial hardship are aware of the CTS they are entitled to and encouraged to apply for these, so as to prevent homelessness due to non payment of rent. The Council's housing department provide advice and assistance to those threatened with homelessness.
- 3.9 When making policy decisions, the Council must take into account of all relevant material, including financial resources, consultation responses and potential equality impacts in order to reach a decision. This report presents a number of options and the financial implications of these and makes a recommendation. However, this does not preclude Cabinet from recommending that another option is the most appropriate way forward.
- 3.10 There is a statutory duty to consult on the council tax support scheme. A summary of the details of the consultation responses are set out in the report and attached as an appendix. Case law has confirmed that when determining whether to change policy, the Council must be receptive to reasonable arguments against the proposals, however this does not simply involve a head count of those for and against the proposals. In the case of withdrawal of support, it will not be surprising if a number of respondents are against the proposal. The Council must take these views into account and must balance this with other relevant information to decide whether to recommend an option.

### **Financial Implications**

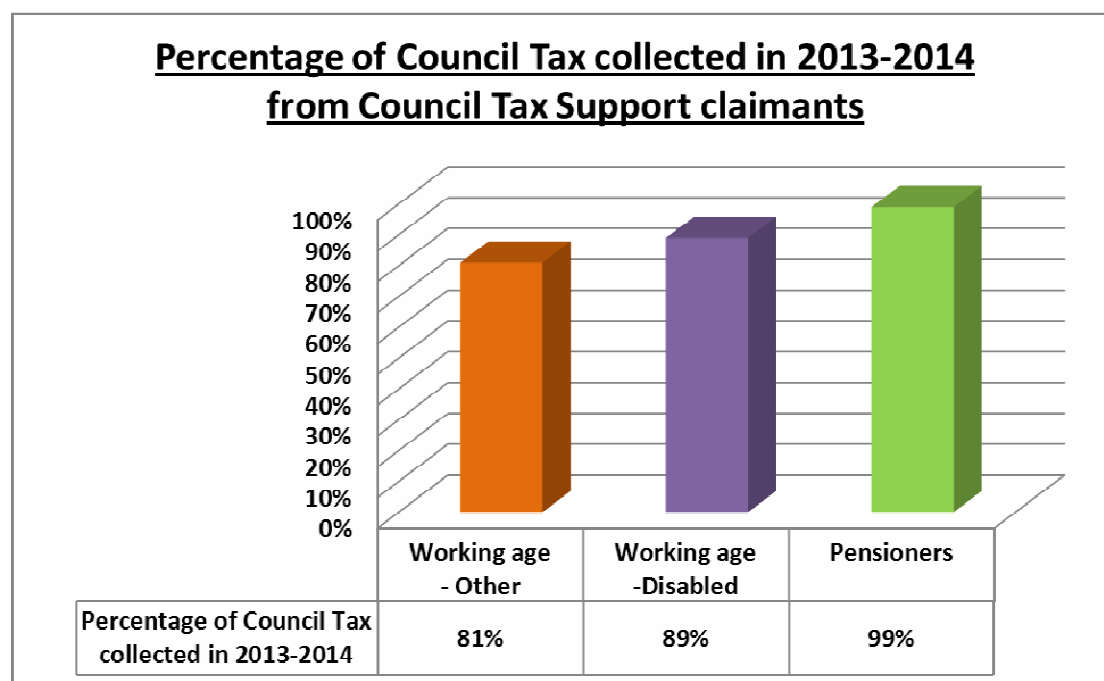
- 3.11 The local CTS funding is not ring-fenced and it is entirely for the local authority to determine how to spend it based on local priorities.
- 3.12 The current scheme has a budget provision of £15.5m which is approximately 9% of the council's controllable budget. Expenditure will increase by approximately £250k should Council Tax increase by 1.99%.
- 3.13 If no reduction in the current Council Tax Support Scheme is agreed, other areas of the budget may be subject to a higher level of reduction in compensation.
- 3.14 The £2m saving proposed from CTS expenditure equates to approximately 2% rise in council tax, which together with the 1.99% planned increase, would take Harrow above the "referendum threshold". Raising additional council tax was therefore not a viable option.

3.15 As stated earlier in this report, the Council's level of General Reserves are low compared to most other authorities. In a survey by the LGA of the level of general reserves compared to percentage of net revenue showed Harrow the lowest in London and 346 out of 353 in England. As such the use of reserves to support CTS expenditure was also not an option.

### Performance Issues

3.16 Collection rates by claimant category has shown some groups achieving higher collection rates than others and therefore we must be mindful that any scheme revisions do not go so far as to simply swapping a lower financial CTS award for a council tax debt that is impossible to pay.

3.17 Whilst in 2013/14 an in year collection rate of 97.5% was achieved, (97.7% in 2012/13), the graph below highlights the risks regarding CTS claimants; the in year collection rate as at 31/3/2014 being much lower for this category of tax payer than the overall 97.5% achieved cumulatively for all tax payers. Whilst no full year data exists for the current year, 2014/15, it is anticipated that performance will be similar to that achieved in 2013/14.



### Environmental Impact

3.18 There are no direct environmental impacts.

### Risk Management Implications

3.19 The expenditure estimate assumes an almost static caseload benefitting from a recovering economy. There is however risk here as Harrow has proportionally less pensioners claiming CTS than the national average, and should this change, there will be an increase in

expenditure due to the fact that pensioners are protected by legislation and will receive CTS awards at pre 2013/14 CTB levels with Harrow incurring additional costs as a result.

3.20 The effects of EU changes to work restrictions and recourse to public funds may in future also impact upon overall CTS expenditure. However this risk has been considered within the overall scheme finances.

3.21 We are aware that the effects of Welfare Reform are still being transitioned and that Benefit households are still to an extent being protected from reductions in household income. As such there may be a future negative impact on collection rates. But we also believe that we can mitigate the risk of non payment by

- Supporting Harrow JSA claimants into work
- Supporting low paid Harrow residents to develop their skills (upskilling) and equip them to secure better paid work.

These are issues that will be looked into as part of mitigation packages and support that Harrow is already working on with regards the wider welfare reform context.

### **Equalities implications**

3.22 A full detailed EqIA has been carried out in relation to the CTS scheme consultation proposals. The EqIA reflects the feedback from the consultation and the multi-agency sub group that worked together with the Council, and takes into account potential impacts and repercussions.

3.23 When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups. Due regard should therefore be had to the Public Sector Equality Duty when giving consideration to agreeing to the revised scheme and the recommendations in this report. The Council's completed equality impact assessment needs to be taken into account and members should consider the potential impact of reducing the funding to the scheme and claimants receiving less support as a result in making their decision.

3.24 A sub-group of the Community Reference Group was set up to help develop the Equality Impact Assessment, assisting in the identification of impacts and mitigations. The outcomes were brought back to the Community Reference Group and the mitigations action plan updated as the new scheme was developed.

3.25 The Equality Impact Assessment is attached at appendix 1 and the table below summarises the impacts identified against the protected characteristics for the four proposed schemes.



<b>EqlA Summary table</b>	
<b>Protected Characteristic</b>	<b>Impact</b>
Age	<ul style="list-style-type: none"> <li>§ Approximately 4,315 working age CTS claimants would be impacted by the changes. This includes all working age unless they are in receipt of passported benefit (Income Support, Income Based Job Seekers Allowance or Income Related Employment Support Allowance) and do not have a non-dependant deduction</li> <li>§ Pensioner claimants will not be affected by the changes although it should be noted that with a rising pension age it will take longer for people to move into the Pensioner group within the scheme.</li> <li>§ 3,567 Families, including lone parents, not in receipt of passported benefits will be affected by the changes; the larger the family, the greater the impact. Impacts would be greater for larger families of which there are around 2,044 with 3 or more children in this category. Larger families may also be adversely affected by the benefit cap.</li> <li>§ There is a risk of disincentivising work for working age households</li> <li>§ 3,871 full and part time workers in receipt of CTS will be affected by the proposed changes</li> <li>§ Feedback from the consultation identified concerns regarding working age households being placed in debt, at risk of homelessness and destitution. This included potential for an increase in the number of children in poverty in the borough</li> <li>§ The EqlA sub-group believed younger people were more likely to be at risk of greater impact from the changes because they have lower incomes.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>§ 2,323 disabled working age households receive CTS and would therefore be adversely impacted by the proposals</li> <li>§ This group already receive a level of protection within Harrow's CTS scheme and only proposed scheme 1 suggests aligning the liability cap for the disabled group with that of the rest of the working age</li> <li>§ All four proposed schemes would affect disabled households to differing extents</li> <li>§ Including disability benefits as income would adversely affect households with a disabled claimant and/or partner who are not in receipt of passported benefits (see Age) including those who work</li> <li>§ Concerns were raised in the consultation that</li> </ul>

	<p>the most vulnerable in Harrow would be placed in debt, homelessness and destitution and the changes would extend impacts of debt and hardship under the current scheme, to the wider community and in particular those with disabilities.</p> <ul style="list-style-type: none"> <li>§ It was also raised during the consultation that disabled people are experiencing severe reductions in other income and that benefits were designed to meet the additional costs of living as a disabled person. Changes to CTS would lead to increased stress, misery and the debt of disabled people will impact negatively on their health and wellbeing.</li> <li>§ Using disability benefits as income was also thought to create a barrier to work for disabled people</li> <li>§ Protection under the CTS scheme for disabled people is based on entitlement to certain disability benefits. If disabled people do not receive these benefits, e.g. because they are too ill to claim them, then they will not receive any additional protection.</li> <li>§ People who receive the lower rate of Disability Living Allowance may lose this entitlement when they transition onto Personal Independence Payments and simultaneously lose entitlement to any disability protection under CTS</li> <li>§ Concern raised around 17/18 year olds with disabilities and impacts on their families</li> <li>§ Carers were also noted in the consultation as being adversely affected by multiple proposals including changes to disabled group liability cap, disability benefits and non-dependant deductions</li> </ul>
Marriage and Civil Partnership	<ul style="list-style-type: none"> <li>§ There are 3,389 couples claiming CTS in Harrow</li> <li>§ People in a couple and in receipt of CTS are more likely to be in work and therefore more likely to be detrimentally impacted by the proposed changes</li> <li>§ People in a couple and in receipt of CTS are more likely to have children and therefore more likely to be detrimentally impacted by the proposed changes</li> </ul>
Race	<ul style="list-style-type: none"> <li>§ It is believed that there are more large families in black and minority ethnic groups so there is greater propensity for them to be adversely affected by the proposals</li> <li>§ Asian or Asian British people in receipt of CTS are more likely to work and therefore be detrimentally impacted by the changes</li> <li>§ A higher proportion of White/White British</li> </ul>

	<p>people are classified as disabled under the CTS scheme and therefore more likely to be detrimentally impacted. Formal feedback from the consultation raised concern that some communities have higher levels of disability and therefore at greater risk of being affected by the proposals.</p> <p>§ Language barriers may affect some people's ability to understand the changes and how to access support to manage their finances</p>
Gender	<p>§ 34% of CTS recipients are lone parents of which 96% are women. Women in this group who are not in receipt of passported benefits (see Age) will be more likely to be detrimentally impacted by the proposed changes</p>
<p>No specific adverse affect has been identified for the following groups:</p> <p>§ Gender reassignment</p> <p>§ Pregnancy and maternity</p> <p>§ Religion or belief</p> <p>§ Sexual orientation</p>	

The extent of the impacts differs for each of the proposals. The table below shows the proposed average CTS loss for different groups.

Category	Number of households affected	Current average weekly Council Tax Support entitlement	Average weekly reduced Council Tax Support			
			Proposed Model Scheme 1	Proposed Model Scheme 2	Proposed Model Scheme 3	Proposed Model Scheme 4
Single people and childless couples	3,475	£14.83	£-1.97	£-1.96	£-1.19	£-2.22
Families with 1 or 2 children	4,517	£13.82	£-3.14	£-3.19	£-3.53	£-3.09
Families with 3 or more children	2,262	£17.11	£-6.60	£-6.40	£-7.46	£-6.47
Lone parents	3,301	£13.76	£-2.61	£-2.55	£-2.70	£-2.51
Full-time or part-time workers	4,752	£12.58	£-5.62	£-5.65	£-6.70	£-5.81
Carers	762	£19.23	£-3.94	£-3.98	£-2.85	£-3.56
People in receipt of disability benefits and entitled to full Council Tax Support	2,281	£19.83	£-4.49	£-4.38	£-2.30	£-3.54
People in receipt of disability benefits and not entitled to full Council Tax Support	512	£17.82	£-6.22	£-9.81	£-4.71	£-5.44
Households with non-dependants	1,073	£12.69	£-3.26	£-4.05	£-4.22	£-4.53

The recommendation not to alter the current scheme will mitigate against these impacts and prevent any effects of the existing from being exacerbated.

### Corporate Priorities

3.26 Retaining the existing Harrow Council Tax Support Scheme supports those in financial need and as such reflects the aims of our corporate priorities and will ensure we continue supporting the vulnerable.

## Section 4 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 27 November 2014		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 28 November 2014		

<b>Ward Councillors notified:</b>	<b>NO</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	Alex Dewsnap, Divisional Director, Strategic Commissioning

## Section 5 - Contact Details and Background Papers

**Contact:** Fern Silverio (Head of Service – Collections & Housing Benefits),  
Tel: 020-8736-6818 / email: [fern.silverio@harrow.gov.uk](mailto:fern.silverio@harrow.gov.uk)

**Background Papers:** None

<b>Call-In Waived by the Chairman of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b>  <i>[Call-in does not apply, as the decision is reserved to Council]</i>
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