



## VALUE OVERVIEW & SCRUTINY COMMITTEE SPECIAL MEETING AGENDA

7.30 pm

Tuesday  
31 July 2012

Committee Room 2 -  
Town Hall

Members 6: Quorum 3

**COUNCILLORS:**

**Conservative Group  
( 4 )**

Robby Misir (Chairman)  
Ted Eden  
Billy Taylor  
Damian White

**Residents' Group  
( 2 )**

Ray Morgon (Vice-Chair)  
Ron Ower

**For information about the meeting please contact:**

**Taiwo Adeoye 01708 433079  
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## AGENDA ITEMS

### 1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

### 2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

### 3 DISCLOSURE OF PECUNIARY INTERESTS

Members are invited to disclose any pecuniary interest in any of the items on the agenda at this point of the meeting.

*Members may still disclose any pecuniary interest in an item at any time prior to the consideration of the matter.*

### 4 LOCALISATION OF COUNCIL TAX SUPPORT - - REQUISITION OF EXECUTIVE DECISION (Pages 1 - 120)

Report Attached

### 5 URGENT BUSINESS

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which shall be specific in the minutes that the item should be considered at the meeting as a matter of urgency.

**Ian Buckmaster  
Committee Administration &  
Member Support Manager**

# Value Overview & Scrutiny Committee

31 July 2012

## REPORT

**Subject Heading:**

**LOCALISATION OF COUNCIL TAX  
SUPPORT - Requisition of Executive  
Decision**

**CMT Lead:**

Andrew Blake-Herbert  
Group Director, Finance & Commerce  
Taiwo Adeoye  
Committee Officer  
taiwo.adeoye@havering.gov.uk

**Report Author and contact details:**

**Policy context:**

**Financial summary:**

The proposed options in this paper seek to address the £1.9 million reduction in government grant as a result of the change to a local scheme

**The subject matter of this report deals with the following Council Objectives**

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

**SUMMARY**

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by two Members representing more than one Group (Councillors Keith Darvill and Clarence Barrett) has called in the decision of the Cabinet Member dated 11 July 2012.

**RECOMMENDATION**

**That the Committee considers the requisition of the decision of Cabinet Report and determines whether to uphold it.**

**REPORT DETAIL**

At its meeting on 11 July 2012, Cabinet decided:

- 1. To note the financial pressure of a £1.9m reduction in government grant for council tax support in 2013/4.**
- 2. To authorise consultation with the Greater London Authority on the Options, with the preferred option being Option 8.** This option is shown below for information.

This option combines a restriction in benefit to a weekly Band D charge, increases non dependant deductions and reduces certain exemptions to zero per cent. A projected saving of £1.8 million is proposed under this option.

**Reasons for the requisition:**

The reasons for the 'call-in' are:

- 1 To provide the Value Overview and Scrutiny Committee with the opportunity to consider in detail the options for the Havering Local Scheme before the preferred options are the subject of consultation with the Greater London Authority.
- 2 To consider whether there are alternative options that should be considered by Council members.

**Background Papers List**

Appendix A – Notice of Requisition

Appendix B – Cabinet Report -11 July 2012

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18/7/12  
9.25pm

Value  
OSC

Call In – Localisation of Council Tax Support

We the undersigned members of the Council 'Call in' the decision of Cabinet made on 11<sup>th</sup> July relating to the Localisation of Council Tax Support.

The reasons for the 'call in' are:-

1. To provide the Value Overview & Scrutiny Committee with the opportunity to consider in detail the options for the <sup>Having</sup> Local Scheme before the preferred options are the subject of consultation with the Greater London Authority. KSD
2. ~~To facilitate a supplementary report which identifies by example/case study the impact on individual claimants for each of the 8 options set out in Report to Cabinet.~~ KSD
- 3 To consider whether there are alternative options that should be considered by Council members

Councillor Keith Darvill

18<sup>th</sup> July 2012

Councillor Clarence Barrett

18<sup>th</sup> July 2012

## Call-In – Localisation of Council Tax Support

We the undersigned members of the Council 'Call-in', the decision of Cabinet made on 11 July relating to the Localisation of Council Tax Support.

The reasons for the 'call-in' are:

- 1 To provide the Value Overview and Scrutiny Committee with the opportunity to consider in detail the options for the Havering Local Scheme before the preferred options are the subject of consultation with the Greater London Authority.
- 2 To consider whether there are alternative options that should be considered by Council members.

Councillor Keith Darvill

18 July 2012

Councillor Clarence Barrett

18 July 2012





## CABINET

11 July 2012

**Subject Heading:**

Localisation of Council Tax Support

**Cabinet Member:**

Cllr Ramsey

**CMT Lead:**

Andrew Blake-Herbert  
Group Director, Finance & Commerce

**Report Author and contact details:**

Jeff Potter  
Head of Customer Services  
Tel: 01708 434139  
Jeff.potter@havering.gov.uk

**Policy context:**

**Financial summary:**

The proposed options in this paper seek to address the £1.9 million reduction in government grant as a result of the change to a local scheme

**Is this a Key Decision?**

No

**Is this a Strategic Decision?**

Yes

**When should this matter be reviewed?**

September 2012

**Reviewing OSC:**

Value

### The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

### SUMMARY

The Welfare Reform Act 2012 will abolish the national Council tax Benefit scheme from April 2013 and the Local Government Finance Bill currently making its way through Parliament will enable Local Authorities to design their own local council tax support schemes.

This report brings to Cabinet's attention, eight options from which a local Council Tax Support Scheme can be developed.

A key issue for the Council will be developing and delivering a local scheme where the Government grant allocation has been reduced by 10% (£1.9 million).

Cabinet are asked to consider and be aware of the implications and risks associated with all eight options and also the risks generally associated with a local scheme as defined in the Risk Appendix D attached.

## RECOMMENDATIONS

1. That Cabinet note the financial pressure of a £1.9m reduction in government grant for council tax support in 2013/4.
2. That Cabinet authorise consultation with the Greater London Authority on the Options with our preferred option being Option 8.

## REPORT DETAIL

### **1. Background**

- 1.1 At the 2010 Spending Review, the Government announced that it would localise support for council tax (CTS) from 2013 and that expenditure allocated to CTS would be reduced by 10% compared to council tax benefit expenditure.
- 1.2 As part of the Welfare Reform Act 2012, the national council tax benefit scheme (CTB) will be abolished from April 2013. The Department for Communities and Local Government (DCLG) under the Local Government Finance Bill have proposed local schemes to support residents with their council tax to be administered by local authorities.
- 1.3 Funding and financial implications have also been considered in light of papers provided by the DCLG and documented in the Financial Implications and Risks areas of this report.
- 1.4 The DCLG have published papers which set out the principles of the scheme and policy intentions and these are summarised in this report.

### **2. Principles of the Local Council Tax Support Scheme**

- 2.1 The principles and policy intent of the scheme can be summarised as follows:
  - Local authorities will be expected to manage the 10% reduction in subsidised expenditure.
  - Regulations will be set to protect claimants of state pension credit age.
  - Local authorities must consult on their schemes with precepting authorities and the public.
  - Local authorities may collaborate to develop joint schemes.
  - The Council must adopt the final scheme before 31 January 2013 or the default scheme will apply.
  - Local authorities should aim to protect vulnerable groups.
  - In developing schemes, local authorities should consider incentivising claimants into work.

### 3. Breakdown of Current Council Tax Benefit Customer Profile

3.1 The table below provides a profile of the residents who currently claim council tax benefit at May 2012.

Type of customer	Number	Yearly (£) Expenditure	% of Total Expenditure
Pensioners	8,860	£9,033,500.76	47%
Working Age	10,313	£10,144,382.32	53%
<b>Total CTB caseload</b>	<b>19,173</b>	<b>£19,177,883.08</b>	<b>100%</b>

#### Working Age Breakdown

Not in work claimants (IS /JSA/ESA)	6,954	£7,284,396	38%
In work Claimants	3,359	£2,859,986	15%
<b>Working Age Totals</b>	<b>10,313</b>	<b>£10,144,382</b>	<b>53%</b>

#### Working Age Claimant Groups

Lone Parents with children under 5	1,685	£1,589,920	8%
Single claimants	8,275	£7,722,355	40%
Disabled claimants	1,790	£1,736,581	9%

#### Working Age Benefit Claim

Type			
Council Tax Benefit only claims	1,577	£1,780,344	9%
Council Tenants (HB&CTB)	4,097	£3,760,794	20%
Private Tenant (HB &CTB)	4,639	£4,603,244	24%
<b>Working Age Claim Type Total</b>	<b>10,313</b>	<b>£10,144,382</b>	<b>53%</b>

3.2 Please note that the 'Groups' data is not mutually exclusive. For example, 'single claimants' are also included in the totals for 'Disabled' & 'Lone Parents' categories.

3.3 This particular analysis was devised in order to identify particular groups that the Council may wish to protect as 'vulnerable' e.g. lone parents with children under five or claims that have disabled markers on the benefit system. Thus a claimant could well be single but also be in the disabled group. Consequently, because of this overlap, the 'Group' totals are not meant to balance back to the overall working age total of 10,313.

### 4. The Current Council Tax Benefit Scheme

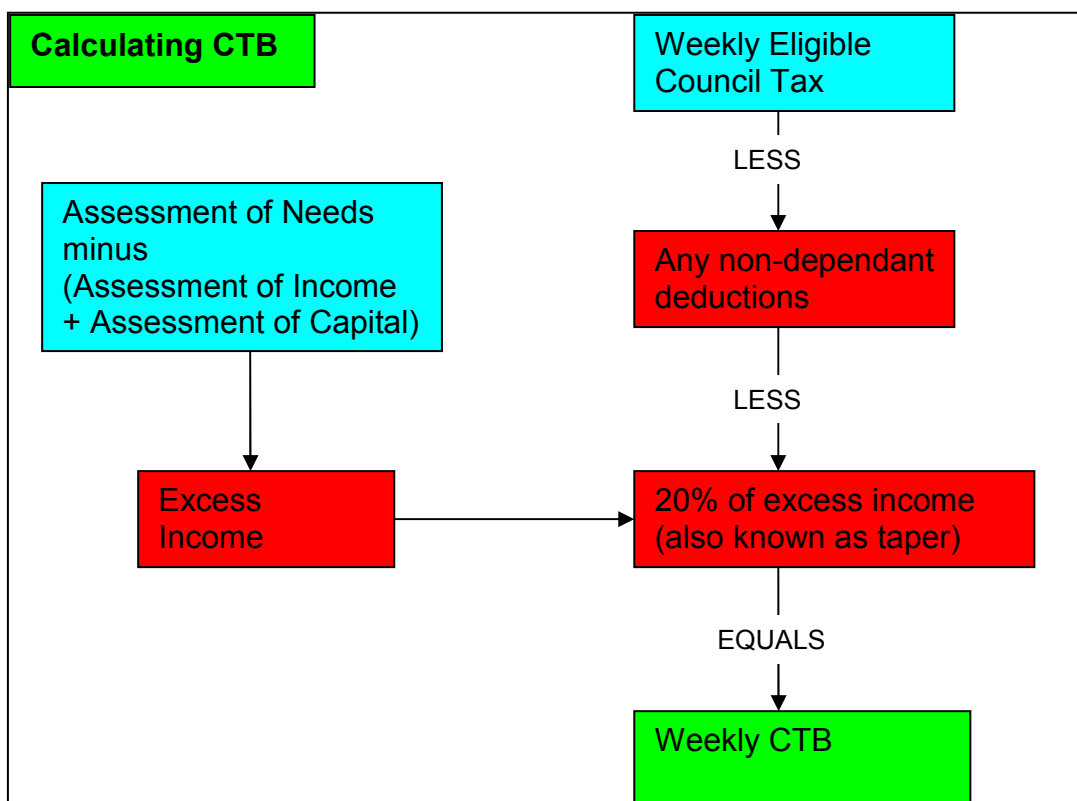
4.1 A brief high level account of how council tax benefit is calculated is set out below. This will assist in providing an understanding of the options which will inform the Local Council Tax Support Scheme that are set out later in this report. In addition, a Glossary is attached at Appendix C to explain benefit technical terms.

4.2 The council tax benefit scheme is a national scheme which has been in place since the introduction of Council Tax in 1993. The scheme is governed by legislation, case law and statute.

4.3 To work out a claimant's entitlement to benefit, the following calculation is used.

4.4 The Council Tax Benefit Calculation **Page 9**

- 4.5 The starting point for all calculations of Council Tax Benefit is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply.
- 4.6 Income and capital are compared to the claimant's applicable amount. Any income over the applicable amount is known as the Excess Income.
- 4.7 The claimant qualifies for maximum benefit less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.
- 4.8 Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the DWP as having income lower than their applicable amount and so will receive maximum benefit less any non-dependant deductions.



## 5. Options for the New Local Council Tax Support Scheme

- 5.1 The proposed framework of any scheme adopted should have due regard to the DCLG's policy intentions and must unequivocally protect pensioners. Accordingly, a 10% reduction in expenditure shared amongst working age claimants only, increases the reduction to 18%.
- 5.2 A number of options have been worked up that create the base scheme designs and it is felt the following eight options provide a good range from which short listing and consultation could take place.
- 5.3 The eight options listed below do not all meet the target 10% reduction in expenditure. However, some can be separated into component parts and combined with other options to develop the optimal scheme for Havering.
- 5.4 A surplus or contingency has been built into some of the options below to allow for a hardship fund to assist vulnerable households or to mitigate unexpected increases in demand for council tax support from low income residents.

- 5.5 The figures we have used for initial modelling are based on expenditure for active benefit claims in 2011/12. The financial figures included in the initial modelling should be treated as indicative only as they are formulated on assumptions based on current and historical activity levels.
- 5.6 It is important to note that in any final scheme, expenditure may be higher than the figures provided here. Therefore more detailed analysis and verification of the data used will be required to accurately determine the reduction.
- 5.7 Two different tools for profiling the Havering caseload have been used in this paper to provide the range of choices available from which Cabinet Members can make informed decisions. However, a consequence of using two different tools is that there will be minor differences in the data that has been presented depending on which tool has been used.
- 5.8 The CLG calculator that has been provided to local authorities uses caseload extract data which is reported to the Department of Work & Pensions. This calculator currently holds data for 2011/12 and the lower expenditure gives a projected saving required of £1.8 million.
- 5.9 A more recent tool bases the calculations on 2012/13 expenditure and consequently the projected saving required is £1.9 million.
- 5.10 Both tools are complimentary in that they provide the scope to test a variety of schemes at this stage in the process. Once a scheme has been selected in principle, further analysis can be conducted to consider the full implication on the current benefit caseload with more accuracy.
- 5.11 A further modelling toolkit which extracts data directly from the core council tax and benefit databases to allow full and more accurate modelling will become available shortly.
- 5.12 Please see Appendix A for details of the eight options from which a shortlist is requested for consultation. A number of case studies are provided and attached at Appendix B to draw Member's attention to how individual claimants will be affected by the Options,

## **6. Options Summary**

- Option 1. This option does not change the current Council Tax Benefit scheme and requires the savings of £1.9 million to be funded through reserves. Claimants and council tax payers would not be affected by the 10% reduction.
- Option 2. By restricting liability across each band to 80% of the council tax liability, a projected saving of £1.9 million could be made. This would impact all working age claimants below the age of 60 years of age.
- Option 3. This option reduces each working age claimant's benefit award by 18% and makes projected savings of £1.8 million. Working age claimants only would be impacted by this option.

Officers recommend Option 3. is shortlisted for consultation with the GLA because it evenly distributes the reduction in benefit between all 10,313 working age claimants and does not disproportionately impact any single vulnerable group.

Option 4. In this option, working age claimants who are in work would be affected by the proposed calculation along with any claimant who has an adult living in their household. Additionally, claimants' benefit would be restricted to a maximum of £20.57 per week. This would make a projected saving of £1.8 million.

Option 5. Savings projected at £1.8 million could also be gained from this option that affects working age claimants only. This option is similar to option 4 as it changes the way in which benefit is calculated but has a less harsh effect on those in work.

Option 6. The Council Tax Technical Reforms are currently making their way through the Houses of Parliament via the Local Government Finance Bill. This option forecasts savings of £1.8 million based on those reforms becoming statute and will affect people who have second homes.

Option 7. £1.85 million projected savings can also be made by increasing the council tax charge. This would affect all taxpayers who are not in receipt of maximum council tax benefit.

Officers also recommend Option 7 is shortlisted for consultation with the GLA as it evenly distributes a £22 per year rise in Council Tax to all chargeable properties in the borough.

Option 8. This option combines a restriction in benefit to a weekly Band D charge, increases non dependant deductions and reduces certain exemptions to zero per cent. A projected saving of £1.8 million is proposed under this option.

6.1 Officers recommend Option 8 is also shortlisted for consultation with the GLA as it combines elements which propose minimal impacts on working age claimants and taxpayers with only one home. It is also reasonable to expect working adults residing with the claimant to make a contribution to the council tax through an increased non dependant deduction.

6.2 In order to present the GLA with the principles behind a true range of variable options, it is recommended that Options 3, 7 and 8 are taken forward to the formal consultation process.

6.3 The table below summarises the eight options above. Appendix A provides a more detailed breakdown of the options and associated risks.

<b>Option</b>	<b>Projected Saving £</b>	<b>Impacts</b>
1. Absorb 10% reduction into council financial reserves.	1.9 mil	No impact on Council Tax Benefit claimants or wider Council Tax
2. Restrict Council Tax liability to 80% for benefit purposes.	1.9 mil	All working age Council Tax Benefit claimants
3. Reduce Council Tax Benefit by 18%	1.8 mil	All working age Council Tax Benefit claimants
4. Restrict benefit to average band D award, increase taper & non dependant deductions	1.8 mil	All working age Council Tax Benefit claimants, particularly those with non dependants in household.
5. Restrict benefit to average band D award, increase taper & non dependant deductions, reduce premiums	1.8 mil	All working age Council Tax Benefit claimants
6. Increase Council Tax in line with technical reforms.	1.8 mil	Direct impact on the wider Council Tax collection for residents with certain discounts and exemptions
7. Increase Council Tax for all tax payers by £22 per year.	1.85 mil	All residents in borough not claiming maximum CTS (approx 87,000)
8. Restrict benefit to band D, increase non dependant deductions, increase council tax for second homes in line with technical reforms.	1.8mil	Working age claimants who have non dependants or who reside in properties banded E to H. Also affects people who have second homes or homes that are not inhabited

## **7. Working in Partnership to Deliver local Council Tax Support Schemes**

7.1 The Council is working in partnership with the London Boroughs of Barking, Redbridge, Waltham Forest and Newham Council Tax & Benefit Services to deliver their local council tax support schemes on time.

7.2 The partnership is working together to share and maximise resources and knowledge and have jointly recruited a Benefits Expert Co-ordinator who will manage the project implementation. The Coordinator will assist in a number of activities such as drafting plans, communications strategy including consultation and publicity.

7.3 Consultation and publicity as much as possible will be consistent and aligned with our colleagues in the North East London Partnership.

## **8. Consultation**

8.1 With regard to consultation, the Government, in Schedule 4 of the Local Government Finance Bill require consultation with major precepting authorities, which in Havering's case is the GLA. Billing Authorities are also required to consult the public once a draft scheme has been determined.

8.2 The Council will formally consult with the Greater London Authority ahead of the consultation with residents and others who will be affected as detailed in the Consultation Plan attached at Appendix F.

8.3 The period of consultation in the *Government's code of practice on consultation* is twelve weeks. However, billing authorities may reduce this period where timescales are restricted and this is the case with regard to developing a Local Council Tax Support Scheme. The project plan has allowed only six weeks for consultation because of limited time overall to introduce the scheme which will be subject to Cabinet approval.

8.4 Consultation on the design of the local scheme design will commence in October 2012.

## **9. Set Up, Development and Administration Costs**

9.1 To efficiently administer the proposed Council Tax Support Scheme in addition to the Council Tax Benefit Scheme for people of pensionable age and the Housing Benefit Scheme will have major implications on Council resources.

9.2 Customer Services will consider the implications on the administration of the new scheme and incorporate the outcomes for reporting to September Cabinet.

9.3 Government have indicated in their paper *New burdens doctrine – Guidance for government departments*, that “all new burdens on local authorities must be properly assessed and fully funded by the relevant department”.

9.4 The DCLG have already made available costs in the sum £84,000 to set up the local council tax support scheme.

9.5 The Government is committed to keeping council tax down and to ensuring that reasonable net additional costs of all new burdens is assessed and fully funded. These will include any one-off implementation costs, set up and transition costs as well as recurring costs for the first three years.

## **10. Local Authorities to Grow Their Local Economy**

10.1 The Government has proposed that:

*Including funding for council tax support within the business rates retention scheme provides a strong incentive for local authorities to grow their local economy and opportunity to increase their income from increases in business rates. This will increase the funding available for local services or help reduce council tax for some or all tax payers. By strengthening the incentive to grow the local economy it will help create jobs which will reduce poverty and demand for support with council tax.*

10.2 Opportunities to increase the business base in the borough are being considered through the development of a Business Growth Strategy. The delivery of this strategy will be important in retaining and potentially growing income from Business Rates.

10.3 In addition, the Cabinet may wish to consider whether the development of employment support initiatives should be considered to support people back into work to potentially reduce the overall call on Council Tax relief. In particular programmes which support people recently made redundant back into work before they become long term unemployed would compliment the range of schemes offered through Jobcentre Plus and the work programme, which are targeted at long term unemployed people.



## 11. Timetable for Implementation

11.1 The timetable for implementation of the scheme is very challenging. A scheme must be approved by Members before 31 January 2013.

11.2 A detailed project plan has been developed to identify the activities necessary to expedite the development and implementation of a new local Council Tax Support Scheme.

11.3 The table below identifies key milestones by which Activities must be completed.

<b>Identify initial options</b>	<b>Completed</b>
<b>Review financial implications of scheme using council tax support module.</b>	<b>1 July 2012– 1 August 2012</b>
<b>Cabinet Agree principal options.</b>	<b>11 July 2012</b>
<b>Brief Senior Management and Officers regarding agreed options.</b>	<b>12 July 2012</b>
<b>Arrange briefings for staff including back office, frontline customer services and other depts.</b>	<b>12 July 2012 – 31 March 2013</b>
<b>Consult with GLA on options and scheme design.</b>	<b>16 July 2012 - 6 August 2012</b>
<b>Set framework and document policy for New Scheme administration.</b>	<b>16 July 2012 – 1 October 2012</b>
<b>Prepare Guidance Manual</b>	<b>16 July 2012 – 17 December 2012</b>
<b>Prepare consultation which will enable residents to comment on the proposed final scheme</b>	<b>16 July 2012 - 24 September 2012</b>
<b>Draw up staff training plan, liaising with in house customer service trainers</b>	<b>3 September 2012 - 30 September 2012</b>
<b>Prepare initial Publicity, initially focusing on advising Havering residents &amp; Council Tax payers of the new localised scheme</b>	<b>3 September 2012 - 16 September 2012</b>
<b>Cabinet approve draft final scheme.</b>	<b>26 September 2012</b>
<b>Publish Draft Final scheme</b>	<b>1 October 2012</b>

<b>Prepare final scheme publicity including detailed article and press statements.</b>	<b>1 October 2012 – 31 January 2013</b>
<b>Consultation period on Draft Final scheme with residents, including meeting with external providers/partners</b>	<b>4 October 2012 - 14 November 2012</b>
<b>Convert software and data, engaging with software supplier, Capita and in house ICT department.</b>	<b>29 October 2012 – 6 January 2013</b>
<b>Prepare Appeals procedure</b>	<b>5 November 2012 - 6 January 2013</b>
<b>Prepare Overpayment procedure</b>	<b>5 November 2012 - 6 January 2013</b>
<b>Prepare Fraud procedure</b>	<b>5 November 2012 - 6 January 2013</b>
<b>Consultation analysis of responses received. Outcomes to be published separately to wider public.</b>	<b>14 November 2012 - 1 December 2012</b>
<b>Identify and contact Customers affected, draft and issue information letter to affected households</b>	<b>9 December 2012 – 6 January 2013</b>
<b>Undertake Staff Training</b>	<b>17 December 2012 – 3 March 2013</b>
<b>Cabinet Approve the Final Scheme</b>	<b>23 January 2013</b>
<b>Publish Final Scheme</b>	<b>1 February 2013</b>
<b>New Localised Council Tax Support Scheme comes into force.</b>	<b>1 April 2013</b>

## REASONS AND OPTIONS

### Reasons for the decision:

This report arises as a result of the Local Government Finance Bill 2012 which requires the Council to design a Local Council Tax Support Scheme to support people who are liable to pay Council Tax and are in financial need.

### Other options considered:

The options available are summarised in the detail of the report above and a more detailed explanation is provided in Appendix A .

## IMPLICATIONS AND RISKS

### Financial implications and risks:

The DCLG in their paper, Localising Support for Council – Funding arrangements consultation was issued in May 2012. This document sets out how the Government intends to distribute funding to support local schemes and that expenditure is reduced by 10% from 2013-14.

The funding for council tax support will be set at 90 per cent of the forecast subsidised council tax benefit expenditure for 2013-14. The Greater London Authority (GLA) element of the grant will be allocated directly to them by DCLG. An illustrative figure of £13,564k has been used which does not include the funding attributable to local precepting authorities, the GLA. DCLG advise final allocations will likely differ both in amount and also in the relative distribution between authorities.

The GLA have assumed that their allocation will be £3.48mil and have based this figure on the actual benefit subsidy expenditure for 2010-11. These figures are also illustrative to assist the Council forecast demand for the council tax support in 2013-14. The assumed funding for council tax support inclusive of the 10% Government reduction is therefore £13,564k plus £3.48 mil which equals £17.04 million.

The DCLG will make funding available to billing and precepting authorities based on 90% of the forecast council tax benefit expenditure for 2013-14. Currently, subsidised benefit expenditure is forecast at £19.1m therefore the 10% would equal £1.9m.

The Government is providing funding via the retained business rates system to strengthen the incentives for authorities to grow their local economy and help residents back into employment.

The GLA council tax portion is 20.42% and they share the 10% reduction with local authorities and will be funded directly from the DCLG.

The GLA also now share the risk in uncollected council tax and unexpected increases in caseload. An increase in the GLA precept is not anticipated in the first year of CTS.

There are a significant number of risks to the successful implementation and operation of a localised Council Tax Support Scheme. These can be separated into scheme options which are individually reflected in the eight options at Appendix A and those relating to policy and project management which are attached to Appendix D.

Whichever options are selected for further scrutiny, there is a core risk that these changes could result in an increase in council tax arrears thus affecting the council's collection fund. Any adverse impact of these changes would result in a deficit position on the fund which would be required by statute to be funded between the London Borough of Havering and the Greater London Authority during the budget setting process 2014/15 onwards. This is a risk that will be added to the Risk Analysis for mitigation.

There is a significant financial risk that the options under consideration do not deliver the level of savings required. The actual savings achieved will depend upon the extent to which outcomes match our assumptions (which are based upon historic data). Financial outcomes may depend upon a complex range of inter-related factors including customer resistance and benefit eligibility.

In view of the financial risks involved it would be sensible to build in a level of contingency. This may require some changes to the preferred options to deliver increased savings or an increase in the central contingency (or a combination of both). Changes to the central contingency will of course have wider implications for the development of the MTFS and Council Tax setting.

It is also recognised that a new local scheme may be manipulated to avoid or reduce council tax thereby increasing the risk of potential for Fraud. This is highlighted in the Risk Analysis and a review of the robustness of monitoring arrangements and controls will be required.

Due to the nature of the local council tax support scheme and funding allocation passing to local authorities, there is a risk of increases in either numbers of claims or value of claims (or both). That being the

case, the financial risk associated with the local scheme now falls on the local authority.

Due account will need to be taken of this as part of the Council's budget strategy and reflected in the budget setting cycle for 2013/14.

The number of people reaching pensionable age and the pensionable population in Havering is high. The protected pensioner caseload is very likely to increase as a result of this and add further financial risk to the Council. This risk will be recorded in the Risk Register.

A Risk Appendix D is attached which outlines the policy, project and scheme implementation risks along with comments on mitigation.

### **Legal implications and risks:**

The Local Government Finance Bill introduces a requirement for Billing Authorities to create a new local scheme for Council Tax Support by 31 January 2013 and be effective from 1 April 2013. Whilst this has not been through all relevant stages in Parliament, given the short timescales involved it is advisable that the Council act as if it is to be passed in its current form. However, there is a risk that the final version differs in a material respect and if that does occur then a further report may be necessary. Officers will keep the passage of the Bill under close review.

The local Council Tax Support Scheme will replace the national Council Tax Benefit Scheme which will be abolished by the Welfare Reform Act 2012 from April 2013.

The Bill will require Billing Authorities to consult on any proposed scheme as part of the scheme's development as follows:

Schedule 4 paragraph 3 (1) " Before making a scheme, the authority must (in the following order)—

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

There are therefore two stages to the consultation requirements. Firstly with the major precepting authority, then once the final draft scheme has been determined with the public. A consultation must be meaningful in that it must be undertaken at a stage when consultees can influence the final decision and enough time and information must be given to enable them to respond properly.

The Bill further determines for Council Tax Support expenditure to be reduced by 10% although Pensioners are fully protected. The Council

also has an obligation to consider other vulnerable groups in any scheme it puts forward.

Policy statements and detailed guidance must also be developed along with an amendment to the Constitution that reflects this new local scheme policy.

### **Human Resources implications and risks:**

The introduction of a new local scheme will require a detailed training plan and strategy to develop staff awareness and support them through the transition from Council Tax Benefit to Council Tax Support. Staff will also require briefings throughout implementation as the options develop into a local scheme. This is contained within the Project Plan.

Customer Services will consider the implications on the administration and commit in their Business Plan to develop a strategy in partnership with staff and Human Resources.

There is a short to medium term risk of significant queries arising from council tax support claimants at the start of April 2013. This is highlighted in the Risks Analysis and mitigation should be considered.

There are no human resource implications arising directly from this report.

### **Equalities implications and risks:**

The chosen Local Council Tax Support Scheme will be a new policy that requires an equalities assessment.

The local scheme should also take note of the DCLG guidance note: Localising Support for Council Tax - Vulnerable people – key local authority duties which was published on 21 May 2012. This is intended to address the requirement to take into account the following duties.

The Public Sector Equality Duty (and *The Equality Act 2010*) requires local authorities to have clearly defined responsibilities in relation to, and awareness of, those in the most vulnerable situations. This means that a local authority must pay due regard and consider how a scheme might affect people who share a relevant protected characteristic and people who do not share it. Each of the eight options to be considered are the subject of detailed Equality Analysis.

The duty to mitigate effects of child poverty (*The Child Poverty Act 2010*): understanding the characteristics of low income and disadvantaged families. The omission of child benefit income in the calculation of local Council Tax support goes some way to protecting children and again additional money from a discretionary fund could also help with this.

The duty to prevent homelessness (The Housing Act 1996) Those households who find themselves homeless through no fault of their own and who are eligible and in priority need are owed the main homelessness duty.

Armed Forces covenant: The DCLG also highlights the need to comply with the Armed Forces covenant. The current provision to fully disregard income received from the War Pension Scheme (£35,165 based on 2011/12 Subsidy expenditure) and Armed Forces Compensation scheme will remain in place in all of our proposed schemes.

The guidance note does not tell local authorities what they must do in their schemes to be compliant with their duties. It is important to note the need to demonstrate that the local Council Tax support scheme is compliant with the above acts and to document all work undertaken in this area.

In developing a local Council Tax Support Scheme Equality analysis is considered an integral part of the process. Each of the eight options have been the subject of an Equality analysis report which is attached in Appendix E.

The Equality analysis will be reviewed on a regular basis as the policy for the local scheme develops to ensure negative impacts are identified and minimised if not eliminated.

## **BACKGROUND PAPERS**

### **Reference Documents**

Localising Support for Council Tax – Funding arrangements consultation  
Localising Support for Council Tax – A statement of intent  
Localising Support for Council Tax in England - Government's response to consultation  
Localising Support for Council Tax in England – Consultation  
New Burdens Doctrine – Guidance for government departments

### **Appendices**

Options Appendix A  
Case Studies Appendix B  
Glossary Appendix C  
Risks Appendix D  
Equalities Analysis Appendix E  
Consultation Plan Appendix F

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## Local Council Tax Support Options & Impacts

### No Impact on Council Tax Benefit Claimants or Wider Council Tax

#### Option1

Option 1	
Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. The default scheme	
<b>Reduction:</b> £1.9 mil	<b>Contingency:</b> £0.1mil
<b>Risks:</b> <ul style="list-style-type: none"> <li>• No contingency for increase in CTS claims.</li> <li>• Implications for the Tax Base in year 2 could affect the GLA's share of revenue as well as the Council's revenue.</li> <li>• Figures for reserves are based on all benefit matters remaining equal in 2013 compared to 2012. Government tend to increase premiums every year which means the value of the 10% expenditure is higher. If we choose to increase working age CTS by including 2013 premiums, then the savings to be found from reserves must also increase.</li> <li>• A reduction in financial reserves is likely to impact upon the Council's Medium Term Financial Strategy depending upon the minimum level of reserves deemed to be appropriate to the setting of a robust budget. A contribution to reserves can only be achieved through cost reductions or increased income over the life of the MTFS.</li> </ul>	

Note, the 10% reduction in Option 1. above of £1.9 million, is based on 2012/13 forecast subsidy expenditure at May 2012.

DCLG in their paper, Localising Council Tax Support – Funding arrangements consultation, have indicated local authorities could choose to manage the reduction through use of reserves.

This Option would also require a more general consultation linking CTS to the Government 10% reduction in funding for CTS.

## Options 2, 3, 4 and 5 directly Impact on Council Tax Benefit Claimants

Option 2. impacts on all working age claimants.

Option 2	
Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction.	
<b>Reduction:</b> £1.9 m	<b>Contingency:</b> 0%
<b>Risks:</b> <ul style="list-style-type: none"><li>• No contingency for increase in CTS claims.</li><li>• Some council tax will have to be collected from all working age households.</li><li>• Has a disproportionate effect on larger households as they have a higher base charge.</li><li>• Does not protect vulnerable groups such as disabled households or those with children.</li></ul>	

Note, the 10% reduction in Option 2. above of £1.9 million, is based on 2012/13 forecast subsidy expenditure at May 2012.

In Option 2. council tax properties in bands A to H are all subject to 20% liability reduction for working age claimants. Pensioners are protected and CTB based on 100% liability. Council Tax Benefit is calculated in the same way as the current scheme except for the liability reduction.

It should be noted that Option 2. above fairly distributes the impact of the reduced budget across all of the CTS caseload but takes no account of disability or children in the household.

This option affects the full working age caseload which totals 10,313 claimants of which 6,954 are non working & 3,359 are working claimants.

A breakdown of the reduction against Approx Council Tax benefit reductions across the following working age groups:

£380k from 1884 in work claimants households

£430k from 2253 disabled claimant households

£260k from 1685 lone parents households

£830k from other non working households

Option 2 Statistical Data

<b>Claim Category</b>	<b>Total Working Age Claims</b>	<b>Numbers Affected by Band</b>	<b>LA Saving/ Customer Loss £</b>	<b>Overall % Saving</b>
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A 412 B 644 C 700 D 387 E 85 F 18 G 7	£430K	2.3%
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A 110 B 432 C 721 D 366 E 52 F 3 G 1	£260K	1.3%
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A 155 B 364 C 679 D 545 E 115 F 24 G 2	£380K	2%
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A 806 B 1170 C 1451 D 837 E 176 F 32 G 7	£830K	4.4%
<b>Totals</b>	10313	A 1485 B 2612 C 3553 D 2137 E 430 F 79 G 17	£1.9million	10%

Option 3. impacts all working age claimants.

<b>Option 3</b>	
Calculate CTB entitlement and then reduce every working age claimant's award by 18%.	
<b>Reduction:</b> £1.8 mil	<b>Contingency:</b> NIL
<b>Risks:</b> <ul style="list-style-type: none"><li>• No contingency for increase in CTS claims.</li><li>• Could reduce incentive to move into work.</li></ul>	

Based on annual working age expenditure of £10,167,404 less 18%. Option 3. affects the whole of working age caseload, 10,313 claimants of which 6954 are non working & 3359 standard/working claims.

Option 3. makes it easy to change the scheme year on year as the percentage is amended in line with any changes to the grant allocation.

Option 3 Statistical Data

<b>Claim Category</b>	<b>Total Working Age Claims</b>	<b>Numbers Affected by Band</b>	<b>LA Saving/ Customer Loss £</b>	<b>Overall % Saving</b>
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A 412 B 644 C 700 D387 E 85 F 18 G 7	£430,443	2.3%
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A110 B 432 C 721 D 366 E 52 F 3 G 1	£296,248	1.6%
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A 155 B 364 C 679 D 545 E 115 F 24 G 2	£276,012	1.5%
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A 806 B 1170 C 1451 D 837 E 176 F 32 G 7	£827,428	4.4%
<b>Totals</b> Based on £10,167,404 Working Age expenditure £19,177,833 total expenditure	10313	A 1485 B 2612 C 3553 D 2137 E 430 F 79 G 17	£1.8 million	9.8%

£1.8m Reduction- Approx. saving 9.8% Pensioners Protected  
 Use current CTB scheme based on 100% of Council Tax liability.  
 All claimants will have to pay at least 18% of their Council Tax liability even if receiving Income Support or Job Seekers Allowance.

NB Option 3 gives very similar outcomes to Option 2. The difference being Option 2 reduces amount of Council Tax Liability eligible for benefit and CTB scheme remains unchanged. Alternatively, Liability remains at 100% and CTB is reduced by an agreed percentage after the benefit calculation to achieve any saving.

Option 4. impacts all working age claimants.

<b>Option 4</b>	
Maximum award would be restricted to an average band D award. Increase benefits taper to 65%. Premiums set at 2011 rates Increase non-dependant deductions as follows: £0.00 to £00.00 * £2.85 to £15.00 £5.70 to £20.00 £7.20 to £28.00 £8.60 to £35.00 Makes for 19% reduction for working age Remove second adult rebate	
<b>Reduction:</b> £1.8 mil	<b>Contingency:</b> £0.18 mil
<b>Risks:</b> <ul style="list-style-type: none"><li>• This will be a complex scheme to operate.</li><li>• Resources to administer the scheme would remain high without the support of the current administration grant.</li><li>•</li></ul>	
<b>Comments:</b> <ul style="list-style-type: none"><li>• Affords greater protection to claimants who are on welfare benefits</li><li>• Clg calc</li><li>• Complex scheme</li></ul>	

Option 4 requires a range of system parameter changes to enable the 10% reduction to be taken from working age claimants.

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

Very approximately, the reduction of £1.8million is taken from 6,954 non working claimants (£800k) and 3,359 standard/working claimants (£1m).

A more complex Council Tax benefit calculation is required for Option 6. as changes have been made to the actual benefit calculation. The taper is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%. Please see the Glossary Appendix attached for a detailed explanation of terms.

It should also be noted that the large increases in the non dependant charge particularly impacts on those claimants with other adults living in the property. In two of the examples above, both claimants would be subject to the highest deduction and as a result would lose all of their benefit entitlement.

Option 4 Statistical Data

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
<b>1.Restriction to average Band D Benefit Award ( £20.57)</b>  <b>NB. Actual Band D Liability 2012/13 £28.94.</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,352  A £0.00 B £28,353 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2.Increase Non Dependant Deductions:</b> £0.00 to £0.00 £2.85 to £15.00 £5.70 to £20.00 £7.20 to £28.00 £8.60 to £35.00	1113	623	£479,636	3%
<b>3.Increase Tapers (currently 20%)</b>  (a) 65% (as HB)	All Working Age caseload 10313	1362	£838,760	4%
<b>Total for option 6 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>

Option 4 Combination of 1, 2 & 3a with premiums & allowances at 2011 rates.

Please note very high non dependant increases will penalise a very small group of claimants who would disproportionately lose benefit entitlement, including those receiving Income Support or Job Seekers Allowance. The increase was used for illustrative purposes to show the amount of saving that would have to be made if using this particular combination to achieve £1.8 million saving.

The table below illustrates the impact of smaller non dependant charge increases and smaller Taper increases, some of which have been used in Option 5.

Increase non dependant deductions	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss	Overall % Saving
(b) £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00	1113	108	£210,704	1%

£8.60 to £20.00				
(c) £2.85 to £5.00 £5.70 to £8.00 £7.20 to £11.00 £8.60 to £15.00	1113	56	£135,356	>1%
<b>Increase Tapers</b> (currently 20%)	All Working Age caseload 10313			
(b) 55%		1205	£764,920	4%
(c) 45%		1021	£659,776	3.5%
(d) 35%		747	£494,780	3%
(e) 30%		550	£377,000	2%

CLG Data Analysis Tool- Data March 2012. Please note that the above figures cannot be exact and are for guidance only. Due to the complexity of the data, individual claimant group totals will not match the overall saving of 1.8 million.



Option 5. impacts all working age claimants.

Option 5	
Maximum award would be restricted to the average benefit in Band D. Remove second adult rebate. Increase benefits taper to 30%. Increase non-dependant deductions: £00.0 to £00.0* £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00 Reduce premiums by 18%	
<b>Reduction:</b> £1.8 mil	<b>Contingency:</b> £0.18 mil
<b>Risks:</b> <ul style="list-style-type: none"><li>• Non-dependants disappear overtime</li></ul>	
<b>Comments:</b> <ul style="list-style-type: none"><li>• Working claimants affected more than JSA/IS claimants because the taper on applies to them.</li><li>• Easier to collect council tax from working claimants</li></ul>	

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

In work claimants will receive less support because the taper applies to the earned income. It will also be easier to collect the Council Tax from claimants in work.

The saving of £1.8 million for Option 5 is taken from 6,954 non working claimants (£700k) and 3,359 working claimants (£1,1m).

Option 5 Statistical Data

<b>1.Restriction to average Band D Benefit Award ( £20.57)</b>  <b>NB. Actual Band D Liability 2012/13 £28.94</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,482  A £0.00 B £28,366 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2. Increase Non dependant deductions:</b> £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£210,704	1%
<b>3.Increase Tapers (currently 20%)</b>  30%	All Working Age caseload 10313	550	£377,000	2%
<b>4. Reduce 2011 Premiums by:</b> (a) 18%	10313	1362	£664,508	3.5%
<b>Total for option 7 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>

For comparison, the table below illustrates the saving made when the 2011 premiums are reduced by 10% as opposed to 18% above:

	<b>Numbers Affected</b>	<b>No. cases All CTB lost</b>	<b>Annual LA Saving/Customer Loss</b>	<b>Overall % Saving</b>
<b>Reduce 2011 Premiums by 10%</b>	10313	268	£368,888	2%

CLG Calculator Tool – Data March 2012. Please note that the above figures cannot be exact and are for guidance only.

## Options 6 and 7 directly impact on the wider Council Tax Collection

The Government issued a consultation paper entitled Technical Reforms of Council Tax in October 2011. Some of the proposals in the paper are contained within the Local Government Finance Bill. These could be used to deliver alternative savings.

### Option 6. impacts people with second homes.

Option 6	
Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013.	
<b>Reduction:</b> £1.8 mil	<b>Contingency:</b> NIL
<b>Risks:</b> <ul style="list-style-type: none"><li>• No incentive for taxpayers to tell us about these properties which would be second homes so savings reduced. On Class C exemptions alone, this could be as much as £951k lost if taxpayers advise empty properties are occupied by a single person.</li><li>• Fraud implications would require consideration.</li><li>• Certain exemptions could be abolished and additional income lost.</li><li>• Customers may feedback strong concerns</li><li>• No contingency for increase in CTS claims.</li><li>• The proposed council tax reforms are contained in the Local Government Finance Bill and are potentially subject to amendment. The bill is due to have it's second reading in the House of Lords on 12 June 2012.</li><li>• No contingency for increase in CTS claims</li></ul>	

Council Tax Technical Reform supports Option 6. and describes in detail how a reduction of £1.8 million can be achieved by making maximum use of the discretions to decrease discounts and exemptions from the Council Tax Technical Reforms.

This option has no impact on claimants. It also has no impact on the majority of taxpayers with one home. It could assist bring properties into use and occupation in line with new homes agenda.

To calculate the reduction, 2011/12 figures have been used as the basis for this option. It can be noted from Council Tax Reform Appendix that 7,287 properties would be affected which include properties which are second homes, undergoing major repair, unoccupied and unfurnished, long term empty properties and repossessed properties.

This option also has many variables would could be dissected and coupled with another option.

Option 6 Statistical Data

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
Second Homes	Discretionary discount between 10% and 50%  Havering currently give 10%	Range of discretion to be between 0% and 50%.	716	£46,798 (10% discount)	<b>£46k if set at 0%</b>
Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% -100%.	317	£177,794	<i>12-month period:</i> £0k if set at 100% £44k if set at 75% £87k if set at 50% £131k if set at 25% <b>£174k if set at 0%</b>
Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100%.	5712	£1,293,903	<i>6-month period:</i> £0k if set at 100% £317k if set at 75% £634k if set at 50% £951k if set at 25% <b>£1,268k if set at 0%</b> £555k if set at 75% £793k if set at 50% £1,030k if set at 25%

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
					£1,268k if set at 0% (assumed 75% occupied within 3 months so additional savings only generated by remaining 25%)
Long term unoccupied and unfurnished (after expiry of 6 months class exemption)	Discretionary discount between 0% and 50% Havering currently give 0%	Discretion to charge an Empty Homes Premium of up to 50% (i.e. charge 150%) on properties unoccupied and unfurnished for more than 2 years.	464	None – no discount awarded	<b>£295k if set at 150%*</b>
Mortgagees in Possession - Class L	100% with no time limit	Class L to be abolished	78	£42,207	<b>£41k</b>
<b>Total additional revenue</b>					<b>£1.824k</b>

Option 7. impacts all residents in the borough not claiming maximum CTS (approx 87,000 households)

<b>Option 7</b>	
Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year.	
<b>Reduction:</b> £1.85 mil	<b>Contingency:</b> 0%
<b>Risks:</b> <ul style="list-style-type: none"><li>• No contingency for increase in CTS claims</li></ul>	

DCLG in their paper, Localising Council Tax Support – Funding arrangements consultation, have indicated local authorities could choose to manage the reduction using flexibility over council tax. However, significant increases in Council Tax could trigger a referendum, which would have its own considerations.

Assumes 20% of taxpayers are claimants and their increase will be covered by CTS and so a total additional CTS of £440k is assumed and rounded to £500k. Total CTS expenditure re-forecasted from £18. million to £18.5 million, therefore, 10 % reduction is £1.85 million.

Option 7 would affect the majority of households in the borough and the calculation uses 100,000 for ease of calculation.

An impact analysis is provided below.

Please note the second table, Option 7a, reflects the current scheme for comparison.

Option 7b below is a variation of Option 7 making a saving of only £1 million but can be used in combination with elements from other options.

LBBB Data Analysis Tool – Data May 2012

**Option 7 - 1.27% increase. Covers the £1.9m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability.**

**Option 5 - Proposed Council Tax Amounts to raise additional £1.9m (gross & rounded up)**

Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual incr for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

**Option 7a- no increase. The 10% reduction in Council Tax Support (£1.8m) would have to be met from elsewhere eg reserves.**

**Option 5a - Current Council Tax Amounts**

Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£834.39	£1,001.27	£1,168.14	£1,335.02	£1,501.90	£1,835.66	£2,169.41	£2,503.17	£3,003.80	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147,323,840.79

**Option 7b - 0.74% increase. Covers £1.0m of the £1.8m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability.**

**Option 5b - Proposed Council Tax Amounts to raise additional £1.0m (gross & rounded down)**

Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£840.56	£1,008.67	£1,176.78	£1,344.89	£1,513.00	£1,849.22	£2,185.44	£2,521.67	£3,026.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,026.00	£2,896,588.07	£7,822,865.63	£26,901,946.93	£47,723,046.00	£31,164,757.19	£18,404,720.39	£11,946,395.83	£1,552,338.00	£148,412,658.04
Annual incr for Tax Payer	£6.17	£7.40	£8.63	£9.87	£11.10	£13.57	£16.03	£18.50	£22.20	£1,088,817.25

@ reflects the number of band A properties who receive a disability band reduction.

\*CTB1 figures as at October 2011

Please note that none of the above increases allow for additional income to be generated other than to cover the cost of the CTS scheme.

**Option 5b could be combined with elements of another option to make the full savings.**



Option 8. impacts working age claimants and people with second homes

**Option 8**

Restrict the maximum council tax support award to the top of band D, £28.94.  
Increase non-dependant deductions from:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Increase council tax for certain properties in line with the Council Tax  
Technical Reforms for 2013 as follows:

Remove the second homes discount completely (currently 10%).

Amending the Class A exemption (Empty and undergoing major structural  
repairs) to a 25% discount for a maximum of 12 months.

Removing the Class C exemption (unoccupied and unfurnished) completely.

Taking the savings from the abolition of Class L (mortgagees in possession).

**Reduction:** £1.8 mil

**Contingency:** NIL

**Risks:**

- Non-dependants may disappear over time to avoid a reduction in support.
- No incentive for taxpayers to tell us about these properties which would be second homes so savings reduced. On Class C exemptions alone, this could be as much as £951k lost if taxpayers advise empty properties are occupied by a single person.
- Fraud implications would require consideration.
- Certain exemptions could be abolished and additional income lost.
- Current debate around Housing Associations receiving a Class C exemption that may be able to transfer their exemption from Class C class B.
- No contingency for increase in CTS claims.
- The proposed council tax reforms are contained in the Local Government Finance Bill and are potentially subject to amendment. The bill is due to have it's second reading in the House of Lords on 12 June 2012.
- No contingency for increase in CTS claims.

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of an out-of-work benefit, the deduction remains at zero in line with the current scheme.

Option 8 uses a combination of restricting the maximum council tax support to a weekly band D charge of £28.94, non dependant deductions and reductions in property exemptions.

All claimants (approximately 500 households) residing in properties banded E, F and G are likely to be affected by restricting benefit to Band D Claimants.

In total, a very small number, 123 claimants will be affected by this option when compared to the working age benefit caseload of 10,313.

Proposals in the Local Government Finance Bill are optimized above to make the majority of savings to offset the Government's 10% reduction in expenditure. The Local Government Finance Bill continues to make its way through the Houses of Parliament.

Option 8 Statistical Data

<b>Description</b>	<b>Numbers Affected</b>	<b>No. cases All CTB lost</b>	<b>Annual LA Saving/Custom er Loss £</b>	<b>Overall % Saving</b>
a. Restriction to Actual Band D Liability 2012/13 £28.94	All Working Age: Band A 0 Band B 0 Band C 0 Band D 0 Band E 467 Band F 85 Band G 15	15	Total <b>£75k</b>  A £0.00 B £0.00 C £0.00 D £0.00 E £40k F £26k G £9k	>1%
b. Increase Non dependant deductions: £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£211k	1%
<b>Exemption Category</b>	<b>Current scheme</b>	<b>LGF Bill Proposal</b>	<b>Potential Additional Income £</b>	<b>No. of properties affected</b>
c. Second homes	Discretionary discount of 10%.	Range of discretion between 0% and 50%. Havering propose 0%.	46K	716
d. Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% and 100%. Havering propose 0% over 12 months.	174k	317
e. Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100%. Havering propose 0%.	1.268k	5712
f. Mortgagees in possession Class L	100% no time limit	Abolition. Havering propose 0%	41k	78
<b>Total</b>			<b>1.815k</b>	

Elements a. and b. of Option 8 above have been calculated using the CLG Calculator which means the applicable amounts and non dependants deductions used in the base are 2011/12 figures.

In addition, to estimate the savings from the Council Tax Technical Reform which is currently passing through the House of Parliament as part of the Local Government Finance Bill, 2011/12 full year data set has been used.

Case studies have been provided to show the effect of the reduction in council tax support for each option. The same three claimant households have been used to enable comparison between options.

### Option 1.

Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

### Option 2.

Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction.

<b>Option 2 Case Studies</b>		
a) Single Disabled person. Income £147.41 Band A		
	Weekly CTB	Annual CTB
100% Liability	£12.00	£624.00
80% Liability	£9.12	£474.00
CTB Reduction	£2.88	£149.76
b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D		
	Weekly CTB	Annual CTB
100% Liability	£20.18	£1049.36
80% Liability	£14.44	£750.88
CTB Reduction	£5.74	£298.48
c) Working Couple, 1 non dependant. Income £151.85 Band D		
	Weekly CTB	Annual CTB
100% Liability	£16.42	£853.84
80% Liability	£10.66	£554.32
CTB Reduction	£5.76	£299.52

The lone parent and working couple in band D properties, share a larger percentage of the reduction than the single disabled person in a band A property in the case studies above.

### Option 3.

Calculate CTB entitlement and then reduce every working age claimant's award by 18%.

#### Option 3 Case Studies

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
CTB Minus 18%	£9.84	£511.68
CTB Reduction	£2.16	£112.32

b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
CTB Minus 18%	£16.55	£860.60
CTB Reduction	£3.63	£188.76

c) Working Couple, 1 non dependant. Income £151.85 Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
CTB Minus 18%	£13.46	£699.92
CTB Reduction	£2.96	£153.92

Option 3. is similar to Option 2 whereby current the Council Tax Benefit scheme is retained for both Pensioners and Working age claimants. However, the latter group would be subject to an 18% reduction in the final amount of CTB calculated. Council Tax liability would remain at 100% for all groups.

Option 3. also spreads the reduction more evenly across claim types unlike Option2.

#### Option 4.

Maximum award would be restricted to an average band D award.

Increase benefits taper to 65%. Premiums set at 2011 rates

Increase non-dependant deductions as follows:

£0.00 to £00.00 \*

£2.85 to £15.00

£5.70 to £20.00

£7.20 to £28.00

£8.60 to £35.00

Makes for 19% reduction for working age claimants.

Remove second adult rebate

<b>Option 4 Case Studies</b>		
a) Single Disabled person. Income £147.41 Band A		
	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
<ul style="list-style-type: none"><li>• 65% Taper</li><li>• No non dependant deduction</li></ul>	£5.04	£262.08
CTB Reduction	£6.96	£361.92
b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D		
	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul style="list-style-type: none"><li>• 65% Taper</li><li>• Increased non dependant deduction £8.60 to £35.00</li></ul>	£0.00	£0.00
CTB Reduction	£20.18	£1049.36
c) Working Couple, 1 non dependant. Income £151.85 Band D		
	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul style="list-style-type: none"><li>• 65% Taper</li><li>• Increased non dependant deduction £8.60</li></ul>	£0.00	£0.00



to £35.00		
CTB Reduction	£16.42	£853.84

A more complex Council Tax benefit calculation is required for Option 4. as changes have been made to the actual benefit calculation. The taper is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%. Please see the Glossary Appendix attached for a detailed explanation of terms.

It should also be noted that the large increases in the non dependant charge particularly impacts on those claimants with other adults living in the property. In two of the examples above, both claimants would be subject to the highest deduction and as a result would lose all of their benefit entitlement.

## Option 5.

Maximum award would be restricted to an average benefit award in Band D.

Remove second adult rebate.

Increase benefits taper to 30%.

Increase non-dependant deductions:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Reduce premiums by 18%

<b>Option 5 Case Studies</b>		
a) Single Disabled person. Income £147.41 Band A		
	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
<ul style="list-style-type: none"> <li>• 30% Taper</li> <li>• Reduce premiums 18%</li> <li>• No non dependant deduction</li> </ul>	£5.60	£291.20
CTB Reduction	£6.40	£332.80
b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D		
	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul style="list-style-type: none"> <li>• 30% Taper</li> <li>• Reduce premiums 18%</li> <li>• Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£11.40	£592.80
c) Working Couple, 1 non dependant. Income £151.85 Band D		

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul style="list-style-type: none"> <li>• 30% Taper</li> <li>• Reduce premiums 18%</li> <li>• Increased non dependant deduction £8.60 to £20.00</li> </ul>	£6.15	£319.80
CTB Reduction	£10.27	£534.04

Option 5 is similar to Option 4. with more complex benefit calculation changes, increasing the taper and reducing the premiums but with lower non dependant charges than option 4. However, those customers with non dependants would still suffer the greatest losses in Council Tax Support entitlement.

#### **Option 6.**

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

#### **Option 7.**

Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

### Option 8.

Restrict the maximum council tax support award to the top of band D, £28.94.

Increase non-dependant deductions from:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows:

Remove the second homes discount completely (currently 10%).

Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months.

Removing the Class C exemption (unoccupied and unfurnished) completely.

Taking the savings from the abolition of Class L (mortgagees in possession).

#### Option 8 Case Studies

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
<ul style="list-style-type: none"> <li>• Band A</li> <li>• No non dependant deduction</li> </ul>	£12.00	£624.00
CTB Reduction	£0.00 No Change	£0.00 No Change

b) Lone Parent, Income £236.87, 1 child, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul style="list-style-type: none"> <li>• Band D</li> <li>• Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£11.40	£592.80

c) Working Couple, Income £151.85 ,1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul style="list-style-type: none"> <li>• Band D</li> <li>• Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£7.64	£397.28

d) Lone Parent, Income Support, no non dependants, Band F.

	Weekly CTB	Annual CTB
Current Assessment	£41.58	£2162.16
<ul style="list-style-type: none"> <li>• Band F(Restricted to Band D)</li> <li>• No non dependants</li> </ul>	£28.94	£1504.88
CTB Reduction	£12.64	£657.28

e) Lone Parent, Income Support, 1 non dependant (gross income £316.00 to £394.00 per week, Band F

	Weekly CTB	Annual CTB
Current assessment	£34.38	£1787.76
<ul style="list-style-type: none"> <li>• Band F (Restricted to Band D)</li> <li>• Increased non dependant deduction £7.20 to £15.00</li> </ul>	£13.94	£724.88
CTB Reduction	£20.44	£1062.88

Examples a) to c) show only the impact of the non dependant changes. Such cases are unaffected by the restriction to Band D.

Example d) shows the impact of a restriction to Band D upon a Band F property banding, while example e) shows the impact of such a restriction when there is also a non dependant living in the household.

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**Glossary**

**Applicable Amounts:** Each claimant receives an allowance based on the needs of their household. This monetary figure represents the minimum income a person or family with their requirements needs to live on. The allowance can be topped up by premiums where someone in the household is disabled. The applicable amount is compared to the household income.

**Assessment of capital:** The capital limit for claimant (and/or partner) is £16,000. If more than £16,000 is held, the claimant is not eligible for CTB. If capital of between £16,000 and £6,000 is held, the first £6,000 is ignored and then for every £250 held above £6,000, £1 is counted as income.

**Eligible Council Tax:** A claimant's Council Tax liability less any discount.

**Excess Income:** Any income that exceeds the Applicable Amount is known as excess income. Excess income will reduce benefit entitlement.

**Maximum Benefit.** On a weekly basis, this is the claimant's weekly eligible Council Tax less any non dependant deductions that apply.

**Non-dependant:** A non-dependant is an adult member of the household who resides with the claimant and/or partner.

**Non-dependant deduction:** Depending on the non-dependant's income, a deduction is made for them from the claimant's CTB. The weekly deduction ranges from £0 to £8.60 based on the individual's gross weekly income:

- £0.00 to £0.00 (Income Support/JSA under 25 years)
- £2.85 to £6.00 (Gross income less than £183.00)
- £5.70 to £9.00 (Gross income £183.00 to £316.00)
- £7.20 to £15.00 (Gross income £316.00 to £394.00)
- £8.60 to £20.00 (Gross income greater than £394.00)

**Pensioners:** Claimants born before 7 October 1951 will be of pensionable age at 1 April 2013.

**Second Adult Rebate:** Awarded to claimants who are not entitled to council tax benefit based on their own income, but who would receive a single person's discount on their council tax if it were not for other low income adults living in their property. This is awarded up to a maximum rate of 25% of their liability for Council Tax.

**Taper:** The taper is the percentage of the claimants excess income used in assessing their CTB entitlement. Under the current scheme, this taper is set at 20%. Increasing the taper will reduce benefit entitlement.

**Vulnerable groups:** CLG published a guidance note, Vulnerable People – Key Local Authority Duties on 21 May 2012. This is intended to address the local authority's requirement to take into account the Public Sector Equality Duty (Equalities Act 2010), the duties to mitigate the effects of Child Poverty (Child Poverty Act 2010) and the duty to prevent homelessness (The Housing Act 1996). CLG also highlight the need to comply with the Armed Forces Covenant with regard to War Pension and Armed Forces Compensation schemes.

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## Risk Register

## Appendix D

Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light
1	<p><b>RISK</b></p> <p>Lead Officer – Chris Henry</p> <p>Central Government decides not to proceed with the localisation of Council Tax Support</p>	<p>Central Government decides not to proceed with the localisation of Council Tax Support and retains the current Council Tax Benefit scheme Lobbying from local government and welfare organisations has stressed the difficulties with introducing a new scheme within the timescale</p>	2	1	2.	Green
2	<p><b>RISK</b></p> <p>Lead Officer –Chris Henry</p> <p>CLG guidance and legislation delayed</p>	<p>Local Government have not been given an absolute free hand in designing a new scheme. If CLG guidance and legislation is delayed it could make it impossible to roll out a scheme within the timeframe</p>	3	3	9	Amber
3	<p><b>RISK</b></p> <p>Lead Officer –Chris Henry</p> <p>Slippage in timetable</p>	<p>Slippage in LCTS project timetable; the timetable for the introduction of the new Local Council Tax Support scheme is very challenging, requiring a new scheme to be finalised by Jan 2013</p>	3	2	6	Amber
4	<p><b>RISK</b></p> <p>Lead Officer –Chris Henry</p> <p>Options not agreed by management/members</p>	<p>Options not agreed by management/ members; following the public consultation, the council will need to confirm that they are happy to proceed with implementing a scheme as selected through the consultation process</p>	1	2	2	Green

Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light
5	<b>RISK</b> Lead Officer –Chris Henry Poor response to consultation	A low response will undermine the legitimacy of the final decision and may encourage challenge	1	2	2	Green
6	<b>RISK</b> Lead Officer –Chris Henry Controlling implementation costs	Some funding has/will be made available by central government to cover implementation costs but may not be sufficient to cover all implementation costs	2	2	4	Amber
Page 56	<b>RISK</b> Lead Officer –Chris Henry Scheme guidance/policy not ready for roll-out	The Council Tax Support scheme will require a new policy document and an extensive guidance manual be drafted. Extensive rewriting of the Support scheme policy and guidance will certainly need to be checked and signed off by legal services to prevent challenge from claimants and user groups. This considerably increases costs	2	2	4	Amber
8	<b>RISK</b> Lead Officer –Chris Henry Software changes not ready	Academy, the software providers for the council, have been reticent about what changes they are able to support without increasing costs. If the new Council Tax Support scheme differs significantly from the current scheme it will require a considerable rewriting of current software	3	3	9	Amber

Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light
9	<b>RISK</b> Lead Officer –Chris Henry Managing the new administrative burdens	Managing the new administrative burdens arising from the introduction of a new local Council Tax Support scheme; As well as developing new performance management measures, new appeal/review procedures need to be developed. Additionally, new signage, forms and letter packs will need to be put in place	3	3	9	Amber
10	<b>RISK</b> Lead Officer –Chris Henry Introduction of a Local Council Tax Support scheme will have a potential impact on collection rates	Charging customers previously fully rebated and increased burdens on other groups will affect collection rates. Additionally, Customers claiming CTS who move between boroughs may become confused by the differing rules and council tax collection	3	4	12	Red
11	<b>RISK</b> Lead Officer –Chris Henry Savings anticipated undermined by an increased CTS caseload	Savings designed to come from the new Local Council Tax Support scheme could be undermined by an increased CTS caseload.	2	3	6	Amber
12	<b>RISK</b> Lead Officer –Chris Henry Increased opportunities for fraud	Development of a Local Council tax support scheme leads to an increased potential for fraud. New procedures may allow for new loopholes. Guidance and legislation confirming arrangements to allow local authorities and the DWP to share data are yet to be published.	2	2	4	Amber

Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light
13	<b>RISK</b> Lead Officer –Chris Henry Significant changes to caseload profile	Significant changes to caseload profile could affect the Local Council Tax Support scheme increasing costs and reducing effectiveness. Economic factors (including changes to LHA) and the design of local schemes may have an impact on the caseload profile, with mobile sectors of the community moving to areas where more support is available	1	4	4	Amber
Page 58	<b>RISK</b> Lead Officer –Chris Henry The impact of wider reform agenda	The impact of wider reform agenda undermines the policy intentions and costs profiling of the Local Council Tax Support scheme. The added impact of other reforms may introduce pressures on other sections of the community not anticipated when the policy was drawn up	3	3	9	Amber

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 1</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 1. What is the risk?

Central Government decides not to proceed with the localisation of Council Tax Support and retains the current Council Tax Benefit scheme

### 2. What might make the risk materialise?

Lobbying from local government and welfare organisations has stressed the difficulties with introducing a new scheme within the timescale.

### 3. What is the anticipated impact and who will be affected?

There is no direct impact on local residents, but retaining the current scheme will require updating current software agreements. There is also a likelihood that savings to be made will be recovered directly from central government funding to the council, which may require an increase in Council Tax.

### 4. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 1

Risk score (a x b) = 2/16

This is your inherent risk score.

### 5. What mitigation is currently in place and how effective is it?

- **Mitigating Factor 1:**

Even if the scheme was postponed, work to date by local authorities would remain relevant

- **How do you know this is effective?**

Administration of CTB within the borough has been requirement of the service for some time and is bedded in as a council service

**6. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 2

b) Impact = 1

Risk score (a x b) = 2/16

**This is your residual risk score.**

**7. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**8. If your risk remains in the red zone (scores 12+ ) after mitigation you may need to draft an action plan (appendix 1).**

**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 2</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**9. What is the risk?**

Local Government have not been given an absolute free hand in designing a new scheme. If CLG guidance and legislation is delayed it could make it impossible to roll out a scheme within the timeframe.

**10. What might make the risk materialise?**

The parliamentary timetable means that the LG Finance bill may not receive royal assent until November, with a consequential delay in legislation

**11. What is the anticipated impact and who will be affected?**

Any delay will require the authority to make a number of assumptions that if incorrect could lead to a need to make urgent changes in policy and software. This in turn may mean identified savings do not materialise and confusion to the public around how the scheme operates.

**12. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

- a) Likelihood = 4
- b) Impact = 3
- Risk score (a x b) = 12/16

**13. What mitigation is currently in place and how effective is it?**

- Mitigating Factor 1:

Based on guidance to date and how other local policy works the council could potentially work on an interim basis, depending on the design adopted. If software is not in place a manual adjustment could be applied to the current scheme.

- **How do you know this is effective?**

The potential options proposed would allow for a manual adjustment made to an assessment made using current software. CTB data should allow for those affected by late changes to be identified and contacted directly.

**14. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 3  
b) Impact = 3  
Risk score (a x b) = 9/16

**This is your residual risk score.**

**15. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**16. If your risk remains in the red zone (scores 12+ ) after mitigation you may need to draft an action plan (appendix 1).**



**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 3</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**17. What is the risk?**

Slippage in LCTS project timetable; the timetable for the introduction of the new Local Council Tax Support scheme is very challenging, requiring a new scheme to be finalised by Jan 2013

**18. What might make the risk materialise?**

The introduction of a new scheme is required to undergo public consultation, which will then need to be ratified by members. Options on which the consultation will be based need to be modelled and identified before being signed off by cabinet. If options need to be remodelled, the move to the consultation stage could be delayed.

**19. What is the anticipated impact and who will be affected?**

A delay modelling and/or selecting consultation options, or in the consultation process, could prevent a decision being made in time to fit in with the normal council meeting cycle. For budget setting purposes we would seek to have a decision in October

**20. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

- a) Likelihood = 3
- b) Impact = 2
- Risk score (a x b) = 6/16

**21. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

The risk is front loaded around the modelling and consultation process. This allows for slippage but would require an extraordinary cabinet/council meeting. The majority of the framework for a new scheme can be put in place prior to a final decision, and time saved by moving this part of the process forward will release resources to manage slippages arising from a delayed consultation

- **How do you know this is effective?**

Freeing up resources will allow for additional help in preparing reports etc.

**22. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 3

b) Impact = 2

Risk score (a x b) = 6/16

**This is your residual risk score.**

**23. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**24. If your risk remains in the red zone (scores 12+ ) after mitigation you may need to draft an action plan (appendix 1).**

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 4</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 25. What is the risk?

Options not agreed by management/members; following the public consultation, the council will need to confirm that they are happy to proceed with implementing a scheme as selected through the consultation process.

### 26. What might make the risk materialise?

Should members decide that they are not able to accept the scheme selected by the public, or they are opposed to the wider policy of localising support, then they may choose to reject the outcomes from the consultation.

### 27. What is the anticipated impact and who will be affected?

Rejecting the outcomes of the consultation or deciding that the policy is not acceptable will lead to the default scheme being imposed and the required cut in funding passed onto the council

### 28. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 1

b) Impact = 3

Risk score (a x b) = 3/16

### 29. What mitigation is currently in place and how effective is it?

- Mitigating Factor 1:

By ensuring that a range of options are available for adoption Members could agree options in the short term pending further consideration

- **How do you know this is effective?**

**30. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 1

b) Impact = 2

Risk score (a x b) = 2/16

**This is your residual risk score.**

**31. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 5</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**32. What is the risk?**

Poor response to consultation; a low response will undermine the legitimacy of the final decision and may encourage challenge

**33. What might make the risk materialise?**

If local residents are not made aware of the consultation, or the options put forward are incomprehensible, or participation in the process is difficult, or the consultation period is too short, then the number of responses will be down

**34. What is the anticipated impact and who will be affected?**

If the scheme is perceived to lack legitimacy it will be more open to challenge. There may also be an impact on collection rates. Members may wish to re-run the consultation delaying the imposition of the new scheme.

**35. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

a) Likelihood = 1  
 b) Impact = 3  
 Risk score (a x b) = 3/16

**36. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Extensive pre-consultation publicity is planned and consideration is being given to employing a market research team to undertake and manage the process.

- **How do you know this is effective?**

Raising awareness should encourage participation. Employing an external company allows for more resources to be diverted to the data gathering exercise..

**37. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 1  
b) Impact = 2  
Risk score (a x b) = 2/16

**This is your residual risk score.**

**38. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 6</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**39. What is the risk?**

Controlling implementation costs; some funding has/will be made available by central government to cover implementation costs but may not be sufficient to cover all implementation costs

**40. What might make the risk materialise?**

Introducing a new Council Tax Support scheme potentially requires significant resources and the short timetable does not allow for extensive tendering to take place.

**41. What is the anticipated impact and who will be affected?**

If costs are not controlled funding will need to be drawn down from council resources

**42. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

a) Likelihood = 3  
 b) Impact = 3  
 Risk score (a x b) = 9/16

**43. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Working in partnership with local partners and other authorities will share many of the costs.

- **How do you know this is effective?**

Previous partnership working has delivered significant savings to the council.

**44. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood	=	2
b) Impact	=	2
3		
Risk score (a x b)	=	4/16

**This is your residual risk score.**

**45. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage



**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 7</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**46. What is the risk?**

Scheme guidance/policy not ready for roll-out as detailed in project plan.

**47. What might make the risk materialise?**

If the new Council Tax Support scheme differs significantly from the current scheme a new set of guidance for staff/administrators will be necessary.

**48. What is the anticipated impact and who will be affected?**

Extensive rewriting of the Support scheme policy and guidance will certainly need to be checked and signed off by legal services to prevent challenge from claimants and user groups. This considerably increase costs

**49. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

a) Likelihood = 2  
 b) Impact = 4  
 Risk score (a x b) = 8/16

**50. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Adopting a significant section of the current procedures will allow for implementation to proceed pending a final draft being signed off.

The outcome of the consultation will drive policy pending sign off of the published policy document.

- **How do you know this is effective?**

The current regulations have the strength of a legal framework that has been regular tested within the courts.

**51. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood	=	2
b) Impact	=	2
3		
Risk score (a x b)	=	4/16

**This is your residual risk score.**

**52. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 8</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 53. What is the risk?

Software changes not ready; Academy, the council software providers for the current system, have been reticent about what changes they are able to support without increase costs.

### 54. What might make the risk materialise?

If the new Council Tax Support scheme differs significantly from the current scheme it will require a considerable rewriting of current software.

### 55. What is the anticipated impact and who will be affected?

New software will need testing and will attract increased charges from the software houses. There is an increased potential for glitches and errors to occur.

### 56. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood	=	3
b) Impact	=	4
<b>Risk score (a x b)</b>	=	<b>12/16</b>

### 57. What mitigation is currently in place and how effective is it?

- **Mitigating Factor 1:**

Changes in processes should be kept to a minimum. Provision should be made to apply a manual calculation to awards initially based on the current scheme.

- **How do you know this is effective?**

The current software is proven and allows for some tweaking of the parameters to accommodate some policy changes.

**58. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 3

b) Impact = 3

Risk score (a x b) = 9/16

**This is your residual risk score.**

**59. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 9</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 60. What is the risk?

Managing the new administrative burdens arising from the introduction of a new local Council Tax Support scheme; As well as developing new performance management measures, new appeal/review procedures need to be developed. Additionally, new signage, forms and letter packs will need to be put in place.

### 61. What might make the risk materialise?

If the new Council Tax Support scheme differs significantly from the current scheme then new performance and quality controls will need to be introduced. Guidance on review and appeal procedures is expected from CLG.

### 62. What is the anticipated impact and who will be affected?

Drawing up new performance and qualitative procedures will require additional resources to test and quantify the procedures. New appeal procedures will place an additional burden on resources. There is an increased potential for challenges to occur.

### 63. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

<b>a) Likelihood</b>	<b>=</b>	<b>3</b>
<b>b) Impact</b>	<b>=</b>	<b>4</b>
<b>Risk score (a x b)</b>	<b>=</b>	<b>12/16</b>

### 64. What mitigation is currently in place and how effective is it?

- **Mitigating Factor 1:**

Changes in processes should be kept to a minimum. Current procedures should be adapted. For forms and letters, current stocks can be used as an interim measure. Working in partnership with other authorities presents an opportunity to both save costs and provide consistency with new procedures.

- **How do you know this is effective?**

Current management measures have been in place for some time and are considered robust.

**65. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 3

b) Impact = 3

Risk score (a x b) = 9/16

**This is your residual risk score.**

**66. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 10</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 67. What is the risk?

Introduction of a Local Council Tax Support scheme will have a potential impact on collection rates.

### 68. What might make the risk materialise?

Charging customers previously fully rebated and increased burdens on other groups will affect collection rates. Additionally, Customers claiming CTS who move between boroughs may become confused by the differing rules and council tax collection

### 69. What is the anticipated impact and who will be affected?

Collection rates could drop significantly.

### 70. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood	=	4
b) Impact	=	4
<b>Risk score (a x b)</b>	=	<b>16/16</b>

### 71. What mitigation is currently in place and how effective is it?

- **Mitigating Factor 1:**

Raising awareness of residents to the forthcoming changes is essential, particularly currently fully passported. Ensure payment options including instalments, direct debits etc. are also widely

publicised. The scheme should also link in with debt counselling and financial inclusion provision. Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs.

- **How do you know this is effective?**

Current management measures have been in place for some time and are considered robust.

**72. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood	=	3
b) Impact	=	4
3		
Risk score (a x b)	=	12/16

**This is your residual risk score.**

**73. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage



**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 11</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**74. What is the risk?**

Savings anticipated with the introduction of a Local Council Tax Support scheme could be undermined by an increased CTS caseload.

**75. What might make the risk materialise?**

The caseload is currently high due to the recession and may not reduce over time. Any further downturn could significantly increase the number of applicants

**76. What is the anticipated impact and who will be affected?**

If the numbers applying for help increases, the budget for the scheme will need to be increased to reflect this.

**77. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

- a) Likelihood = 2
- b) Impact = 4
- Risk score (a x b) = 8/16

**78. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs. The scheme should also link in with debt counselling and financial inclusion provision.

- **How do you know this is effective?**

Historic modelling has indicated that the caseload has remained relatively static throughout the current downturn.

**79. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 2  
b) Impact = 3  
3  
Risk score (a x b) = 6/16

**This is your residual risk score.**

**80. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

## LONDON BOROUGH OF HAVERING RISK ANALYSIS

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 12</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

### 81. What is the risk?

Development of a Local Council tax support scheme leads to an increased potential for fraud.

### 82. What might make the risk materialise?

New procedures may allow for new loopholes. Guidance and legislation confirming arrangements to allow local authorities and the DWP to share data are yet to be published.

### 83. What is the anticipated impact and who will be affected?

Increased fraud will increase burdens on the public purse and undermine confidence in the Local Council Tax Support scheme, potentially affecting revenue streams.

### 84. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood	=	2
b) Impact	=	4
<b>Risk score (a x b)</b>	=	<b>8/16</b>

### 85. What mitigation is currently in place and how effective is it?

- **Mitigating Factor 1:**

Adopting robust verification procedures at the point of entry, including use of ATLAS data should prevent additional fraud.

- **How do you know this is effective?**

Fraud prevention has been a high priority for benefit services and Local authorities have led the way in fraud prevention in benefit services.

**86. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood = 2

b) Impact = 2

Risk score (a x b) = 4/16

**This is your residual risk score.**

**87. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 13</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**88. What is the risk?**

Significant changes to caseload profile could affect the Local Council tax support scheme increasing costs and reducing effectiveness.

**89. What might make the risk materialise?**

Economic factors (including changes to LHA) and the design of local schemes may have an impact on the caseload profile, with mobile sectors of the community moving to areas where more support is available.

**90. What is the anticipated impact and who will be affected?**

Significant migration from other areas in a response to how the scheme has been designed would potentially unbalance the policy intention and increase costs to the borough.

**91. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

a) Likelihood = 2  
 b) Impact = 4  
 Risk score (a x b) = 8/16

**92. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Working in partnership with authorities should prevent wide fluctuations in design that could lead to migration between the boroughs.

- **How do you know this is effective?**

There would need to be a considerable incentive to move in order to improve the level of support received given the other costs involved in relocating.

**93. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood	=	1
b) Impact	=	4
3		
Risk score (a x b)	=	4/16

**This is your residual risk score.**

**94. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage

**LONDON BOROUGH OF HAVERING RISK ANALYSIS**

<b>Risk Register:</b>	<b>Introduction of a local Council Tax Support Scheme</b>		
<b>Reference:</b>	<b>Risk 14</b>		
<b>Date Completed/Updated</b>	<b>20<sup>th</sup> June 2012</b>		
<b>Lead 1:</b>	<b>Chris Henry</b>	<b>Lead 2:</b>	

**95. What is the risk?**

The impact of wider reform agenda undermines the policy intentions and costs profiling of the Local Council Tax Support scheme.

**96. What might make the risk materialise?**

The profiling and costing of the new scheme will be based on analysis of Council Tax records and CTB SHBE data. However, the added impact of other reforms may introduce pressures on other sections of the community not anticipated when the policy was drawn up.

**97. What is the anticipated impact and who will be affected?**

Efforts to protect sections of the community would be undermined a cause them to be more adversely affected than intended.

**98. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)**

- a) Likelihood = 4
- b) Impact = 4
- Risk score (a x b) = 16/16**

**99. What mitigation is currently in place and how effective is it?**

- **Mitigating Factor 1:**

Working closely with the local community and consulting widely on the design of the new scheme will help to minimise any unforeseen outcomes. The policy will need to be revisited within 2 years.

Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs

- **How do you know this is effective?**

**100. Taking into account the mitigation currently in place re-evaluate your risk score**

a) Likelihood	=	3
b) Impact	=	3
3		
Risk score (a x b)	=	9/16

**This is your residual risk score.**

**101. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.**

Not at this stage





## LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

### INTRODUCING A LOCAL COUNCIL TAX SUPPORT SCHEME FOR APRIL 2013

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#### SCOPE OF PROPOSAL

**1. What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?**

As part of the 2010 spending review, the Government announced that it would localise support for Council Tax from April 2013 with an expectation that expenditure would be reduced by 10% from the same date. As well as the 10% savings previously outlined, any increase during the year of the number of awards made above the additional increase forecast by DCLG would have to be funded by the Council. Any new scheme must be in place by 31<sup>st</sup> January 2013.

The Department for Communities and Local Government (DCLG) have published 'Localising Support for Council Tax' Guidance setting out the principles that have to be adhered to in designing a new local scheme.

#### **1 (a) Organisation and Staffing**

The council currently administers the Council Tax Benefit scheme on behalf of central government. From April 2013 the department responsible for administering the scheme will take on the role of delivering the new local support scheme. Staff at present engaged in administering and delivering the current Council Tax Benefit scheme will assume responsibility for delivering the replacement scheme.

#### **1 (b) Services to the Community**

DCLG has made it clear that the new scheme must protect pensioners fully at the current rates of benefit and that full consideration needs to be given to disabled people and other vulnerable groups.

As outlined in the DCLG's Guidance '[Localising Support for Council Tax - Vulnerable people – key local authority duties](#)', which was published on 21 May 2012, the local scheme needs to pay due regard to the following duties:

- The Public Sector Equality Duty (*and The Equality Act 2010*): requiring local authorities to have clearly defined responsibilities in relation to, and awareness of, those in the most vulnerable situations. This means that a local authority must pay due regard and consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. Each of the eight options is considered in this Equality Analysis (EA).

- The duty to mitigate effects of child poverty (*The Child Poverty Act 2010*): understanding the characteristics of low income and disadvantaged families. The omission of child benefit income in the calculation of local Council Tax support goes some way to protecting children and again additional money from a discretionary fund could also help with this.
- The duty to prevent homelessness (The Housing Act 1996): Those households who find themselves homeless through no fault of their own and who are eligible and in priority need are owed the main homelessness duty.
- Armed Forces covenant: The current provision to fully disregard income received from the War Pension Scheme (£35,165 based on 2011/12 Subsidy expenditure) and Armed Forces Compensation scheme will remain in place in all of our proposed schemes.

While DCLG does not instruct local authorities what they must do in their schemes to be compliant with their duties, it requires authorities to consider the impact of their schemes on all protected characteristics, particularly on the most vulnerable and disadvantaged groups.

## PEOPLE AFFECTED

### 2. Which individuals and groups are likely to be affected by the activity?

#### 2 (a) Staff Individuals and Groups

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under the Community sections of the Equality Analysis.

#### 2 (b) Community Individuals and Groups (*including voluntary organisations*)

The new scheme requires us to identify cost savings to account for the reduced funding from central government. There are a number of options to be considered by Cabinet, and these will have a differential impact on the community dependant on the options adopted.

The profile of Council Tax payers will reflect the [Havering community profile](#). However, the profile of households in receipt of Council Tax support differs from the wider [Havering community profile](#). This is a consequence of the nature of the support scheme, which provides help for Council Tax payers whose financial circumstances are not adequate to cover the charge. Therefore those households with larger outgoings, such as disabled households or families with children, and those households who are not working or are in low paid employment will be overrepresented within the benefits

caseload. The profile of the current Council Tax Benefit caseload is detailed with section 3 (b).

We have identified 8 potential options for the design of the new scheme. A glossary of the terms used with the options can be found within Appendix C of the Localisation of Council Tax Support report to Cabinet 11 July 2012:

1. Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme (reverting to the default scheme)
2. Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction
3. Calculate CTB entitlement and then reduce every working age claimant's award by 18%
4. Maximum award would be restricted to an average band D award, increase benefits taper to 65%, premiums set at 2011 rates and increase non-dependant deductions
5. Maximum award would be restricted to an average band D award, Remove second adult rebate, increase benefits taper to 30% and increase non-dependant deductions
6. Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013
7. Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year
8. Restrict the maximum council tax support award to the top of band D, increase non-dependant deductions and increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013

A detailed analysis of the options is contained within the tables in section 5 (b), where we examine to potential impact of each option on people with protected characteristics.

## DATA AND INFORMATION

3. **What data/information do you have about the people with 'protected characteristics' (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?**

### **3 (a) Staff**

Over 70% of Havering Council employees live locally so they are taxpayers and/or potential recipients of support under the current scheme. Staff members who are local residents are part of the Council Tax data breakdown in 3 (b).

### **3 (b) Community**

There are almost 100,000 Council tax payers in Havering. As of May 2012, the current full working age caseload totals 10,313 claimants of which 6,954 are non working & 3,359 are working claimants.

A breakdown of the ethnicity of current claimants is as follows:

White: British	81.7%
White: Irish	2.1%
White: Any Other	4.0%
Mixed: White & Black Caribbean	1.4%
Mixed: White & Black African	0.4%
Mixed: White and Asian	0.2%
Mixed: Any Other	0.5%
Asian/Asian British: Indian	1.4%
Asian/Asian British: Pakistani	0.6%
Asian/Asian British: Bangladeshi	0.5%
Asian/Asian British: Any Other	0.1%
Black/Black British: Caribbean	2.1%
Black/Black British: African	3.2%
Black/Black British: Any Other	0.4%
Any Other	0.4%
Asian/Other	0.4%
Chinese	0.1%
Other Ethnic Group	0.5%

An analysis has been undertaken of the number and claim type of those affected by each of the options 2-8 (option 1 has no impact on the community as the system will not change to that provided under the current Council Tax Benefit provisions). The Council Tax Benefit data extracted is detailed overleaf:

**Groups affected under Option 2**

<b>Claim Category</b>	<b>Total No. of affected Working Age claims</b>	<b>No. claims affected by Band</b>		<b>LA Saving/ Customer Loss £</b>	<b>Overall % Saving</b>
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C	1756	£430K	2.3%
		D	387		
		E	85		
		F	18		
		G	7		
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A to C	1263	£276,012	1.5%
		D	366		
		E	52		
		F	3		
		G	1		
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C	1756	£827,428	4.4%
		D	387		
		E	85		
		F	18		
		G	7		
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C	3427	£1.8 million	9.8%
		D	837		
		E	176		
		F	32		
		G	8		
<b>Totals</b>	10313	A to C	7650	£1.9million	10%
		D	2137		
		E	430		
		F	79		
		G	17		

### Groups affected under Option 3

<b>Claim Category</b>	<b>Total No. of affected Working Age claims</b>	<b>No. claims affected by Band</b>		<b>LA Saving/ Customer Loss £</b>	<b>Overall % Saving</b>
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C	1756	£430K	2.3%
		D	387		
		E	85		
		F	18		
		G	7		
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A to C	1263	£276,012	1.5%
		D	366		
		E	52		
		F	3		
		G	1		
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C	1756	£827,428	4.4%
		D	387		
		E	85		
		F	18		
		G	7		
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C	3427	£1.8 million	9.8%
		D	837		
		E	176		
		F	32		
		G	8		
<b>Totals</b>	10313	A to C	7650	£1.9million	10%
		D	2137		
		E	430		
		F	79		
		G	17		

### Groups affected under Option 4

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
<b>1.Restriction to average Band D Benefit Award (£20.57)</b>  <b>NB. Actual Band D Liability 2012/13 £28.94.</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,352  A £0.00 B £28,353 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2.Increase Non Dependant Deductions:</b> £0.00 to £0.00* £2.85 to £15.00 £5.70 to £20.00 £7.20 to £28.00 £8.60 to £35.00	1113	623	£479,636	3%
<b>3.Increase Tapers</b> (currently 20%)  (a) 65% (as HB)	All Working Age caseload 10313	1362	£838,760	4%
<b>Total for option 6 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

**Groups affected under Option 5**

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
<b>1.Restriction to average Band D Benefit Award</b> <b>( £20.57)</b>  <b>NB. Actual Band D Liability 2012/13 £28.94</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,482  A £0.00 B £28,366 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2. Increase Non dependant deductions:</b> £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£210,704	1%
<b>3.Increase Tapers</b> (currently 20%)  30%	All Working Age caseload  10313	550	£377,000	2%
<b>4. Reduce 2011 Premiums by:</b> (a) 18%	10313	1362	£664,508	3.5%
<b>Total for option 7 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>



**Groups affected under Option 6**

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
Second Homes	Discretionary discount between 10% and 50% Havering currently give 10%	Range of discretion to be between 0% and 50%.	716	£46,798 (10% discount)	<b>£46k if set at 0%</b>
Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% -100% and flexibility to reduce the period for which the discount applies	317	£177,794	12-month period: £0k if set at 100% £44k if set at 75% £87k if set at 50% £131k if set at 25% <b>£174k if set at 0%</b>
Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100% and flexibility to reduce the period for which the discount applies	5712	£1,293,903	6-month period: £0k if set at 100% £317k if set at 75% £634k if set at 50% £951k if set at 25% <b>£1,268k if set at 0%</b>
					£555k if set at 75% £793k if set at 50% £1,030k if set at 25% £1,268k if set at 0%

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
					<i>(assumed 75% occupied within 3 months so additional savings only generated by remaining 25%)</i>
Long term unoccupied and unfurnished (after expiry of 6 months class C exemption)	Discretionary discount between 0% and 50%  Havering currently give 0%	Discretion to charge an Empty Homes Premium of up to 50% (i.e. charge 150%) on properties unoccupied and unfurnished for more than 2 years.	464	None – no discount awarded	<b>£295k if set at 150%*</b>
Mortgagees in Possession - Class L	100% with no time limit	Class L to be abolished	78	£42,207	<b>£41k</b>
<b>Total additional revenue</b>					<b>£1.824k</b>

### Groups affected under Option 7:

Please note the second table, Option 7a, reflects the current scheme for comparison. Option 7b below is a variation of Option 7 making a saving of only £1 million but can be used in combination with elements from other options.

<b>Option 7 - 1.27% increase. Covers the £1.9m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability</b>										
<b>Proposed Council Tax Amounts to raise additional £1.9m (gross &amp; rounded up)</b>										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

<b>Option 7a- no increase. The 10% reduction in Council Tax Support (£1.8m) would have to be met from elsewhere e.g. reserves</b>										
<b>Current Council Tax Amounts</b>										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£834.39	£1,001.27	£1,168.14	£1,335.02	£1,501.90	£1,835.66	£2,169.41	£2,503.17	£3,003.80	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147,323,840.79

<b>Option 7b - 0.74% increase. Covers £1.0m of the £1.8m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability</b>										
<b>Proposed Council Tax Amounts to raise additional £1.0m (gross &amp; rounded down)</b>										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

## Groups affected under option 8

Option 8 Case Studies		
a) Single Disabled person. Income £147.41 Band A		
	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
Band A No non dependant deduction	£12.00	£624.00
CTB Reduction	£0.00 No Change	£0.00 No Change
b) Lone Parent, Income £236.87, 1 child, 1 non dependant (gross income greater than £394.00 per week). Band D		
	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul style="list-style-type: none"> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£11.40	£592.80
c) Working Couple, Income £151.85, 1 non dependant (gross income greater than £394.00 per week). Band D		
	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul style="list-style-type: none"> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£7.64	£397.28
d) Lone Parent, Income Support, no non dependants, Band F.		
	Weekly CTB	Annual CTB
Current Assessment	£41.58	£2162.16
<ul style="list-style-type: none"> <li>Band F(Restricted to Band D)</li> <li>No non dependants</li> </ul>	£28.94	£1504.88
CTB Reduction	£12.64	£657.28
e) Lone Parent, Income Support, 1 non dependant (gross income £316.00 to £394.00 per week, Band F		
	Weekly CTB	Annual CTB
Current assessment	£34.38	£1787.76

<ul style="list-style-type: none"> <li>• Band F (Restricted to Band D)</li> <li>• Increased non dependant deduction £7.20 to £15.00</li> </ul>	£13.94	£724.88
CTB Reduction	£20.44	£1062.88

Examples a) to c) show only the impact of the non dependant changes. Such cases are unaffected by the restriction to Band D.

Example d) shows the impact of a restriction to Band D upon a Band F property banding, while example e) shows the impact of such a restriction when there is also a non dependant living in the household.

Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

We will be undertaking an extensive consultation of Havering residents to canvas their views on the final design of the Local Council Tax Support Scheme. As part of this process we will ask responders to complete a Corporate Equal Opportunities Monitoring form that will assist in informing Cabinet of the wider impact when they come to ratify the scheme.

## CONSULTATION

### 4. If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?

The Council will be required to consult on its proposed scheme with the public and preceptors. Staff who live within the borough will be targeted through an internal consultation. Any new scheme must be in place by 31<sup>st</sup> January 2013.

Once Cabinet have approved the draft final scheme, a consultation document will be prepared that will allow residents to comment on the draft final scheme. This will include case studies to help residents make informed decisions. Part of this consultation document will be monitoring through the completion of the Corporate Equal Opportunities Monitoring Form to identify the characteristics of the respondents.

We are also looking at whether it would be more cost effective to engage an external organisation to undertake the consultation on behalf of the Council and to collate and analyse responses.

#### 4 (a) Staff

We will be attending staff meetings across the Council during the consultation process to advise staff members of the introduction of the Local Council Tax Support scheme and other potential changes to Council Tax, and how they will impact on their work

areas. These meetings will include an opportunity to comment on the design of the scheme.

Those staff members who are local residents will also be invited to participate in the wider community consultation process.

#### **4 (b) Community**

The questionnaire will be drafted in partnership with the Communications team to ensure that it is understandable and accessible, ensuring clarity for residents. Translation and Interpreting Services (TIS) will be available to residents upon request.

The consultation process has initially been planned as an online exercise whereby residents will be able to take part by visiting the Havering website. Consideration is also being given to alternative/additional methods of consultation such as telephone sampling, face to face interviews with a sample of residents and paper copies of the consultation document available in customer facing areas.

During the consultation process we will also meet with representatives from Havering community groups, social landlords and voluntary organisations to separately canvas their thoughts on the options put forward for consultation.

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

### **LIKELY IMPACT**

#### **5. Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?**

##### **5 (a) Staff**

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under 5 (b).

##### **5 (b) Community**

To undertake an analysis on the impact on the protected characteristics and sub-groups, we have first examined the community data we currently hold. For example for option 2 (see tables overleaf), disabled people contributed 23% of the total saving, but

are only 17.5% of the overall population. Therefore his has been recorded as having a higher impact on this group than would have been expected from the community profile. For the same option, 20% of the savings come from working age claimants. Based on the lower youth employment rates, this is more likely to represent older households (30-64) who make up 46% of the population and therefore there is no impact related to age.

In the case of the Council Tax Benefit (CTB) data, we have looked at how the savings from each option are distributed between disabled households, working households, lone parent households and others and then compared the distribution within [Havering's community profile](#). Where a client group are identified as contributing a higher percentage of the savings than their proportion within the community this is recorded as an adverse impact.

Some of the protected characteristics that we know are more likely to be adversely affected are as follows:

**Age** – We have identified the number of working households affected. Youth unemployment is at a higher rate than that of the general population, therefore the more working households impacted the older the profile of applicants affected.

**Disability** – Disabled households are those where a state disability related benefit is in payment. We recognise that disabled people are historically disadvantaged and face greater barriers when accessing (information about) services and therefore consider disabled households to be more vulnerable than other households.

**Gender** - The data extracted shows the number of lone parent households affected; as lone parents are predominantly female the impact on women is considered to be disproportionately higher than the impact on men.

**Socio-economic disadvantage** – The Council Tax Benefit scheme is a means tested benefit available to households on a low income. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women).

**Other protected characteristics** - Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

Where we currently do not hold quantitative data, we have used wider empirical evidence available from sources such as the Department for Communities and Local Government<sup>1</sup>. For example, for option 5, 30% of the savings are derived from increased non-dependant deductions. Empirical evidence suggests that culturally BME families are more likely to have larger households containing older working children. As

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<sup>1</sup> For example see: <http://www.communities.gov.uk/documents/housing/pdf/138814.pdf>

Havering has a BME population of 11% it is likely that they will be disproportionately impacted by this measure (+19%).

In the case of Council Tax data, the savings are distributed by households and property size and second properties. Using empirical evidence as to the characteristics of larger households we have extrapolated that there is a disproportionate impact on households more likely to live in larger properties and/or have larger households.

The impact of each of the options on the protected characteristics is highlighted in the table overleaf. When considering the impact, the tables highlight effects that are a consequence of the change from the **current** Council Tax and/or Council Tax Benefit scheme. Historic differential impacts on the protected groups that are inherent in the current Council Tax and Council Tax Benefit arrangements have not been addressed.



**Table: Impact of proposed Council Tax Options on protected characteristics and sub-groups**

Protected characteristics	Option 1
	Option 1: Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. In effect the new Local Council Tax Support scheme duplicates the current Council Tax Benefit scheme.
<b>Age</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Disability</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Gender</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Gender reassignment/identity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Marriage and Civil Partnership</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Pregnancy and maternity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Race/ethnicity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Religion or belief</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Sexual orientation</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Socio-economic Groups</b>	There is no adverse impact as a consequence of this change to the benefit scheme

If this is the agreed option a separate EA will be undertaken to assess the impact on potential organisational changes and staffing restructures

<b>Protected characteristics</b>	<b>Option 2</b>
	Option 2: Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction. Council Tax properties in bands A to H are all subject to 20% liability reduction for working age claimants prior to the calculation of any entitlement to support. Pensioners are protected and the level of support calculated using 100% liability. Local Council Tax Support is calculated in the same way as the current CTB scheme except for the liability reduction.
<b>Age</b>	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).
<b>Disability</b>	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend to reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affected by this option.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.

Protected characteristics	Option 3
	<p>Option 3: Calculate CTB entitlement and then reduce every working age claimant's award by 18%.</p> <p>The savings required will be achieved by reducing the amount of support the household is entitled to under the Local Council Tax Support scheme by an agreed percentage after the benefit calculation has been made.</p>
<b>Age</b>	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).
<b>Disability</b>	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend to reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affected by this option.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.

Protected characteristics	Option 4
	<p>Option 4: Maximum award would be restricted to an average B and D award.            Increase benefits taper to 65%. Premiums set at 2011 rates.            Increase non-dependant deductions as follows:            £0.00 to £00.00 *            £2.85 to £15.00            £5.70 to £20.00            £7.20 to £28.00            £8.60 to £35.00            Remove second adult rebate.</p> <p>A more complex calculation is required for this option as changes have been made to the actual support calculation. The income taper (the amount of earned income taken into account) is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%.</p>
<b>Age</b>	<p>Both young and older people are potentially disproportionately impacted by this option, but for different reasons; Older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them on a non-commercial basis to offset household costs (second adults, carers). Young people are more likely to be non-dependants and therefore will be expected to make a greater contribution to the Council Tax, although they have earning levels below other working groups.</p>
<b>Disability</b>	<p>Some disabled households might be negatively impacted because due to their type/level of disability they require larger properties that fall within E to H, while their level of support is restricted to B and D levels.</p>
<b>Gender</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>
<b>Gender reassignment/identity</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>
<b>Marriage and Civil Partnership</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>
<b>Pregnancy and maternity</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>
<b>Race/ethnicity</b>	<p>As with option 2, BME communities that have a cultural tradition for living in multi-generational households are more likely to be</p>

	negatively impacted by this option as they tend to reside in larger (higher banded) properties and/or with older working non-dependants within the household.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Very high non-dependant increases will penalise a very small group of older working age claimants (such as claimants with adult children in the household) who would disproportionately lose any Council Tax support, including those receiving Income Support or Job Seekers Allowance.

Protected characteristics	Option 5
	<p>Option 5: Maximum award would be restricted to an average B and D award.</p> <p>Remove second adult rebate.</p> <p>Increase benefits taper to 30%.</p> <p>Increase non-dependant deductions:</p> <p>£00.0 to £00.0</p> <p>£2.85 to £6.00</p> <p>£5.70 to £9.00</p> <p>£7.20 to £15.00</p> <p>£8.60 to £20.00</p> <p>Reduce premiums by 18%.</p> <p>In work claimants will receive less support because the taper applies to the earned income (although the taper is less than that proposed in option 4). It will be easier to collect the Council Tax from claimants in work</p>
<b>Age</b>	As with option 4, both young and old are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely or to have other adults living with them on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people
<b>Disability</b>	As with option 4, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	As with option 4, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household.
<b>Religion or belief</b>	There is no evidence available to indicate that sexual orientation is a factor impacted by this option

<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people

Protected characteristics	Option 6
	<p>Option 6: Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013.</p> <p>The Local Government Finance Act, expected to receive royal assent in November 2012, will allow local authorities to reduce the level of support.</p> <p>This option has no impact on claimants. It also has no impact on the majority of taxpayers with one home. It could assist bring properties into use and occupation in line with new homes agenda.</p>
<b>Age</b>	Older households are more likely to be affected by this option. However, households that have additional property targeted under these measures are proportionally likely to be more prosperous older households.
<b>Disability</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.



Protected characteristics	Option 7
	<p>Option 7: Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year.</p> <p>Local authorities could choose to manage the reduction using flexibility over Council Tax. However, significant increases in Council Tax could trigger a referendum, which would have its own considerations.</p>
<b>Age</b>	<p>With reference to the Havering Population Profile, over 60% of residents (16-64 years old) are of working age. This means that working age residents are more likely to be disproportionately affected. A further 18% of the population aged 65 year and above will be affected by this option. The remaining population is made up of children.</p>
<b>Disability</b>	<p>Disabled people including older people with long-term illnesses will be affected by this option but low income disabled and/or older people in receipt of council tax support would have their entitlement recalculated to take account of the increase in council tax.</p>
<b>Gender</b>	<p>Whilst everyone will be affected, women are more likely to be affected by this option not only because they make up 52% of the Havering population but also because they are more likely to be part-time workers, lone parents and carers. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.</p>
<b>Gender reassignment/identity</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.</p>
<b>Marriage and Civil Partnership</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.</p>
<b>Pregnancy and maternity</b>	<p>Women are more likely to be affected by this option not only because they may be out of work due to pregnancy or maternity. Evidence also suggests that women are more likely to be lone parents. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.</p>
<b>Race/ethnicity</b>	<p>Although everyone will be affected by this option, benefits evidence shows that white and black minority ethnic claimants are more likely to be affected. However, because they are entitled to benefit, their entitlement will be recalculated to take account of the increase in council tax.</p>
<b>Religion or belief</b>	<p>There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.</p>
<b>Sexual orientation</b>	<p>There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.</p>
<b>Socio-economic Groups</b>	<p>Whilst everyone will be affected by this option, it is recognised that certain groups will be more disadvantaged than others,</p>

	<p>particularly disabled people, lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women). However, those groups who are more likely to be already in receipt of benefit, therefore, their entitlement will be recalculated to take account of the increase in council tax.</p>
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Protected characteristics	Option 8
	<p>Option 8: Restrict the maximum council tax support award to the top of band D, £28.94.</p> <p>Increase non-dependant deductions from:</p> <p>£00.0 to £00.0*</p> <p>£2.85 to £6.00</p> <p>£5.70 to £9.00</p> <p>£7.20 to £15.00</p> <p>£8.60 to £20.00</p> <p>Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows:</p> <p>Remove the second homes discount completely (currently 10%).</p> <p>Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months.</p> <p>Removing the Class C exemption (unoccupied and unfurnished) completely.</p> <p>Taking the savings from the abolition of Class L (mortgagees in possession).</p> <p>This uses a combination of restricting the maximum council tax support to a weekly band D charge of £28.94, non dependant deductions and reductions in property exemptions.</p> <p>All claimants (no more than 15 households in total) residing in properties banded E, F and G are likely to be affected by restricting benefit to B and D Claimants. In total, a very small number, 123 claimants will be affected by this option when compared to the working age benefit caseload of 10,313.</p>
<b>Age</b>	<p>As with option 4 and 5, both young and older people are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them (e.g. carers) on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people</p>
<b>Disability</b>	<p>As with option 4 and 5, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.</p>
<b>Gender</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>

<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	As with option 4 and 5, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people.

**6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?**

**6 (a) Vulnerable children**

Households with vulnerable children are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

**6 (b) Vulnerable adults**

As with vulnerable children, households with vulnerable adults are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

**PREVENTING DISCRIMINATION**

**7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?**

**7 (a) Staff**

Please refer to 7 (b).

**7 (b) Community**

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Although some households will be adversely impacted in comparison to current arrangements by some of the proposed changes, the options have been designed to minimise both the number of households affected and the financial impact on these households.

Certain options will be the subject of consultation with the Greater London Council and inform our final decision and new scheme. The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

The implementation of the new scheme will be complemented by the launch of a hardship fund for short term support for vulnerable families. Affected households will also be actively supported to move into work and other options will be explored, including support for possible relocation where appropriate.

## **PROMOTING EQUALITY**

### **8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?**

#### **8 (a) Staff**

Please refer to 8 (b).

#### **8 (b) Community**

The new scheme will promote social inclusion and community cohesion by providing financial support to vulnerable and economically disadvantaged groups such as older residents, residents with disabilities, lone parents and families on low incomes.

## **SPECIFIC NEEDS**

### **9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?**

#### **9 (a) Staff**

Please refer to 9 (b).

#### **9 (b) Community**

Details of the new scheme will be widely publicised to seek to maximise take up by those households entitled to support under the new Local Council Tax Support arrangements. Details of how the scheme will work, including how to access hardship support, will be published on the Havering website and shared with local community organisations.

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information

documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Existing networks will be used to promote the information amongst hard to reach groups.

As already outlined in 7(b), it is intended that the new scheme will incorporate a hardship fund to support vulnerable families who are adversely affected by the changes.

## **MONITORING AND REVIEW**

### **10. Once implemented, how often do you intend to monitor the actual impact of the activity?**

#### **10 (a) Staff**

Please refer to 10 (b)

#### **10 (b) Community**

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

Formal monitoring and review arrangements will be incorporated within the design of the new scheme.

Individual households will have access to formal appeal and review arrangements should they have complaints or concerns about the assessment criteria and method used to identify the Council Tax support they need.

Performance and quality checking systems will be core to the design of the scheme. The performance data collated, including satisfaction surveys and community profile monitoring will form part of regular reporting arrangements to senior management and members.

## **SIGN OFF AND PUBLICATION**

### **11. When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.**

**HEAD OF SERVICE**

**Name:**

**Date:**

**Signature:**

**Consultation Plan**

The Council will be required to consult its proposed scheme with the public and preceptors. Any new scheme must be in place by 31<sup>st</sup> January 2013, we have identified the following consultation strategy;

<p><b>Prepare initial Publicity</b></p> <ul style="list-style-type: none"> <li>• Draft article for website</li> <li>• Published on website</li> <li>• Advance press release drafted</li> <li>• Circulated to local press</li> <li>• Draft article for Council newsletter</li> <li>• Report to area committees</li> <li>• Council newsletter circulated</li> </ul>	<p>The initial stage will focus on advising Havering residents and Council Tax payers that central government are ending the current Council Tax Benefit scheme to be replaced by locally designed schemes, subject to reduced funding.</p> <p>It is also intended to advise that we will be consulting residents on aspects of the scheme in October.</p> <p>This will be achieved through a bulletin on the Havering Council website, a press release to local media and by inviting community groups to include the article within their own publications.</p> <p>It is also intended to place posters in Havering Council's public sites and libraries.</p> <p>The bulletin will be posted on the Havering website w/c 9 July, subject to clearance by the Communications team.</p>
<p><b>Prepare consultation with the Greater London Authority (GLA)</b></p> <ul style="list-style-type: none"> <li>• Advise GLA of options/consultation and outcome</li> </ul>	<p>One of the requirements placed on local authorities is that we include major preceptors in the consultation process.</p> <p>When Cabinet has identified the options to be put up for consultation in their July meeting we will consult with the GLA accordingly.</p> <p>Advice will be sought from the Legal and Communications Team as to the detail and extent of the required consultation.</p> <p>The consultation outcome will be reported to the September cabinet.</p> <p>As a principle, the GLA will be kept informed throughout the new scheme implementation.</p>
<p><b>Consultation Period for GLA</b></p>	<p>The consultation will run for 4 weeks starting 16/7/12 and ending 6/8/12.</p>

<p><b>September Cabinet approval of draft final scheme</b></p> <ul style="list-style-type: none"> <li>• Report on GLA consultation outcomes drafted</li> <li>• Report signed off by project team</li> <li>• Report approved by Cabinet</li> </ul>	<p>The outcome of the GLA consultation will be reported at the September Cabinet meeting.</p> <p>This report will help inform Cabinet on the final design of the Local council Tax Support scheme and other changes to Council Tax charging scheme.</p> <p>Cabinet will also be made aware of any new issues (ICT or financial) which may significantly affect the operation, delivery or integrity of the scheme based on the shortlisted options.</p> <p>Cabinet will then be invited to sign off on the draft scheme to be in place from April 2013</p>
<p><b>Prepare consultation with residents and affected Persons</b></p> <ul style="list-style-type: none"> <li>• Consider &amp; procure appropriate service providers and communications media</li> <li>• Design questionnaire</li> <li>• Questionnaire signed off</li> </ul>	<p>Once Cabinet has approved the draft final scheme to be considered, a consultation document will be prepared that will allow residents to comment on aspects of the scheme. This will include case studies to help residents make informed decisions.</p> <p>The questionnaire will be drafted in consultation with the Communications team &amp; Equalities Team to ensure that it is understandable and accessible, ensuring clarity for residents.</p> <p>The consultation process has initially been planned as an online exercise whereby residents will be able to take part by visiting the Havering website.</p> <p>Other communications methods will also be considered such as telephone sampling and face to face interviews with a sample of residents</p> <p>We will also engage an external provider to undertake the consultation on Havering's' behalf and to collate and analyse responses to ensure timescales are met.</p>
<p><b>Consultation Period for residents on agreed draft final scheme</b></p> <ul style="list-style-type: none"> <li>• Consultation on website</li> <li>• Meetings with external providers/partners</li> </ul>	<p>The consultation will run for 6 weeks for residents starting 4/10/12 and ending 14/11/12.</p> <p>During this period we will also meet with representatives from Havering's community groups, social landlords and voluntary organisations to separately canvas their thoughts on the final option put forward for consultation.</p>



<p><b>Option Consultation analysis</b></p> <ul style="list-style-type: none"> <li>• Feedback from meetings with external providers</li> <li>• Consultation outcomes published</li> </ul>	<p>During the consultation process, we will collate and analyse the responses received and from the meetings with the community representatives to brief members and senior officers of the progress of the consultation process.</p> <p>At the end of the consultation process, a full analysis of the responses received will be undertaken. This will be incorporated into a report to Cabinet in January. Once this report has been considered a further article for residents and Council Tax payers will be drafted advising of the results of the consultation.</p>
<p><b>January Cabinet</b></p> <ul style="list-style-type: none"> <li>• Report drafted</li> <li>• Report signed off</li> <li>• Submitted for inclusion on Agenda</li> <li>• Agreed by Council</li> </ul>	<p>At the completion of the consultation with residents and affected persons, a full report will be submitted for the January Cabinet meeting.</p> <p>Cabinet can consider the outcomes of the consultation and formally agree the details of the final scheme.</p> <p>Once the design has been ratified we will complete work on drafting the Council Tax Support policy document and the guidance manual and procedures for operational staff.</p>
<p><b>Final scheme publicity</b></p> <ul style="list-style-type: none"> <li>• Draft Articles and press statements</li> <li>• Published on website</li> <li>• Press release to local press</li> </ul>	<p>On confirmation of the scheme design, a detailed article will be drafted and published both on the website and through the local press and other outlets.</p> <p>This will report on the outcome of the consultation process, the additional consideration given by Cabinet and the high level design of the new scheme, including the likely impact on residents.</p>
<p><b>Contact Customers affected</b></p> <ul style="list-style-type: none"> <li>• Identify affected customers</li> <li>• draft information letter</li> <li>• Issue information letter</li> </ul>	<p>Once Cabinet has agreed the design of the local Council Tax Support scheme, we will identify where possible those households affected by the changes, using current Council Tax Benefit and Council Tax data.</p> <p>Each household will be contacted directly and advised of the changes to the level of support they will receive and/or the increases Council Tax payable.</p>

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