

FULL COUNCIL			
REPORT TITLE	ADDENDUM: To set the Council Tax Reduction Scheme as part of the - Setting the Council Tax Base, the NNDR Base & Discounts for Second Homes and Empty Homes report.		
KEY DECISION	Yes	ITEM No.	7a
WARD	All		
CONTRIBUTORS	Executive Director for Resources & Regeneration and Executive Director for Customer Services		
CLASS	Part 1	Date	22 January 2014

1 ADDENDUM

Purpose

- 1.1. This addendum asks Council to set the Council Tax Reduction Scheme (CTRS) for 2014/15 by endorsing the recommendation agreed by Mayor & Cabinet on the 4 December 2013.

Background

- 1.2. The CTRS was introduced in 2013/14 as the replacement for the Council Tax Benefit Scheme. The Council is required to agree its CTRS for the coming financial year (2014/15) before the 31 January each year.
- 1.3. No change is proposed to the CTRS for 2014/15, in line with recommendation 3.2 and supporting explanation in section 9 of the Mayor & Cabinet report (see Appendix 1 to this Addendum). The Council will continue to pass on the government cut in grant in full to working age claimants.

Recommendation

- 1.4. Council agrees to retain a local CTRS for 2014/15 that passes on the government cut in grant in full as set out in the Mayor & Cabinet report item 13 of the 4 December 2013.

APPENDIX 1 – Council Tax Reduction Scheme report

	Mayor and Cabinet		
Report Title	Council Tax Reduction Scheme 2014/15 (incorporating the response to the Overview and Scrutiny Business Panel)		
Ward	All	Item No.	
Contributors	Executive Director for Customer Services and Head of Public Services		
Class	Open	Date	4 December 2013

1. Purpose

- 1.1 To agree Lewisham's Council Tax Reduction Scheme (CTRS) for 2014/15 and respond to the Overview and Scrutiny Business Panel with detailed collection information.

2. Executive summary

- 2.1 The Government replaced Council Tax Benefit (CTB) with the local Council Tax Reduction Scheme on 1 April 2013, at which point local authorities were required to define their own local CTRS for working age households.
- 2.2 The Council agreed to pass on the Government cut in grant of £3.28m to 24,648 working age claimants for 2013/14. The Council also agreed a £100K fund for those vulnerable groups facing exceptional hardship. Pensioners were protected by a national scheme and so continued to receive the same amount of help as before.
- 2.3 This report proposes that the Council keeps the same local CTRS for 2014/15 because it is too early to determine how the current scheme is working. Any changes to the existing scheme would be premature, and may help certain groups but at a cost to others. Instead, a comprehensive review of the CTRS will be undertaken in 2014, once the scheme has been in operation for a full year.
- 2.4 By retaining the existing CTRS no new financial implications are expected to arise. For 2014/15, there is no reduction in the overall funding for Council Tax support. However, the government has indicated that the allocation will not be separately identified, but will form part of the overall amount available to the Council as part of its formula funding. It will be entirely for the council to decide how much it is prepared to spend on Council Tax support.
- 2.5 Although the Council is not proposing to change the CTRS for 2014/15, a proportionate consultation with local residents and other stakeholders was undertaken. This consisted primarily of an online survey on the Council's website, and a written invitation to complete the survey, which was sent out to 1,000 residents (a sample of both Council Tax payers and existing CTR claimants).
- 2.6 The majority (62%) of those responding to the survey agreed that the Council should maintain the current CTRS for 2014/15.

3. Recommendations

It is recommended that the Mayor agrees to:

- 3.1 Note the outcomes of the consultation set out in appendix 1.
- 3.2 Retain a local CTRS from 1 April 2014 that passes on the government cut in grant in full, as set out in section 9 of this report.
- 3.3 Delegate to the Executive Director for Customer Services and Head of Public Services, the power to set up and implement a hardship scheme with a maximum available spend in any one year of £100K. Further delegation should be sought by the Executive Director for Customer Services and Head of Public Services if they consider it necessary for this threshold to be exceeded.
- 3.4 Refer the report back to Overview and Scrutiny Business Panel and note the information provided on collection enforcement action and associated costs set out in Section 7.

4. Policy context

- 4.1 One of the primary functions of the Council is to promote the social, economic and environmental wellbeing of the borough and its people. In discharging this important public role the Council has a specific duty to safeguard the most vulnerable from harm and to regulate access to public services and to provide social protection for those that might otherwise be put at risk.
- 4.2 As Council funding is provided through public resources (grants from central Government; Business Rates and Council Tax) the local authority must also demonstrate both responsibility and accountability in the stewardship of public resources.
- 4.3 The overarching policy and decision making framework for the discharge of the Council's many functions and duties is Lewisham's Sustainable Community Strategy. The Strategy contains two overarching principles which are:
 - Reducing inequality – narrowing the gap in outcomes; and
 - delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality local services.
- 4.4 Also contained within this overarching policy framework are the Council's ten priorities. These priorities describe the specific contribution that the local authority will make to the delivery of the Sustainable Community Strategy. The Council priorities are as follows:
 - Community leadership and empowerment
 - Young people achievement and involvement
 - Clean, green and liveable
 - Safety, security and visible presence
 - Strengthening the local economy
 - Decent homes for all
 - Protection of children
 - Caring for adults and older people

- Active health citizens
- Inspiring efficiency, effectiveness and equity

- 4.5 In addition to the above, the Government has expressed a clear intention that in developing CTRS proposals, local authorities should ensure that:
- Pensioners see no change in their current level of awards whether they are existing or new claimants;
 - they consider extending support or protection to other vulnerable groups; and
 - local schemes should support work incentives and in particular avoid disincentives to move into work.

5. Background

- 5.1 On the 23 January 2013, following a detailed consultation exercise in 2012, the Council agreed its CTRS for 2013/14 on the basis that the £3.28m reduction in funding could not be covered by the Council and would be passed on to all working age claimants.
- 5.2 The scheme ended the entitlement to second adult rebate but in all other respects remains the same as the previous CTB scheme. Pensioners are protected from any changes or reductions and a hardship fund of £100K was agreed for some vulnerable persons in exceptional circumstances.
- 5.3 The Council's CTRS was introduced from 1 April 2013 and has resulted in 24,648 working age claimants being asked to pay, on average, £2.92 per week extra Council Tax. Of the 24,648 there were 18,000 who previously did not have any to pay.
- 5.4 This report describes how the CTRS for 2013/14 is working and proposes the CTRS for 2014/15 following a consultation exercise. Section 7 of the report also provides the additional information requested by Overview and Scrutiny Business Panel on 2 October 2013.

6. Council Tax Reduction Scheme 2013/14

- 6.1 As the scheme has only been in place since 1 April 2013 it is too early to determine what the full impact has been on working age claimants. However, the following is known:
- The caseload has reduced by 1,198. This is mainly due to working age claimants whose entitlement under the CTB scheme was sufficiently low to be reduced to zero with the cut in government grant being passed on.
 - There have been no appeals against CTRS entitlement.
 - There have been few requests for support from the hardship fund yet. This is expected to increase following the commencement of recovery action as we will be targeting those affected to ensure they are aware of the availability of this additional support.

7. Council Tax collection (incorporating the response to the Overview and Scrutiny Business Panel)

7.1 This section sets out how the Council collects Council Tax from CTRS cases and the costs associated with it and is in response to the information requested at the Overview and Scrutiny Business Panel on 2 October 2013 namely:

The Business Panel noted the Mayor's decision, and the Joint Review with Lambeth and Southwark, and requests that the Mayor;

- i. asks officers to provide Business Panel members with full details of enforcement actions that have been taken to recoup outstanding monies;*
- ii. asks officers to include the cost of the enforcement action, and the total amount of the money recouped.*

Response

7.2 Since April the Council has sent 24,648 reminders to CTRS cases, with a value of £1.3m. Some customers paid their missing instalment(s) or contacted the Council and made an arrangement to pay.

7.3 There have been 6,533 summonses issued where the customer ignored the reminder notices and did not pay or make an arrangement to pay. Where customers paid in full, or agreed to pay by Direct Debit, the summons and associated costs were withdrawn from their account.

7.4 So far the Council has held seven hearings at Bromley Magistrates Court for CTRS cases and has successfully obtained all of the Liability Orders requested. A Liability Order gives the Council greater powers to collect the outstanding debt.

7.5 Ordinarily, after a hearing the next step would involve the case being referred to the bailiffs because this is a fully automated process. The bailiffs are then responsible for collecting the arrears on behalf of the Council. However, as these cases are in receipt of benefits, an instruction is issued to the Department for Work and Pensions (DWP) to make deductions at source via an Attachment to Benefit Order from their on-going benefit entitlement.

7.6 It should be noted that there are some circumstances where an attachment cannot be made. This occurs when:-

- The type of benefit in payment is excluded from an Attachment to Benefit ie. Disability Living Allowance
- Deductions are already being made for a previous Council Tax debt or other utility debt
- The customer's benefit ceased before the Attachment to Benefit could be secured
- The National Insurance Number does not match debtors details

7.7 At present 1,656 liability orders have been referred to the DWP. Whilst an Attachment to Benefit secures payment of the debt, there is a prescribed maximum weekly amount of £3.60 that can be deducted. This means it will take over a year and a half to clear a debt summonsed in July 2013, by which time the 2014/15 charge will be due. Consequently, those in receipt of CTRS will be required to pay their new in-year instalments from a reduced income, owing to the Attachment to

Benefit in place to clear their previous years arrears. This is likely to become a reoccurring issue as time goes by and will impact on the Council's revenue collection.

- 7.8 A test sample of 50 cases has been referred to the bailiff to determine their ability to collect from these customers, before a final decision is made on referring the bulk of the remaining cases where an Attachment to Benefit cannot be secured.
- 7.9 All 50 sample cases have received a first visit from the bailiff but results so far have been disappointing with a 18% success rate as detailed below:-
- one customer paid in full
 - eight agreed to set up an arrangement
 - one outright refused to pay
- 7.10 A further 50 sample cases were followed up by a Council Tax officer who visited and made phone calls to the debtors. This proved more successful with a 42% success rate as follows:-
- one customer paid in full
 - 20 agreed to set up an arrangement
 - one wanted to speak to a member of staff in the office
- 7.11 Whilst the Council's approach has yielded a better result the work is resource intensive and would require additional dedicated staff to be a sustainable long term solution.
- 7.12 As at 31 October the Council had collected £4.6m of the total £9m due from all CTRS cases. This equates to 51.89%. At this point the Council would have expected to collect £5.2m / 55.13%. (Note: the £9m is the £3.28m the Council passed on plus the £5.72m that would be due from claimants as they are not entitled to maximum CTRS because their income is too high)
- 7.13 The Council recovers the administrative cost associated with enforcement action via the court fees. Summons costs of £75 are added to the debtors account at the point the summons is issued and Liability Order costs of £50 when the order is granted by the Magistrate. However, as noted above these costs are withdrawn if the debtor pays in full or makes an arrangement to pay by Direct Debit.

8. Hardship Scheme

- 8.1 In April 2013, the Council agreed to fund a scheme where households subject to a reduction in council tax support would be able to seek financial help. The scheme was limited to £100k for 2013/14 and targeted at those vulnerable groups highlighted through a consultation exercise in 2012. These groups include those who are;
- A lone parent with a child under the age of 5;
 - Disabled or responsible for a disabled child; or
 - Over 50 and unemployed for 12 months or more.

- 8.2 Requests for hardship funding will also be considered from those not in one of the groups identified above where exceptional financial hardship can be demonstrated.
- 8.3 Initially, it was decided to focus support on those unable to pay however, it soon became apparent that many households were paying their council tax and suffering financial hardship as a result of doing so. It was not considered appropriate to target those who had not paid at the expense of those who had paid but suffered financially as a result of doing so. Subsequent targeting has been considered including directly contacting all households in Lewisham who received CTRS and met the criteria. However, the numbers were prohibitive and awards to even a modest proportion of these would have exceeded the available hardship funding.
- 8.4 Subsequent activity has included our attendance at external seminars and workshops to promote availability of the funding, alerting elected members and front-line staff so that they can encourage applications when coming across someone in financial difficulties. The advice agencies have also been made aware of the hardship scheme.
- 8.5 Of the respondents that answered the hardship question, over four-fifths (84%) agreed to some extent that the Council should continue hardship awards for people entitled to a disability premium or disabled child premium.
- 8.6 Respondents who identified themselves as being disabled were more likely to agree that the vulnerable groups identified in the survey should continue to receive hardship awards. The same applied for those who identified themselves as being either Black, Black African, Black Caribbean, or Black British or CTR claimants.
- 8.7 Conversely, older adults (aged 65+ years) and Council Tax payers were less likely to agree that all the vulnerable groups identified in the survey should continue to receive hardship awards.
- 8.8 The consultation for the 2014/15 scheme has indicated support for a hardship fund to be maintained for the vulnerable groups previously identified as being most in need of additional help. On this basis, the recommendation in 4.3 is that a hardship scheme of £100k is retained for 2014/15.

9. Council Tax Reduction Scheme for 2014/15

- 9.1 The Council is required to agree its CTRS for 2014/15 before the 31 January 2014. When the Council was considering the scheme for 2013/14 it was suggested that the scheme should be more 'refined' for future years. This was because the 2013/14 CTRS mirrors the old CTB scheme except for the cut that was passed on proportionately to all cases and the removal of the second adult rebate.
- 9.2 The CTRS could be refined by adjusting the many parameters, premiums and disregards that already exist. For example, the current CTRS says the maximum savings a person can have are £16K. This maximum savings threshold could be reduced to a lower amount which would mean those with excess savings would receive no CTRS but leaving the remaining CTRS recipients receiving more.

- 9.3 To consider refining the CTRS for 2014/15 would require an in depth analysis of how the current arrangements are working. However, this in depth analysis is not possible for the following reasons:
- It is too early to judge how the current CTRS is working. A full year of operation is needed to understand the impact on customers and collection.
 - At this stage we have not identified any real sense of hardship as a result of passing on the cut. However, the full impact of welfare reforms is yet to take place.
 - It is too early to judge how other local authorities' more refined CTR schemes are working.
 - Any refinement to the CTRS will give certain groups of recipients more help at the cost of others.
 - The current CTRS was based on CTB which had been continually refined since its introduction in 1993. It is unlikely that we could find a better balance unless there are specific groups in the borough that need extra help and it could be argued that this should not be done at the cost of others.
- 9.4 For these reasons no change is proposed to the CTRS for 2014/15 (i.e. the Council will continue to pass on the government cut in grant in full to working age claimants).
- 9.5 Despite this, the Council is still required to carry out a consultation exercise to comply with specific requirements in the legislation. This is because to pass on the cut in full technical changes are required and the legislation counts these as an actual change to the scheme which requires consultation. The technical changes are the % used in the calculation to pass the cut on in full and the annual up rating to applicable amounts, income disregards and non-dependant deductions.
- 9.6 On 11 September 2013 Mayor and Cabinet agreed to consult on a CTRS that will continue to pass on the government cut in grant in full to working age claimants.

10. Consultation on the CTRS for 2014/15

- 10.1 Our approach to consultation was to engage with a sample of Council Tax payers, as well as those currently in receipt of CTR, and to provide all those with an interest in this matter with an opportunity to share their feedback.
- 10.2 The consultation was intentionally proportionate in approach. The proposals for the 2014/15 scheme remain unchanged from the previous year's scheme, for which a comprehensive consultation and Equalities Analysis Assessment have already been undertaken. Furthermore, an additional consultation will be undertaken in 2014, once the CTRS has been in operation for a full year.
- 10.3 The consultation on the proposed CTRS for 2014/15 consisted of the following:
- A self-completion survey – promoted across the Council's website, and available in hard copy format upon request.

- A letter sent out to 1,000 households - half to those in receipt of CTR and the other half to those not in receipt of CTR - inviting them to participate in the survey.
- Promotion at the 'Advice Lewisham Open Day' attended by the voluntary and community sector and representatives of key vulnerable groups.
- A general press release from Communications promoting the survey, which was emailed to local media, blogs and websites.

10.4 The principle focus of the survey sought to clarify whether or not:

- a) The Council should maintain the current CTRS for 2014/15, where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding.
- b) The Council should continue hardship awards for lone parents with children under 5 years; people entitled to a disability premium or a disabled child premium; and people over 50 years of age who have been unemployed for a year or more.
- c) The Council should consider other vulnerable groups for hardship awards to help them pay for their Council Tax.

10.5 The headlines from the consultation were as follows:

- There were 92 respondents to the survey in total, of which 7% are currently receiving CTR in Lewisham.
- The majority (62%) of all respondents agreed that the Council should maintain the current scheme where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding.
- There was little variation in support for the proposal between those currently in receipt of CTR and those that were not. In both groups approximately three-fifths agreed that the Council should maintain the current scheme for 2014/15.
- Of those respondents that answered the question, almost two-thirds (64%) agreed to some extent that the Council should continue hardship awards for lone parents with children under 5 years old.
- Of those respondents that answered the question, over four-fifths (84%) agreed that the Council should continue hardship awards for people entitled to a disability premium or a disabled child premium.
- Of those respondents that answered the question, almost three-fifths (59%) agreed that the Council should continue hardship awards for people over 50 years of age who have been unemployed for a year or more.
- According to respondents, full-time carers, those with learning disabilities, and the terminally ill, were amongst other vulnerable groups that the Council should consider for hardship awards.

10.6 In conclusion, the majority of consultation respondents agreed with the proposals that the Council should maintain the current CTRS scheme for 2014/15, and that hardship awards should be continued for the named vulnerable groups.

10.7 A more detailed analysis of the consultation results can be found within appendices 1 to 3.

11. Implementation timetable

Date	Action	Responsibility
4 December 2013	Mayor and Cabinet agree CTRS scheme for 2014/15	Customer Services
January 2014	Testing for annual billing	Customer Services/Capita
22 January 2014	CTRS scheme agreed as part of budget process and before 31 January 2014	Council
26 February 2014	Council sets its budget	Council
March 2014	Council Tax bills issued	Customer Services

12. Financial implications

- 12.1 In 2013/14, the Government allocated a total of £25.8m for CTRS in Lewisham (split between the Council - £19.9m – and the GLA - £5.9m). The allocation was £3.28m less than the 2012/13 funding and the Council agreed to pass this on to 24,648 working age claimants.
- 12.2 For 2014/15, the government has decided to roll CTRS resources into formula grant. This means that it is difficult to establish individual authority allocations for CTRS in 2014/15. However, the Council's assessment of the budget gap for 2014/15 is based on announcements that the Government has made of proposed formula grant allocations for 2014/15, so any decision to fully fund affected residents for the cut in grant would require a further budget reduction on top of the £16m budget reductions still to be agreed for 2014/15. This is estimated at £2.54m, based on the Council's share of the £3.28m cut in funding in 2013/14, although actual additional budget reductions required would depend on a review of CTRS caseloads and amounts.

13. Legal implications

- 13.1 Section 33 of the Welfare Reform Act 2012 abolished Council Tax Benefit. The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 to make provision for council tax support through locally adopted Council Tax Reduction Schemes, ("CTRS").
- 13.2 Paragraph 5 of Schedule 1A sets out the obligations imposed on the Council in respect of revising and replacing a CTRS. Paragraph 5 provides "(1) For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. (2) The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect. (3) The Secretary of State may by order amend sub-paragraph (2) by substituting a different date. (4) If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of

persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit. (5) Paragraph 3 applies to an authority when revising a scheme as it applies to an authority when making a scheme. (6) References in this Part to a scheme include a replacement scheme.”

- 13.3 If there is to be a revision to the scheme, or a replacement scheme, this must be made by 31 January in the financial year preceding that to which it is to have effect – therefore for this Council, it means by 31 January 2014 for the financial year 2014 – 2015.
- 13.4 Paragraph 3 of Schedule 1 contains obligations in respect of consultation, and requires the authority, before making or revising a Scheme to, in the following order: “consult any major precepting authority which has power to issue a precept to it, publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme”.
- 13.5 The consultation exercise undertaken last year (for 2013 /14) was relatively extensive in scope given the need to consult on the principles underlying the new CTRS. The extent of the consultation exercise that will be required this forthcoming year for 2014 /15, shall appropriately reflect the relevant extent of the revision that is proposed; namely, for 2014 /15 it concerns the anticipated revision to the percentage reduction in liability for that period.
- 13.6 The decision to maintain a CTRS subject to revisions to the percentage reduction would constitute the exercise of a “function” for the purposes of section 149 of the Equality Act 2010.
- 13.7 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 13.8 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 13.9 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 13.10 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty.

This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

13.11 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

13.12 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

14. Crime and disorder implications

14.1 There are no direct crime and disorder implications arising from this report.

15. Equalities implications

15.1 In the discharge of their functions, the Equality Act 2010 places a Duty on public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- foster good relations between those who share a protected characteristic and those who do not share that characteristic; and
- advance equality of opportunity between those who share a protected characteristic and those who do not share that characteristic.

15.2 The Council's obligations under the Equality Duty have been considered as part of the overall consultation analysis on the CTRS for 2014/15. More specifically, appendices 2 and 3 include analysis of respondent characteristics.

15.3 A detailed Equalities Analysis Assessment was performed in 2012/13 for the current year's CTRS. As there is no evidence to date of particular groups being impacted by the scheme and no changes are proposed to the scheme for 2014/15, no further assessment is required at present. A further Equalities Analysis Assessment will be undertaken as part of the comprehensive review of the CTRS. This will take place once the local scheme has been in effect for a full year (i.e. in 2014).

16. Environmental implications

16.1 There are no environmental implications arising from this report.

17. Background papers and report author

17.1 There are no background papers to this report.

17.2 If you require further information about this report, please contact Ralph Wilkinson, Head of Public Services, on 020 8314 6040.

Appendix 1 - Consultation report on CTRS 2014/15

Introduction

1. The Council Tax Reduction Scheme (CTRS) consultation ran from 3 October 2013 to 3 November 2013. This report outlines the responses to the consultation survey from individuals and also the Greater London Authority.

Summary of results

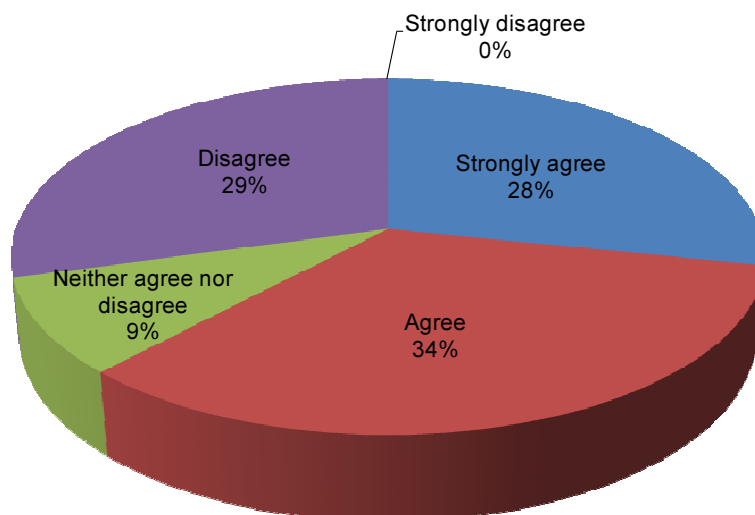
2. In total there were 92 responses to the local CTRS questionnaire. Of these, 57 (62%) of all respondents supported the proposal that the Council should maintain the current CTR scheme for 2014/15, where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding.
3. The majority (60%) of Council Tax payers were in support of the proposal, which was broadly the same level as for current Council Tax Reduction claimants (57%).
4. Within the various sub-groups there was majority support for the proposal, with the exception of those respondents that identified themselves as either disabled, providers of unpaid care, or those aged between 50-64 years. It should be noted however, that these sub-groups are too small to be statistically representative of the wider population.
5. As to whether the Council should continue hardship awards for key vulnerable groups, over three-fifths of all respondents supported this proposal (rising to four-fifths in support of hardship awards for people entitled to a disability premium or a disabled child premium).
6. Further details regarding the survey responses as well as to the broader consultation are presented below.

Overall survey responses

7. A breakdown of responses to the questions contained within the survey on the proposed CTRS for 2014/15 can be found below:

Q1) Please say how much you agree or disagree with the following statement? The Council should maintain the current scheme where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding.

Q1) Please say how much you agree or disagree that the Council should maintain the current scheme where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding?

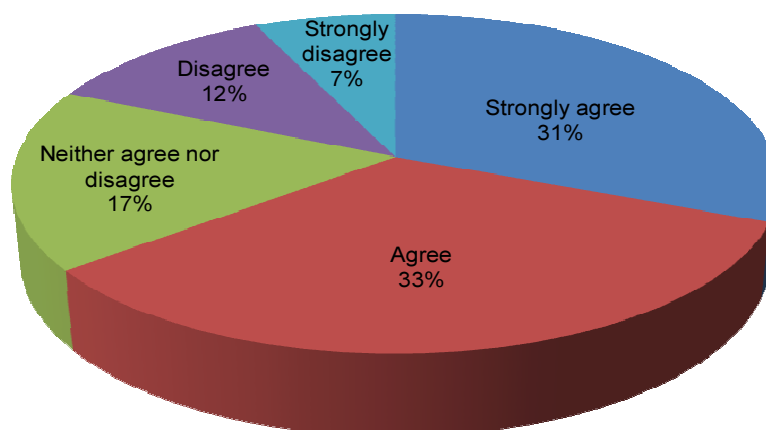


	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No response	Total
% total	28.26	33.70	8.70	29.35	-	-	100
% answer	28.26	33.70	8.70	29.35	-	-	100
Count	26	31	8	27	0	0	92

8. A total of 57 respondents (62%) agreed to some extent that the Council should maintain the current scheme. A total of 27 respondents (29%) disagreed to some extent.

Q2a) To what extent do you agree or disagree that the Council should continue hardship awards for lone parents with children under 5 years old?

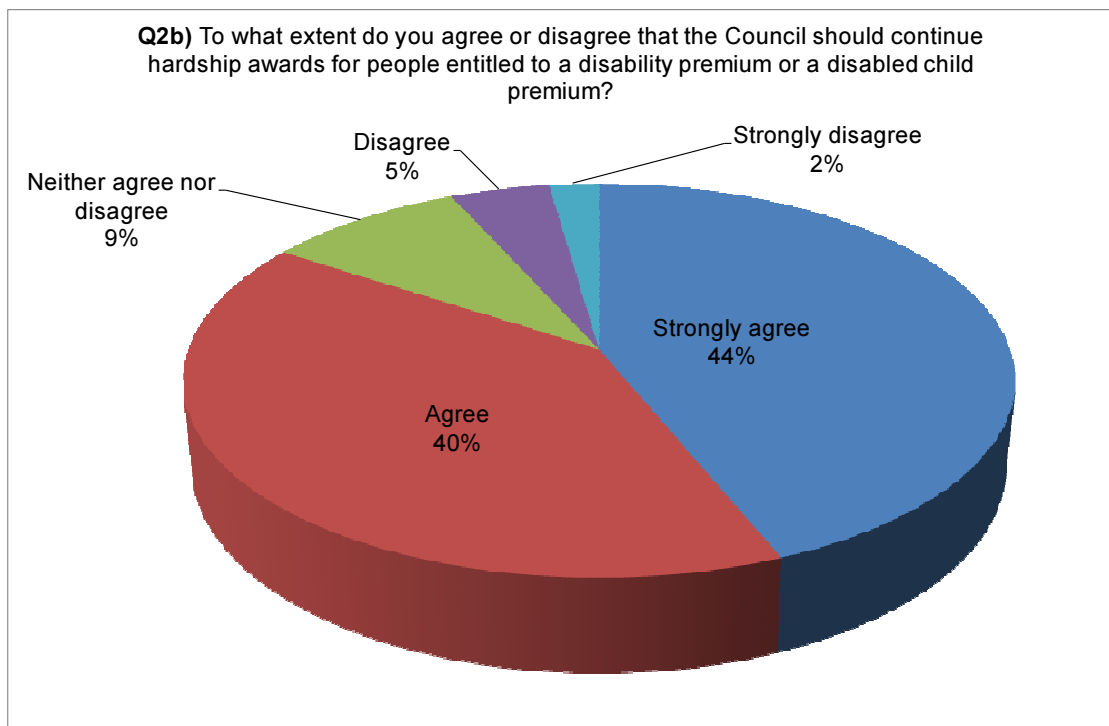
Q2a) To what extent do you agree or disagree that the Council should continue hardships awards for lone parents with children aged under 5 years old?



	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No response	Total
% total	29.35	31.52	16.30	10.87	6.52	5.43	100
% answer	31.03	33.33	17.24	11.49	6.90	-	100
Count	27	29	15	10	6	5	92

9. Of those respondents that answered the question, more than three-fifths (64%) agreed to some extent that the Council should continue hardship awards for lone parents with children under 5 years old.

Q2b) To what extent do you agree or disagree that the Council should continue hardship awards for people entitled to a disability premium or disabled child premium?

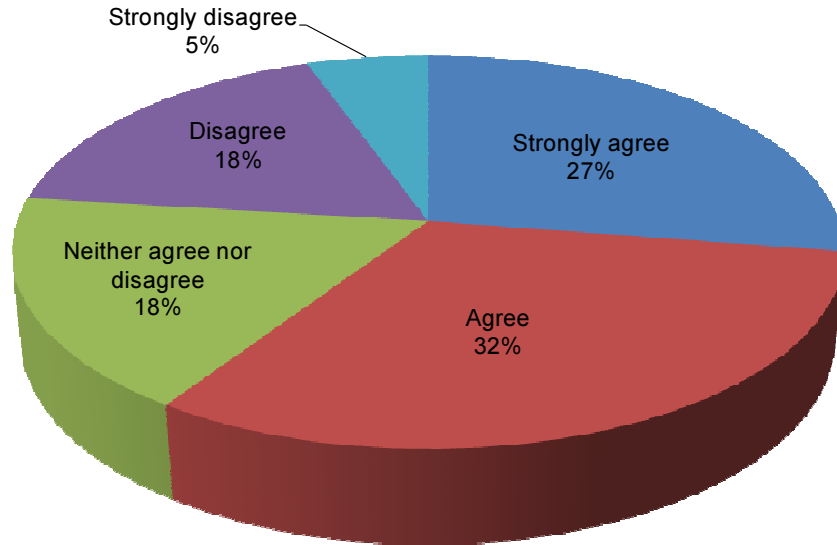


	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No response	Total
% total	42.39	39.13	8.70	4.35	2.17	3.26	100
% answer	43.82	40.45	8.99	4.49	2.25	-	100
Count	39	36	8	4	2	3	92

10. Of those respondents that answered the question, over four-fifths (84%) agreed to some extent that the Council should continue hardship awards for people entitled to a disability premium or disabled child premium.

Q2c) To what extent do you agree or disagree that the Council should continue hardship awards for people over 50 years of age who have been unemployed for a year or more?

Q2c) To what extent do you agree or disagree that the Council should continue hardship awards for people over 50 years of age who have been unemployed for a year or more?



	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No response	Total
% total	27.17	31.52	17.39	17.39	5.43	1.09	100
% answer	27.47	31.87	17.58	17.58	5.49	-	100
Count	25	29	16	16	5	1	92

11. Of those respondents that answered the question, almost three-fifths (59%) agreed to some extent that the Council should continue hardship awards for people over 50 years of age who have been unemployed for a year or more.

Q3) Are there any other vulnerable groups not listed in Question 2 (above) that the Council should consider for hardship awards to help pay their Council Tax?

12. Respondents that answered this question felt that the Council should also consider hardship awards to help the following people pay their Council Tax:

- Full time carers;
- people with learning disabilities;
- people who are blind or visually impaired;
- registered disabled;
- people with serious mental health conditions;
- people who are terminally ill;
- unemployed / jobseekers;
- low waged;
- people in receipt of benefits who have been unemployed for a year or more;
- lone parents with children still in education;
- lone parents with children aged under 18 years old; and
- people over 70 years of age.

Q4) Do you have any other comments about Lewisham's Council Tax Reduction Scheme for 2014/15?

13. Of the 92 respondents to the survey, 35 provided additional comments on the proposed CTRS for 2014/15. These responses have been grouped into the following themes:

Comment theme	Number of comments
Eligibility criteria for hardship award	10
Already struggling financially (welfare dependant)	9
No special exemptions for pensioners	3
Under-occupation tax	2
Current system is unfair / open to exploitation	2
Consultation method	2
Council Tax bill increase	2
Council inefficiency	1
Caring responsibility / disability	1
Refused Council Tax Reduction	1
Other	2

14. Although the Government has expressed a clear intention that in developing CTRS proposals, local authorities should ensure that they consider support to vulnerable groups, the most numerous comments from survey respondents were in relation to eligibility for the Council's hardship award, and which groups should receive it. Examples include:

"I appreciate that means testing is unpopular, but ultimately the groups identified in Question 2 could all have the means to pay council tax. I would be supportive of a reduction (I do not need one) for those people who are most in need only if they can be accurately identified."

"The council should change the criteria for the reduction scheme instead of passing on the extra cost to workers who are stretched already. Lone parents with children <5yr old should not get preferential treatment as they can join the work force."

"It is right that everybody should make a contribution to council tax and the contribution being asked is minimal. Blanket hardship awards should not be made across whole groups.....but should be reserved for people in real need."

"Personally I have some reservations about the term 'vulnerable group' and whether each and everyone who falls within these definitions does, in reality, deserve state 'subsidy'.....working people are suffering too, making their contributions in other ways to reducing the national debt. So I am afraid it's tough for us all right now."

Responses from voluntary and community organisations

15. Council officers attended the 'Advice Lewisham Open Day' on Friday 25 October 2013 in the Civic Suite. This was a free event attended by over 100 people, including those representing local voluntary and community groups. It provided attendees with an opportunity to hear speakers talk more generally about Welfare Reform, and the CTRS consultation was heavily promoted, and people signposted to the survey (both paper based and online).
16. The press release from the Communications team also promoted the survey to a number of local civic, community and voluntary organisations.
17. Survey responses indicate that two respondents were representatives of charities based in Lewisham, and three respondents were representatives of community groups based in Lewisham.

Response from the Greater London Authority

18. The Greater London Authority (GLA) – as the local preceptor - was invited to comment on the proposed CTRS for 2014/15 as part of the consultation process, and provided a formal written response dated 30 October 2013.
19. Whilst they acknowledged that the determination of CTR schemes is a local matter for each London borough (under the provisions of the Local Government Finance Act), they also recognised that the GLA shares in the risks and potential shortfalls arising from CTR schemes, in proportion to its share of the Council Tax.
20. The GLA considered that before finalising their schemes, local authorities should have regard to the challenges which they will face in collecting relatively small sums of money from claimants on low incomes who may not be in a position to pay by direct debit or other automatic payment mechanisms.
21. The GLA had no specific comments on Lewisham's proposed CTRS for 2014/15, as it regarded it as a legitimate matter for local determination, save to say that the Council's hardship awards are in line with the principle that billing authorities should consider extending support or protection to other vulnerable groups. The GLA also noted the need for the Council to consider the equalities impact of its final decision.
22. By 25 January 2014 the Council is required to notify the GLA of its forecast collection fund surplus or deficit for 2013/14, which will reflect the impact of the first year of the localisation of Council Tax support. The GLA is encouraging the Council to provide it with this information as soon as possible in order that it can assess the potential implications for the Mayor of London's budget for 2014/15.
23. The GLA has also requested that Lewisham provide an estimate of the projected scheme cost for 2014/15 taking into account changes in the claimant numbers, annual upratings and revised collection rate assumptions. They recognise that these estimates will be purely illustrative figures as the actual cost of the scheme will be dependent on the level of claims for CTR during 2014/15 and in future years.

Appendix 2 - Demographic breakdown of survey respondents

The demographic breakdown of the 92 survey respondents is presented below:

Age	% Total	% Answer	Count
Under 18	0	0	0
18-24	2.17	2.38	2
24-29	6.52	7.14	6
30-34	11.96	13.10	11
35-39	11.96	13.10	11
40-44	11.96	13.10	11
45-49	9.78	10.71	9
50-54	5.43	5.95	5
55-59	11.96	13.10	11
60-64	5.43	5.95	5
65+	11.96	13.10	11
Prefer not to say	2.17	2.38	2
No response	8.70	-	8

Gender	% Total	% Answer	Count
Male	38.04	42.17	35
Female	48.91	54.22	45
Prefer not to say	3.26	3.61	3
No response	9.78	-	9

Ethnic group	% Total	% Answer	Count
White	67.39	74.70	62
Mixed / multiple ethnic groups	4.35	4.82	4
Asian / Asian British	5.43	6.02	5
Black / African / Caribbean / Black British	6.52	7.23	6
Any other ethnic group	0	0	0
Prefer not to say	6.52	7.23	6
No response	9.78	-	9

Disability	% Total	% Answer	Count
Yes	13.04	14.63	12
No	73.91	82.93	68
Prefer not to say	2.17	2.44	2
No response	10.87	-	10

Relationship status	% Total	% Answer	Count
Married / Civil Partnership	25.00	27.71	23
Living as a couple	16.30	18.07	15
Single	41.30	45.78	38
Other	4.35	4.82	4
Prefer not to say	3.26	3.61	3
No response	9.78	-	9

Respondent type	% Frequency	Count
A resident in the borough of Lewisham	85.87	79
A Council Tax payer in the borough of Lewisham	76.09	70
A resident that currently receives Council Tax Reduction	22.83	21
A resident who has received CTR or CTB in the past	10.87	10
Full-time employed	32.61	30
Part-time employed	8.70	8
Self-employed	8.70	8
A person receiving state pension	13.04	12
A person receiving state pension credit	3.26	3
Full-time student	1.09	1
Unemployed	13.04	12
A paid carer for children or adults	0	0
An unpaid carer for children or adults	5.43	5
A lone parent	9.78	9
A representative of a charity based in Lewisham	2.17	2
A representative of a community group based in Lewisham	3.26	3
A landlord for properties based in Lewisham	1.09	1
Other	7.61	7
No response	1.09	1

(Note: respondents may have selected multiple options from the above list)

Appendix 3 – Survey analysis by respondent type

NOTE: The following analysis provides a lower level of detail regarding particular respondent characteristics. However, the small sample sizes in most instances should be clearly noted, and the following results are not statistically representative of this respondent characteristic in the wider population.

Responses by lone parents

24. Of the total number of respondents to the survey, nine identified themselves as being lone parents. Within this group, two-thirds (67%) agreed that the Council should maintain the current scheme where working age residents pay a contribution to their Council Tax bill to account for the cut in Government funding. This compares to 62% of total survey respondents.
25. Lone parents were more likely to disagree with this statement at 33%, compared to 29% of overall respondents.
26. The extent to which lone parents agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% lone parents	% total
Lone parents with children under 5 years old	78	64
People entitled to a disability premium or a disabled child premium	89	84
People over 50 years of age who have been unemployed for a year or more	78	59

27. Lone parents were more likely to agree that the vulnerable groups identified in the survey should continue to receive hardship awards, compared to total survey respondents. This difference was most significant in their support for people over 50 years of age who have been unemployed for a year or more.

Responses by disability

28. Of the total number of respondents to the survey, 12 identified themselves as being disabled. Within this group, one-third (33%) agreed that the Council should maintain the current CTRS for 2014/15. This compares to 62% of total survey respondents.
29. Over two-fifths (42%) of these respondents disagreed to some extent with this statement.

30. The extent to which respondents who were disabled agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% disabled people	% total
Lone parents with children under 5 years old	78	64
People entitled to a disability premium or a disabled child premium	90	84
People over 50 years of age who have been unemployed for a year or more	91	59

31. Respondents who identified themselves as being disabled were more likely to agree that the vulnerable groups identified in the survey should continue to receive hardship awards, compared to total survey respondents. This difference was most significant in their support for people over 50 years of age who have been unemployed for a year or more.

Responses by age

32. Of the total number of respondents to the survey, 11 identified themselves as aged 65+ years. People aged 65+ years were the most likely to agree to some extent (at 82%) that the Council should maintain the current CTRS for 2014/15.

33. Of the total number of respondents to the survey, 21 identified themselves as aged between 50-64 years. Those aged 50-64 years were the most likely to disagree (at 48%) with this statement.

34. Of the total number of respondents to the survey, 19 identified themselves as between the ages of 18-34 years. Just over half (58%) of these younger adults (18-34 years) agreed to some extent that the Council should maintain the current scheme, with almost a third (32%%) disagreeing.

35. The extent to which respondents (by age band) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% 18-34 yrs	% 35-49 yrs	% 50-64 yrs	% 65+ yrs	% total
Lone parents with children under 5 years old	58	70	67	70	64
People entitled to a disability premium or a disabled child	84	81	84	100	84

premium					
People over 50 years of age who have been unemployed for a year or more	37	74	65	55	59

36. Younger adults (aged 18-34 years) were less likely to agree that lone parents with children under 5 years, and people over 50 years of age who have been unemployed for a year or more should continue to receive hardship awards.

37. Older adults (aged 65+ years) were less likely to agree that people over 50 years of age who have been unemployed for a year or more should continue to receive hardship awards when compared to total survey respondents. However, all older adults (aged 65+ years) agreed to some extent that people entitled to a disability premium should continue to receive the hardship award.

Responses by gender

38. Of the total number of respondents to the survey, 35 identified themselves as being male. Of all male respondents, 24 (69%) agreed to some extent that the Council should maintain the current CTRS, whilst 9 (26%) disagreed to some extent.

39. Of the total number of respondents to the survey, 45 identified themselves as being female. Of all female respondents, 25 (56%) agreed to some extent that the Council should maintain the current CTRS, whilst 15 (33%) disagreed to some extent.

40. The extent to which male and female respondents agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% male	% female	% total
Lone parents with children under 5 years old	68	64	64
People entitled to a disability premium or a disabled child premium	80	86	84
People over 50 years of age who have been unemployed for a year or more	41	73	59

41. Female respondents were more likely to agree to some extent (at 73%) that hardship awards should be continued for people over 50 who have been unemployed for a year or more, than male respondents (at 41%).

Responses by ethnicity

42. Of the total number of respondents to the survey, 62 identified their ethnicity as White. Two-thirds (66%) of White respondents agreed to some extent that the Council should maintain the current CTRS. Less than one-third (29%) of White respondents disagreed to some extent.
43. Of the total number of respondents to the survey, 15 identified themselves as from other ethnic groups. Over half (53%) of these respondents agreed to some extent that the Council should maintain the current CTRS. Just over one quarter (27%) of these respondents disagreed with this statement to some extent.
44. The extent to which respondents (by ethnic groups) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% White	% Mixed	% Asian	% Black	% total
Lone parents with children under 5 years old	66	75	67	67	64
People entitled to a disability premium or a disabled child premium	85	75	67	100	84
People over 50 years of age who have been unemployed for a year or more	58	50	80	100	59

45. Respondents that identified themselves as being either Black, Black African, Black Caribbean, or Black British were more likely to agree that the Council should continue hardship awards for people entitled to a disability premium, or people over 50 years of age who have been unemployed for a year or more.

Responses by employment status

46. After full-time students (where there was just one respondent), respondents receiving state pension were the group most likely to agree that the Council should maintain the current CTRS, with 83% of these respondents agreeing to some extent.
47. Unpaid carers were the only respondent type (by employment status below), where a larger majority disagreed than agreed, that the Council should maintain the current CTRS for 2014/15.

Employment status (base)	% agree to some extent that the Council should maintain the current CTRS	% neither agree nor disagree that the Council should maintain the current CTRS	% disagree that the Council should maintain the current CTRS
Full-time employed (30)	67	7	27
Part-time employed (8)	50	0	50
Self-employed (8)	50	13	38
A person receiving state pension (12)	83	8	8
A person receiving state pension credit (3)	33	33	33
Full-time student (1)	100	0	0
Unemployed (12)	50	8	42
A paid carer for children or adults (0)	0	0	0
An unpaid carer for children or adults (5)	20	40	40

48. The extent to which respondents (by employment status) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Employment status (base)	% strongly agree / agree to continue hardship award for lone parents with children under 5 years	% strongly agree / agree to continue hardship award for people entitled to disability premium / disabled child premium	% strongly agree / agree to continue hardship award for people over 50 yrs of age who have been unemployed for a year or more
Full-time employed (30)	50	77	47
Part-time employed (8)	88	100	100
Self-employed (8)	75	75	50
A person receiving state pension (12)	73	100	58

A person receiving state pension credit (3)	33	67	67
Full-time student (1)	100	100	100
Unemployed (12)	75	100	92
A paid carer for children or adults (0)	0	0	0
An unpaid carer for children or adults (5)	50	75	80

49. Excluding the one full-time student respondent, those who were either unemployed or working part-time, were the most likely to agree that hardship awards should be continued by the Council across all three vulnerable groups. Those in full-time employment were the most likely to disagree.

Responses by relationship status

50. Of the total number of respondents to the survey, 38 identified their relationship status as single. Respondents whose relationship status was single were the most likely to agree to some extent (at 68%) that the current CTRS should be continued for 2014/15.

51. Of the total number of respondents to the survey, 23 identified their relationship status as either married or in a civil partnership. These respondents were the most likely to disagree with the statement (at 39%) that the current CTRS should be continued for 2014/15.

52. The extent to which respondents (by relationship status) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% single	% married / civil partnership	% living as a couple	% total
Lone parents with children under 5 years old	68	70	46	64
People entitled to a disability premium or a disabled child premium	79	91	79	84
People over 50 years of age who have been unemployed for a year or more	65	48	47	59

53. Respondents who identified themselves as either married or in a civil partnership were more likely to agree that the Council should continue to provide additional support to lone parents with children under 5yrs, and those receiving disability premiums.

54. Respondents who identified themselves as single were more likely to agree that the Council should continue to provide additional support to people over 50 years of age who have been unemployed for a year or more.

Responses by whether respondent was paying Council Tax

55. Of the total number of respondents to the survey, 70 identified themselves as Council Tax payers in Lewisham (i.e. over three-quarters of all respondents).

56. Three-fifths (60%) of those respondents who pay Council Tax agreed to some extent that the Council should maintain the current CTRS. Almost one-third of Council Tax payers (31%) disagreed to some extent with this statement.

57. The extent to which respondents (by their status as Council Tax payers) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% Council Tax payer	% total
Lone parents with children under 5 years old	61	64
People entitled to a disability premium or a disabled child premium	81	84
People over 50 years of age who have been unemployed for a year or more	56	59

58. Respondents who identified themselves as Council Tax payers in Lewisham were less likely to agree that all the vulnerable groups identified in the survey

should continue to receive hardship awards, compared to total survey respondents.

Responses by current receipt of Council Tax Reduction

59. Of the total number of respondents to the survey, 21 identified themselves as currently in receipt of Council Tax Reduction (i.e. just over one-fifth of all respondents).

60. Of those respondents currently receiving CTR, over half (57%) agreed to some extent that the Council should maintain the current CTRS. Over one-third (38%) of current CTR claimants disagreed to some extent with the statement.

61. The extent to which respondents (by their status as CTR claimants) agreed that certain vulnerable groups should continue to receive hardship awards to help them pay for their Council Tax is detailed below.

Strongly agree / agree that the Council should continue hardship awards for the following:	% CTR claimants	% total
Lone parents with children under 5 years old	79	64
People entitled to a disability premium or a disabled child premium	95	84
People over 50 years of age who have been unemployed for a year or more	90	59

62. CTR claimants were more likely to agree that the vulnerable groups identified in the survey should continue to receive hardship awards, compared to total survey respondents. This difference was most significant in their support for people over 50 years of age who have been unemployed for a year or more.