

| Mayor and Cabinet | | |
|--------------------------|--|----------------------|
| Title | Council Tax Reductions Review | |
| Key Decision | Yes | |
| Ward | All | |
| Contributor | Executive Director for Customer Services | Item No. |
| Class | Part 1 (open) | Date 6 December 2017 |

1. Summary

- 1.1 There are a range of statutory Council Tax reductions that are available to Council Tax payers in certain circumstances. In some cases the Council sets the amount of the reduction available. The Council also has the ability to offer discretionary discounts to individuals or groups but this is at the cost of all other Council Tax payers. The Council already uses this discretion to deal with financial hardship caused by the Council's approach to the Council Tax reduction scheme. The report recommends the introduction of a discretionary Council Tax discount of 100% for care leavers and a review to consider which other groups could be considered for support in future.
- 1.2 The local Council Tax reduction scheme has been in place since 1 April 2013. The report looks at what works well and what could be improved and makes recommendations which simplify the budgeting arrangements and introduce more stability to the amount passed on.

2. Purpose

- 2.1 To set out the possible discretionary reductions available for Council Tax for 2018/19 and to review the existing Council Tax Reduction scheme and make recommendations for improvements.

3. Recommendations

The Mayor is asked to:

- 3.1 offer a local discount of 100% (after the award of any other qualifying discounts / benefits) to Care Leavers up to the age of 25 from 1 April 2018.
- 3.2 agree to the research and development of a policy which considers others groups of Council Tax payers who could qualify for a discretionary Council Tax discount in future years.

3.3 continue with the current Council Tax reduction scheme but:

- simplify the budgeting arrangements by setting a fixed % for the scheme to be agreed by Council as part of the budget setting process and consider on an annual basis any savings it might want to make to the budget by changing the % alongside other savings being considered.

4. Policy Context

4.1 The overarching policy and decision making framework for the discharge of the Council's many functions and duties is contained in Lewisham's Sustainable Community Strategy (SCS). The Strategy contains two overarching principles which are:

- Reducing inequality – narrowing the gap in outcomes.
- Delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality services.

4.2 Also contained within the overarching policy framework are the Council's ten corporate priorities. These priorities describe the specific contribution that the Local Authority will make to the delivery of the SCS. The Council's 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 healthy citizens.
- Inspiring efficiency, effectiveness and equity.

5. Background

5.1 Council Tax forms part of the Council's funding alongside Business Rates and the Revenue Support Grant. This report looks at Council Tax and the range of ways that Council Tax payers can reduce their bills some of which are set in legislation (e.g. single person discounts) and some of which are discretionary (e.g. how much help someone receives when a property is empty). For those on a low income or no income there's also the local Council Tax reduction scheme.

5.2 The report sets out the different reductions available, our current decisions on the discretionary reductions, looks at what other local authorities offer in discretionary reductions, comments on the options and sets out the financial implications.

5.3 The report also reviews the Council's local Council Tax Reduction scheme, considers what is working well and what could be improved and makes recommendations.

6. Council Tax

6.1 In 2017/18 the Council will collect £127m from 125,000 Council Tax payers. The amount each Council Tax payer pays is based on the band their property is in and the amount the Council has set for the year.

6.2 There are a range of statutory reductions available that Council Tax payers can apply for and these are set out in appendix 1.

6.3 Section 13A(1)(c) of the 1992 Local Government Finance Act 1992 gives local authorities the power to support any household encountering exceptional financial hardship. The legislation allows the Council to reduce or write off the amount payable for an individual or group. The cost of the write off is borne by the remaining Council Tax payers or the Council budgeting for less Council Tax income.

6.4 In 2012 the Council was given the discretion to change the % of the charge for certain types of property (e.g. second homes) this is separate to the Council Tax Reduction Scheme. The types of property, the % charged and the reasons for it are set out in appendix 2. These are reviewed and agreed by Council each year in January ahead of setting the budget.

6.5 Since 1 April 2015 Section 13A(1)(c) of the 1992 Local Government Finance Act 1992 has been used to help those impacted by the introduction of the Council's local Council Tax Reduction Scheme. However, other councils use this legislation to support a number of other groups.

6.6 How have other London Borough's used Section 13A(1)(c) of the 1992 Local Government Finance Act 1992?

6.6.1 A survey of the 33 London Borough's was undertaken in April 2017 to understand what other London Boroughs were doing. There were 17 responses to the survey and of these 5 offered one or a combination of the following reductions for; care leavers, foster carers, older persons, adopters, those affected by sink holes and burst water mains. One authority was also considering a reduction for refugees and another currently offering nothing was considering one for care leavers.

6.6.2 The results of the survey are shown in appendix 3.

6.7 How could the Council use Section 13A(1)(c) of the 1992 Local Government Finance Act 1992?

6.7.1 The Council could choose to reduce or write off Council Tax for any groups or individuals it wanted to help. However, this would be at the cost of all other Council Tax payers or impact on the budget available to pay for services.

6.8 What are the advantages and disadvantages of using Section 13A(1)(c) of the 1992 Local Government Finance Act 1992?

6.8.1 Advantages:

- Helps support an individual or group.
- Could be used to encourage positive behaviour
- A safety net for individuals who are suffering exceptional financial hardship that existing local or national arrangements don't respond to.
- Can be used to respond to local circumstances.

6.8.2 Disadvantages:

- Cost is borne by other Council Tax payers or a reduced level of budget for service delivery.
- Benefits one individual or group at the cost of another either in higher Council Tax or reduced services.
- Increases administration complexity and cost of collection.
- Could result in an influx of claims from other groups or individuals who claim they have equal rights to a Section 13A reduction.

6.9 Could the Council offer a Council Tax discount to care leavers?

6.9.1 The Council can offer a reduction to any group or individual it wants to support so it could offer a discount to care leavers as others have and more are preparing to.

6.9.2 The recent Children's Society Report "Council Tax exemption for care leavers" highlighted that care leavers are a particularly vulnerable group when it comes to Council Tax and often the move to independent accommodation is the first time they begin to manage their own budget fully for the first time.

6.9.3 The recommendation from the Children's Society is that councils should exempt care leavers from paying Council Tax up to the age of 25. The Council as corporate parent is committed to improving the life chances of looked after children and care leavers and provides a range of support to children and young people leaving care. The exemption from paying Council Tax up to the age of 25 is seen as a further opportunity to provide financial support to care leavers transitioning from care into independent living.

6.9.4 At any one time the Council has approximately 75 care leavers with a tenancy agreement to occupy a property. Children's services are responsible for care leavers until they turn 18. At the age of 18 a Personal Adviser is appointed to support the young person until they turn 21, or 25 if they are still in education or training.

6.9.5 The following table illustrates the cost to the Council if a local discount was introduced from 1 April 2018. The following assumptions have been made:

- The care leaver is 18 years old

- The property is a band B
- The young person is already in receipt of a single person discount
- The discount will be paid until the age of 25
- The number of recipients is 75 in year 1

| Care Leavers Local Discount - Financial cost to the Council | | | | | |
|--|-------------------|----------|-------------|----------------------|---------------------|
| Financial year | Charge for period | Less SPD | Net balance | Local Discount Award | Annual Discount x75 |
| 2018/19 | £1,118.21 | £279.55 | £838.66 | £838.66 | £62,900 |

6.11 Conclusion

6.11.1 Some local authorities are using the legislation to help groups of Council Tax payers that it feels warrant additional support. In response to requests from the Children's Society and the Children and Young Peoples Directorate it is proposed that a discretionary discount should be awarded to care leavers which reduces their Council Tax bill to zero. The discretionary discount would operate from 1 April 2018.

6.11.2 It is for the Council to decide which group(s) it wants to support and how much support it wants to offer being aware that the cost of this is borne by the other Council Tax payers or a reduction in the budget available for service delivery. Therefore it is also recommended that a more detailed piece of research is conducted and policy developed for the Council on discretionary discounts which also takes into account the findings of the Lewisham Poverty Commission.

7. Council Tax Reduction Scheme

7.1 The local Council Tax Reduction scheme replaced the government's national Council Tax Benefit scheme in April 2013. As part of this the government identified what the Council was spending on the old scheme, cut it by 10% and gave the Council a grant. In 2014/15 the grant became part of the Revenue Support Grant. The legislation introduced in 2013 protects pensioners from these changes and they remain entitled to up to a 100% reduction in their Council Tax calculated on the basis of the old Council Tax Benefit scheme.

7.2 Following consultation the Council chose to pass on this government cut in funding to working age scheme recipients. The Council has consulted on this issue every year and has chosen to continue to pass on the government cuts in funding. The amount passed on each year is shown in the table below.

| Year | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-------------|---------|---------|---------|---------|---------|
| % passed on | 14.84% | 2.05% | 3% | 3% | 33% |

7.3 The low %'s passed on in 2014/15, 2015/16 and 2016/17 have been because the Council used an underspend of the Council Tax Reduction scheme budget in the previous year and the fact less people were claiming to help to limit the

impact of the government's budget cuts. There was no significant underspend to use in 2017/18 to limit the increase.

7.4 To date there have been no formal challenges to the Council's scheme and collection rates for the amounts passed on have been comparable with the overall collection rate. The increase in amount passed on in 2017/18 may change this although to date collection rates remain comparable with previous years.

7.5 What works well?

- ✓ Council Tax payers are paying the amount passed on.
- ✓ The administration is straight forward as the system calculates entitlement because it's based on the old Council Tax Benefit scheme.
- ✓ No major software changes were necessary
- ✓ The application process is easy to understand for claimants as it mirrors old Council Tax benefit and current Housing Benefit process
- ✓ Maintains a good balance when responding to needs as based on old Council Tax Benefit scheme which was refined and refined by governments since its introduction in 1993.

7.6 What does not work so well?

- × The % passed on to Council Tax payers has been volatile, going down and up, so is unpredictable for claimants making it harder for them to budget.
- × The budget setting process to determine how much should be passed on is very complex as it is based on assumptions on a range of estimates which has led to the volatility.
- × The complexity makes it difficult to model different scheme options.
- × Some claimants will probably not understand *'the Council is passing on government cuts in funding'* and now see this as the Council's actions.
- × In 2017/18 the perception is that passing on 33% is causing financial hardship. Whilst this will be addressed using Section 13A of the Local Government Finance Act 1992 the operation of any individually based hardship scheme is a significant administrative burden.
- × If the Council carries on passing on the government cuts in funding the amount passed on will continue to increase to the point where there is no funding left for the scheme and even those on low or no income will have to pay 100% of their Council Tax bill.
- × The scheme will need to be rethought when Universal Credit is live for all working age cases.

7.7 The Council has to review the scheme annually and currently also consults annually on it. The disadvantages listed above come mainly from linking the amount passed on to the government cuts in funding, which gets more tenuous each year, and the complexity of budgeting both for the Council and individuals. It may also be considered unrealistic to consider passing on more than the 33% which would be the case if the Council continued with the current approach.

7.8 The Council Tax Reduction scheme could be improved if the approach to budgeting was simplified and the amount passed on more consistent. However, the Council would need to consider the cost of this when setting its overall budget.

7.9 For these reasons it is recommended that the Mayor:

7.9.1 Continues with the current Council Tax reduction scheme but removes the volatility of the amount passed on by setting a fixed % and annually review the cost of the % as part of the budget setting process.

8. Financial Implications

8.1 This report proposes two changes with financial implications – 1) exempting care leavers from Council Tax in the early years; and 2) amending the Council Tax Reduction Scheme.

8.2 In respect of the Care Leavers exemption the annual cost is estimated at £63k. This represents General Fund revenue forgone which will have to be met through reductions in expenditure in other areas of activity. In the short term at least, it cannot be met by increasing the Council Tax of others paying as the Council's Medium Term Financial strategy already assumes the maximum levels of increase (1.99% annually) without triggering the need for a referendum.

8.3 The same financial considerations would apply in respect of any other exemptions in terms of the how the costs could be met.

8.4 In respect of the Council Tax Reduction Scheme the proposed changes to set a fixed percentage that eligible tax payers (to be agreed as part of the budget setting process) puts the risk of budget variations onto the Collection Fund in the first instance, rather than the big swings seen for the Council Tax payer.

8.5 This is not significantly different to the current arrangements with the same variables being assessed (e.g. number of those eligible, collection rate, and budget available) but will make the scheme much simpler and more stable for Council Tax payers. If there is a need to change these assumptions over time it will be managed through the financial monitoring and savings part of the budget build up process. Returning to Council to agree when setting the annual budget.

8.6 Should the % level of Council Tax Reduction be set at a level below the current budget used to fund the scheme this will create a deficit in the collection fund reducing the available revenue to the General Fund and a matching reduction in expenditure to balance the budget.

9. Legal Implications

9.1 Section 13A(1)(c) of the Local Government Finance Act 1992 provides that the Council may reduce the amount of council tax which a person is liable to

pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13) to such extent as the billing authority for the area in which the dwelling is situated thinks fit (i.e. discretionary discounts).

- 9.2 Discretionary discounts recognise that an Authority's Local Council Tax Reduction Scheme does not always meet the household's full Council Tax liability. The Council has the right to choose whether to use its powers on a case-by-case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar.
- 9.2 Paragraph 19A of Schedule 2 to the Children Act 1989 ('the 1989 Act') provides that it is the duty of the local authority looking after a child to advise, assist and befriend him/her with a view to promoting his welfare when they have ceased to look after him. Paragraph 19B(4)(b) of Schedule 2 to the 1989 Act provides that the local authority shall carry out an assessment of his needs with a view to determining what advice, assistance and support it would be appropriate for them to provide him/her under this Act after they cease to look after him and shall then prepare a pathway plan for him/her. This pathway plan is to be kept under review as per paragraph 19B(5) of Schedule 2.
- 9.3 Section 23C(4) of the Children Act 1989 ('the 1989 Act') provides that it is also the duty of the local authority to give a former relevant child other assistance, to the extent that his/her welfare requires it and pursuant to section 23C(5) this may be in kind or, in exceptional circumstances, in cash. This duty continues until the former relevant child reaches the age of twenty-one as provided by section 23C(7). However, pursuant to section 3 of the Children and Social Work Act 2017, a section 23CZB is to be inserted into the 1989 Act. This has not yet come into force but will apply where the former relevant child has reached the age of 21 but not the age of 25, and a local authority in England had duties towards him or her under section 23C and extends the requirement for support between those ages where the former relevant child requests it.
- 9.4 The Council therefore has a duty to provide advice and assistance for care leavers under twenty-one years of age but that this is likely to be extended to the age of twenty-five. Therefore as the provision of a discount is discretionary, the Council has the power to agree to the discretionary discount.
- 9.5 The Mayor and Cabinet can agree to this discretionary discount provided that this is not contrary to the Budget.

10. Crime and Disorder Implications

- 10.1 There are no specific crime and disorder implications directly arising from this report.

11. Equalities Implications

- 11.1 In its consideration of this Report and its recommendations, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty).
- 11.2 An Equalities Analysis Assessment (EAA) was initially completed in July 2012 prior to the commencement of the Council Tax Reduction Scheme. A new EAA for the introduction of a local discount for care leavers has been completed (appendix 4). The proposed introduction of a local discount for care leavers will have a positive impact for young people and no-one will be adversely affected.

12. Environmental Implications

- 12.1 There are no specific environmental implications directly arising from this report.

13. Report author and background documents

- 13.1 For more information on this report please contact Ralph Wilkinson, Head of Public Services, on 020 8314 6040.
- 13.2 There are no background documents.

Council Tax Statutory Reductions 2017-18

If you live on your own, you can apply for a 25% discount off your council tax bill. Even if you share your home, you may still be entitled to a discount of either 25% or 50% if you, or those you share with, are not counted towards paying council tax. These people are known as being disregarded and include:

- full time students and student nurses
- apprentices
- anyone who is 18 or 19 and still at school or is in full time further education
- anyone with a severe mental illness (SMI)
- carers
- prisoners
- anyone who is in a residential care home or nursing home
- members of religious communities
- members of visiting forces
- anyone who is in a hostel or shelter
- diplomats, members of international headquarter, etc.
- foreign language assistants

Statutory Property Reductions

Class B – an unfurnished property owned by a charity for a period of six months since it was last occupied (as long as the property was last occupied by members of the charity). After the six months have expired no further discount is available.

Class D– a property that is empty because the previous occupant is in prison or has been detained under the Mental Health Act. The exemption lasts for as long as the person is detained.

Class E – a property that is empty because the previous occupant has now moved permanently to either a hospital, a residential care home or a nursing home.

Class F – a property that is empty because the sole occupier has died. If probate is required the exemption will last until probate or letters of administration are granted and, for a further six months after that date. If probate is not required, the exemption will last for six months from the date of death. Once the initial exemption expires, a further 100% discount for a maximum of 4 weeks may be granted if the property remains unfurnished. If the property is furnished no further reduction can be awarded.

Class G – a property that is empty because occupation is prohibited by the law. This exemption lasts for as long as occupation is prohibited. As of 1 April 2007, this exemption also applies if a planning condition prevents occupancy.

Class H – a property that is empty awaiting occupation by ministers of religion. This exemption lasts for as long as the property remains empty.

Class I – a property that has been left empty because the resident is living elsewhere in order to receive personal care (but not in a hospital, nursing home etc). This exemption lasts for as long as the property remains empty.

Class J – a property that has been left empty because the resident is living elsewhere in order to provide personal care. This exemption lasts for as long as the property remains empty.

Class K – a property that has been left empty because the resident(s) are living elsewhere as full time students. This exemption lasts for as long as the property remains empty.

Class L – an empty property that has been repossessed by a mortgagee such as a bank or building society. The exemption lasts until the property is sold.

Class M – properties that are university or college halls of residence or hostels owned by charitable bodies used solely for student accommodation. This exemption is indefinite.

Class N – a property that is occupied only by full time students as their term-time address. This exemption lasts as long as all the occupants remain full time students.

Class O – barracks, messes and married quarters used by the armed forces. This exemption is indefinite and is granted whether the property is occupied or not.

Class P – a property occupied by members of visiting forces. This exemption is indefinite.

Class Q – an empty property where the liable person is a trustee in bankruptcy. This exemption is indefinite.

Class R – a pitch not occupied by a caravan or a mooring not occupied by a boat. This exemption is indefinite.

Class S – a property occupied solely by a person or persons aged under 18. This exemption lasts until the occupant becomes 18. As people under the age of 18 can't be held liable for council tax, the owner, landlord or guardian will be made liable but given the exemption.

Class T – unoccupied annexes which cannot be occupied without a breach of planning control. This exemption is indefinite.

Class U – a property occupied only by the severely mentally impaired. This exemption remains as long as all of the occupants are severely mentally impaired.

Class V – the main residence of a diplomat or persons working for certain international organisations. This exemption is indefinite.

Class W – an annex occupied by a dependant relative who is aged 65 or over or who is severely disabled. This exemption is indefinite.

From 1 April 2014, annexes occupied by relatives aged under 65 or those who aren't severely disabled may qualify for a 50% discount.

People with disabilities

If a property has been adapted or has special facilities because someone who lives there is physically disabled, the occupant may be charged at a lower valuation band.

Qualifying criteria:

- added an extra bathroom or kitchen for the disabled person to use or
- adapted the property to allow enough room for a wheelchair to be used inside at all times
- have a room that is mainly used to meet the needs of the disabled person.

The band reduction will only remain in place for as long as the disabled person occupies the property as their main residence. Please contact us for further information.

Empty property

The Council has a duty to reduce the number of properties left unoccupied and encourage owners to bring housing stock back into use. Please refer to the next section for more details.

Discretionary Property reductions

The Council has the power and local discretion to grant and vary discounts for different types of properties under Section 11a of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2003 and the Local Government Finance Act 2012. The local discretion to grant and vary discounts enables local authorities to create greater financial incentives for owners of empty properties to bring them back into use, either for owner occupation or letting.

Below are the discretionary discounts agreed by the Mayor and Cabinet in December 2017 for the financial year 2017/18.

Second Homes – Currently, local authorities have discretion to offer a discount of between 0% and 50% to owners of second homes. The Council currently offers a 0% discount.

Empty Property Class A exemptions – Currently, a discount can be awarded between 0% to 100% at the Council's discretion where the property is undergoing structural alteration or major repairs. The Council currently offers a 0% discount.

Empty Properties Class C exemptions – Currently, 100% discount is awarded for four weeks to substantially empty and unfurnished properties. After four weeks, the discount ceases and the full charge is applicable. The Council is keen to encourage reoccupation of void properties as soon as possible. However, in many cases properties can be empty for a short period during a changeover, especially where the property is let. Amounts due for these short periods are more difficult to collect. For these reasons, the Council offers a 100% discount for four weeks followed by a 0% discount.

Long Term Empty Properties empty homes premium – Section 11 of the Local Government Finance Act 2012 removed the discount for long term empty properties and introduced discretion to charge up to 50% premium on this category of properties, to encourage the owners of empty properties to bring them back into use. Currently, the Council charges an 'empty homes premium' of 50% where a property has been empty for two years or more. Therefore, the council tax bills are 50% more than where the property is occupied and no single person discount is applicable.

Section 13A survey of London Boroughs

Of the 33 London Borough's surveyed in April 2017 to ascertain what local discounts other London Boroughs were offering or, considering 16 responses were received as detailed below.

| Local Authority | Response | Percentage awarded |
|------------------------|--|--|
| Barnet | No | N/A |
| Brent | No | N/A |
| Camden | Fosters carers and family and friends carers. Refugees and care leavers have been requested recently but no decision made as yet. | 100% after the award of CTRS and any other discounts |
| City of London | No | N/A |
| Ealing | No | N/A |
| Enfield | No | N/A |
| Greenwich | For those affected by a sink hole. For those affected by a burst water mains. | Flat rate of £100 per month off of instalment until disruption ceased – remained in occupation in property. 100% awarded after any other discounts/ reductions, up to a maximum of 6 months after the date they vacated the property. |
| Hackney | No | N/A |
| Haringey | No | N/A |
| Islington | Care Leavers Relief - those leaving care have their council tax brought to nil once all other reliefs have been awarded. Older Persons Discount | 100% after the award of CTRS and any other discounts. Those aged over 65 by 1 st April receive £100 off their council tax bill. |

| | | |
|--|--|--|
| Kingston | No | N/A |
| Newham | No | N/A |
| Redbridge | No | N/A |
| Southwark | Foster carers and adopters. | 100% after the award of CTRS and any other discounts |
| Waltham Forest | Foster Carers. | 33%-66% depending of the type of placement accepted y the Foster Carer For out of borough placements a retainer of £498 is paid to the Foster Carer |
| Westminster | No | N/A |
| <u>In the pipe line...</u> Bexley | There is some discussion about whether support should be given to Care Leavers | |

Equalities Analysis Assessment – Local Discounts

| | |
|---|---|
| Name of proposal | Discretionary reduction for Care Leavers |
| Lead officer | Ralph Wilkinson |
| Other stakeholders | Council Tax List all stakeholders involved. |
| Start date of Equality Analysis | June 2017 |
| End date of Equality Analysis | August 2017 |
| Reason for undertaking an Equality Analysis | |
| To introduce discretionary reductions for Care Leavers | |
| What are the changes to your service | |
| <p>1. To offer a local discount to Care Leavers.</p> <p>Section 13A(1)(c) of the 1992 Local Government Finance Act 1992 gives local authorities power to provide support to any households encountering exceptional financial hardship. The legislation allows the Council to 'write off' Council Tax for an individual or a group of individuals with matching circumstances. The cost of the write off is borne by the remaining Council Tax payers or, the Council budgeting for less Council Tax income which could impact council services.</p> <p>The group under consideration is <u>Care Leavers</u>. At any one time the Council has up to 75 care leavers with a tenancy agreement to occupy a property. Children's services are responsible for care leavers until they turn 18. At the age of 18 a Personal Adviser is appointed to support the young person until they turn 21, or 25 if they are still in education or training.</p> <p>Care leavers council tax liability will be discharged by way of a 25% single persons discount with the remaining 75% awarded as a local discount.</p> <p>2. Continue with the current Council Tax reduction scheme but:</p> <ul style="list-style-type: none"> • Simplify the budgeting arrangements by setting aside a fixed amount (to be agreed by Council as part of the budget setting process) for the scheme from now on and consider on an annual basis any savings it might want to make to the fixed budget alongside other savings being considered. • Consult during 2017/18 on continuing with the current scheme and not consult in future years unless there are substantial changes to the way it operates. <p>The local Council Tax Reduction scheme replaced the government's national Council Tax Benefit scheme in April 2013. As part of this the government identified what the Council was spending on the old scheme, cut it by 10% and gave the Council a grant. In 2014/15 the grant became part of the Revenue Support Grant. The legislation introduced in 2013 protects pensioners from these changes and they remain entitled to up to a 100% reduction in their Council Tax calculated on the basis of the old Council Tax Benefit scheme.</p> <p>Following consultation the Council chose to pass on this government cut in funding to working age scheme recipients. The Council has consulted on this issue every year and has chosen to continue to pass on the government cuts in funding.</p> <p>In 2014/15, 2015/16 and 2016/17 low %'s were passed on to those of working age because the Council used an underspend of the Council Tax Reduction scheme budget in the previous year and</p> | |

the fact less people were claiming to help to limit the impact of the government's budget cuts to supplement the contribution. However, in 2017/18 there was no major underspend to use to limit the increase therefore, the contribution for working age increased from 3% in 2016/17 to 33% in 2017/18.

The Council has to review the scheme annually and currently also consults annually on the amount it passes on. The Council Tax Reduction scheme could be improved if the approach to budgeting was simplified and the amount passed on more consistent. However, the Council would need to consider the cost of this when setting its overall budget. For these reasons it is recommended that the Mayor Continues with the current Council Tax reduction scheme but;

- Simplifies the budgeting arrangements by setting aside a fixed amount (to be agreed by Council as part of the budget setting process) for the scheme from now on and considers on an annual basis any savings it might want to make to the fixed budget alongside other savings being considered.
- Consults in 17/18 on continuing with the current scheme and not consulting further on it unless there are substantial changes to the way it operates

In making these proposals consideration has been given to the impact on specific groups protected under the Equalities Act 2010, the Act provides specific protection to the following:

Age
 Disability
 Gender reassignment
 Pregnancy and maternity
 Race
 Religion or belief
 Sex
 Sexual orientation
 Marriage and civil partnership

Data and research

At any one time the Council has up to 75 care leavers with a tenancy agreement to occupy a property. Children's services are responsible for care leavers until they turn 18. At the age of 18 a Personal Adviser is appointed to support the young person until they turn 21, or 25 if they are still in education or training.

**Client Data – total number of care leavers as @
 22/05/17**

| ETHNICITY | |
|-------------------------|----|
| ASIAN & WHITE | 9 |
| ASIAN OTHER | 11 |
| BANGLADESHI | 2 |
| BLACK AFRICAN | 80 |
| BLACK AFRICAN & WHITE | 9 |
| BLACK CARIBBEAN | 88 |
| BLACK CARIBBEAN & WHITE | 16 |
| BLACK OTHER | 19 |
| CHINESE | 1 |
| INDIAN | 2 |
| MIXED RACE OTHER | 22 |
| OTHER ETHNIC GROUP | 18 |
| PAKISTANI | 1 |

| | |
|---------------|------------|
| VIETNAMESE | 13 |
| WHITE BRITISH | 56 |
| WHITE OTHER | 51 |
| TOTAL | 398 |

| | |
|---------------|-----|
| GENDER | |
| FEMALE | 189 |
| MALE | 208 |
| Not specified | 1 |

| | |
|-----------------|-----|
| DISABLED | |
| NO | 250 |
| YES | 18 |

Consultation information

The CTRS consultation scheduled during 2017/18 will ask whether the council should continue with the Current scheme and cease future consultations about the scheme unless there are substantial changes to the way it operates. The consultation results will be reported to the M&C when the 2018/19 Council Tax Reduction Scheme report is produced. The introduction of a local discount for care leavers is aimed at helping young people and extending the support they require. Care leavers will not be adversely affected by the award therefore a consultation was not undertaken. Those who are likely to be entitled will be identified and will be sent an application form, the council's web site will also be updated to advise of the reduction available.

Impact Assessment

Local discount for Care Leavers

A survey of the 33 London Borough's was undertaken in April 2017 to understand what other London Boroughs were doing. There were 17 responses to the survey and of these 5 offered a reduction for care leavers, foster carers, older persons, adopters and those affected by sink holes and burst water mains. One authority was also considering a reduction for refugees and another currently offering nothing was considering one for care leavers.

The negative impact of this proposal are:

- The cost is borne by other Council Tax payers or a reduced level of budget for service delivery.
- It benefits an individual or group of individuals to the detriment of others either in higher Council Tax or reduced services.
- Increase administration complexity and cost of collection.
- It could result in an influx of claims from other groups or individuals who claim they have equal rights under Section 13A.

However, in relation to the positive impact, it will specifically assist the advancement of opportunity for care leavers who have historically been disadvantaged, by alleviating the added financial pressure of council tax payments at the commencement of their tenancy allowing the young person to focus on their education/work and the transition to independent living.

Decision/ Result

The introduction of a local discount for care leavers will have a positive impact for young people. The proposed changes to the CTRS will simplify the budgetary process and provide a platform for calculating a more consistent amount to be passed on annually.

Sign Off

(Date that your Equality Analysis was signed of by your DMT)