

MAYOR AND CABINET			
Report Title	The Local Council Tax Reduction Scheme for Lewisham		
Ward	All	Item No.	
Contributors	Executive Director for Customer Services and Head of Public Services		
Class	Open	Date	5 December 2012

REASON FOR LATENESS & URGENCY

This report was delayed and not included in the original dispatch for Mayor & Cabinet because the legislation is still not out for the Council Tax Reduction scheme and up to this week officers were still attending seminars to understand the full implications of the changes. It was only after this that the report could be completed.

This report must be considered at the Mayor & Cabinet meeting on 5 December 2012. The reason for urgency is that this report must go through the full Mayor and Cabinet and scrutiny process prior to going to Council on 23 January 2013. Any delay on the report to Council will mean the Council has to operate the default Council Tax reduction scheme and find a further £2.8m.

1. Purpose

- 1.1 To brief Mayor and Cabinet on the abolition of Council Tax Benefit (CTB) and its replacement with a local Council Tax Reduction Scheme (CTRS). To agree the CTRS for Lewisham.

2. Executive Summary

- 2.1 The Government is replacing CTB with the CTRS on 1 April 2013. Pensioners will be protected by a national scheme and receive the same amount of help as they do now. However, it is for local authorities to define the local CTRS for those of working age.
- 2.2 The CTRS will be funded by a fixed grant based on current expenditure but it will be reduced by 10% nationally to help deal with the Government deficit. The cut in grant for Lewisham claimants is £3.67m, of which the cost borne by the Council would be £2.84m and £0.83m would be borne by the GLA.
- 2.3 The Council consulted on a draft scheme which passes on the cut to all working-age claimants and the majority of respondents agreed that everyone should pay some Council Tax. Most respondents also agreed that the most vulnerable residents of the borough should receive additional support to be funded by changes to the discounts and exemptions applied to empty and second homes. The report recommends a CTRS that passes on the Government cut in grant.
- 2.4 Additional Government funding of £100m in the form of a Transition Grant has been announced to enable Local Authorities to develop CTRSs that maintain work-

incentives and prevent low income households from facing an extensive increase in their Council Tax liability in 2013-14. The report recommends that the Council does not apply for the Transition Grant because of the financial implications.

3. Policy Context

- 3.1 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; to regulate access to public services and to provide social protection for those that might otherwise be put at risk.
- 3.2 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.
- 3.3 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
 - delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality local services
- 3.4 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. Recommendations

It is recommended that the Mayor agrees to:

- 4.1 Note the outcomes of the consultation and the Equalities Analysis Assessment under appendix 3 and appendix 4 respectively.
- 4.2 Introduce a local CTRS from 1 April 2013 that passes on the cut in full as set out in sections (10) of this report.

- 4.3 Introduce a hardship scheme for the purposes of awarding additional support to individuals facing extreme hardship which meets the broad policy objectives as detailed within section (12).
- 4.4 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.
- 4.5 Not apply for a share of the £100m transitional grant as detailed in section (11) of this report.

5. Background

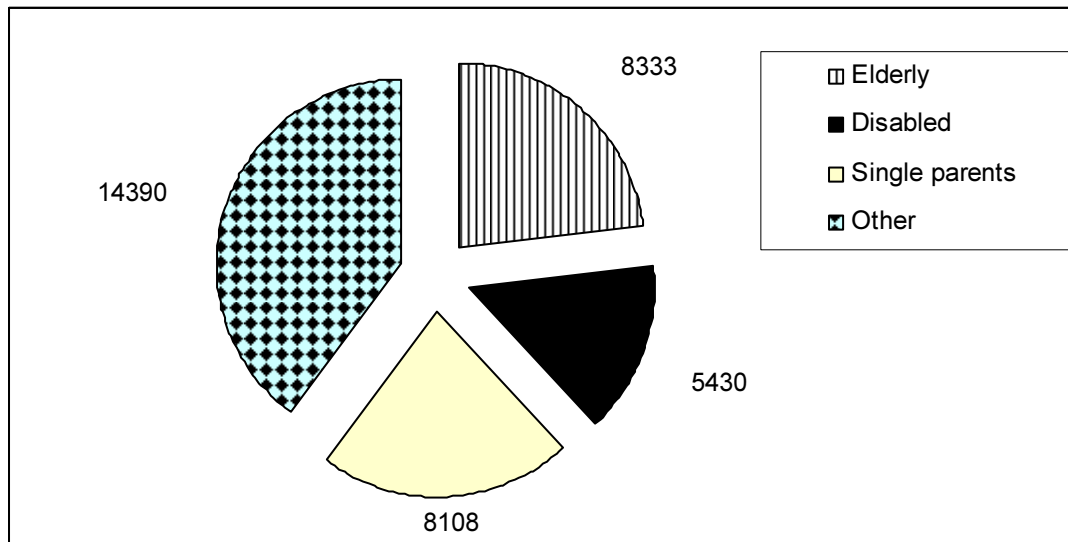
- 5.1 CTB is a means tested benefit administered by the Council on behalf of the Department for Work and Pensions (DWP). The DWP give the Council subsidy to cover the full cost of the scheme plus a grant to cover the administration costs.
- 5.2 As part of the 2010 spending review the Government announced it wanted to localise CTB with a 10% reduction in expenditure. In July 2011 the Government issued a consultation paper 'Localising Support for Council Tax in England'. The Council responded to the consultation document and raised concerns on the financial impact, the risks and the timing.
- 5.3 On the 16 December 2011 the DCLG published its response to the outcome of the consultation on their proposals. The Government is going ahead with the reforms and on 1 April 2013 CTB will be replaced by CTRS.
- 5.4 The report presented to Mayor and Cabinet on 11 July 2012 recommended that consultation be conducted to assist with the development of a CTRS that operates within the Government grant. This consultation took place between August and October 2012.
- 5.5 This report sets out the Government's policy objectives, the key components of the CTRS, the requirements on the Council, the options for consideration, the consultation outcomes, the timetable for implementation and recommends the CTRS that should be adopted by the Council.

6. The Government's policy objectives

- 6.1 The Government wants to give local authorities a greater stake in the economic future of their local area and support their wider agenda of enabling stronger, balanced economic growth across the country.
- 6.2 There will be no change for pensioners who will not be worse off and the Government will be prescriptive on this part of the scheme. The proposals set out that local authorities should also ensure support for other vulnerable groups but these are not prescribed.
- 6.3 The Government want to provide incentives to work. In particular the Government want to avoid disincentives to move into work that can exist within the present scheme.
- 6.4 The impact of the Government's policy objectives on those of working age currently in receipt of CTB and the Council is significant. Claimants of working age will receive less support and the Council will be exposed to substantial financial risks. These issues are explained in more detail elsewhere in this report.

7. Council Tax Benefit – in Lewisham

- 7.1 CTB is available to people on low income to help them pay some or all of their Council Tax bill. In 2012/13 there are 36,261 Council Tax payers in receipt of CTB. The projected spend in 2012/13 is £28.641m. The chart below shows a breakdown of different claimants.



8. CTRS – the requirements

8.1 The following are the main requirements of the CTRS:

- Local authorities will be responsible for devising their own local CTRS to assist working age claimants with their Council Tax.
- The CTRS for pensioners will be a national scheme, very similar to the CTB scheme, which will protect them from any reduction in support as a result of the new scheme and the cut of 10% in grant.
- Local authorities will be paid a grant towards the cost of their CTRS rather than the 100% reimbursement of CTB at present. The grant will be based on 90% of the previous year's spend on CTB. Local Authorities can devise a local scheme which reduces expenditure to the level of the grant or decide to fund the 10% reduction in grant from other sources.
- Local Authorities have a duty to protect vulnerable people.
- Local Authorities have a duty to ensure their scheme provides incentives to work.
- Local Authorities must consult on their proposed CTRS.
- Local Authorities must adopt a CTRS before 31 January 2013. If a Local Authority doesn't, a default scheme will be imposed. The default scheme would maintain a CTRS at existing levels of award and the Council would have to make-up the £2.84m shortfall.
- Local Authorities will be allowed to collaborate with one another and share financial risks if they choose to.
- Local Authorities will be required each year to consider whether it wishes to revise or replace its scheme.

9. Consultation

- 9.1 Our approach to consultation was to engage with those currently in receipt of CTB as well as those who are not and that all those with an interest in this matter were able to express their opinions.
- 9.2 Government guidance specifically provides that in designing their local schemes local authorities must consider the needs of the 'vulnerable'. The Government refers specifically (but not exclusively) to pensioners; the homeless; children at risk of harm; the disabled and carers as examples of vulnerable people.
- 9.3 The consultation involved four parts as follows:
- A questionnaire – available in both online and hard copy formats in public offices;
 - The questionnaire was also sent out to 4,000 households, half to those in receipt of CTB and the remainder to those not in receipt of CTB;
 - A public event - open to representatives of residents in the borough including Citizens Advice Bureau and Voluntary Action Lewisham;
 - Targeted meetings with the voluntary and community sector and representatives of the hardest to reach.
- 9.4 As part of this process, a publicity campaign was undertaken to promote awareness of the consultation and to increase local participation.
- 9.5 The consultation sought to clarify whether or not:
- (a) everyone should pay some Council Tax,
 - (b) the Council should abolish the second adult rebate,
 - (c) whether additional help should be given to some vulnerable individuals or groups and if so to indicate which of the following three options for funding this they preferred;
- Increasing everyone's Council Tax bill or
 - Reducing the amount of support other CTRS claimants receive or
 - Increasing Council Tax income from second homes and some empty homes.
- 9.6 Responses to the consultation have been received from individuals, groups and representatives and we have ensured when considering the outcomes that the findings have been appropriately "weighted" and are correctly representative.
- 9.7 The results and a full analysis of the consultation can be viewed at appendix 3.
- 9.8 The headlines from the consultation were as follows;
- There were 761 responses of which just under half (47.5%) are currently receiving CTB Tax in Lewisham.
 - More than half (56.1%) of all respondents supported the proposal that everyone should pay some Council Tax.

- Only four in ten CTB claimants supported this proposal compared to six in ten who were not in receipt of benefit. Sentiments expressed by various equality subgroups were equally mixed with over four in ten lone parents and eight in ten over 65's supporting the proposal.
- Only 29.6% of respondents felt that second Adult Rebate 2AR should be retained under the new scheme.
- Seven out of ten respondents supported the provision of extra support for vulnerable people and three quarters felt this should be funded through additional income from second homes and some empty properties.

9.9 The Council received 761 completed responses which compares favourably to the average across London which was 796.

9.10 In conclusion, the consultation respondents agreed with the proposals that everyone should pay some Council Tax, that Second Adult Rebate should be abolished and that the most vulnerable should receive additional support funded by income generated from some empty properties and second homes.

10. Proposed Council Tax Reduction Scheme

10.1 The proposed CTRS for Lewisham has been established with due regard to the Council's statutory obligations, consultation responses and in order to attempt to distribute the reduced funding available amongst those claimants most in need of financial assistance, while still achieving the necessary financial savings to meet the funding deficit.

10.2 It should be noted that the DCLG's timetable for finalising the CTRS regulations extends to the end of February 2013 and therefore the Council's final scheme may be subject to further change.

10.3 The Council proposes to follow the DCLG Prescribed Scheme for those who have reached pensionable age, ensuring that they are protected from the effects of the funding reduction and continue to receive assistance with their Council Tax liability as now.

10.4 It is intended that the working-age scheme will be based on the existing CTB regulations but subject to a reduction in the level of Council Tax liability used in the calculation. It is also proposed to remove the provision for Second Adult Rebate from Lewisham's final scheme.

10.5 The outline principles for the Lewisham CTRS are:

- All working age customers will have to make some payment towards their Council Tax.
- A customer's CTB will end when the CTRS commences on 1 April 2013.
- Existing CTB recipients will automatically be transferred across on 1 April 2013 and assessed for entitlement to a Council Tax Reduction (CTR).

- Any outstanding claims for CTB will be calculated under the CTRS and CTB scheme as appropriate after 1 April 2013.
- The scheme will be reviewed annually subject to consultation.
- Non-dependant deductions, earned and unearned income disregards will remain the same as set out in the CTB regulations.
- The maximum amount of capital that a claimant may hold before becoming ineligible for a CTR will remain at £16,000 as under the current regulations.
- Capital under £6,000 will be disregarded and a tariff income applied to capital between £6,000 and £16,000 as now.
- Consideration will be given as to how to determine income from benefits established under the Welfare Reform Act 2012.
- The maximum period of backdating will be six months as in the existing regulations.

10.6 Other requirements:

- New CTRS customers will be required to complete an application for CTRS from 1 April 2013. New claims for Housing Benefit will be treated as a claim for CTRS where the claimant has a liability to pay Council Tax within the borough.
- Statutory regulations expected in January 2013 will define the transition arrangements for claimants moving from the CTB to the CTR Scheme and for retrospective CTB claims received after 1 April 2013.
- Any award of or adjustment to the CTR will be confirmed in the Council Tax bill. A notification letter detailing the calculation of the award or non-award will also be issued.
- Any overpayments will be recovered through the Council Tax account.
- There will be an appeals process and regulations will be released at the end of February 2013.
- There may be annual uprating in line with consumer price index.
- The CTRS will have parameters set out for the financial year beginning 1 April 2013.

10.7 The Government proposals require local authorities to protect the elderly at current award levels and to both consider the needs of the 'vulnerable' and incentivise work. The Council's CTRS addresses this by maintaining the additional premiums and income disregards that exist within the current scheme.

10.8 Work Incentives - It is intended that Lewisham will incentivise work through the use of earned income disregards as follows:

Category of claimant	Weekly Earned Income Disregard
Single	£5.00
Couple	£10.00
Disabled individual or carer	£20.00
Lone Parent	£25.00
Single claimant or couple receiving Contribution Based Employment and Support Allowance, Incapacity Benefit or Severe Disablement Allowance doing permitted work	£97.50

- 10.8.1 An additional £17.50 per week earnings disregard can be applied if the applicant or their partner works more than 30 hours a week subject to certain conditions.
- 10.8.2 Where an applicant pays child care costs in order to achieve employment, an additional weekly disregard of up to £175.00 for one child or £300.00 for two or more children will apply (subject to the circumstances of the applicant and age of the child/children).
- 10.8.3 Customers who have been out of work and receiving an appropriate benefit for 26 weeks will receive an extended payment of CTR for the first four weeks of their new employment. This will maintain the level of support at the same rate as when they were unemployed to make the transition into work easier.
- 10.9 Child Poverty - It is intended that Child Benefit and Guardian's Allowance will be disregarded in full as income in the calculation of the CTR. Where claimants have responsibility for children there will be provision for dependants' allowances and a family premium within the applicable amount calculation. This acknowledges the additional costs associated with raising a family.
- 10.10 Armed Forces - It is proposed to continue the full disregard of War Widow's / Widower's Pensions, War Disablement Pensions or Guaranteed Income Payments from the Armed Forces/Reserve Forces Compensation Fund in the calculation of CTRS awards.
- 10.11 Disabled Applicants - Payments of Disability Living Allowance (or its replacement Personal Independence Payments) and Attendance Allowance will be fully disregarded. Receipt of these benefits will allow access to additional premiums within the applicable amount calculation.
- 10.12 There will be no non-dependant deduction where the claimant or their partner receives Disability Living Allowance (care component) or Attendance Allowance or where the claimant or their partner is registered blind.
- 10.13 The impact of this scheme and some case studies are shown in appendix 2.
- 10.14 Capita, who provide the Council's current CTB processing system, will only be able to deliver limited modifications to the software by April 2013. However, they confirm the system will deliver the proposed scheme.

11. Transition Grant

- 11.1 On the 18 October 2012 the DCLG issued details of an additional £100m they were making available to support local authorities to develop well designed CTRSs that maintain positive incentives to work.
- 11.2 Local authorities will have to apply for the transition grant before 15 February 2013 and, if all the qualifying criteria have been met, the grant will be paid in March 2013. The additional grant is available for one year only. The Lewisham share of the £100m would be £687K (Council share exc. GLA £531K).
- 11.3 The criteria on which the transition grant will be awarded are:
- Those who are currently in receipt of 100% support under the current CTB scheme will pay between zero and no more than 8.5% of their net Council Tax liability under the new CTRS;
 - The taper rate does not increase above 25%;
 - There is no sharp reduction in support for those entering work
- 11.4 In addition local authorities are not expected to impose large additional increases in non-dependant deductions although this is not one of the scheme eligibility criteria.
- 11.5 The ministerial statement issued just before the DCLG detail also suggested that *'Councils will rightly want to avoid collecting small payments, and it may consequently be better value for money for councils to avoid designing schemes which seek to do so'*.
- 11.6 In order to qualify for the transition grant the Council would have to limit the amount of the cut passed on to claimants. The cost of limiting the amount passed on is only partially covered by the Transition Grant which means there will be a cost to the Council if it decides to apply for the Grant. This is set out below.
- 11.7 The scheme set out in section (10) which passes on the cut in CTRS funding in full would not comply with the requirements of the transition grant scheme and the Council would not qualify for the additional funding

To qualify for the transition grant the Council will either have to:

- Cap all cases at 8.5% liability which would mean that Lewisham (the Council) would have to contribute £1.089m (£0.841m) or
 - Absorb the loss of CTRS funding in full which mean Lewisham (the Council) would have to contribute £2.990m (£2.312m).
- 11.8 The recommendation in section (4.5) is not to apply for the Transition Grant; details of this are included in financial implications, section (16)

12. Hardship Fund

- 12.1 The outcome of the consultation process suggested the Council should use additional income from increasing the Council Tax charge on some empty properties to help more vulnerable cases.
- 12.2 Options for helping vulnerable people were considered during a recent event with representatives of local organisations across the borough. The group identified single-parents with children under the age of 5, people with disabilities and those aged over 50 who were long-term unemployed. Further suggestions included focussing on those affected by other impacts of the Government's Welfare reform programme and – significantly – that whatever process was introduced would ensure that any support was available to those most in need.
- 12.3 Officers will implement a scheme where, prior to making an award, consideration will be given to a series of considerations, these include whether or not the claimant or partner;
- Are in receipt of CTR;
 - Have capital or savings.
 - Are aged over 50 and long-term unemployed i.e. out of work for a period of 12 months or more;
 - Have a disabled child and they are unable to work because of their child's disability;
 - Are affected by other impacts of the welfare reform programme but not in receipt of discretionary housing payments or any other council funding streams.

13. Communication of CTRS

- 13.1 There will be 24,364 households affected by the introduction of the new CTRS. It should be noted that all these households will become aware of this when their new Council Tax bills are produced for 2013/14 and, most these will be liable to contribute towards their Council Tax liability for the first time. The impact of this will be that a significant proportion will contact us immediately seeking clarification of their bill, why they are liable to pay towards their Council Tax and how they do so.
- 13.2 Given the limited resource available to deal with incoming contact, it is essential to try and take action in advance to phase demand to a controllable level.
- 13.3 The Benefit Service has an excellent track-record of successfully communicating with customers to minimise the impact when implementing large-scale change, in particular the Government's Welfare reform programme. The proposal is to communicate details of the potential impact from January 2013 onwards, staggering the dispatch of letters so that contact is phased to a more manageable level. This will minimise contact when Council Tax bills are sent out in April 2013.
- 13.4 Depending on the decision on hardship funding, it may be possible to make awards prior to Council Tax bills being produced and sent out. The effect of this would be that claimants would not need to apply for additional support, the benefit service would not have to go through a complex decision making process and much

distress and confusion could be avoided from sending out incorrect information that is subsequently revised.

- 13.5 Early communication of the changes would also provide an opportunity to promote Direct Debit payments to customers not currently using this method.

14. Council Tax Collection

- 14.1 The Council has a duty to recover Council Tax from those with a liability to pay. The introduction of the CTRS will result in the billing, collection and recovery of an additional £3.67m Council Tax from 24,364 of the poorest households in the borough, many of whom will not have had to pay Council Tax before.

- 14.2 This will place an additional burden on the Council Tax section to bill and collect but in doing so we will ensure:

- accurate and prompt billing;
- promote weekly Direct Debit as the default method of payment to assist those with scarce resources who are budgeting on a weekly basis, in addition to a range of other payment options for customers without a bank account;
- consider special payment arrangements for those customers experiencing severe financial difficulties
- provide advice on ways to maximise income.

We will:

- tell customers what will happen if they don't pay
- warn customers of action we are about to take
- tell customers how to contact us
- ensure that all documents are easy to understand
- provide documents in large print and in other formats for example CD, Podcast or Braille when requested
- assist customers with language and sensory communication difficulty by offering a translation service when requested
- advise customers where to get help and advice about benefit and money matters

14.3 Enforcement Action

Only if there is no contact following bill and reminder will the Council go to court to obtain a liability order to protect its interests. This will incur costs which are passed on to the debtor. However, the Council will seek to use attachment of earnings or benefits prior to any further action. At any point in the process, the Council will always consider a reasonable payment arrangement.

We will follow the principles of enforcement outlined below:

- our action will be **proportional** – we will only use the most severe sanctions for the most difficult cases
- our approach will be **consistent** – with the aim of achieving consistency in the advice we give, the use of our powers and in the recovery methods we use

- our actions will be **transparent** – to help customers to understand what is expected of them and to explain the reasons for taking any recovery action.

15. Implementation timetable

Date	Action	Responsibility
5 December 2012	Mayor and Cabinet agree CTRS scheme	Customer Services
December 2012 to February 2013	Introduction of legislation	Central Government
January 2013 onwards	Communication of scheme to all those affected	Customer Services
12 January 2013	Testing for annual billing	Customer Services/Capita
23 January 2013	CTRS scheme agreed as part of budget process and before 31 January 2013	Council
31 January 2013	Council Tax Base Set	Customer Services
February 2013	Council sets its budget	Resources
March 2013	Council Tax bills issued	Customer Services

16. Financial Implications

- 16.1 Local authorities receive central Government funding for the current CTB scheme by way of a grant based on actual expenditure. Subject to the external auditor confirming that cases have been properly determined and other similar tests the council received 100% of the expenditure it incurred. As a result the financial risk of changes to caseload was not carried by the local authority.
- 16.2 The CTRS is fundamentally different in this respect. A grant will be made available to local authorities for 2013/14. If their caseload, and hence costs, changes from that assumed when the grant is set then local authorities bear the financial risk of that. The Council's indicative grant allocation for 2013/14 is £19.6m, excluding the GLA share of £5.8m. The precise figure will be confirmed in due course. This indicative figure represents a 12.7% reduction on the amount available for 2012/13 and the proposed CTRS has been designed to reflect this. The Council has very recently received information that suggests the actual allocation may be lower than this. Should this be the case then the cost of this, on the scheme proposed in the report, will be borne by residents and not by the Council.
- 16.3 However, it is important to understand that the actual caseload may turn out to be different to that assumed in setting the grant funding. Even if the total caseload turns out to be similar in volume changes to the distribution within it will also affect the council's costs. It will therefore be essential during 2013/14 to monitor payments under the scheme very closely to assess the impact of this new financial risk for the Council.
- 16.4 DCLG have yet to release definitive information as to how the scheme will operate in 2014/15 and future years. The grant may be fixed or it may be varied each year

according to updated caseload information. Subject to the detail, the latter would be preferable for the Council and the local authority sector as a whole. This is because it will help to avoid, or mitigate, the situation where, over time, caseload and grant diverge so significantly that individual local authorities are exposed to substantial, and largely uncontrollable, financial risks. Should the grant in future years be fixed the council has the legal powers to amend the scheme, subject to due process, and hence can in principle mitigate this financial risk. This could, however, have a substantial impact on certain groups of residents.

- 16.5 Subject to the inherent uncertainties of financial modelling and the caseload risks described above the council will, in theory, receive in 2013/14 a grant for the CTRS such that, with the additional council tax it will be billing, be equal to the amount of Council Tax (paid by CTB) that it received in 2012/13. However, as has been set out in the report there are other significant financial costs and risks to consider.
- 16.6 A significant number of residents will be liable to pay some council tax for the first time, as set out in paragraph 14.1. There will be a cost in administering this and collecting the amounts due. CLG is working with local authorities and the DWP to establish the administrative costs of delivering local schemes and the net new burdens associated with the move from CTB to local CTRSs, in accordance with the new burdens doctrine. However, until the outcome of this is known it is not possible to state with certainty that any new funding to cover this will be sufficient to cover the actual increase in costs.
- 16.7 More significantly, under the new scheme the council will be obliged to collect relatively small amounts from large numbers of residents who have not previously had to pay council tax. In collecting any debts it is normal practice to make some assumptions about amounts that may in time prove to be uncollectable. The council normally budgets on the assumption that it will, over time, collect 96.5% of its total Council Tax billed.
- 16.8 However, given the circumstances of the individuals now required to pay Council Tax for the first time (i.e. financially vulnerable due to low incomes) and the nature of the debts (low value but high volume which places some limitations on the effectiveness of some possible recovery actions) it would be reasonable to assume a significantly higher allowance for bad debts.
- 16.9 Surveys of other London boroughs show that indicative planned bad debt allowances typically vary between 25 and 50%. Until further data is available on the practical operation of the scheme (i.e. after 1 April 2013) it is proposed to make an allowance in 2013/14 at 50% in order to be prudent.
- 16.10 The cost of the scheme to the council (excludes GLA) will therefore be as set out in the table below, subject to the inherent risks and assumptions that have been indicated.

Description	£'000
Additional council tax to collect (not funded by grant)	2,840
Less, allowance for bad debts	(1,420)
Add back, normal bad debt allowance at 3.5%	99
Less, proposed hardship fund	(100)
Sub-total – assumed collection	1,419
Sub-total – new costs to be absorbed (2,840 less 1,419)	1,421
Unquantified costs to take into account	
Caseload mix and volume risk	
Administrative cost less any new grant funding	

- 16.11 These figures will be built into the council's overall budget strategy as appropriate, including being updated for further information from CLG and other sources that may be released before the council's budget has to be finalised.

- 16.12 Some mitigation is available in 2013/14 only, by way of the transition grant. However, as set out in section 11 of this report, designing a CTRS that qualified for the transition grant would add to the council's total costs in 2013/14. In considering this Members will be aware that when the original decision to consult on a scheme that passed on the costs of the cut in central Government grant was taken it was against a background of the council needing to identify very substantial savings.
- 16.13 The position has not improved since then. Although the local Government finance settlement has not yet been announced expectations across the sector are generally more pessimistic than they were earlier in the year. Most of the macro-economic data released in the last few months, for example underlying GDP growth and the increase in the PSBR, tends to support a view that the settlement will be more challenging than previously assumed. The arguments for passing on the cut in central Government funding to residents are therefore as strong, if not stronger, than they were when the decision to consult on that basis was taken.
- 16.14 The only change since then has been the announcement of the transition grant. Designing a CTRS that would qualify for this would result in a greater reduction in the amount of council tax to be collected than the additional grant gained. In addition, the funding would only be available in 2013/14, and so the scheme would either have to be re-designed in 2014/15 or else these costs absorbed on a permanent basis. Given the overall financial pressures that the Council faces, and the fact that sufficient savings have not yet been identified to balance the 2013/14 budget, it is difficult to make the case for accepting this grant in terms of the Council's financial position.

17. Legal Implications

- 17.1 The Welfare Reform Act, received Royal Assent on 8 March 2012. It contains provision for CTB in its current form to be abolished. Under section 13A(2) of the Local Government Act 1992, [as substituted by Clause 8 of the Local Government Finance Bill 2012-2013], a billing authority must make a Council Tax Reduction Scheme ("CTRS"). Schedule 1A to the 1992 Act, inserted by Schedule 4 to the Bill, makes further provision about CTRSs. The Local Government Finance Bill 2012-13 was given Royal Assent on 31 October 2012. It makes provision for the localisation of CTRSs in England by imposing a duty on billing authorities to make a localised scheme by 31 January 2013. . If Councils fail to do so, a 'default scheme' will be imposed on the Authority. This date, namely 31 January 2013 is also the date by which the tax base must be adopted.
- 17.2 The Bill prescribes certain classes or groups who must receive reductions (Schedule 1A paragraph (2)(8) and 9(b)). This will include classes of eligible "Pensioners", based on the same factors that have previously determined pensioner eligibility and award under the CTB system.
- 17.3 The Bill specifies that, before adopting a Scheme, the billing authority must consult any major precepting authority which has power to issue a precept to it, publish a draft scheme and consult such other persons as it considers are likely to have an interest in the scheme.

- 17.4 The principles of the 2010 Equality Act (“The Act”) are relevant, particularly when carrying out the consultation process and as noted within paragraph 8.1 above in consideration of protecting vulnerable persons.
- 17.5 The Act brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty 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.
- 17.6 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.
- 17.7 As was the case for the original separate duties, the new 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.
- 17.8 The Equality and Human Rights Commission (EHRC) issued guidance in January 2011 providing an overview of the new public sector equality duty, including the general equality duty, the specific duties and who they apply to. The guidance covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The guidance was based on the then draft specific duties so is no longer fully up-to-date, although regard may still be had to it until the revised guide is produced by the EHRC. The guidance can be found at <http://www.equalityhumanrights.com/advice-and-guidance/new-equality-act-guidance/equality-act-guidance-downloads/>.
- 17.9 The EHRC guidance does not have legal standing, unlike the statutory Code of Practice on the public sector equality duty which was due to be produced by the EHRC under the Act. However, the Government has now stated that no further statutory codes under the Act will be approved. The EHRC has indicated that it will issue the draft code on the PSED as a non-statutory code following further review and consultation but, like the guidance, the non-statutory code will not have legal standing.
- 17.10 The Equality and Human Rights Commission issued guides during January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so

are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty. However, that Code is not due to be published until April 2012. The guides can be found at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/new-public-sector-equality-duty-guidance/>

18. Crime and Disorder Implications

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

19. Equalities Implications

19.1 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.

19.2 CTR is part of the Government's wider agenda for welfare reform and has significant implications for the borough's most vulnerable residents. The equality analysis assessment revealed that those most likely to be adversely affected by the introduction of CTR are:

- lone parents with dependent children;
- older people of working age;
- disabled people;
- women, who are disproportionately represented amongst CTB claimants (as both single person and lone parent claimants), are less likely to be economically active and are less likely to be in employment.

19.3 The equalities analysis assessment concludes that Lewisham's proposals for CTR do not unlawfully discriminate against any of the characteristics protected under the Equality Act 2010. However, it is proposed that learning from the equality analysis assessment be used to inform the Council's approach to hardship provision. Full details are appended to this report.

20. Environmental Implications

20.1 There are no environmental implications arising from this report.

21. Background Papers and Report Author

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

Appendix 1

CTRS	Modelling								
	Total	A	B	C	D	E	F	G	H
Total CTB	£28,641,414	£2,281,084	£9,387,168	£10,657,320	£4,807,704	£1,208,771	£245,629	£50,106	£3,628
Households on CTB	36,261	3,728	13,180	13,013	5,059	1,028	176	28	49
Elderly - Households	8,333	885	2,866	2,744	1,434	327	64	12	1
Working age Households -	27,928	2,843	10,314	10,269	3,625	701	112	16	48
LESS 10% CTB	£2,864,141	£228,108	£938,717	£1,065,732	£480,770	£120,877	£24,563	£5,011	£363
Difference weekly	N/A	1.83	1.99	2.25	2.98	3.64	5.03	6.88	7.66
Working age unemployed									
Couples (no children)	1,215	77	343	456	277	43	11	0	8
Families (with children)	1,769	78	478	729	370	89	13	0	12
Other	2861	95	726	1202	692	126	16	0	4
Single (no children)	11,158	2,097	5,276	2,910	705	119	30	12	9
Single parents	10,925	496	3,491	4,972	1,581	324	42	4	15
	27,928	2,843	10,314	10,269	3,625	701	112	16	48

Appendix 2
Council Tax Reduction Scheme (CTRS) Case Studies

Example 1 – Single Person in receipt of Income Support living in a Band C property

	Council Tax Benefit Scheme	CTRS
Weekly Council Tax Liability (Band C): (after 25% Single Person Discount):	£22.99	£22.99
Maximum Eligible Council Tax	£22.99	£20.00
Less Non-Dependant Deduction:	£0.00	£0.00
Less 20% Excess Income:	£0.00	£0.00
Weekly Entitlement:	£22.99	£20.00

Under the proposed CTRS the claimant would have to make up the difference between the £22.99 Council Tax liability and the CTRS award of £20.00, equating to £2.99 per week.

Example 2 – Single Person earning £90.00 per week living in a Band C property

	Council Tax Benefit Scheme	CTRS
Weekly Council Tax Liability (Band C): (after 25% Single Person Discount):	£22.99	£22.99
Maximum Eligible Council Tax	£22.99	£20.00
Less Non-Dependant Deduction:	£0.00	£0.00
Less 20% Excess Income:	£2.80	£2.80
Weekly Entitlement:	£20.19	£17.20

Under the proposed CTRS this claimant would have to pay £5.79 each week towards their Council Tax compared to £2.80 per week now.

Income Calculation for both schemes:

Weekly earned income:	£90.00
Disregarded earnings:	£5.00
Income after disregard:	£85.00
Applicable amount:	£71.00
Excess Income:	£14.00
20% Income Taper:	£2.80

Appendix 3

Lewisham CTRS Scheme Consultation Report

Introduction

1. The Council Tax Reduction Scheme (CTRS) consultation ran from 7th August 2012 to 30th September 2012. This report outlines the responses to the consultation questionnaire from individuals, and organisations. It also summarises the outcome of the open forum event which took place on the 8th October 2012.

Executive Summary

2. In total there were 761 responses to the local CTRS questionnaire. Of these more than half (or just over five in ten) of all respondents supported the proposal that everyone should pay some Council Tax.
3. A breakdown of respondents shows that only four in ten CTB claimants supported this proposal compared to six in ten Council Tax payers. Sentiments expressed by various equality subgroups were equally mixed with over four in ten lone parents supporting the proposal (at the low end) and eight in ten over 65's supporting the proposal (at the high end).
4. By contrast just under half of all respondents agree with the proposal that the Second Adult Rebate should be abolished.
5. As to whether help should be provided for the most vulnerable, over seven in ten of all respondents supported this proposal. A similarly high consensus could be found amongst the various equality sub-groups. In terms of how support for the vulnerable might be funded, three quarters of all respondents indicated that funding should be identified by increasing Council Tax income from second homes and some empty properties.
6. Further details regarding the survey responses as well as to the broader consultation are presented below.

Overall Responses

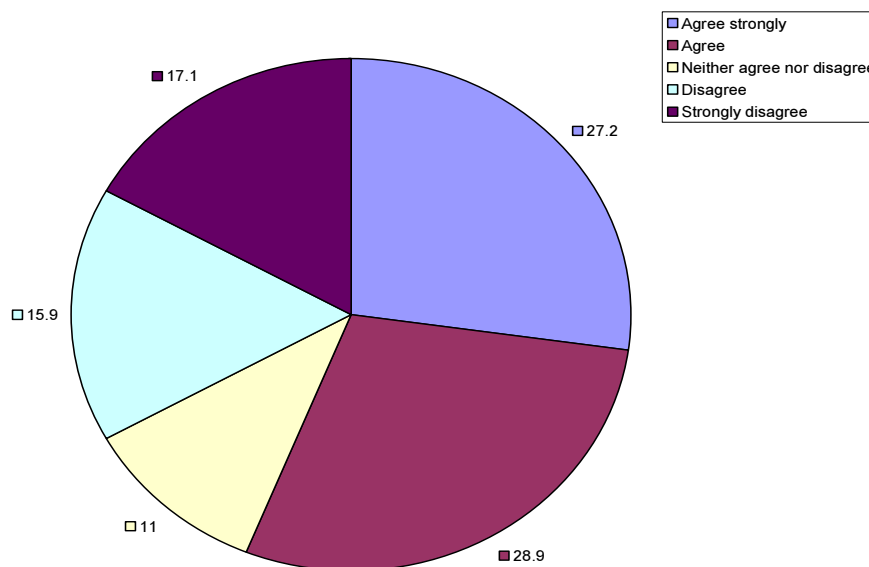
Q. To what extent do you agree or disagree that everyone should pay some Council Tax?

<i>Agree strongly</i>	<i>Agree</i>	<i>Neither agree nor disagree</i>	<i>Disagree</i>	<i>Strongly disagree</i>
27.2%	28.9%	11.0%	15.9%	17.1%

(97% of respondents chose to answer this question)

7. Over half of respondents (56.1%) agreed to some extent that everyone should pay some Council Tax. A third (33.0%) of respondents disagreed to some extent.

To what extent do you agree or disagree that everyone should pay some Council Tax? (%)



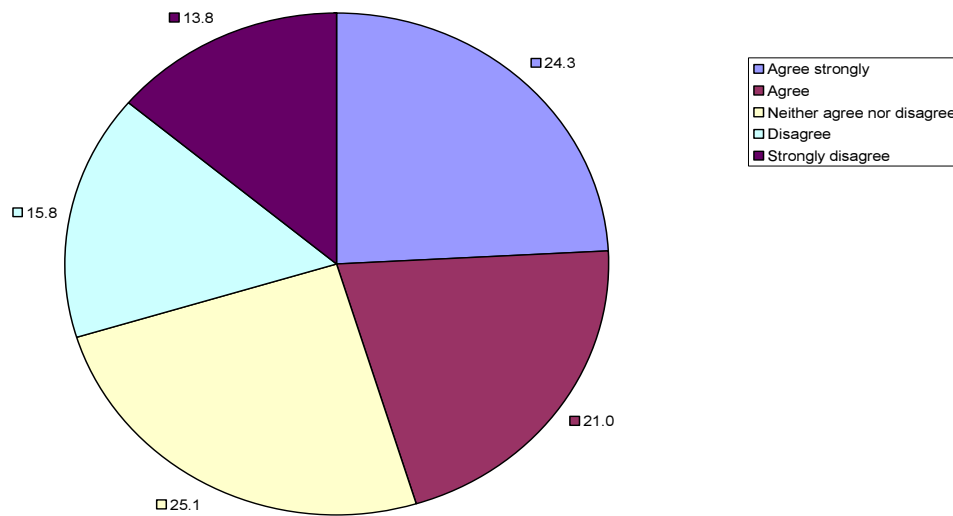
Q. To what extent do you agree or disagree that the council should abolish the Second Adult Rebate?

<i>Agree strongly</i>	<i>Agree</i>	<i>Neither agree nor disagree</i>	<i>Disagree</i>	<i>Strongly disagree</i>
24.3%	21.0%	25.1%	15.8%	13.8%

(88.6% of respondents chose to answer this question)

8. More than four in ten respondents (45.3%) agreed to some extent that the Council should abolish the Second Adult Rebate. However a quarter (25.1%) neither agreed nor disagreed.

To what extent do you agree or disagree that the council should abolish the second adult rebate?
(%)



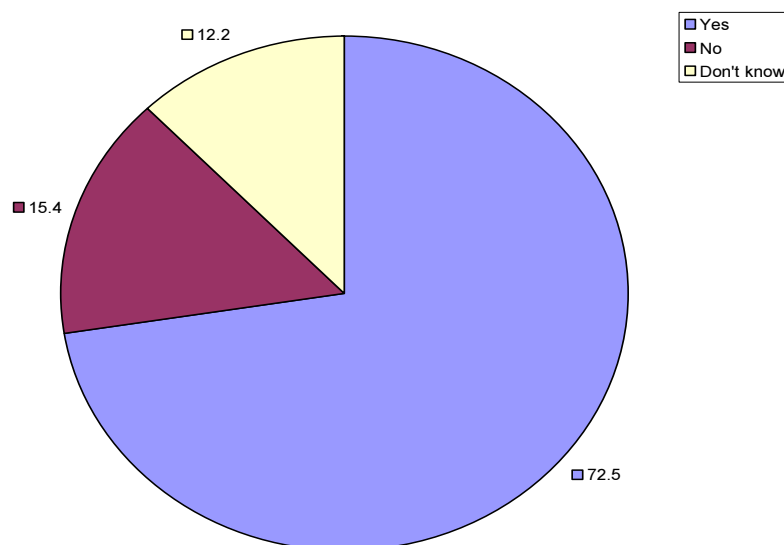
Q. Should some individuals or groups get more help - Do you think some vulnerable individuals or groups should get more help to pay their Council Tax bill than other CTRS claimants?

Yes	No	Don't Know
72.5%	15.4%	12.2%

(98.3% of respondents chose to answer this question).

9. More than seven in ten respondents (72.5%) stated 'Yes', some vulnerable individuals or groups should get more help to pay their Council Tax bill.

Do you think some vulnerable individuals or groups should get more help to pay their Council Tax bill than other Council Tax Support claimants? (%)

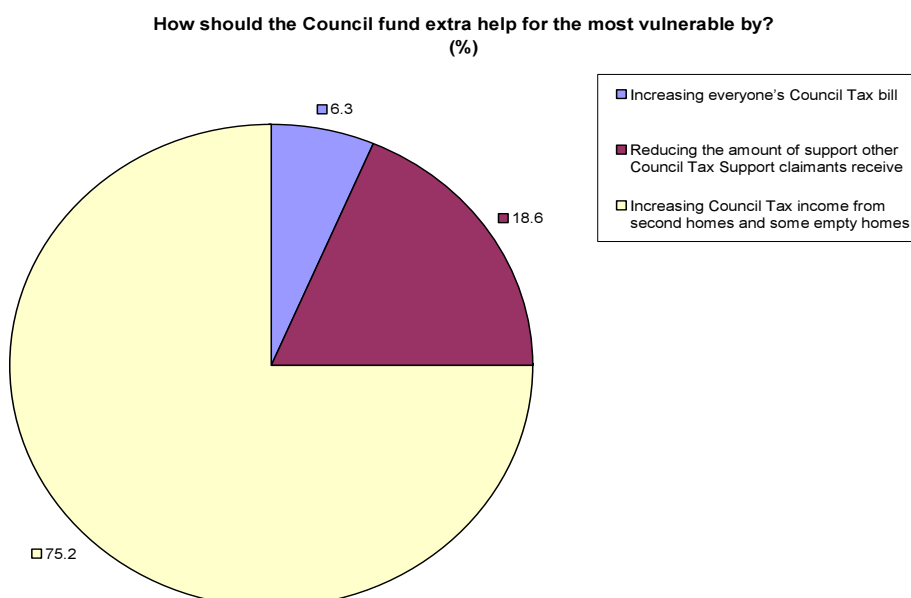


Q. If you answered yes, some individuals or groups should get more help, should the Council fund this extra help by:

<i>Increasing everyone's Council Tax bill</i>	6.3%
<i>Reducing the amount of support other CTRS claimants receive</i>	18.6%
<i>Increasing Council Tax income from second homes and some empty homes</i>	75.2%

(69.4% of respondents answered this question)

10. Of those who agreed that vulnerable individuals or groups should get more help, over three in ten (75.2%) thought the extra help should be funded by increasing Council Tax income from second homes and some empty homes. Almost one in five respondents (18.6%) thought the funding should come from reducing the amount of support other CTRS claimants receive, whilst only 6.3% thought everyone's Council Tax bill should increase.



Lone Parent Respondents

11. 86.1% of respondents answered the question regarding whether they were a lone parent. Of those that responded to the question, 171 people (26.1% of valid responses) stated they were a lone parent. Within this group, 40.5% of respondents agreed to some extent that everyone should pay some Council Tax. This compares to 56.1% of respondents overall.

12. Lone parents were more likely to disagree with this statement at 41.1%, compared to 33% of overall respondents. Just under two in ten lone parent respondents (18.5%) neither agreed nor disagreed that everyone should pay some Council Tax.

13. Almost three in ten (28.4%) of lone parents agreed to some extent that the Council should abolish the Second Adult Rebate, this compares to 45.3% of overall respondents. Just over seven in ten lone parent respondents (70.8%) thought the vulnerable should receive more help, slightly lower than the overall figure of 72.5%.

14. Responses to where should the Council fund this extra help for the vulnerable from were broadly similar to overall respondents:

	Lone Parents	All respondents
<i>Increasing everyone's Council Tax bill</i>	6.1%	6.3%
<i>Reducing the amount of support other CTRS claimants receive</i>	20.0%	18.6%
<i>Increasing Council Tax income from second homes and some empty homes</i>	73.9%	75.2%

Responses from Older People (those aged 50-64)

15. There were 214 respondents who stated they were aged 50-64. Over half of this group (55.2%) agreed to some extent that everyone should pay some Council Tax, slightly lower than the overall respondents figure.

16. Just over a third (34.9%) of these respondents disagreed to some extent that everyone should pay some Council Tax, whilst 9.9% of respondents neither agreed nor disagreed.

17. More than four in ten (41.7%) of respondents aged 50-64 agreed to some extent that the Second Adult Rebate should be abolished, again lower than overall respondents. Seven in ten respondents (70.1%) in this age group answered 'Yes' the most vulnerable should get more help.

18. Responses for older people, regarding funding this extra help for the vulnerable differed to overall respondents as they were less likely to think that reducing the amount of support other Council Tax claimants receive, but were more likely to think the funds should be sourced from increasing income from second and empty homes.

	Older People	All respondents
<i>Increasing everyone's Council Tax bill</i>	6.8%	6.3%
<i>Reducing the amount of support other CTRS claimants receive</i>	10.8%	18.6%
<i>Increasing Council Tax income from second homes and some empty homes</i>	82.4%	75.2%

Disabled Respondents

19. There were 112 respondents (20.6%) who stated they were disabled. Over four in ten (41.5%) of these respondents agreed to some extent that everyone should pay some Council Tax. This compares to 56.1% of all respondents.
20. More respondents (46.5%) with a disability disagreed to some extent that everyone should pay some Council Tax. 12.1% of disabled respondents stated that they neither agreed nor disagreed that everyone should pay some Council Tax.
21. Just over a third of disabled respondents (35.3%) agreed to some extent that the Council should abolish the Second Adult Rebate; this is lower than the figure for overall respondents (45.2%). Eight in ten (80.3%) of disabled respondents think that some vulnerable individuals and groups should get more help to pay their Council Tax bill, this is higher the 72.5% of all respondents who agreed.
22. Disabled respondents were more likely to think this extra funding should come from increasing Council Tax income from second and empty homes than overall respondents. However, they were less likely to consider the funds should be sourced from reducing the amount of support other Council Tax claimants receive.

	Disabled respondents	All respondents
<i>Increasing everyone's Council Tax bill</i>	5.4%	6.3%
<i>Reducing the amount of support other CTRS claimants receive</i>	8.9%	18.6%
<i>Increasing Council Tax income from second homes and some empty homes</i>	85.7%	75.2%

Responses by all Age Groups

23. People aged 65 and over were the most likely to agree to some extent that everyone should pay some Council Tax at 83.3%. Less than one in ten (9.6%) respondents of this age group disagreed to some extent, whilst 7.1% neither agreed nor disagreed.
24. Those aged 35-49 were the least likely to agree with this statement at 49.0%. Correspondingly those aged 35-49 were the most likely to disagree to some extent with the statement, at 36.6%, whilst 14.3% neither agreed nor disagreed.
25. Just over half (55.8%) of younger adults (under 18-34) agreed to some extent that everyone should pay some Council Tax, with a third (33.8%) disagreeing and one in ten (10.3%) neither agreeing nor disagreeing. Older adults saw a 55.2% agreement level with the statement, 34.9% disagreed to some extent and 9.9% neither agreed nor disagreed.

26. Those aged over 65 were also the most likely to consider that the Second Adult Rebate should be abolished with 58.1% agreeing to some extent. However there was less variation between the others age groups who agreed to some extent to this proposal with 46.3% of those aged under 18-34; 42.8% of those aged 35-49 and 41.7% of those aged 50-64 agreeing to some extent that the Second Adult Rebate should be abolished.

27. Over 65s were the least likely to agree that vulnerable claimants should receive more help with around two thirds (67.9%) of these respondents answering 'Yes'. Those aged 35-49 were the most likely to consider the vulnerable should get more help as 75.8% of this group agreed. By contrast 71.2% of under 18 -34 year olds and 70.1% of 50-64 years olds agreed. Again the dominant response from all age groups was that this extra funding for the vulnerable should be made up from increasing Council Tax income from second and some empty homes.

	Under 18-34	35-49	50-64	65+
<i>Increasing everyone's Council Tax bill</i>	5.0%	5.1%	6.8%	11.1%
<i>Reducing the amount of support other CTRS claimants receive</i>	28.7%	19.9%	10.8%	22.2%
<i>Increasing Council Tax income from second homes and some empty homes</i>	66.3%	75.0%	82.4%	66.7%

Respondents by Gender

28. Over six in ten (63.1%) of male respondents agreed to some extent that everyone should pay some Council Tax, whilst more than a quarter (27.6%) disagreed to some extent. 9.2% of males respondents neither agreed nor disagreed that everyone should pay some Council Tax.

29. Just under half (49.7%) of female respondents agreed to some extent that everyone should pay something, whilst over a third (36.8%) disagreed to some extent. More than one in ten (13.5%) female respondents stated that they neither agreed nor disagreed that everyone should pay some Council Tax.

30. Just under four in ten (39.5%) of female respondents agreed to some extent that the Second Adult Rebate should be abolished, for males the level was 51.2%. Responses were very similar between genders to helping the vulnerable with 71.8% of males and 73.3% of females agreeing. Responses as to where extra funding should come from, to support the vulnerable, are also balanced.

	Male	Female
<i>Increasing everyone's Council Tax bill</i>	6.3%	6.7%
<i>Reducing the amount of support other CTRS claimants receive</i>	21.4%	17.2%
<i>Increasing Council Tax income from second homes and some empty homes</i>	72.3%	76.0%

Respondents by Transgender¹

31. Just over half of transgender respondents (53.3%) agreed to some extent that everyone should pay some Council Tax; this is slightly lower than overall respondents at 56.1%. A third (33.3%) of transgender respondents disagreed to some extent that everyone should pay some Council Tax, whilst 13.3% neither agreed nor disagreed.
32. Less than three in ten transgender respondents (28.5%) agreed to some extent that the Second Adult Rebate should be abolished compared to 45.3% of overall respondents. Almost three-quarters (73.3%) of transgender respondents agreed that the most vulnerable should get more help; this was in line with overall respondents at (72.5%). Over six in ten (63.6%) transgender respondents thought any extra funding for the most vulnerable should come from increasing Council Tax from second and empty homes, 36.4% thought the funding should be sourced from reducing the amount of support other Council Tax claimants receive.

Responses by Ethnic Group

33. Over six in ten (62.5%) of White British respondents agreed to some extent that everyone should pay some Council Tax. Just under three in ten (29.3%) of White British respondents disagreed to some extent, whilst 8.2% neither agreed nor disagreed.
34. By contrast just under half (49.4%) of respondents from other ethnic groups agreed to some extent that everyone should pay some Council Tax. Over a third (35.7%) of these respondents disagreed to some extent that everyone should pay, whilst 14.9% neither agreed nor disagreed.
35. More than half (53.7%) of White British respondents agreed to some extent that the Second Adult rebate should be abolished. By contrast, just over a third (34.8%) of respondents from all other ethnic groups agreed to some extent with this proposal.

¹ Please note only 15 respondents stated that they were transgender, meaning % of responses is taken from a very small base.

36. More than three quarters (76.2%) of White British residents answered 'Yes', some vulnerable individuals or groups should get more help, for all other ethnic groups the level of agreement was 68.9%. Around three quarters of respondents from other ethnic groups indicated that increasing Council Tax from second and empty homes was the best way to fund the extra help.

Responses by Employment Status

37. Pensioners were the group most likely to agree that everyone should pay some Council Tax, with 82.7% of these respondents agreeing to some extent. Those in full time employment (70.2%) agreed to some extent with this proposal, whilst just over half of those in part time work also agreed to some extent.

	<i>Agreed to some extent that everyone should pay some Council Tax</i>	<i>Neither agreed nor disagreed that everyone should pay some Council Tax</i>	<i>Disagreed to some extent that everyone should pay some Council Tax</i>
Full time employed	70.2%	5.9%	23.8%
Part time employed	53.2%	13.7%	33.0%
Pensioner	82.7%	5.8%	11.6%
Student	37.5%	18.8%	43.8%
Unemployed	37.8%	19.2%	42.9%
Disabled	32.1%	12.3%	55.6%
An unpaid carer for children or adults	34.4%*	12.5%*	53.2%*

* based on very small sample

38. Pensioners were also the group most likely at 58% to agree to some extent that the Second Adult Rebate should be abolished. Again this was followed by those in full-time employment, of whom 57.4% agreed with its abolition. By contrast, 42.3% of those in part-time employment and 38.7% of students agreed. Disabled and unemployed respondents were the least likely to agree at 32.8% and 28.1% respectively.

39. Almost nine in ten (87.5%) student respondents thought the most vulnerable should get more help, but only 67.4% of those in full-time employment agreed. By contrast over seven in ten (73.1%) of pensioners, 70.9% of part-time employed, 71.3% of unemployed and 79.0% of disabled respondents agreed. Regarding where this extra funding should come from disabled and the unemployed were the most likely to consider the funding should be sourced from increasing funds from second and empty homes.

	<i>Increasing everyone's Council Tax bill</i>	<i>Reducing the amount of support other CTRS claimants receive</i>	<i>Increasing Council Tax income from second homes and some empty homes</i>
Full time employed	6.9%	23.9%	69.2%
Part time employed	6.7%	22.5%	70.8%
Pensioner	12.2%	21.6%	66.2%
Student	11.5%	19.2%	69.2%
Unemployed	4.5%	12.7%	82.7%
Disabled	4.8%	4.8%	90.5%
An unpaid carer for	8.3%	29.2%	62.5%

children or adults*			
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* based on very small sample

Responses by Relationship Status

40. Respondents living as a couple were the most likely to agree to some extent that everyone should pay some Council Tax at 75.0%. Over two in ten (21.9%) of these respondents disagreed to some extent that everyone should pay, whilst 3.1% neither agreed nor disagreed.
41. Just over half of 'Single' respondents (50.2%) agreed to some extent, 37.0% disagreed and 12.7% neither agreed nor disagreed. Over six in ten married respondents (62.2%) agreed to some extent that everyone should pay something, whilst 27.8% disagreed to some extent and 10.0% neither agreed nor disagreed. Single respondents were also the least likely to agree that the Second Adult Rebate should be abolished (39.6%), compared to 53.1% of married respondents and 60% of those living as a couple.
42. There was much less variation by relationship status to the proportion answering 'Yes', the vulnerable should receive more help, with responses ranging from 73.7% for single respondents to 68.8% for married respondents. Of those living as a couple, 70.3% of respondents thought the most vulnerable should get more help. However single respondents were most likely to consider that the extra funds should come from increasing Council Tax income from second and empty homes and the least likely to agree the funds should come from reducing support to other claimants.

	Single	Married	Living as a Couple
<i>Increasing everyone's Council Tax bill</i>	4.4%	10.2%	6.7%
<i>Reducing the amount of support other CTRS claimants receive</i>	16.3%	24.8%	20.0%
<i>Increasing Council Tax income from second homes and some empty homes</i>	79.3%	65.0%	73.3%

Responses by Religion/Belief

43. For the purpose of analysis respondents have been grouped into 'No belief', 'Christian' or 'Other religion/belief' due to the relatively small number of respondents categorised as the latter. Over half (58.6%) of respondents who stated they had no religion or belief agreed to some extent that everyone should pay some Council Tax. More than three in ten (31.4%) of these respondents disagreed to some extent, whilst 10.0% neither agreed nor disagreed.
44. More than six in ten (61.4%) Christian respondents agreed to some extent that everyone should pay some Council Tax, over a quarter (28.4%) of these respondents disagreed to some extent and 10.1% neither agreed nor disagreed. Over four in ten (41.9%) respondents of a religion other than Christianity agreed to some extent that everyone should pay some Council Tax, just under four in ten

(39.8%) of these respondents disagreed to some extent, whilst 18.3% neither agreed nor disagreed.

45. Just over half (52.0%) of respondents with no religion/belief agreed to some extent that the second adult rebate should be abolished. For Christian respondents 43.5% agreed to some extent and for all other religions the agreement level was 36.2%.

46. Respondents of non-religion/belief were the most likely to agree to some extent that the vulnerable should get more help at 79.2%. Just over seven in ten (71.9%) Christian respondents agreed, whilst 63.2% of respondents with any other religion agreed. Their responses of how this extra funding should be resourced is presented below:

	No religion/ belief	Christian	Other religion
<i>Increasing everyone's Council Tax bill</i>	6.6%	6.1%	8.6%
<i>Reducing the amount of support other CTRS claimants receive</i>	14.5%	22.2%	25.9%
<i>Increasing Council Tax income from second homes and some empty homes</i>	78.9%	71.7%	65.5%

Responses by Sexual Orientation

47. For the purpose of analysis respondents have been grouped into 'Straight/heterosexual' and 'Gay/lesbian/bisexual/other', due to the relatively small number of respondents who identified themselves as the latter. Almost six in ten (59.7%) of respondents who identified themselves as Straight/heterosexual agreed to some extent that everyone should pay some Council Tax.

48. Just under three in ten (29.8%) of these respondents disagreed to some extent, whilst 10.5% neither agreed nor disagreed. For Gay/ lesbian/bisexual/other respondents over four in ten (45.0%) of respondents agreed to some extent that everyone should pay some Council Tax. Over four in ten (42.5%) of these respondents disagreed to some extent, whilst 12.5% neither agreed nor disagreed.

49. More Gay/ lesbian/bisexual/other respondents agreed to some extent that the Second Adult Rebate should be abolished 58.9% compared to 45.4% for Straight/ heterosexual respondents. Gay/ lesbian/bisexual/other respondents were also more likely to think that the vulnerable should get more help at 85.0%, compared to 73.6% of Straight/ heterosexual respondents.

	Straight/ heterosexual	Gay/lesbian/ bisexual/other
<i>Increasing everyone's Council Tax bill</i>	7.2%	3.0%
<i>Reducing the amount of support other CTRS claimants receive</i>	19.1%	15.2%
<i>Increasing Council Tax income from second homes and some empty homes</i>	73.7%	81.8%

Responses by whether Respondent was Paying Council Tax²

50. Just over eight in ten (81.2%) of respondents identified themselves as Council Tax payers in Lewisham, whilst 18.8% did not. (58 respondents did not answer this question).
51. Over six in ten (63.4%) of those respondents who pay Council Tax agreed to some extent that everyone should pay some Council Tax. Over a quarter of Council Tax payers (26.8%) disagreed to some extent with this statement, whilst 9.8% neither agreed nor disagreed.
52. For those who stated they did not pay Council Tax, 29.1% agreed to some extent that everyone should pay something. Over half (54.4%) of respondents not paying Council Tax disagreed to some extent that everyone should pay, whilst 16.5% of this group neither agreed nor disagreed.
53. Council Tax payers were also more likely to agree that the Second Adult Rebate should be abolished (47.9%) than those that do not pay (31.8%). Whilst 71.6% of Council Tax payers said the most vulnerable should get more help, compared to 74.4% of non-payers. As with overall responses the vast majority of both those who do and do not pay Council Tax thought extra funding for the most vulnerable should come from increasing Council Tax income from second and empty homes.

² Although this question provides results for those who 'pay' Council Tax in the borough, only a comparably small number of Council Tax Benefit claimants responded to the question. The results therefore show a bias in favour respondents who 'pay' Council Tax in the borough (i.e. those not in receipt of Council Tax Benefit).

Responses by Receipt of Council Tax Benefit

54. Just under half (47.5%) of respondents are currently receiving CTB, whilst 52.5% are not receiving CTB. A further 45 respondents did not answer this question.
55. Of those respondents currently receiving CTB, 39.0% agreed to some extent that everyone should pay some Council Tax, 42.9% of these respondents disagreed to some extent with the statement, whilst 18.1% neither agreed nor disagreed. This compared to 71.9% of respondents who are not in receipt of CTB agreeing to some extent that everyone should pay something.
56. Just under a quarter (23.3%) of those not receiving CTB disagreed to some extent that everyone should pay something, whilst 4.9% neither agreed nor disagreed. Respondents not receiving CTB were more likely to agree to some extent that the Second Adult Rebate should be abolished at 57.5% than, those receiving the benefit, 30.1%.
57. There was only a small difference between CTB recipients (73.6%) and non-recipients (70.4%) in regards to agreeing that the most vulnerable should get more help. Those in receipt of CTB were more likely to think that the extra funding for the vulnerable should come from empty or second homes (83.3% compared to non-recipients at 67.6%).
58. Respondents were also asked: *'If you are not receiving Council Tax Benefit, have you ever received it?'* of which 107 respondents answered they had previously received the benefit. These respondents were more likely to agree that everyone should pay some Council Tax at 47.7%, than current recipients (39.0%). Those no longer receiving the benefit were also more likely to agree to some extent that the Second Adult Rebate should be abolished (43.5%) than actual CTB claimants (30.1%). However there was little difference in responses to whether the vulnerable should get more help.

Response by Receipt of Housing Benefit

59. Just over four in ten (42.1%) of respondents are currently receiving Housing Benefit. Less than four in ten (37%) of respondents receiving Housing Benefit agreed to some extent that everyone should pay some Council Tax, 43.9% of these respondents disagreed to some extent that everyone should pay. 19% neither agreed nor disagreed. This compares to 70.4% of those not receiving Housing Benefit agreeing to some extent that everyone should pay something, with 23.6% of this group disagreeing that everyone should pay something and 5.9% neither agreeing nor disagreeing. Only 31% of those in receipt of Housing Benefit agreed to some extent that the second adult rebate should be abolished, much lower than the agreement level from non-recipients of 54.4%. However, as seen across all other sections, both groups indicated high levels of agreement for

helping the vulnerable. There was also the trend seen elsewhere that the funding for this should come from increasing Council Tax income from second homes and some empty homes.

Demographic Breakdown of Respondents

The demographic breakdown of the 761 respondents is presented below:

Age group

	<i>% of respondents</i>
18-24	2.2
25-29	7.2
30-34	11.0
35-39	9.9
40-44	13.5
45-49	13.4
50-54	12.1
55-59	11.4
60-64	5.9
65+	11.8
Prefer not to say	1.5

Gender

	<i>% of respondents</i>
Male	44.5
Female	52.9
Prefer not to say	2.6

Transgender - Is your gender identity different from the gender you were assigned at birth?

	<i>% of respondents</i>
Yes	3.0
No	92.8
Prefer not to say	4.2

(259 respondents did not to answer this question)

Employment status:

	<i>% of respondents</i>
Full time employed	33.6
Part time employed	18.0
Pensioner	15.0
Student	4.8
Unemployed	22.5
Disabled	11.3
An unpaid carer for children or adults	4.5
Other	3.9

(% total more than 100 as respondents were asked to tick all that apply)

Relationship Status

	<i>% of respondents</i>
Married	28.5
Living as a couple	9.0
Single	53.3
Other	5.9
Prefer not to say	3.4

Ethnic Group

	<i>% of respondents</i>
African	11.0
Any other Asian back	2.8
Any other Black/ African	4.2
Any other mixed/ multiple ethnic background	1.1
Any other White back	7.8
Arab	0.4
Bangladeshi	0.7
Caribbean	8.6
Chinese	1.4
English/ Welsh/ Scottish/ Northern Irish/ British	48.1
Gypsy or Irish Traveller	0.1
Indian	1.1
Irish	1.9
Other ethnic group	1.5
Pakistani	0.8
White and Asian	0.7
White and Black African	0.6
White and Black Caribbean	1.4
Prefer not to say	5.7

Disability

	<i>% of respondents</i>
Yes	20.6
No	75.6
Prefer not to say	3.7

Religion/belief

	<i>% of respondents</i>
None	29.9
Christian	46.9
Buddhist	1.8
Hindu	1.3
Jewish	0.6
Muslim	7.9
Sikh	0.1
Any other religion/belief	2.0
Prefer not to say	9.4

Sexual orientation

	<i>% of respondents</i>
Straight/heterosexual	83.6
Gay/lesbian	4.2
Bisexual	0.9
Other	0.9
Prefer not to say	10.4

Responses from Organisations

60. There were three identifiable responses to the consultation who stated they were responding as a representative of an organisation. The organisations are as follows:

- Citizens Advice Bureau
- Federation of Refugee Vietnamese in Lewisham
- St Clement Danes Holborn Estate Charity

61. There was no consensus amongst the organisations that responded, with the exception that they all stated 'Yes', the most vulnerable should receive more help.

Other comments

62. Of the 761 respondents, 214 provided an answer to the question ‘Do you have any other comments about the Council’s draft scheme?’ It was possible to group these responses into the following themes:

<i>Comment theme</i>	<i>Number of comments</i>
Already struggling financially on benefit income	50
Increase bill	21
Vulnerable residents	18
Consultation method	18
Council should find other way of funding the shortfall	17
Second/empty homes	14
Those receiving benefits should pay Council Tax	11
Single person discount	8
Caring responsibility/disability	7
Pensioners	4
Other	28

63. The most numerous comment was describing the financial difficulty already experienced by benefit recipients. Examples include:

“I feel that it should not affect people on low incomes especially those that are unable to work due to illness or having children and single parents. I am a single mother with two small children and feel that i would not be able to pay any Council Tax due to very low income of just £8 a day on income support!!”

“People on benefits claiming Council Tax relief struggle enough to get by on a daily basis without having extra tax to pay out for. Most people would not be able to afford extra layout.”

However there were also over 20 comments supporting the view that everyone living in the borough should pay Council Tax:

“Council Tax should be paid by everyone to pay for the joint facilities that we share. We are all responsible.”

“I think apart from the elderly everyone should pay it’s not fair that it always falls to those who work. Some people on benefits have more money than those who work”.

Local CTRS – Open Forum Event

The Local CTRS Open Forum Event was held on the 8th October and was attended by the representatives/ organisations:

Alan Darcy	St Mungo's
Diana Wade	Hyde Housing
Tim Wild	Lewisham Citizen's Advice Bureau
Brian Moulton	Lewisham Citizen's Advice Bureau
Liz Yalmaz	Lewisham Multi-lingual Advice Agency
Stuart Slater	Voluntary Action Lewisham
Carol Mew	Lewisham Disability Coalition
Dave Watts	Evelyn190 Centre
Sharon Skinner	Carers Lewisham
Akinola Daisi	LB Southwark

Summary

The purpose of this event was to enable local agencies, representatives and intermediaries to have a say about Lewisham's proposals for local CTRS. Following an introductory presentation, attendees made the following comments:

- the use of Credit Unions should be explored as a means to help people to budget and manage their money
- the scheme runs the risk of being unsuccessful as debtors will not pay bailiffs charges and legal costs
- the wrong questions were used in the survey. Respondents should instead have been asked whether they are able to cope on limited income
- a risk assessment needs to take place in order for the Council to quantify how much the changes are going to cost the taxpayer
- people may not be able to look that far forward and may therefore not be able to grasp the level of change taking place
- need to help people to fully grasp the range of change affecting them including Universal Credit. Information needs to be better communicated and made as simple as possible

Responses to specific questions

Attendees were asked their views on seven separate questions. The questions and answers are set out below:

a. everyone should pay something towards their Council Tax?

None of those present agreed with this proposal. Additional comments made in response to this question are as follows:

- the introduction of the changes could increase the risk of loan sharking and the predatory activity of companies offering pay day loans
- those currently in receipt of CTB should be automatically passported on to local CTRS and those that sit outside the existing (CTB) scheme should be subject to any changes

b. the second adult rebate should be abolished?

Most (8 out of 10) respondents agreed with this proposal. Additional comments made in response to this question are as follows:

- only a small number of residents actually receive the second adult rebate and therefore its abolition would not generate a lot of money
- with a greater number of children unable to live at home and forced to live with their parents, it may be necessary to keep the second adult rebate
- it is unclear how the abolition of the second adult rebate might affect carers who support the vulnerable

c. should help be provided for the vulnerable?

All attendees agreed with this proposal. Additional comments made in response to this question are as follows:

- people moving from unsupported to supported accommodation should be receive special help as they are susceptible to tenancy breakdown
- need to be clear about how we define 'vulnerable' and how we define 'help'

d. who should we provide help for?

Attendees were asked to identify the specific groups for whom help should be provided. The various groups identified as needing specific help were identified as follows:

- anyone on low/ minimum income
- single parents
- disabled people in receipt of welfare benefits

- people who are recently unemployed who have worked previously
- people with learning disabilities
- under 25's in their own accommodation
- people suffering mental ill health
- people with drug or alcohol dependency
- carers who have to move do to their caring roles

e. qualifying criteria

Attendees were asked to suggest qualifying criteria for the scheme. The various suggestions proposed were as follows:

- those affected by a combination of needs
- those who have never worked such as ex-offenders as they need immediate support in managing money and are at risk of re-offending
- disabled people who are benefit dependent
- employment support allowance claimants
- those affected by the benefit cap and those likely to be affected by under-occupation rules

f. should extra help be full partial, full year or part year?

Attendees were asked to express their views on the specific arrangements for providing help to the vulnerable – specifically whether help offered to the vulnerable should be full or partial. Responses were as follows:

- if help is to be offered it should be offered in full. Partial help would be too confusing
- partial help would actually cost more to administer and would be virtually impossible to recover

g. should any help be in just the first year?

Attendees were asked to express their views on the specific arrangements for providing help for the vulnerable – specifically whether help should only be provided in year one of the scheme. Responses were as follows:

- proposed that whatever is agreed for year one should not be agreed forever
- suggested that a mechanism needs to be agreed that would enable people to feedback after year one on the how the scheme has worked

Final comments

Attendees were asked for any final comments regarding the Council's proposals. A summary of comments is as follows:

- look at raising more money from empty homes
- use the opportunity to tie up Universal Credit, Council Tax reform and changes to the Social Fund

Appendix 4

Local CTRS Scheme - Equality Analysis Assessment

Introduction

1. Public bodies such as local authorities are legally required to consider the three aims of the Public Sector Equality Duty (set out in the Equality Act 2010) and document their thinking as part of the process of decision making. The Act sets out that public bodies must have regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation;
 - advance equality of opportunity between people who share a protected characteristic and those who do not share that characteristic;
 - foster good relationships between those who share a protected characteristic and those who do not share that characteristic.
2. This equality analysis assessment sets out how the Council has considered the likely impact of its proposals for Local CTRS on the characteristics protected under the Equality Act of 2010.

Summary

3. In developing its draft local CTRS scheme, Lewisham Council has:
 - considered the impact of its proposals on different equalities groups (including any complicating factors); analysed feedback from public consultation and considered the feasibility of not introducing a local CTRS scheme in the first year. By so doing, the Council is able to demonstrate that its proposals have been carefully thought through, are fair and do not unlawfully discriminate against any group protected under the Equality Act 2010;
 - considered how, by setting aside provision for those who may experience exceptional hardship, the potentially harmful impact of introducing local CTRS can be moderated. By so doing the Council is able to demonstrate that it has shown due regard to the need to advance equality of opportunity and foster good relations between protected characteristics;
 - demonstrated how its proposals to incentivise work, through earnings disregards provides evidence that the Council has shown due regard to the need to advance equality of opportunity and foster good relations between protected characteristics.

Socio-economic synopsis of Lewisham

- according to the 2011 Mid Year Population Estimates the current population of Lewisham is 276,900;
- since the 2001 Census the population of Lewisham has increased by some 27,978;
- according to the 2011 Census 51% of Lewisham residents are women and 49% are men;
- there are some 70,100 children and young people in the borough aged 0-19 (25% of the population);
- there are some 26,200 older people aged over 65 living in the borough (9.5% of the population);
- Lewisham is ranked 31st for deprivation out of 326 local authority areas in the 2010 Indices for Multiple Deprivation;
- some 38,000 children attend Lewisham's 89 schools;
- there are some 149,600 economically active people in the borough (aged 16-64) of which 135,000 are in employment;
- the average weekly earnings for a Lewisham resident are £562.5, whilst the average weekly income for a Lewisham household £555.

Local CTRS - Background and context

4. In April 2013 the Government will abolish the current national CTB scheme which helps those people with no or low income to pay their Council Tax. At present the Government sets the rules regarding who can claim, how much they get and funds the entire CTB scheme.
5. In place of CTB each council will have to introduce its own local scheme called CTRS. The Government will cut the funding Lewisham Council gets for CTRS by 13% in the first year, which means the Council will receive £3.7m less than it does now.
6. The reduction in funding by the Government means the Council has to make some difficult decisions about who will get financial support to pay their Council Tax and how much support they will receive.
7. If the Council wanted to keep CTRS at current levels it would have to find the extra £3.7m from its own budget, which would mean reducing funding for other services. Instead the Council is proposing a new local CTRS

scheme which will be as fair as possible and in line with the needs of residents.

Government guidance

8. In developing proposals for local CTRS the Government mandates that councils should consider whether protection should be extended to vulnerable groups. In its guidance¹ published in May 2012, Government asks local authorities to:

- ensure that they have due regard to the Equality Duty in making local schemes;
- design localised CTRSs in a way that best suits local circumstances, tailored to what child poverty looks like in the local area;
- make sure that additional challenges faced by disabled people which may affect their income (and therefore capacity to pay Council Tax) are taken into account;
- have regard to vulnerable individuals for whom the local authority secures accommodation, or who are at risk of becoming homeless;
- engage at an early stage with representative individuals and groups in relation to service and ex-service personnel in their area.

9. In the context of the Equality Act 2010, the guidance makes clear that the prospect that a negative impact could arise is not a reason not to make a decision to proceed with the change. Specifically it sets out that:

“if a public authority is aware that a proposed policy may have an adverse impact on some people who share a relevant protected characteristic it should consider that impact and assess it against the wider case for pursuing the policy. If the public authority decides that the benefits of the policy are sufficient to outweigh the impact on those who share the protected characteristic, the ability to explain the justification for continuing with the policy will assist it to demonstrate that ‘due regard’ has been paid to the Equality Duty.”

Impact of proposed changes

10. At present there are 33,875 CTB claimants and of these 9,328 are pensioners. Of the 24,237 working age claimants there are 18,849 that get full CTB with the remaining 5,498 receiving partial CTB. Over the past four years Lewisham’s CTB caseload has seen a year on year increase from just over 3,300 claimants in January 2008 to over 3,900 claimants in January 2012.

11. Apart from pensioners, everyone currently receiving CTB will be affected by the changes the Council is proposing to introduce. In addition, anyone who applies for CTB or the new CTRS will be affected by the changes.
12. In developing Lewisham's local scheme consideration has been given to the impact of the proposals on specific groups protected under the Equality Act 2010. The Act provides specific protection to the following:

Age

13. Age refers to a person belonging to a particular age or age range. As an employer and a provider of services the Council is required to ensure that it does not unlawfully discriminate against a person on account of their age. A summary of data on age is set out in the box below.

Data summary for age

- according to the 2011 Censusⁱⁱ some 70,100 Lewisham residents are aged between 0-19 (25% of the population), whilst some 179,800 residents are aged between 20-64 (65% of the population). By contrast there are some 26,200 older people aged 65 and over (9.5%);
- according to the 2011 Sub National Population Projectionsⁱⁱⁱ by 2021 the number of Lewisham residents aged 0-19 is expected to rise to 80,009 (25% of the population), whilst the number of people aged 20-64 is expected to reach 212,278 (66% of the population). By contrast the number of people aged 65 and older is expected to increase to 28,834 (9% of the population).

further analysis of proposals: age

14. According to official statistics there are some 149,600 working age people (aged 16-64) in Lewisham, of which some 135,600 are in employment. Of those that are not in employment, official statistics^{iv} show that there are some 10,115 people in receipt of Jobseeker Allowance (JSA), amongst whom 1,695 people (16.5% of claimants) are aged 50 to 64.
15. The implications of age on benefit recipients is illustrated in the table below, which shows JSA claimants for September 2012. In the context of those unemployed for over 12 months, the table shows that 405 JSA claimants aged 18-24 (18% of all claimants of that age group) have been claiming for more than 12 months. By contrast the number of people aged 25-49 claiming JSA for more than 12 months is 2,030 (33% of all claimants within that age group).
16. However, of those aged 50 to 64 some 770 have been claiming JSA for 12 months or more. This equates to 45% of claimants within this older cohort.

JSA claimants	Numbers on JSA	%age
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Total claimants aged 16 to 64	10,115	
Total claiming for over 12 months	3,195	31.5%
Total claimants aged 18-24	2,220	
Number claiming for over 12 months	405	18%
Total claimants aged 25 to 49	6,190	
Number claiming for over 12 months	2,030	33%
Total claimants aged 50 to 64	1,695	
Number claiming for over 12 months	770	45%

Source: NOMIS, September 2012

17. The data suggests that those aged between 50-64 are disproportionately represented amongst the long term unemployed and may face particular challenges accessing the labour market.
18. In respect of the CTRS questionnaire, of the 761 people who responded about 9% were aged 18-29; 21% were aged 30-39; 27% were aged 40-49; 23% were aged 50-59 and 8% were aged 60 and over.
19. The survey results (summarised in the table below) show that eight in ten respondents aged 65+ favour the proposal that everyone should pay some Council Tax. This is a higher level of support than for any other age cohort. By contrast just over five in ten of those aged 18 -34 and those aged 50-64 favoured this proposal. Meanwhile, of those aged 35-49, barely five in ten respondents favoured this proposal.
20. Respondents aged over 65 (nearly six in ten) were also more likely than any other age group to agree that the Second Adult Rebate should be abolished. By contrast there was little variation in responses across the other age groups.
21. Respondents aged 35 to 49 (three quarters) were more likely than any other age group to agree that the vulnerable should receive help followed by those aged 18 to 34 (just over seven in ten), those aged 50 to 64 (seven in ten) and those aged over 65 (just under seven in ten).

Responses by age	18-34	35-49	50-64	65+
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	55.8%	49%	55.2%	83.3%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	46.3%	42.8%	41.7%	58.1%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	71.2%	75.8%	70.1%	67.9%

further analysis of proposals: lone parents with children

22. There are some 57,300 children (aged 0-15) living in Lewisham.^v This is the second highest of any Inner London borough and the joint 10th highest across London as a whole. Published data^{vi} also reveals that 14.8% of all Lewisham households are lone parent families. This is the fifth highest

proportion in Inner London and the 12th highest in London. By contrast, the proportion of all households that are lone parent families, with dependent children, is 10.6%. This is the sixth highest proportion in Inner London and the tenth highest in London.

23. Our specific area of focus regarding lone parents centres on the need to tackle child poverty (measured by the number of children in families receiving means tested benefits or on low income). It is estimated that some 20,355 Lewisham children aged 0-18 live in poverty. Given the comparatively high proportion of lone parent households in Lewisham the Council has taken specific note of the potential impact of local CTRS on this group.
24. Of the 761 people who responded to Lewisham’s local Council Tax questionnaire about a quarter of all respondents (26%) identified themselves as lone parents. The survey responses reveal that about four in ten lone parents favour the proposal that everyone should pay some Council Tax, whilst nearly a third favour the abolition of the Second Adult Rebate.
25. In both instances this is significantly less than the figure for all respondents in the borough which shows that a little more than half favour the proposal that everyone should pay some Council Tax and about four in ten support the abolition of the Single Adult Rebate. However, the survey results reveal strong support for helping the vulnerable with seven in ten lone parent respondents indicating ‘yes’ in response to this question.

Responses by lone parent	Lone parents	All respondents
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	40.5%	56.1%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	28.4%	45.3%
<i>% of respondents indicating ‘yes’, some vulnerable individuals or groups should get more help</i>	70.8%	72.5%

Disability

26. A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. A summary of data on disability is set out in the box below.

Data summary for disability

- Lewisham’s data file on disability is based on the 2001 Census data, which showed that 15.6% of the borough’s population (38,824 people) had a long-term illness (proxy for disability), which limited daily activities or the work they could do. This figure is slightly higher than the London average of

15.5%, but significantly lower than the national average of 18.2%;

- the 2001 Census also recorded that over a quarter of households in Lewisham (29.4%) contain one or more people with a limiting long-term illness or disability, which is lower than the average for England and Wales as a whole where the proportion is 34%;
- according to the 2001 Census, more women than men in Lewisham have a 'limiting long-term illness'. Going forward, it is reasonable to conclude that as people get older the proportion of Lewisham residents who have a long term illness is also likely to increase.

further analysis of proposals: disability

27. Analysis of Lewisham's CTB caseload as at September 2012 revealed that 5,853 of claimants (17.3% of the caseload or one in six of all claimants) are disabled.
28. According to the latest data published by the Department for Work & Pensions^{vii} there are some 13,500 Disabled Living Allowance claimants in Lewisham (just under 5% of the total population). Of these just over 6,500 claimants are women and just over 6,900 claimants are men.
29. The Council is mindful that disabled people face specific challenges in society. Employment is one such area where the disabled can face barriers and difficulties in accessing paid work. Similarly, the life limiting conditions that some disabled people face can mean that it is not possible for them to obtain employment at all. In view of this, the Council has taken specific note of the potential impact of local CTRS on disabled people.
30. In respect of the CTRS questionnaire, of the 761 people who responded about 21% (one in five) identified themselves as disabled. The survey responses reveal that a little over four in ten disabled respondents favour the proposal that everyone should pay some Council Tax and just over three in ten favour the abolition of the Second Adult Rebate.
31. By contrast, eight in ten disabled respondents favour helping the vulnerable, which is higher than the seven in ten of all respondents who indicated 'yes' in response to this question.

Responses by disability	Disabled	All respondents
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	41.5%	56.1%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	35.3%	45.2%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	80.3%	72.5%

Gender

32. Gender has the meaning usually given to it and refers to whether a person is man or a woman. A summary of data on gender is set out in the box below.

Data summary for gender

- according to the 2011 Census there are 135,000 males living in Lewisham and 140,900 females;
- however, by 2030 it is forecast that the number of males would have surpassed that of females (158,500 men to 157,100 women);
- based on the 2011 Mid-year Population Estimates Lewisham's males are more numerous than females between the 0-19 as well as the 20-44 and 35-59 age groups. By contrast females are more numerous than males in the 60-79 and the 80+ age groups;
- by 2030 the percentage of males is still expected to be greater than females in the 0-19 and 35-59 age groups. However, females will be more numerous in the 20-34 age group as well as the 60-79 and 80+ age groups.

further analysis of proposals: gender

33. Women make up about 51% of Lewisham's overall population^{viii}, slightly above 50% of those aged 16 to 64 and some 45% of those who are economically active in the borough. Published statistics show that amongst Lewisham women who are economically active, about 58.7% are in employment.
34. By contrast just under 50% of Lewisham men are aged 16 to 64 and a higher proportion of these are economically active (55%) compared to women^{ix}. Published statistics show that amongst economically active men about 73.4% are in employment (a significantly higher proportion than for women). The disparity in economic activity between the genders may, in part, be explained by the number of women who choose to stay at home and raise children, rather than participate in the labour market.
35. Analysis of Lewisham's CTB caseload as at September 2012 revealed that women (21,331 or 63%) are significantly over-represented amongst CTB claimants compared to men (12,568 or 37%). Further case load analysis for the same period, reveals that the number of lone parents claiming CTB was 9,886 (29.5% or one in three of all CTB claimants). Of this number 9,322 (or 94.5% of the caseload) were lone parent female claimants, whilst 564 (5.5% of the caseload) were lone parent males.
36. The higher number of single women CTB claimants compared to men and the disproportionately higher number of lone parent claimants who are women compared to men, suggests that proposals to introduce local

CTRS in Lewisham will affect more women than men. This is of particular importance when considered in the context of incentives to encourage people back to work. The intelligence gleaned from this analysis will therefore be of value in the design and development of Lewisham’s local CTRS scheme.

37. In respect of the CTRS questionnaire, of the 761 people who responded about 700 (92%) identified themselves as either male or female. Within this cohort 53% of respondents identified themselves as female and 44% as male.
38. The survey responses reveal that men (six in ten) were more likely than women (nearly five in ten) to favour the proposal that everyone should pay some Council Tax. Men (five in ten) were also more likely than women (nearly four in ten) to agree that the Second Adult Rebate should be abolished. However, when asked whether the vulnerable should receive more help there was little difference between the genders with seven in ten in each instance indicating ‘yes’ in response to this question. The results would appear to bear out the earlier analysis which suggests that the introduction of local CTRS will have a disproportionate effect on women.

Responses by gender	Male	Female
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	63.1%	49.7%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	51.2%	39.5%
<i>% of respondents indicating ‘yes’, some vulnerable individuals or groups should get more help</i>	71.8%	73.3%

Gender re-assignment

39. Transgender describes the process of transitioning from one gender to another. For individuals within this group, the Act provides protection for trans-sexual people from discrimination and harassment in various areas, such as work or the provision of goods and services. A summary of data on gender reassignment is set out in the box below.

Data summary for gender reassignment

- in 2006-07 Lewisham Council commissioned a research study of the LGBT populations who lived, worked, studied or socialised in the borough;
- of the 316 respondents, seven identified as trans people, which was insufficient to draw quantitative conclusions;
- according to the NHS Secondary User Service Admitted Patients database, there were four admissions to NHS hospitals in 2011-12 of four different individuals resident in Lewisham and having a primary diagnostic code beginning F64 (trans-sexualism or gender identify disorder). Only one of these was for a full (male to female) gender reassignment. None of the admissions was to Lewisham Hospital.

further analysis of proposals: transgender

40. In respect of the CTRS questionnaire, of the 761 people who responded about 3% (23) identified themselves as transgender (a very small base). The results show that just over half of respondents from this cohort agree with the proposal that everyone should pay some Council Tax, slightly below the average for all respondents.
41. By contrast less than one in three of transgender respondents agree with the proposal to abolish the Second Adult Rebate, compared to just over four in ten for all respondents.
42. In terms of providing help for the vulnerable, just over six in ten transgender respondents support this proposal compared to over seven in ten for all respondents to the survey.

Responses by	Transgender	All Respondents
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	53.3%	56.1%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	28.5%	45.3%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	63.6%	72.5%

Marriage and civil partnership

43. Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. The Equality Act requires civil partners to be treated as the same as married couples on a wide range of legal matters. A summary of data on marriage and civil partnership is set out in the box below.

Data summary for marriage and civil partnership

- according to the 2001 Census 34.1% of Lewisham adults over the age of 16 are married;
- nationally the number of marriages taking place has declined year on year which would indicate this figure is now lower than ten years ago.

further analysis of proposals: relationship

44. In respect of the CTRS questionnaire, of the 761 people who responded about 28% of respondents identified themselves as married, whilst 9% described themselves as living as a couple. In terms of questionnaire responses married respondents (six in ten) were less likely to favour the proposal that everyone should pay some Council Tax than respondents living as a couple (three quarters). Similarly married respondents (five in

ten) were also less likely than respondents living as a couple (six in ten) to favour the abolition of the Second Adult Rebate.

45. By contrast just under seven in ten married respondents were in favour of supporting the vulnerable compared to just over seven in ten respondents living as a couple.

Responses by relationship	Married	Living as a Couple
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	62.2%	75%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	53.1%	60%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	68.8%	70.3%

Pregnancy and maternity

46. Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding. A summary of data on pregnancy and maternity is set out in the box below.

Data summary for pregnancy and maternity

- for 2011 there were about 5,200 new babies recorded in official statistics^x as Lewisham residents, and about 4,860 “maternity spells” which records the fact of giving birth, but not whether a birth is single or multiple, nor whether the birth was live or a stillbirth, so cannot be used to count the resulting babies);
- Lewisham has an underlying population growth arising from its excess of births over deaths. In a typical year, there are more births (approximately 4,500-5200) than deaths (approximately 1,500-1,800) in Lewisham residents;
- in recent years the number of births has been increasing, suggesting either a change in fertility rates or a greater increase in the numbers of women of fertile age than the population estimates have allowed for.

Further analysis of proposals: pregnancy and maternity

47. Respondents were not specifically asked to identify themselves as pregnant or maternal. However, a wider view on the potential impact of these proposals on lone parent women and children has been captured and presented in the relevant sections above.

Race

48. Race refers to the equality group of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. A summary of data on race is set out in the box below.

Data summary for race

- according to GLA forecasts for 2010, 59% (158,757) of all Lewisham residents are white (White British, White Irish and White European);
- currently people from a Black Caribbean, Black African and Black other ethnic background represent 33% (81,763) of the population. By 2030 the number of people in Lewisham from a Black Caribbean, Black African and Black other ethnic background is expected to rise to 106,208 (an increase of 3.1%);
- those from a Bangladesh, Pakistani and Chinese background represent the smallest percentage of Lewisham's population all at 1%.

further analysis of proposals: ethnicity

49. In respect of the CTRS questionnaire, of the 761 people who responded 61% identified themselves as White and 38% as BME. Further analysis of the data showed that 62% of BME respondents were CTB claimants compared to 33% of White respondents. The survey also showed that amongst lone parent a higher proportion of respondents identified themselves as BME (35%) compared to White (14%).

50. In terms of responses to the questionnaire, White respondents (six in ten) were more likely than BME respondents (five in ten) to favour the proposal that everyone should pay some Council Tax. White respondents (five in ten) were also more likely than BME respondents (just over three in ten) to favour the abolition of the Second Adult Rebate.

51. The results also show that White respondents (just over three quarters) were more likely than BME respondents (about seven in ten) to favour helping the most vulnerable.

Responses by ethnicity	White	BME
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	62.5%	49.4%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	53.7%	34.8%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	76.2%	68.9%

Religion or belief

52. Religion has the meaning usually given to it, but belief includes religious and philosophical beliefs including lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition. A summary of data on religion and belief is set out in the box below.

Data summary for religion or belief

- the most up to date information on religion or belief in Lewisham is from the Census of 2001. This revealed that nearly 70% of Lewisham residents described themselves having a faith or religion, whilst some 20% of residents described themselves as having no faith or religion;
- amongst those residents that described themselves as having a faith or religion some 61% identified their faith as Christian, whilst 4.6% described themselves as Muslim;
- of other religions, Hindus represent 1.7% of the population, whilst Buddhists represent just over 1% of the population;
- residents of the Jewish and Sikh faiths represent less than 1% of the population.

further analysis of proposals: religion or belief

53. In respect of the CTRS questionnaire, of the 761 people who responded about 65% described themselves as having a faith. Of these: 47% identified themselves as Christian, 8% identified themselves as Muslim, 2% identified as Buddhist and just over 1% as Hindu. A further 30% of respondents identified themselves as professing no religion or belief.

54. Analysis of the results by religion or belief reveal that Christians (just over six in ten) are more likely than those with no religious belief (just under six in ten) and those professing other faiths (just over four in ten) to agree that everyone should pay some Council Tax.

55. However, respondents professing no religious belief (just over five in ten) are more likely than Christians (just over four in ten) and those professing other faiths (just over three in ten) to agree the Second Adult Rebate should be abolished.

56. On the issue of helping the most vulnerable, respondents professing no religious belief (nearly eight in ten) are more likely than Christians (just over seven in ten) and people professing other faiths (just over six in ten) to agree with this proposal.

Responses by religion or belief	Christian	Other faiths	No belief
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<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	61.4%	41.9%	58.6%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	43.5%	36.2%	52%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	71.9%	63.2%	79.2%

Sexual orientation

57. Sexual orientation is defined as whether a person's sexual attraction is towards the opposite the opposite sex, their own sex or to both sexes. A summary of data on sexual orientation is set out in the box below.

Data summary for sexual orientation

- in 2007, a question on sexual orientation was added to the Council's Annual Resident Survey for the first time. The results showed that out of 1,042 respondents 92% identified themselves as heterosexual/ straight, whilst 2% identified as being lesbian, gay, or bisexual (LGB);
- in 2009 Annual Resident Survey, the same question was asked and out of a total of 1,022 people 95% identified themselves as heterosexual/ straight and 1% identified as being LGB.

further analysis of proposals: sexual orientation

58. In respect of the CTRS questionnaire, of the 761 people who responded about 83% of respondents identified themselves as heterosexual and 6% as LGB or other.

59. The data shows that heterosexual respondents (nearly six in ten) are more likely than LGB or other respondents (just over four in ten) to agree that everyone should pay some Council Tax.

60. By contrast, LGB or other respondents (nearly six in ten) are more likely than heterosexual respondents (just over four in ten) to agree that the Second Adult Rebate should be abolished.

61. With regard to helping the most vulnerable just over eight in ten LGB or other respondents supported this proposal compared to just over seven in ten heterosexual respondents.

Responses by sexual orientation	Heterosexual	LGB/ other
<i>% of respondents agreeing or strongly agreeing that everyone should pay some Council Tax</i>	59.7%	45%
<i>% of respondents agreeing or strongly agreeing that the Second Adult Rebate should be abolished</i>	45.4%	58.9%
<i>% of respondents indicating 'yes', some vulnerable individuals or groups should get more help</i>	73.6%	85%

Addressing the public sector equality duty

62. Lewisham's proposal is that every household should pay some Council Tax. The purpose of the analysis in this report is to better understand the potential impact of the Council's proposals on each of the nine characteristics protected under the Equality Act 2010.
63. The analysis reveals that the introduction of local CTRS will have some impact upon all protected groups. This is particularly so for those who may face difficulties accessing the labour market or those who will be most affected by the cumulative impact of welfare reforms to be introduced in the New Year.
64. Across the nine protected characteristics, this assessment has identified four equality sub-groups whose circumstances merit specific consideration as part of the development of Lewisham's local CTRS proposals. These are as follows:
- lone parents with dependent children – available data shows that Lewisham has a high proportion of lone parent families compared to London and a higher proportion of children that live within them. The Council has therefore given careful consideration to the potential impact of its proposals on child poverty;
 - disabled people – the Council is mindful that some disabled residents may face particular challenges that affect their ability to participate effectively in society. For some, the challenges are such that accessing work may not be an option, irrespective of the range of opportunities or incentives that might be available. In designing its proposals for local CTRS, the Council will therefore give specific consideration to the experiences and needs of disabled people;
 - women – analysis of available data shows that when compared to men, women are disproportionately represented amongst CTB claimants (as both single person and lone parent claimants), are less likely to be economically active and are less likely to be in employment. In designing its proposals for local CTRS the Council will therefore give specific consideration to the complicating factors that may make it difficult for women to access or re-enter the job market;
 - older people of working age - available data shows that CTB claimants aged between 50 and 64 who are in receipt of JSA are disproportionately represented amongst the longer term unemployed. The Council is therefore mindful that this age group may face particular challenges in being able to take full advantage of incentives to access or re-enter the job market.
65. The sub-headers below set out how, in developing proposals for local CTRS, Lewisham has met its duties under the Equality Act 2010.

eliminate unlawful discrimination, harassment and victimisation

66. In July 2012, a report was presented to Mayor & Cabinet^{xi} setting out the potential implications of the Government's cut in funding for CTRS. The report specifically addressed the risk of absorbing the cut against that of passing it on to CTB recipients.
67. The report noted that, at a time when the Council is already facing a 28% reduction in its funding following the Comprehensive Spending Review, absorbing the shortfall in funding for local CTRS would create an additional pressure on the authority's finances. To do so, the report noted, would adversely affect existing services, including those upon which the most vulnerable residents are dependent. In view of the financial pressures that the Council faces, the Mayor agreed to consult on the proposal to 'pass on' the budget cut.
68. The subsequent consultation, to which all protected groups have contributed, has revealed that the majority of respondents agree that everyone should pay some Council Tax. However, respondents have also expressed strong support for helping the vulnerable.
69. In line with its duties under the Equality Act 2010, the Council has considered the option of absorbing the shortfall in funding for local CTRS. In addition, the authority has taken on board the views of those likely to be affected by the introduction of proposed changes and assessed the likely impact of its proposals on equality groups. By taking these actions the Council can demonstrate that it has not unlawfully discriminated against any of the characteristics protected under the Equality Act 2010.

foster good relations

70. Mindful that the proposal to pass on the budget cut places an additional demand on those who are already income deprived, the Council will take on board the strong views expressed during the consultation process that the vulnerable should receive more help.
71. This report suggests that there are some groups including lone parents with dependent children (particularly women); those aged 50 to 64 (who are disproportionately represented amongst the long term unemployed) and the disabled, whose circumstances may make them particularly vulnerable to exceptional hardship. Consideration will therefore be given to the needs of those groups in the design and development of hardship provision.
72. In line with its duties under the Equality Act, the Council has considered how to moderate the potentially adverse impact of local CTRS upon the most vulnerable. In doing so it has looked to ensure that its proposals are fair, unbiased and do not show unreasonable favour to one group over another. By taking these actions the Council is able to demonstrate that

its proposals for local CTRS will help foster good relations between different equality groups.

advance equality of opportunity

73. In developing a draft local CTRS scheme, the Council is required to show how its proposals will incentivise work. As such, Lewisham's proposals include a commitment to disregard some of the income earned by CTB claimants, when calculating how much CTRS they should receive. These disregards are as follows

- single person - the first £5 of net earnings not included
- couple – the first £10 of net earnings not included
- single parent – the first £25 of net earnings not included

74. These measures to incentivise work will be targeted at all claimants. However, there are likely to be most beneficial to those who do not have any complicating factors that prevent them from accessing work. For those whose circumstances make them so vulnerable that they are unable to access employment, the Council will consider what help might be available by way of hardship provision.

75. The Council's proposal to incentivise work through earnings disregards provides clear evidence of its commitment to advance equality of opportunity for protected characteristics in line with the Equality Act 2010.

Next steps

76. The issues raised in this assessment will be taken forward and considered in greater detail. In particular the Council will aim to:

- further explore the introduction of hardship support based on consultation feedback and the availability contingency funding
- design hardship criteria that is both fair and equitable and specifically recognises the needs of those facing exceptional hardship
- give further consideration to back-to-work incentives for those aged 50-64, who are disproportionately represented amongst the long-term unemployed and who may face particular challenges accessing the job market
- give further consideration to back-to-work incentives for single women who (compared to men) are disproportionately represented amongst single CTB claimants, lone parents, the economically inactive and those in employment
- explore back-to-work incentives for lone parents, who may face unique challenges accessing or re-entering the job market, but for whom targeted support could increase their chances of a gaining employment
- explore back-to-work incentives for disabled people, specifically for those whose circumstances do not preclude them from work, but for whom targeted support will be essential to assist them into employment

References

ⁱ [Localising Support for Council Tax Vulnerable people – key local authority duties](#)

ⁱⁱ 2011 Census

ⁱⁱⁱ 2011 Sub National Population Projections Office for National Statistics

^{iv} [JSA Claimants by Age and Duration \(August 2012\) NOMIS](#)

^v 2011 Mid-Year Population Estimates, ONS

^{vi} Annual Population Survey 2007

^{vii} Disability Living Allowance Claimants (February 2012) Department for Work and Pensions

^{viii} 2011 Census

^{ix} ONS Annual Population Survey April 2011-March 2012

^x Public Health Birth Files (PHBF) from the Office of National Statistics (ONS) for number of babies, NHS Secondary User Service for Maternity Spells, ONS/NHSIC Primary Care Mortality database for numbers of deaths

^{xi} [Localisation of CTRS – Report to Mayor & Cabinet July 2012](#)