

MEETING

CABINET

DATE AND TIME

MONDAY 17TH DECEMBER, 2012

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, NW4 4BG

TO: MEMBERS OF CABINET (Quorum 5)

Chairman: Councillor Richard Cornelius, Leader of the Council

Councillors

Daniel Thomas
Dean Cohen
Tom Davey

Andrew Harper
Helena Hart
David Longstaff

Sachin Rajput
Robert Rams
Joanna Tambourides

You are requested to attend the above meeting for which an agenda is attached.

Aysen Giritli – Head of Governance

Governance Services contact: Aysen Giritli 020 8359 2177 aysen.giritli@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039

CORPORATE GOVERNANCE DIRECTORATE

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of Previous Meeting	
2.	Absence of Members	
3.	Declarations of Members Personal and Prejudicial Interests	
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7.	Any Items that the Chairman Decides Are Urgent	

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Meeting	Cabinet
Date	17 December 2012
Subject	Council Tax Support Scheme (including proposals to remove discounts and exemptions)
Report of	Deputy Leader of the Council / Cabinet Member for Resources and Performance
Summary	<p>This report makes proposals for a Barnet Council Tax Support Scheme to replace Council Tax Benefit in line with Government requirements. The level of government funding for a local scheme will be based on a reduction of 10% from the estimated level of Council Tax Benefit expenditure in 2013/14. For LB Barnet, the best estimate of the shortfall in 2013/14 is £3.7m. The proposed scheme for 2013/14 reflects the outcomes of a public consultation process and the availability of additional transitional funding from government. It is designed to seek to recover the shortfall in funding through a number of changes, including the requirement that all working age households contribute at least 8.5% of their Council Tax bill. In addition, localised powers to remove some discounts and exemptions from Council Tax will be used to meet the funding gap. An implementation plan is also presented which will enable the council to meet the government's objective for the scheme to be operational by 1st April 2013. Changes to the scheme for 2014/15 will be subject to further consultation before implementation.</p>

Officer Contributors	<p>Bill Murphy, Assistant Director for Customer Services and Libraries</p> <p>John Hooton, Assistant Director, Finance</p> <p>John Gregson, Programme Manager, Revenues & Benefits</p> <p>Rowena Gates, Revenues & Benefits Transition Team</p> <p>Tom Pike, Head of Performance</p>
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes

Reason for urgency / exemption from call-in	N/A
Function of Enclosures	<p>Cabinet</p> <p>Appendix 1: Current Council Tax Benefit scheme.</p> <p>Appendix 2: Topics put out to consultation</p> <p>Appendix 3: Consultation report summary</p> <p>Appendix 4: Additional consultation responses from voluntary groups</p> <p>Appendix 5: Consultation approach</p> <p>Appendix 6: Equalities Impact Assessment</p> <p>Appendix 7: Proposed new scheme</p> <p>Appendix 8: Impact of the proposed scheme on affected groups</p> <p>Appendix 9: Implementation plan</p>
Contact for Further Information:	<p>John Gregson. Email: john.gregson@barnet.gov.uk</p> <p>Tel: 0208 359 7853</p>

1. RECOMMENDATIONS

- 1.1 To note the results of the public consultation exercise undertaken from 1 August to 24 October 2012 on the principles and possible features of the new scheme;**
- 1.2 To note the range of possible options to address the shortfall in revenue from government and reflect the outcomes of consultation, together with the associated impacts on population segments and risks of each option;**
- 1.3 To endorse the adoption of the following features of the scheme for 2013/14, thereby enabling government transitional funding of £0.6m to be secured:**
 - Contribution of 8.5% of Council Tax liability from all working age claimants;**
 - Simplified system of non-dependent allowances;**
 - Protection from the impact of the scheme for war pensioners;**
- 1.4 To agree that technical changes to existing Council Tax discounts and exemptions in relation to Class A and C exemptions and second home discounts, and the introduction of an empty homes premium of 50% on those properties that have been empty for more than two years, should be adopted, to take effect from 1 April 2013;**
- 1.5 To endorse the proposal that any surplus generated by the above measures should be allocated to the Crisis Fund being set up to support those in exceptional hardship in the borough;**
- 1.6 To endorse the proposed implementation programme, including communications to the public;**
- 1.7 To agree that the chosen scheme option should be presented to Full Council at its meeting on 22 January 2013 for final approval as the scheme to be adopted by Barnet, in line with the Government's requirement for every local authority to adopt a new scheme by 31 January 2013.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1. Cabinet 17 July 2012, Decision item 12 Consultation on Options for Council Tax Localisation: Cabinet noted Government changes to Council Tax Benefit and the proposal to replace this with a local Council Tax Support scheme. Cabinet agreed options for consultation, communications and consultation programme. Cabinet agreed that a future meeting would receive a report presenting the consultation findings, proposals for a local Council Tax Support (CTS) scheme, with relevant impact assessments and a proposed implementation plan.**

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1. The Government have committed to a programme of welfare reform, aiming to simplify the benefits system, create the right incentives to get more people into work, protect the most vulnerable, and deliver fairness to tax payers and to those claiming benefits. The programme makes a number of changes, including the ending of the current Council Tax Benefit scheme and its replacement by local Council Tax Support schemes, revisions to the housing benefits scheme, the introduction of a cap on the total amount of benefits that can be claimed, and will simplify the existing benefit and credit schemes through the introduction of Universal Credit.
- 3.2. The welfare reform programme promotes localisation, recognising that local authorities are well placed to design support schemes for Council Tax in way which promotes work and supports the most vulnerable. This presents a welcome opportunity for the Council to establish a support scheme which is aligned with local priorities.
- 3.3. The reform package also gives local authorities funding and responsibility for designing and implementing a Crisis Fund, replacing the discretionary elements of the Social Fund currently administered by the Department for Work and Pensions. The design of the new Council Tax Support scheme gives additional flexibility to the Council to support the most vulnerable, develop incentives and encourage individuals and communities to develop resilience and support one another.
- 3.4. Despite large cuts to local government funding and continuing economic uncertainty, Barnet Council is in a strong position, with a robust three year plan to meet savings requirements, a track record of delivery of savings, and clear strategic direction. This considered approach to budget and business planning has enabled the Council to take prudent and measured decisions, including creating headroom to invest in early intervention to secure future savings and improved outcomes for families and residents. This approach has also been used when designing Barnet's Council Tax Support scheme, aiming to achieve cost reduction in a way which supports local priorities.
- 3.5. The proposed Council Tax Support scheme has been designed to support the council's corporate priority to deliver 'better services with less money', making the best use of a reduced grant for Council Tax Support, modelling future costs and implications to provide a scheme which best meets the needs of Barnet residents and current Council Tax Benefit claimants, and ensuring a stable Medium Term Financial Strategy.
- 3.6. The new scheme also supports the corporate priority of 'sharing opportunities, sharing responsibilities' by considering the impacts of the scheme on different demographic groups and mitigating adverse impacts where possible. A comprehensive consultation and engagement programme has been completed, engaging current Council Tax Benefit recipients and residents, to consider alternative options. Additional research has reviewed the impacts and implications of welfare reform on groups in the borough and existing support mechanisms, and has considered whether additional actions are required to support the vulnerable and deliver local objectives.

4. RISK MANAGEMENT ISSUES

- 4.1 The Department for Communities and Local Government (DCLG) recognise that the timetable for implementation of a Council Tax Support scheme is tight, especially as it coincides with the Government's plans for implementing:
- The move to a capped system of welfare payments (the Benefits Cap)
 - The introduction of new under-occupancy rules for the calculation of housing benefit
 - The roll-out of Universal Credit
 - Business rate retention

Consequently, the time available to agree and implement our local scheme is limited. If Barnet has not adopted a new scheme by 31 January 2013, the DCLG's default scheme will take effect. This would mean that the 10% cut in government funding, of £3.7m, would have to be absorbed by the Council and the Greater London Authority. This risk has been mitigated by forming a well-designed project plan, putting in place dedicated project management, and initiating early discussions with systems and other suppliers.

- 4.2 Additional financial risks arise as follows, with mitigating actions as shown in Table 1 below.

Table 1: Principal financial risks and mitigations

Risk	Mitigation
The extent to which the selected scheme meets the funding gap of £3.7m generated by the government's reduction in funding	Options set out within this report to meet the funding gap
The increased complexity of financial planning that could result from growing pressure from the Council Tax Support scheme if funding reductions are not fully addressed	Cautious assumptions on recovery rate and therefore yield from the scheme
Lower Council Tax collection rate and bad debts	Robust arrears management procedures to maximise collection rate and prudent assumptions on collection rates
Higher administrative costs	Integration of administration with existing Revenues & Benefits service, supported by proven system
Potential growth in the number of claimants.	Realistic assumption on caseload growth based on trends in recent years
The proposed scheme is based on a number of assumptions, including collection rate and take-up rate. A	Review operation of scheme in the first year and modify in later years to

downturn in the economy could lead to higher benefit take-up rates. As a result, the projected funding gap would increase.	reflect experience
If Barnet's population increases, including an increase in the population segment that currently receives Council Tax Benefit, demand for Council Tax Support could increase against a fixed grant from the government. This would increase the funding gap. Such population migration may occur as a result of increased housing costs in central London, or if Barnet's CTS scheme is more generous than those of neighbouring boroughs	Ensure that Barnet's scheme is not significantly more generous than those of neighbouring boroughs.

These risks are covered in more detail in Section 9.5. These impacts may be mitigated to varying degrees depending on the scheme adopted and this has been a consideration when evaluating the options.

4.3 The development and finalisation of any scheme adopted by the Council must be compatible with various legal obligations:

- Firstly, decisions taken by Cabinet need to be based on comprehensive consultation, to seek responses of residents and ensure that the final decision taken has due regard for the needs of local communities. To meet this requirement, a full communication and consultation programme has been undertaken, engaging with residents, claimants, organisations and other stakeholders. The outcomes of this consultation have been used to shape the recommendations for the design of the new scheme.
- Secondly, the proposed scheme must have paid 'due regard' to the public sector equality duty as set out in the Equality Act 2010. The Corporate Plan 2012 – 2013 sets out the council's approach to assessing the impact of new policies, functions and activities on residents. The results of consultation and analysis have been used to assess the potential impacts of the proposed scheme on different groups, including potential mitigation. The Equalities Impact Assessment is provided at Appendix 5.

4.4 **IT System:** The IT system for operating the new scheme must be able to support the administration of the selected local scheme and must be implemented in time. The new scheme may bring increased administrative burdens and risk of fraud. The Council has engaged with its existing supplier, Civica, and have input local requirements regarding system functionality to the design of their Council Tax Support module. This module meets all the requirements of all the options contained in this report, and is planned to be fully configured, tested and staff trained in its use by 1 April 2013.

4.5 **Processing performance:** Reputational risks will arise for the Revenues and Benefits Service if there is reduction in speed and accuracy of processing

claims or if Council Tax collection rates suffer as a result of implementing the new scheme. The design and implementation of the scheme will be managed in such a way as to minimise these risks. However, there will still be an impact on working age claimants who in the past have been effectively exempt from paying Council Tax and will in future be expected to pay a portion of their Council Tax liability. There is a real risk that a significant part of this segment of population will be unwilling to pay any contribution towards their Council Tax bill, leading to an increase in customer contact, appeals and complaints, and higher levels of bad debt.

- 4.6 **New Support and Customer Services Organisation (NSCSO):** The design, configuration, testing and training associated with the new scheme will be the responsibility of the council but the operation of the new scheme from 1 April 2013 will be the responsibility of the selected NSCSO provider. This presents a possible risk of lack of connection between the design and operation of the new scheme which will be mitigated by working closely with the selected NSCSO provider through the transition period (January to March 2013) to ensure that they input to the design phase and are fully resourced and skilled to operate the new scheme from 1 April. The risk on transaction volumes will be covered by the volumetric pricing formula which is built into the commercial arrangements with either bidder.
- 4.7 **Fairness:** There is also a risk that scheme may be perceived as being unfair. This risk has been mitigated by seeking views from the public through the 12-week consultation period - these have been taken into account in the selection of the final preferred option. In addition, the Council is recommending making full use of its powers to make technical reforms to the existing discounts and exemptions for empty and second homes, which will help alleviate the pressure to make the full 10% savings from the Council Tax support scheme; without this feature the contribution from working age claimants would need to have been over 25%. In line with the Government's commitment to incentivise work, the recommended scheme provides for a lower contribution from working age claimants together with the potential for building a support fund.
- 4.8 **Culture of non-payment:** Since current benefit claimants will mainly be asked to make only a small contribution to their Council Tax bill, existing collection and recovery strategies may not be cost-effective, and small debts may be written off. This may over time develop into a culture of non-payment, where it becomes increasingly difficult and costly to recover small amounts of Council Tax from those who can least afford to pay it. This has been mitigated by minimising the level of contribution from claimants in the first year, and will be backed up by robust arrears management procedures during the operation of the scheme.
- 4.9 **Banding limit:** It is clear from both the consultation and our modelling that the introduction of a limit on the level of support for higher banded properties could disproportionately impact on some population segments, in particular larger families. For example, the introduction of a Band D limit would lead to a reduction of over £25 per week for over 200 families living in larger properties in Barnet. In addition to the collection risk outlined above, there is a further risk that such a large impact may worsen the societal and other problems caused by some of these families, which may in the longer term cost much more to resolve than the amount of revenue generated. For these reasons it is not proposed to adopt this feature in the first year of the scheme.

- 4.10 **Impact on households who cannot afford the increased expenditure:** The scheme seeks to recover part of the funding shortfall from households at the lower end of the income scale. Together with other welfare reforms being implemented by government, the scheme may exacerbate already difficult financial circumstances for some individuals and families. This risk will be mitigated by separate proposals for a Crisis Fund to support those in severe need, and by the usual payment schemes, which allow payments to be spread over longer periods in cases where citizens have difficulty paying their Council Tax.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council's strategic equality objective is expressed both in the Constitution and the Corporate Plan. It gives a commitment that citizens will be treated equally, with understanding and respect; have equal opportunity with other citizens; and receive quality services provided to Best Value principles. The proposals set out in this report support this commitment.
- 5.2 The options under consideration for the proposed scheme (set out in section 9) are based on the draft prescribed regulations that support the Government's intention that pensioners should not be affected by this cut in spending.
- 5.3 The development of a proposal for a Council Tax Support scheme has incorporated a well-designed consultation and engagement programme which has identified and captured the views of citizens. The public consultation has enabled the Council to understand the needs of Barnet's diverse communities.
- 5.4 The proposals for the new scheme have been assessed to ensure that due regard has been given to the public sector equality duty as enshrined in the Equality Act 2010 using the process set out in the Corporate Plan 2012-13. Section 149 of the Act provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;

- religion or belief;
- sex;
- sexual orientation.

The resulting Equalities Impact Assessment is presented in **Appendix 5**.

5.5 The key equalities concerns raised by respondents to the public consultation were:

- Those with a disability may not be able to afford the proposed 8.5% contribution to their Council Tax liability;
- Those with a disability whose banding may be higher as a result of the need to live in suitably adapted properties would be disproportionately impacted by the proposal to limit support to Band D or Band E;
- Those whose cultural or religious background requires them to live in certain areas (e.g. Jewish Orthodox) which may by definition be in higher banded areas would be disproportionately impacted by the proposal to limit support to Band D or Band E.
- Non-dependent children in education (particularly among those with children at university), who many respondents still regarded as dependants, may be disproportionately impacted by the proposals to require a contribution to Council Tax from current claimants and to simplify non-dependant deductions;

5.6 Complete data on the protected characteristics of Council Tax Benefit claimants is not available, but on the basis of available data sets, the breakdown of Barnet claimants is as follows:

- All are on low incomes
- The majority are of working age, with most being between 25 and 44 years of age
- A somewhat higher proportion than the general population consider themselves to have a disability
- A higher proportion of them are female, and many of these are lone parents
- A higher proportion than in the general population are Muslim

5.7 Pensioners (those qualifying for state pension benefit) are exempted from the scheme, but it should be noted that the removal of exemptions and discounts on empty properties is not part of the scheme¹ and pensioners will not be exempt from this provision.

5.8 The Council has reduced the overall impact of the scheme by making full use of its powers to reduce or remove discounts and exemptions for empty properties and constructing a scheme that will meet the government's criteria for qualifying for transitional funding, expected to be worth £600,000 for Barnet in 2013/14.

¹ Through a change in the technical Council Tax regulations local authorities will have the power from April 2013 to remove or modify exemptions and discounts for empty properties – this provision is outside the scope of the Council Tax Support scheme but will substantially reduce the funding gap to be filled by the CTS scheme.

While concerns were raised in the qualitative consultation research regarding the impact of this feature on landlords, those whose property is empty through no fault of their own (eg through fire or flood) and the property market, almost two thirds of respondents to the consultation agreed with this proposal, representing the highest level of agreement for any feature.

- 5.9 It is recognised that the proposal to require all working age CTB claimants pay 8.5% of their Council Tax liability will impact on people in many protected groups, and in particular could disproportionately affect the groups identified above. In addition, concern was raised in the qualitative consultation research regarding the ability to pay of people who are unemployed, people on low incomes and those with a disability. Concerns were also expressed that this requirement may drive people to crime or unethical borrowing, and also that the cost of collection by the Council could be high.
- 5.10 In 2013/14 it is proposed to minimise the disproportionate effect of this requirement on larger families who live in higher banded properties by not implementing the proposal to implement limits on support based on Band D or Band E Council Tax levels - this could have doubled the required contribution for those in the largest properties. Furthermore, the Council have avoided an adverse impact on hardworking working families by not implementing the proposal to reduce capital limits from £16,000 to £8,000.

6. USE OF RESOURCES IMPLICATIONS (FINANCE, PROCUREMENT, PERFORMANCE & VALUE FOR MONEY, STAFFING, IT, PROPERTY, SUSTAINABILITY)

- 6.1 Currently, there are over 32,000 benefit claimants who receive help paying their Council Tax. Total spending on Council Tax Benefit in Barnet in 2011/12 was £32.2m, which was fully funded by a central government Council Tax Benefit Grant of £32.2m. Total spending on Council Tax Benefit in Barnet in 2012/13 is expected to be £31.8m.
- 6.2 The Government has set the funding level for 2013/14 at 90% of the estimated Council Tax Benefit figure for 2013/14. Assuming no change from the expected spend in 2012/13, this would be a 10% cut from £31.8m, ie a cut of £3.2m.
- 6.3 As the Council Tax collection authority, Barnet administers benefits and receives a grant from central government which is shared with the Greater London Authority (GLA) in proportion to the GLA's share of the Council Tax. Barnet's share is currently 78.4% and GLA's is 21.6%. The new scheme will also have the effect of sharing the cost of the new scheme and the reduced funding in proportion to this Council Tax sharing ratio. Barnet's share of the £3.2m cut in government funding is £2.5m.
- 6.4 Allowing for estimated increases in demand (through population growth and potential increased take-up of the new scheme), a zero Council Tax rise in 2013/14 and the GLA share, it is estimated that the funding gap to the Council will be £3.7m in 2013/14, derived as shown in Table 2 below.

Table 2: Funding gap for Barnet in 2013/14

	£m
10per cent cut based on estimated 2013/14 spend of £31.8m	3.2
Less: GLA element	(0.7)
Zero Council Tax increase	0.0
Add: 5% increase in take up	1.2
Total	3.7

- 6.5 This report outlines a number of options for a local scheme for Council Tax Support, each of which has the ability to address the funding gap set out in 6.4. These options are shown in Table 3 below. Option 6 is recommended for adoption. The precise financial implications will be dependent not only on the option chosen but also on the growth in population, the actual scheme take-up rate and the council's ability to recover tax from those may not have paid Council Tax before.

Table 3: Option proposed for 2013/14 scheme

Feature	Option 6
Working age claimants to pay a minimum contribution towards their Council Tax	8.5% - £1.3m
Reduce capital limits from £16,000 to £8,000	-
Limiting level of support to Band D or Band E	-
Simplifying system of non-dependant deductions	£0.1m
Transitional funding from government	£0.6m
Total from CTS scheme	£2.0m
Revenue from technical changes, ie removal of exemptions and discounts on empty properties	£2.2m
Net surplus/(shortfall) against estimated funding gap of £3.7m	£0.5m

- 6.6 The Medium Term Financial Strategy has previously been set to include a provision of £3.1m to cover the potential shortfall from the cut in government support for Council Tax benefit. With the implementation of a local scheme as set out in this report, this assumption could be revisited in the final budget report.
- 6.7 There are risks associated with the position set out above. If take up were to increase by more than 5% to, say, 10%, the gap would increase by £1.2m. In terms of bad debt risk, the lower the discount offered and therefore the higher contribution expected, the greater the bad debt risk.
- 6.8 The Government has stated that the transitional funding offered for 2013/14 will not be extended into future years. In order to meet the ongoing funding gap in later years without making service savings or drawing from reserves, additional revenues would need to be generated by:
- Increasing the contribution from working age claimants; and/or

- Reducing capital limits; and/or
- Limiting the level of support to Band D or Band E.

- 6.9 In total, up-front expenditure of £80k is expected to be incurred in setting up the new system, and an estimated further £100k per annum (including staff and IT costs but not bad debt) will be incurred in operating the new system. An initial £84,000 in New Burdens funding has been given to Barnet and the DCLG has indicated that further grant may also be given to assist with one-off implementation costs, transition costs and the recurring costs for the first three years of operating the new system. Government has confirmed that administration funding for 2013/14 will be the same as for 2012/13, and it is assumed that funding for administration will continue in future years on the same basis.
- 6.10 The introduction of a local Council Tax Support scheme would lead to a loss of income from people receiving Adult Social Care and Health services. Under the Fairer Contributions Policy contributions towards the costs of non-residential care services are assessed on ability to pay, after taking into account income and outgoings, including council tax payments. The proposal that all working age claimants would pay a contribution towards the council tax could lead to a loss of income for Adult Social Care and Health of up to £22,000 a year.

7. LEGAL ISSUES

- 7.1. Section 33 of the Welfare Reform Act 2012 abolishes Council Tax Benefit and any replacement scheme is excluded from the scope of the Universal Credit system set up by Section 1 of that Act. The Local Government Finance Act 2012 (“the 2012 Act”) amends the Local Government Finance Act 1992 (“the 1992 Act”) to make provision for the localisation of Council Tax Support.

Council Tax Reduction Scheme

- 7.2. The 2012 Act amends the 1992 Act by adding a new section 13A to state that Council Tax will be reduced to the extent set out in an authority’s Council Tax reduction scheme and to such further extent as the authority sees fit (new s13A(1)(c) replicating the existing provision for authorities to adopt specified additional classes). Local authorities must make a Council Tax reduction scheme setting out the reductions which are to apply in its area by persons or persons in classes consisting of persons whom the authority considers to be in financial need. The scheme must be made no later than 31 January 2013, to take effect for the financial year commencing 1 April 2013. The 2012 Act amends the 1992 Act to make approval of the scheme a function of full Council. Failure to adopt a scheme by 31 January 2013 which result in the default scheme taking effect.
- 7.3. Schedule 4 of the 2012 Act adds a new Schedule 1 to the 1992 Act providing requirements for the scheme. This includes the following requirements:

- 7.3.1 The scheme must state the classes of person who are entitled to a reduction, by reference to income or capital of the liable person or other household members, the number of non dependants and whether the person has made an application;
 - 7.3.2 The scheme must set out the reductions to the classes of person and different reductions can apply to different classes;
 - 7.3.3 The reduction can be a percentage discount, a set discounted amount, a set maximum Council Tax liability or whole amount of Council Tax (thereby reducing liability to nil).
 - 7.3.4 The scheme must specify the application procedure, including an appeal procedure and application procedure to apply for any reduction under s.13A(1)(c).
 - 7.3.5 The scheme must include any prescribed requirements set out in regulations.
- 7.4. Draft prescribed requirements regulations have been published. The regulations require that pensioners (those who qualify for state pension support) as a class of person must be included in the scheme and prescribed persons who must be excluded, including those subject to immigration control. The regulations prescribe the eligibility, income and capital eligibility calculations, reductions and extended reductions for pensioners. In relation to all applicants, it sets out procedural requirements for an application and appeal, extended reductions for movers into an authority's area, requirements for information and evidence, amendment and withdrawal of applications and duty to notify change of circumstances.
- 7.5. In preparing the scheme, the Council was obliged to follow a statutory process set out in the 2012 Act. This required the authority to consult any major precepting authority, publish a draft scheme and consult such persons as it considers are likely to have an interest in the operation of the scheme. The Act confirms that compliance with any of these steps prior to enactment is acceptable. Any subsequent revisions or replacement schemes must go through similar consultation and publication requirements.

Reform of existing Council Tax discounts and exemptions

- 7.6. Sections 10 to 12 of the 2012 Act will insert new clauses 11A and 11B and amend section 6(2) of the 1992 Act.
- 7.7. Under s11A(2) of the 1992 Act, the Council will therefore be permitted to make a determination regarding reducing discounts on unoccupied properties, whilst s11A(6) requires that the determination be published in a local newspaper within 21 days of the determination. There is no statutory requirement for consultation, although there are publication requirements. The decision to reduce discounts or remove exemptions is reserved to full Council.
- 7.8. Section 11B permits an authority to determine that any discount will not apply to long term empty dwellings and that the Council Tax payable for these properties can be increased by a maximum of 50%. Long term empty dwelling is defined as a property which has been continuously unoccupied and substantially unfurnished for a period of at least two years.

Public law considerations

- 7.9. On 21 May 2012, DCLG published a guidance note setting out the key local authority duties affecting vulnerable people in relation to the decision to localise Council Tax support. This covered the public sector equality duty, which is set out elsewhere within this report, duty to mitigate the effects of child poverty, the armed forces covenant and the duty to prevent homelessness.
- 7.10. The Child Poverty Act 2010 requires local authorities and other public bodies to co-operate, understand needs and develop and deliver a strategy for their local area. The Joint Strategic Needs Assessment 2011 identifies health needs for the community and covered information on child poverty. The strategy is covered in the Barnet Children and Young People Plan. In relation to child poverty issues, supporting parents into work and preventing housing difficulties were covered. The Council Tax Support Scheme is intended to incentivise work by use of extended reductions. There is also a separate report on a Crisis Fund to address particular cases of financial hardship.
- 7.11. The Armed Forces Covenant seeks to redress the disadvantages that the armed forces community face in comparison with other citizens. The existing Council Tax benefit regulations require local authorities to disregard the first £10 per week of war pension and armed forces compensation scheme payments, when calculating income. This requirement will continue. However, local authorities also have discretion to top up the disregard to the full amount.
- 7.12. The Housing Act 1995 requires authorities to formulate homelessness strategies and to seek to prevent homelessness and secure sufficient accommodation and support in their areas. It is advisable to have good publicity to ensure that those in financial hardship are aware of the Council Tax reductions they are entitled to and are encouraged to apply for these.
- 7.13. When making policy decisions, the Council must take account of all relevant material, including financial resources, consultation responses and potential equality impacts in order to reach a decision. This report presents a number of options and the financial implications of these and makes a recommendation. However, this does not preclude Cabinet from recommending that another option is the most appropriate way forward.
- 7.14. There is a statutory duty to consult on the Council Tax support scheme. Whilst there is no statutory duty to consult on the technical reforms to existing discounts and exemptions, it was felt appropriate to undertake a consultation exercise to seek the public's views on the proposals.
- 7.15. A summary of the details of the consultation responses are set out in the report and attached as an appendix. Case law has confirmed that when determining whether to change policy, the Council must be receptive to reasonable arguments against the proposals, however this does not simply involve a head count of those for and against the proposals. In the case of withdrawal of benefits, exemptions and discounts, it will not be surprising if a number of respondents are against the proposal. The Council must take these

views into account and must balance this with other relevant information to decide whether to recommend an option.

8. CONSTITUTIONAL POWERS (RELEVANT SECTION FROM THE CONSTITUTION, KEY/NON-KEY DECISION)

- 8.1 The 2012 Act states that each authority must adopt a Council Tax reduction scheme no later than 31 January 2013.
- 8.2 The decision on the adoption of a Council Tax Support scheme is a decision for the full Council.
- 8.3 The Cabinet are requested to consider the Council Tax Support scheme and make a recommendation to full Council for adoption at the 22 January 2013 meeting.

9 BACKGROUND INFORMATION

9.1 Summary

9.1.1 The Government is proposing to abolish Council Tax Benefit (CTB) in April 2013, with local authorities tasked to design and implement a local scheme. The objectives of this reform are to allow schemes to reflect local priorities, and to strengthen incentives to promote employment and growth. The council is required to adopt a local Council Tax Support (CTS) scheme by 31 January 2013, to be brought into operation on 1 April 2013.

9.1.2 This report follows on from the Cabinet report of 17 July 2012. It:

- Updates the position with respect to government funding of the new scheme
- Reports on the findings of the public consultation on this topic
- Identifies options and makes proposals for a local Council Tax Support (CTS) scheme to be operated by Barnet from 1 April 2013
- Details the impact of these proposals on relevant population segments
- Provides an implementation plan that ensures that the new scheme will be fully operational by 1 April 2013

9.1.3 Government funding available for a local scheme will be reduced by 10 per cent of the estimated Council Tax Benefit figure for 2013/14, creating a financial burden. The government has not yet published its current estimates of this figure and this means that the size of this burden is uncertain. For Barnet, a shortfall of £3.7m is currently expected in 2013/14 and could increase in future years, depending on demand and future increases in Council Tax.

9.1.4 In July 2012 Cabinet endorsed the position that the shortfall in funding should be met through the design of the Council Tax Support scheme, rather than from general funding, to avoid cuts to services or increased Council Tax bills for residents. Cabinet endorsed the following principles to shape the design of the new scheme:

- A system based on fairness, with those with the ability to pay making a fair contribution
- The scheme should incentivise work
- Support for those in the most difficult circumstances
- The most vulnerable should benefit from a level of protection
- The scheme should be transparent and accessible.

9.1.5 A public consultation was held from 1 August to 24 October on the proposed principles and options for features for the new scheme. The key responses from this consultation were:

- Among the total sample a majority agreed with each of the principles, with a minimum of two thirds (65%) agreeing with each, and a minimum net agreement of +57% (net agreement means the percentage agreeing with the proposal minus the percentage disagreeing).

- There was also positive net agreement with the following features of the scheme:
 - Removal of discounts and exemptions for second homes and empty properties
 - Some contribution to be made by all working age citizens towards their Council Tax Bill
 - Removal of second adult rebate
 - Reduction of the capital limit
 - Capping support at Band D or Band E Council Tax rates
 - Simplification of the system of non-dependant deductions,
- Significant reservations were expressed in the qualitative research with regard to the introduction of capital limits and banding limits

9.1.6 The government has announced transitional funding for CTS schemes that meet certain criteria, the key one of which is that those who are currently in receipt of a full rebate of their Council Tax liability should pay no more than 8.5% of that liability under the new scheme. The transitional funding would be worth approximately £600,000 to Barnet in 2013/14.

9.1.7 The government is also permitting local authorities to reduce discounts and exemptions and to impose surcharges on unoccupied properties. Removal of discounts and exemptions for second homes and empty properties will yield approximately £2.2m per annum and will not impact significantly on the most disadvantaged. This meets the principles of 'A system based on fairness, with those with the ability to pay making a fair contribution' and 'The most vulnerable should benefit from a level of protection' and is recommended for adoption as part of the new scheme. The other key option that will contribute to meeting the funding gap and meet the council's other objectives is for working age citizens to contribute at least 8.5% to their Council Tax Bill – expected to yield £1.3m. This option is recommended for adoption in the new scheme.

9.1.8 In the light of consultation feedback, it is not proposed for 2013/14 to reduce capital limits or introduce limits on support at Council Tax Bands D or E. It is further proposed to provide specific protection for war pensioners. Further mitigation will be provided by use of the Crisis Fund to be implemented from 1 April 2013.

9.1.9 An implementation plan has been developed that will ensure that the new scheme is up and running by 1 April 2013. This plan includes definition and testing of working procedures, procurement and testing of systems, staff training and agreeing commercial terms and handover to the successful NSCSO provider. The design of the scheme in 2014/15 onwards will be developed during 2013/14 and will be subject to further consultation.

9.2. Background to Council Tax Support localisation

9.2.1. Council Tax Benefit (CTB) is a national means-tested social security benefit to help people pay their Council Tax. CTB is designed by the Department of Work and Pensions (DWP) and administered by local authorities. It is paid to anyone whose income is low enough and is liable to pay Council Tax. CTB is available to those who are pensioners or of working age, to people who are working, to the self-employed, and to people who receive benefits.

9.2.2. Entitlement is calculated in such a way that, depending on family size and the number of other people in the household, the amount they must pay towards their Council Tax increases in line with their income up to a limit beyond which no benefit is payable. **Appendix 1** gives a brief explanation of the principles behind current calculations. This information will assist in understanding how individual options for the new scheme might work. CTB is administered by local authorities who currently receive grants from the Department of Work and Pensions (DWP) which cover 100% of the cost.

9.2.3. In its 2010 Spending Review, the Government announced proposals to reduce spending on CTB by 10% and to localise it, saving a total of £470 million a year from 2013/14. Local authorities are required to have adopted (ie agreed and approved) a local scheme by 31 January 2013 and to have implemented it by 1 April 2013. Funding will be provided through an unringfenced grant of 90% of estimated 2013/14 CTB expenditure. If any authority does not adopt its own scheme, the government will impose a default scheme along the lines of the current Council Tax Benefit scheme, which would preclude the recovery of the funding gap. The Government requires that support for pensioners will not be affected by this cut in spending and that there should be support for other vulnerable groups. In addition, local schemes should support work incentives, and in particular avoid disincentives to move into work.

9.2.4. Key milestones are:

- | | |
|---|------------------|
| • Cabinet approval of proposed scheme | 17 December 2012 |
| • Full Council approval/adoption of new scheme | 22 January 2013 |
| • Application for transitional funding (£600,000) | 15 February 2013 |
| • Scheme in operation | 1 April 2013 |

9.3. Welfare reform

9.3.1. The Government's changes to Council Tax Benefit are taking place within the context of a broad programme of welfare reform, with the aim of making the benefits and tax credit system simpler and to remove disincentives to work. This programme is coupled with a challenging economic climate and reductions in public sector spending. Specific reforms will require the Council to make decisions on how to design and discharge new local support schemes, notably the new form of Council Tax Support and a local Crisis Fund to replace some parts of the existing Social Fund (from April 2013).

9.3.2. The Welfare Reform Act 2012 makes a number of significant changes to the benefits system, as it:

- Introduces Universal Credit – from October 2013

- Caps the total amount of benefit that can be claimed from 1 April 2013
- Restricts Housing Benefit entitlement for social housing tenants whose accommodation is larger than they need from 1 April 2013
- Up-rates Local Housing Allowance rates by the Consumer Price Index from 1 April 2013
- Seeks to reduce abuse of the Social Fund system by devolving the discretionary aspects to local authorities from 1 April 2013
- Limits the payment of Employment and Support Allowance to a 12-month period from May 2013
- Introduces Personal Independence Payments, replacing Disability Living Allowance from April 2013

Many of these changes will affect those on the lowest incomes.

9.3.3. Local authorities will also be given responsibility for designing and implementing a Social Fund, replacing Crisis Loans and Community Care Grants currently administered by the Department of Work and Pensions (DWP). This will take effect in April 2013. This provides an opportunity to align this funding with a new Council Tax Support scheme and other forms of support, and consider options to enhance community-level resilience, encourage greater independence and support amongst residents.

9.4. Consultation

9.4.1. Principles of a new scheme

Following endorsement by Cabinet in July, the draft scheme for consultation was based upon a clear set of principles, as follows:

- A system based on fairness, with those with the ability to pay making a fair contribution
- The scheme should incentivise work
- Support for those in the most difficult circumstances
- The most vulnerable should benefit from a level of protection
- The scheme should be transparent and accessible.

9.4.2. Potential features included in consultation

In line with the flexibility granted to councils to develop a local scheme to address the funding shortfall, the following potential features of a new scheme were included in the consultation exercise:

1. Use of the new powers to remove/reduce existing Council Tax exemptions and discounts for empty properties and second homes, and charging a premium of 50% on properties left empty for longer than two years
2. Working age claimants will be required to pay a minimum contribution, up to 25%, to their Council Tax
3. Removal of the second adult rebate for working age claimants
4. Reducing capital limits from £16,000 to £8,000
5. Limiting the level of support for higher banded properties to Band D or E
6. Simplifying the system of non-dependant deductions

Details of these features are provided in Appendix 2.

9.4.3. **Public Consultation Process**

The aim of the public consultation process was to test public reaction to both the principles and the features of a draft scheme as described above.

The public consultation started on 1 August and ran to 24 October (12 weeks). Residents were invited to complete a questionnaire, either on line via the Barnet web site, or via a paper version that was sent to all current CTB claimants and was widely available from libraries and other public access points in the borough.

The consultation was designed to reach the widest possible range of residents, benefit claimants, community and voluntary groups, and other organisations in the borough. It used a wide range of contact channels and media, including online and hard copy questionnaires and consultation packs, focus groups, presentations, road shows, workshops, posters, leaflets and social media.

Stakeholders were identified and targeted using the most appropriate method/s for that group and that would reach the greatest number. Stakeholder groups specifically identified for consultation included residents, Council Tax benefit recipients, community groups, landlords, schools, housing associations and advice agencies.

Over 24,000 consultation packs were sent out to households in Barnet, nine focus groups were held, 12 presentations were made to community group boards and networks and five road shows were held in shopping centres. In all 2,910 completed questionnaires were received, of which 1,914 were from Council Tax Benefit recipients and 996 were from non-recipients.

A summary of the topics put out to consultation is provided in **Appendix 2**, and a summary of the consultation approach, including details of the communications media used and the timeline of events, is provided in **Appendix 5**.

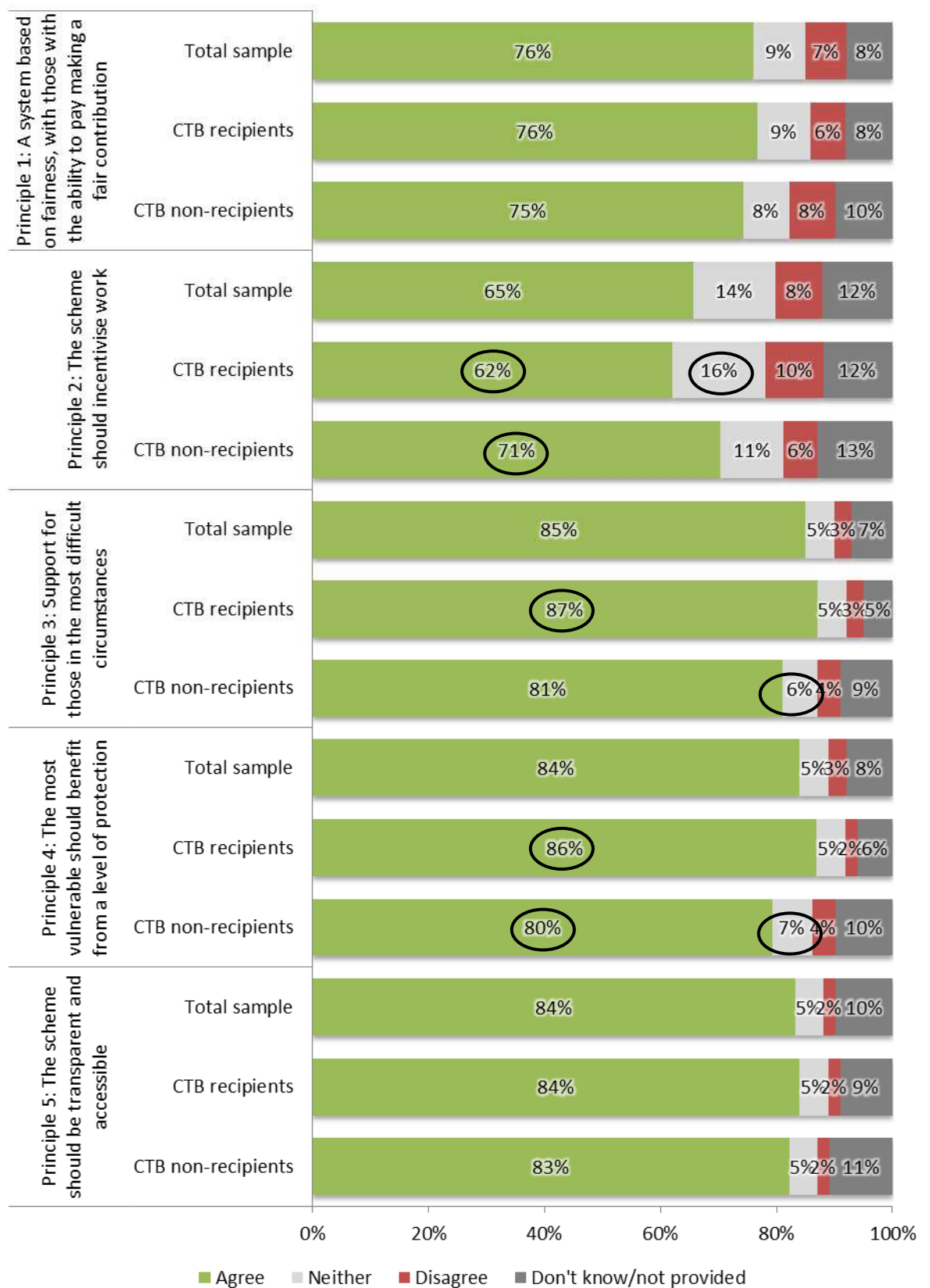
9.4.4. **Overview of responses to public consultation**

The key responses received from the public consultation are as follows. Note that in many cases a significant proportion (up to 40 %) of respondents either did not express a view or stated that they were undecided or did not know.

Principles

Figure 1 below summarises the response to the principles outlined in the consultation among all respondents, and by Council Tax Benefit recipients and non-recipients.

Figure 1: Summary of levels of agreement/disagreement with principles (all respondents and Council Tax Benefit recipients and non-recipients)



Where percentages are circled this indicates that there is a statistically significant difference at the 95% level of confidence between CTB recipients and non-recipients.

Among the total sample a majority agreed with each of the principles, with a minimum of two thirds (65%) agreeing with each, and a minimum net agreement² of +57%. Reflecting this, respondents in the focus groups largely considered the five principles underlying the Council Tax Support scheme to be fair and acceptable.

Agreement was highest with regard to the need to support those in the most difficult circumstances (85% agreed overall) and the need to afford the most vulnerable a level of protection (84% agreed).

Agreement was similarly high (84%) in relation to the need for the scheme to be transparent and accessible. However, although focus group respondents welcomed this principle, some questioned whether it would be clear and easy to understand, given their experience of the current complex systems in place. Further, throughout the groups (upon receiving information about the scheme), many respondents noted it to be complicated.

While three quarters (76%) of all respondents agreed that the system should be based on fairness, with those with the ability to pay making a fair contribution, many focus group respondents did question the fairness of this. Several respondents felt it was unfair for those with higher incomes to pay substantially more to support others, whilst not benefiting themselves.

Further, many respondents strongly disagreed that people living in larger properties should make a larger contribution. It was felt that property size did not fully reflect a person's ability to pay, and that contributions for larger properties should instead be calculated on an individual basis. Respondents had particular concerns for those who had inherited a large property.

As well as income, a key factor some respondents felt should be considered was family size: several stated that those living in larger properties with a large family should not be penalised by being asked to contribute higher amounts. In addition, some respondents recommended that council tax should instead be calculated on a person's usage of Council services, such as waste collection.

While still in the majority, agreement was lowest in relation to the need for the scheme to incentivise work (65% agreed overall, while 8% disagreed). However it should be noted on this latter point that this was the principle that attracted the highest proportion expressing a 'neither/nor' position, or not offering a definitive response (26%). In the focus groups, while respondents largely agreed with this principle, some felt that changes to Council Tax Benefit alone would not encourage people to seek employment. It was therefore recommended that the wider benefit system be addressed. Further, many respondents questioned the feasibility of the scheme in encouraging work, since unemployment was quite often considered to be the consequence of a shortage of jobs.

There was little variation in the response among Council Tax Benefit recipients and non-recipients, with both exhibiting high levels of agreement with each of the principles. However Council Tax Benefit recipients were more likely than

² Net agreement = the percentage agreeing minus the percentage disagreeing.

non-recipients to agree that there should be support for those in the most difficult circumstances (87% compared to 81%) and that the most vulnerable should benefit from a level of protection (86% compared to 80%).

Conversely, non-recipients were more likely than recipients to agree that the scheme should incentivise work (71% compared to 62%).

Agreement with principles by demographic groups

The following section focuses on those demographic groups for whom this consultation was most relevant.

Age

Among respondents of all ages agreement with the principles was high, although in each instance those aged over 65 were more likely to agree with the principles than their younger counterparts. It should be noted that those aged 65 or more were significantly less likely than younger respondents to be in receipt of Council Tax Benefit (45% compared to 71%). It should also be noted that the differences were as a result of higher levels of 'neither/nor', 'don't know' and 'not provided' among younger respondents, rather than as a result of higher levels of disagreement with the principles.

Household type

Respondents were asked to categorise their household into one of the following:

- A family with one or two dependent children;
- A family with three or more children;
- A lone parent household;
- A carer;
- A household with full and/or part time workers;
- A household that includes someone who is disabled or severely mentally impaired;
- A single person household or a couple without children.

Over four in five (83%) of all respondents assigned their household to one or more of these groups.

Considering the results on this basis, overall it is clear that support for the principles is high across the board.

However lone parents were both more likely than those who are not lone parents to be in receipt of Council Tax Benefit (87%), and to agree with a system based on fairness (79%), support for those in the most difficult circumstances (89%) and protection for the most vulnerable (88%). This pattern of response was very similar among disabled respondents, although this group was less likely than non-disabled respondents to agree that the scheme should incentivise work (58%).

Among full and part time workers, despite being less likely to be in receipt of Council Tax Benefit (54%), agreement was higher than their counterparts in relation to a system based on fairness (80%), that the scheme should incentivise work (77%) and that it should be transparent and accessible (91%). This pattern of response was replicated among those with no children,

although this group was also more likely to agree that there should be protection for the most vulnerable (88%).

Ethnicity

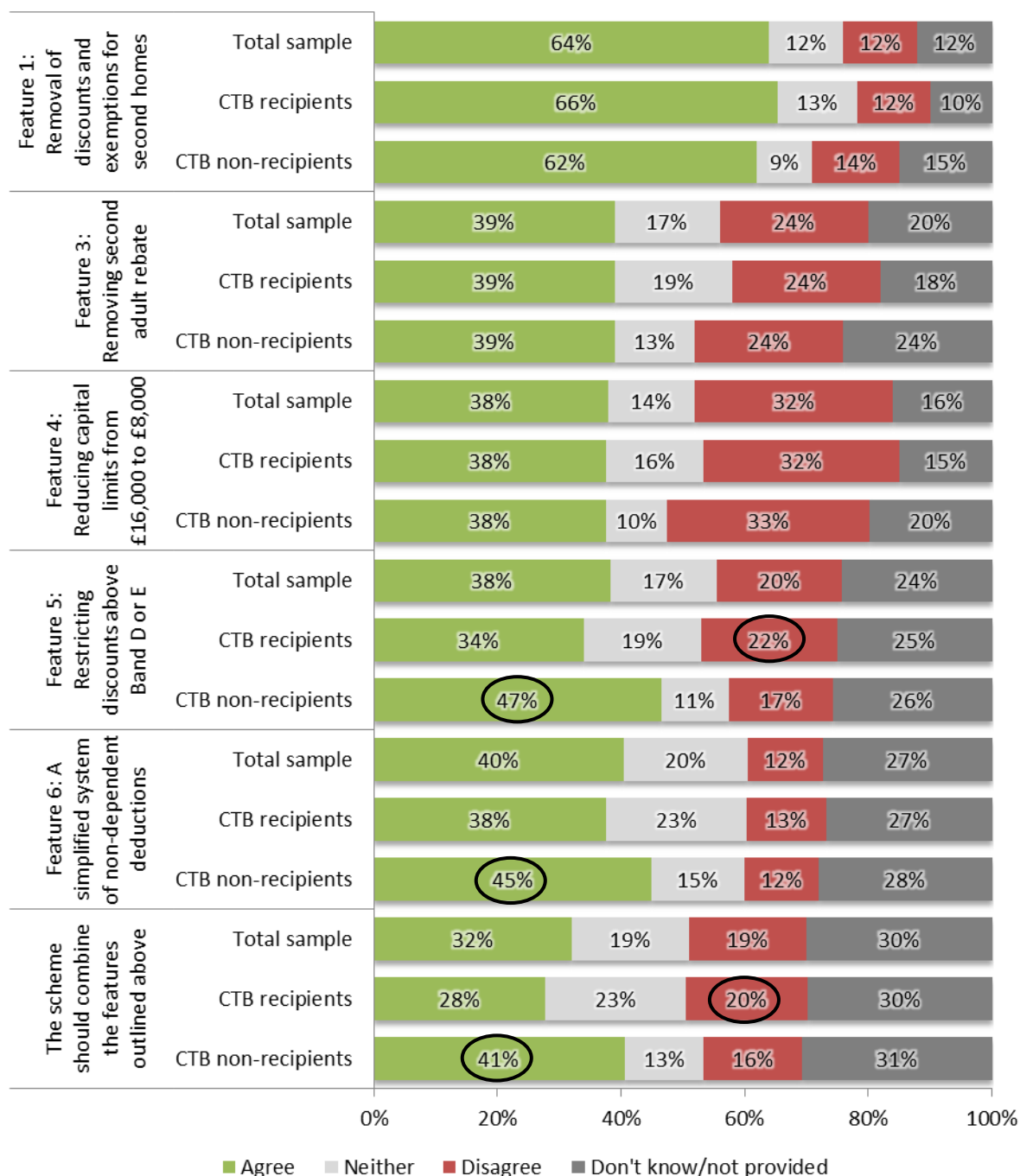
Considering the response by respondent ethnicity reveals that, while levels of agreement were high across the board, White respondents were more likely to indicate agreement with all of the proposals than those of other ethnicities.

It should be noted that in many instances the differences were a result of higher levels of 'neither/nor', don't know or not provided among non-White respondents, rather than significantly higher levels of disagreement.

Features

Figure 2 below summarises the response to the features outlined in the consultation among all respondents, and by Council Tax Benefit recipients and non-recipients.

Figure 2: Summary of levels of agreement with features (all respondents and Council Tax Benefit recipients and non-recipients)



Unweighted base: total sample = 2,910; CTB recipients = 1,916; CTB non-recipients = 994
 Where percentages are circled this indicates that there is a statistically significant difference at the 95% level of confidence between CTB recipients and non-recipients.

Overall, the feature that attracted the highest levels of agreement was the removal of discounts and exemptions for empty properties (net agreement +52%), although Council Tax Benefit recipients were more likely to disagree that this should be the case than non-recipients (net agreement +48% compared with +54%).

Among the total sample, around two fifths agreed with removing the second adult rebate, reducing capital limits, restricting discounts above Band D or E and to a simplified system of non-dependant deductions. The proportions of respondents disagreeing with each of these features are summarised below:

- A simplified system of non-dependant deductions (+28%);
- Restricting discounts above Band D or E (+18%);
- Removing second adult rebate (+15%);
- Reducing capital limits (+6%).

While the response was similar among Council Tax Benefit recipients and non-recipients, however there were some differences. Net agreement among non-recipients was higher than recipients in relation to:

- Restricting discounts above Band D or E (+30% compared with +12%);
- A simplified system of non-dependant deductions (+33% compared with +25%).

Overall, views were varied as to what the maximum level of support should be, with around one in ten of all respondents indicating the amount should be less than 75%, 75%, or 85%. However a third felt that it should be 90% or more, and this rose to two fifths (39%) of Council Tax Benefit recipients (compared with 27% of non-recipients).

Focus group respondents demonstrated high levels of agreement with the removal of discounts and exemptions for empty properties, with many respondents in all groups feeling that those with second homes or empty properties could afford to contribute to their council tax. Many highlighted the benefits of the feature in overcoming the shortages of housing in the Borough by bringing empty properties back into use, and raising revenue to fill the funding gap.

However, there were a number of concerns expressed in the focus groups, as summarised below:

- The impact on those with properties left empty for short periods of time, for whom it might become necessary to sell their homes;
- The impact on those who have inherited a second property, who might be forced to sell regardless of the wider financial implications;
- The feeling that the changes might lead to a decline in property development, and the consequent impact of this on job opportunities etc.;
- The impact on those trying to sell or rent their property;
- The unfairness of the proposal given that empty properties make no use of council services;
- The impact in instances where a property is empty as a result of fire or flood;
- Difficulties in enforcement, particularly in relation to absent landlords

In the focus groups, views were mixed regarding the introduction of a maximum amount of Council Tax Support. While many felt it was fair to introduce a minimum contribution toward Council Tax in order to share the responsibility of payment for the Council's services, there were discrepancies over who should be asked to contribute. While several respondents within most of the groups felt that everyone should contribute whether in work or not, concerns were expressed with regard to the following groups:

- People who are unemployed (including people short-term unemployed due to redundancy);
- Those with an inability to pay (e.g. low income families);
- Those with a disability.

Some respondents were also concerned that this might drive people to crime or to borrowing, and additionally felt that the introduction of this feature might be costly for the council as a result of residents' inability to pay additional amounts.

The overriding feeling was that each person should be considered on the basis of their individual circumstances, so that only those with the ability to pay were asked to do so.

Where focus group respondents did feel it was acceptable to introduce a minimum contribution, ten% was considered to be the most appropriate amount, reflecting the quantitative findings. While several respondents suggested the contribution could be as high as fifteen or twenty%, most recognised that households who were in receipt of Council Tax Support would be unable to afford this increase.

In the focus groups some felt the second adult rebate should be removed because they felt that this group would be likely to be able to afford to pay, and that they should pay to compensate for their use of Council services. However some focus group respondents felt the second adult rebate should not be removed for a number of reasons:

- Those accommodating second adults would be unlikely to receive a contribution from the second adult to compensate for the loss of the discount, due to their inability to pay;
- Those accommodating second adults should continue to be compensated for supporting those on low incomes who would otherwise seek more support from the Council;
- Children over the age of eighteen are not necessarily regarded as non-dependants, so should not be expected to contribute to council tax;
- The funds generated from the removal were not considered sufficient to outweigh the impacts on the budgets of those affected, and the difficulties in enforcement.

The majority of respondents in most focus groups strongly opposed the reduction of capital limits, regardless of whether it affected them personally. It was felt that the limit of £8,000 was too low and should be increased to reflect current living costs, particularly in London (respondents across the groups suggested figures of between £20,000 and £32,000). A key concern was the disincentive such a proposal would have on saving, and the possible negative impact this would have due to an increased reliance on the Council.

Concerns were also raised as to the possibility of residents 'hiding' money, and the impact this would have on the Council in terms of enforcement, and in relation to the limited amount of funds generated as compared to the negative impact on individuals. The minority of focus group respondents who did agree with the reduction of capital limits did so because they felt that only those in genuine need – i.e. people with no savings such as themselves – should be eligible for support, or that it would make little difference since people on Council Tax Benefit such as themselves would be unlikely to have such a level of savings.

Most focus groups opposed the restriction of discounts to Band D or E. The key reason was the view that a person's property band does not necessarily reflect their ability to pay, with concern expressed that people would be forced to move to smaller properties which may be inappropriate for their needs.

Several population groups were highlighted as areas of concern:

- Larger families who require a larger property;
- Those who do not own their own property, such as those who pay 'interest-only' on their mortgage, or housing association tenants who are unable to choose where they live;
- Those with a disability whose banding may be higher as a result of the need to live in suitably adapted properties;
- Those whose cultural or religious background requires them to live in certain areas (e.g. Jewish Orthodox) which may by definition be in higher banded areas.

However some focus group respondents welcomed the suggestion to restrict discounts above band D or E, as they felt that people living in higher banded properties could downsize to more affordable properties.

Overall, it was felt that, if the Council were to introduce such restrictions, these should be limited to Band E or above.

Several focus group respondents highlighted the non-dependent deduction system's perceived continuing complexity. Some also felt the feature to be ambiguous given that it did not make specific reference to certain groups of people, such as those in education or carers.

Where focus group respondents did feel able to comment, most felt it was fair for deductions to be taken from a person's Council Tax Support in order to fund the gap. In most instances this was felt to be fair only where the non-dependent is in employment and therefore in a position to contribute, but some respondents felt that such deductions were also fair for unemployed people, since the deductions were considered to be relatively small.

Groups identified as needing consideration in respect of this feature included:

- Non-dependent children in education;
- Carers;
- People working on a freelance basis due to the unpredictability of their income.

Some respondents felt that there should not be a flat rate deduction, preferring that the amount deducted vary in accordance with the amount earned.

Some respondents further observed that the amount of money saved through the increased deductions did not justify the potential impact on affected individuals, nor the potential for additional cost burdens for the Council as a result of affected non-dependents being asked to leave the property. On this latter point, several respondents in the disability consultation group had been forced to ask their carers (family members) to move out due to such changes, leaving them in vulnerable situations without support.

Further details on the consultation response to the proposed principles and features are provided in **Appendix 3** and the full report is available at engage.barnet.gov.uk.

The approach to public consultation is detailed in **Appendix 5**.

9.4.5. Other consultation

The following bodies were also consulted on the scheme, with their responses appended in **Appendix 4**:

- **GLA** – GLA will take a 21.6% share of the shortfall in government funding. GLA generally supported the principles and features in the draft scheme and:
 - encouraged Barnet to take into account the Government’s announcement on 16 October that it will provide up to £100m of additional reward grant to authorities which adopt schemes which limit the impact of changes in Council Tax support on working age claimants;
 - suggested that billing authorities should consider the challenges which they will face in collecting relatively small sums of money from claimants on low incomes who may not be in a position to pay by direct debit or other automatic payment mechanisms;
 - sought updated financial figures from the council as the design of the final scheme was firmed up;
 - was keen to develop a dialogue with all 33 London billing authorities as to how the budgeting, cashflow and accounting arrangements for Council Tax support will operate under the new system – particularly in order to manage the sharing of risks.
- **Barnet Citizens Advice Bureau** – CAB expressed the views that:
 - people whose properties remain empty are not necessarily wealthy, for example some are temporarily in a nursing home or a care home before committing to a permanent move. This could result in residents facing a substantial Council Tax bill on discharge that they are unable to pay;
 - people – especially young people - on means tested benefits will struggle to cope with the requirement to contribute a proportion of their Council Tax liability;
 - young people could be disproportionately hit by the removal of the second adult rebate;
 - a reduction in capital limits could encourage those who have savings of more than £8,000 to spend their savings so as not to be caught by this option. This change may also be difficult to

- understand by people whose first language is not English, or those with mental health or learning disabilities;
- the proposal to limit Council Tax Support to Band D or Band E would mean that citizens might have to find in excess of £10 per week. Many people who live in larger properties or in areas which have a higher Council Tax liability do so not because they have a high income but rather because they live in their family home or because they have been able to afford the expense previously but are temporarily unable to afford to do so for reasons of sickness or unemployment;
- CAB welcomed any move to simplify the complicated system of non-dependant deductions.
- **Barnet Youth Board and other young people.** BYB raised the following concerns:
 - Although claimants of working age will be expected to pay Council Tax, those who are NEET or having specific problems in their lives would not be able to cope with this additional cost;
 - The change may increase the risk of homelessness amongst young people, thereby increasing downstream costs for the council and elsewhere, eg mental health services;
 - Information needs to be available and clear in a language young people understand;
 - Young people who are in care or already rely heavily on support from Barnet may be unable to afford any additional burden.

9.4.6. **Protections and incentives**

The consultation document sought citizens' views on whether certain citizen segments should be protected from some or all of the impact of the changes, and if so which segments should be protected.

Over half (56%) of all respondents felt that there were such segments, and this rose to 62% of Council Tax Benefit recipients (compared with 46% of non-recipients). Respondents with a disability (73%) and carers (69%) were more likely than other household types to feel that the Council should consider additional support for specific groups of claimants.

The main groups mentioned are summarised below, along with the number of and the percentage of all respondents who mentioned each group:

- Disabled (cited by 23% of all respondents);
- Those on low income (17%);
- Pensioners/the elderly (16%);
- Single parent families (8%);
- Families/those with children (5%);
- People who are ill (5%);
- The vulnerable/those most in need (5%);
- Carers (3%);
- Students/young adults (2%);
- Those seeking work (1%).

Respondents cited the following methods of providing protection to these groups:

- More discounts/full support/benefit/100% exemptions (cited by 20% of respondents);
- Incentivise work/help people find work/training (5%);
- Keep the same level of protection as currently (3%);
- Provide simple advice/information/advice on where to get help (2%);
- Assess each case individually (2%)
- Provide medical care/the services people need (2%);
- Provide help with housing (1%).

9.4.7. Incorporation of consultation results in scheme design

The feedback from the consultation exercise has been incorporated in the formulation of scheme options and the selection of the proposed option. The key feedback from the consultation was:

- There was strong net agreement to the proposal to remove discounts and exemptions for empty properties from all demographic groups
- Most Council Tax recipients thought that the level of contribution towards their Council Tax liability should be 10% or less, and significant concern was expressed in the qualitative research about the ability to pay any contribution of many citizens, including people who are unemployed, low income families and those with a disability
- However, non-recipients were split equally between those who thought that the level of contribution should be 25% or more and those who thought it should be 10% or less
- There was general agreement in the quantitative research with the proposal to remove the second adult rebate but reservations were also expressed about the financial impact on some households
- Whilst most demographic groups showed net agreement with the proposal to reduce capital limits, substantial concerns were expressed that this measure would deter people from saving, and some respondents expressed the view that the current limit of £16,000 should be increased.
- Whilst there was net agreement with the proposal to restrict discounts above Band D or Band E, significant reservations were expressed regarding the fairness of this measure, particularly when those in council or housing association properties have no choice over the size and Council Tax band of the property to which they have been allocated.
- There was strong net agreement with the proposal to simplify the current system of non-dependant deductions

9.5. Financial implications of Council Tax localisation

9.5.1. Currently, there are around 32,000 benefit claimants who receive help paying their Council Tax. Total spending on Council Tax Benefit in Barnet in 2012/13 is expected to be £31.8m.

9.5.2. The changes from April 2013 come with a cut of 10% in government funding from estimated 2013/14 CTB levels. The government has not yet published its current estimates of CTB for 2013/14, which will be shaped by assumptions on

economic growth, unemployment and therefore caseload growth. It is estimated that the government's figure for 2013/14 will be broadly the same as for 2012/13, ie £31.8m, giving a shortfall in funding of £3.2m. Of this amount, £0.7m is attributable to the Greater London Authority, leaving an initial funding shortfall for Barnet of £2.5m.

- 9.5.3. In line with the Medium Term Financial Strategy this report assumes a 0% increase in Council Tax rates from 2012/13 to 2013/14.

There is additional uncertainty over this budget in future years, as it will not be fixed - it will vary depending on take up, economic conditions, and other factors. Over the last five years claimant numbers and the cost of claims have grown as shown in Table 4 below. The cost of claims has risen at an average rate of 5% over the last five years, although the rate of growth over the last three years has been only 2.5%.

Table 4: Number of Council Tax Benefit claims and cost of claims

Date	CTB claimants at end year	Annual increase	Cost of claims £k	Per cent increase
2007/08	25,581		24,851	
2008/9	26,773	4.7%	26,502	6.6%
2009/10	28,466	6.3%	29,288	10.5%
2010/11	29,010	1.9%	29,488	0.6%
2011/12	30,099	3.8%	31,546	6.9%
2012/13 (est)	N/A	N/A	31,822	0.9%
Average increase		4.1%		5.1%

- 9.5.4. On top of historic increases in take up, the move from a benefit to a discount may see more people take advantage of this new entitlement since the perceived stigma of claiming a 'benefit' will be removed. Assuming a 5% increase in take up, this significantly increases the Barnet gap, by a total of £1.2m. This leaves an overall gap of £3.7m, as shown in Table 5 below:

Table 5: Funding gap for Barnet in 2013/14

	£m
10% cut based on estimated 2013/14 spend of £31.8m	3.2
Less: GLA element	(0.7)
Zero Council Tax increase	0.0
Add: 5% increase in take up	1.2
Total	3.7

9.5.5. The government recently announced³ an additional national total of £100m in transitional funding to help councils develop well designed Council Tax support schemes and maintain positive incentives to work. This £100m transition grant will seek to encourage best practice and will be available to councils who choose to design their local schemes so that:

- Those who would be on 100% support under current Council Tax benefit arrangements pay no more than 8.5% of their Council Tax liability
- The taper rate does not increase above 25%
- There is no sharp reduction in support for those entering work – for claimants entitled to 100% support, the taper will be applied to an amount at least equal to their maximum eligible award

In addition, the government states that it would not expect local authorities to impose large additional increases in non-dependant deductions.

9.5.6. This new funding is estimated to be worth around £600,000 for Barnet, and would enable the council to decide between:

- Limiting the scope of Barnet's Council Tax Support scheme in 2013/14 in order to receive the transitional grant, or
- Forgoing the grant and designing a scheme that generates more revenue for the council by exceeding one or more of the parameters above

9.5.7. The funding for Council Tax support is fixed at the 2013/14 baseline and therefore a number of factors could alter the funding gap in later years:

- The gap will increase if Council Tax is increased in future years.
- A reduction in caseload, for example generated by a pick-up in employment in the borough, would reduce the gap.
- The greater the contribution to Council Tax sought from citizens, the greater the risk of non-payment and bad debt. This risk is particularly acute in relation to the 5,000 working age benefits claimants who have hitherto paid no Council Tax since they have received 100% Council Tax Benefit.
- The proportion of claimants who are of working age has been declining over recent years and this trend is likely to continue with an ageing population. Since pensioners are exempt from any new CTS scheme, the impact of any measures to collect a portion of Council Tax will increasingly fall disproportionately on those of working age.

9.5.8. In determining the design of the proposed scheme for adoption by the Council, the following base assumptions have been made:

- Funding gap of £3.7m, based on zero increase in Council Tax rates in 2013/14 and 5% increase in take-up as a result of providing a discount rather than a benefit
- Collection rates that reduce with increasing contributions from those who currently pay no Council Tax (see section 9.5.11).
- Barnet takes up the government's offer of transitional funding in 2013/14

³ Written statement by Parliamentary Under-Secretary of State, Department of Communities and Local Government (Baroness Hanham), 15 October 2012

9.5.9. There are a number of uncertainties around these assumptions that could have a significant bearing on the size of the funding gap and scheme features. The effects of these uncertainties are outlined in the following paragraphs.

9.5.10. **Size of Funding Gap**

As outlined in Section 9.5.5 above, the central estimate of the size of the funding gap, at £3.7m, is based on a number of assumptions, any of which may prove to be incorrect. These are:

- **Council Tax increase:** In line with the council's Medium Term Financial Strategy it has been assumed that Council Tax rates will not increase from 2012/13 to 2013/14. If Barnet decided to increase Council Tax by 2.5% in 2013/14 the funding gap would increase by £0.7m to **£4.4m**
- **Increased take up of benefit:** Take-up of Council Tax Support has been assumed to grow by 5% from 2012/13. Based on experience over the past 5 years, which has seen Council Tax Benefit payments grow on average by 5% per annum, this may be a conservative estimate given that some additional growth can be expected due to the repositioning of the scheme to offer a discount rather than provide a benefit. If payments grow by 7.5% rather than 5%, the funding gap would increase by £0.6m to **£4.3m**
- **Government forecasts:** The government has not yet confirmed its forecasts of 2013/14 expenditure on CTB. It is assumed that the final government estimate will be that 2013/14 expenditure will be the same as in 2012/13. Given the continuing stagnation of the UK economy it is possible that the government may revise its caseload estimate for 2013/14 upwards. If the government's estimate was based on an assumption of a 1% increase in caseload in 2013/14, and the Barnet share of the total remained the same as in 2012/13, the funding gap would reduce by £0.2m to **£3.5m**.

9.5.11. **Collection rate**

Some features of the proposed scheme will require those of working age who have never previously paid any Council Tax to make some contribution. This may adversely affect collection rates. The average in-year collection rate for Council Tax is 96.5%, and this rises over time to over 98% with the recovery actions currently deployed by the council

Under the proposed Council Tax Support scheme it is likely that the average collection rate for a measure that gives a greater discount (say 90%) will be higher than that for a lower discount (eg 80%). Other London Boroughs have made assumptions in the range 70-45% for collection rates from benefit claimants expected to make a contribution to Council Tax for the first time.

For the purposes of financial modelling, the following assumptions have been made:

Table 6: Collection Rate Assumptions

Level of discount	Collection rate
90% - 99%	70%
85%	65%
80%	60%
75%	55%

9.5.12. Sensitivity analysis

The following alternative assumptions for each of the variables above have been modelled and the results presented in this paper:

Table 7: Sensitivity Analysis

Variable	Base case	Alternative assumption	Impact on funding gap
Increase in Council Tax from 2012/13 to 2013/14	0%	2.5%	+£0.7m
Increase in caseload 2012/13 to 2013/14	5%	7.5%	+£0.6m
Collection rates	70% for 10% contribution 65% for 15% contribution 60% for 20% contribution 55% for 25% contribution	60% for 10% contribution 55% for 15% contribution 50% for 20% contribution 45% for 25% contribution	N/A
Government transitional funding	Take up the offer - reduce maximum contribution to 8.5% for those who are currently fully covered and do not include Banding caps	Do not take up the offer	+£0.6m

Given the increasing uncertainties inherent in these factors over time, the detailed analysis has been limited to the impact of the new scheme in 2013/14, although some indicative longer term projections have been made and are presented in para 9.7.1.

9.6. Scheme Options

9.6.1. Rationale

It is clear that any scheme (including the use of the new powers in relation to reform of existing Council Tax discounts and exemptions) that is adopted must balance a range of objectives:

- **Financially viable:** Meet the funding gap of £3.7m in 2013/14,

- **Align with strategic objectives:** Align with the principles previously agreed by Cabinet which were:
 - A system based on fairness, with those with the ability to pay making a fair contribution
 - The scheme should incentivise work
 - Support for those in the most difficult circumstances (e.g. considering how we can maintain support for those in intensive programmes such as those in the Troubled Families programme)
 - The most vulnerable should benefit from a level of protection
 - The scheme should be transparent and accessible.
- **Sustainable:** The scheme is perceived as appropriate and proportionate by residents, maintains an acceptable collection rate, and can be implemented and operated at reasonable cost

The likely financial contributions from each of the scheme features are shown in Table 8 below. Features 1, 2 and 5 are the only ones that provide a significant financial contribution.

Table 8: Expected financial contribution from scheme features

Feature	Expected financial contribution
1. Removal of exemptions and discounts for empty properties	£2.2m
2. Contribution to Council Tax liability from working age claimants	Up to £2.9m
3. Removal of second adult rebate	£50,000
4. Reduction in capital limit from £16,000 to £8,000	£0.3m
5. Limiting support to Band D or Band E	Up to £0.95m
6. Simplified system of non-dependant deductions	£0.1m

In addition, the government has offered transitional funding, worth £600,000 for Barnet, if the scheme meets certain defined criteria (see para 9.5.6)

The key decisions on which features to include in the new scheme are:

- a) whether to include the removal of exemptions and discounts for empty properties to reduce the funding gap;
- b) the extent to which working age claimants are expected to contribute to their Council Tax bill (up to 25%);
- c) whether to limit the level of support to a specific band, and if so whether this should be at Band D or Band E; and
- d) whether to constrain the design of the scheme to take advantage of the government's offer of transitional funding.

9.6.2. Options considered

In the light of the risks and evaluation above, six options have been developed that combine a number of the features above. These will all broadly meet the funding gap. These options are shown in the tables overleaf, together with the expected yield in 2013/14.

Option 0 is a 'no change' option in which the current Council Tax Benefit scheme is retained but full use is made of the powers given to local authorities

to restrict discounts and exemptions on empty properties. No further income would be raised by this option although the scheme would qualify for the government's transitional funding, leaving a funding gap of £1.5m to be met by reductions in services or from reserves.

Option 1 includes full use of the new powers to remove exemptions and discounts and to impose surcharges for empty properties, a contribution of 10% towards the Council Tax liability of all working age claimants, a reduction in capital limits from £16,000 to £8,000, a limit to the level of Council Tax support to Band D and a simplified system of non-dependant deductions. This option would not qualify for the government's transitional funding but would raise £5.05m in 2013/14, thereby creating a surplus against the funding gap of £1.35m.

Option 2 includes the same features as Option 1 but limits the level of support to Band E rather than Band D. This option would not qualify for the government's transitional funding but would nevertheless generate £4.4m in 2013/14, giving a surplus of £0.7m.

Option 3 includes the same features as Options 1 and 2 except the banding limits. This would not qualify for the government's transitional funding but would nevertheless generate £4.1m in 2013, with a surplus against the funding gap of £0.4m

Option 4 is the same as Option 3 except the contribution from working age claimants is set at 15% rather than 10%. This would not qualify for the government's transitional funding and would yield £4.6m, providing a surplus of £0.9m in 2013/14.

Option 5 recognises the opportunity presented by the government's offer of transitional funding for 2013/14 by including only the removal of exemptions and discounts and the simplified system of non-dependant deductions. After government funding of £0.6m this option generates £2.9m, leaving a shortfall of £0.8m against the funding gap in 2013/14.

Option 6 is the same as Option 5 but includes a contribution of 8.5% towards Council Tax liability from working age claimants. After government funding of £0.6m it yields £4.2m, giving a surplus of £0.5m in 2013/14.

These options are compared in Table 9 below, which also identifies the main pros and cons of each option.

Table 9: Comparison of Options

Feature	Option 0	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Working age claimants to pay a minimum contribution towards their Council Tax	-	10% - £1.5m (70% collection rate)	10% - £1.5m (70% collection rate)	10% - £1.5m (70% collection rate)	15% - £2.0m (65% collection rate)	-	8.5% - £1.3m (70% collection rate)
Reduce capital limits from £16,000 to £8,000	-	£0.3m	£0.3m	£0.3m	£0.3m	-	-
Limiting level of support to Band D or Band E	-	Band D - £0.95m	Band E - £0.3m	-	-	-	-
Simplifying system of non-dependant deductions	-	£0.1m	£0.1m	£0.1m	£0.1m	£0.1m	£0.1m
Transitional funding from government	£0.6m					£0.6m	£0.6m
Total	£0.6m	£2.85m	£2.2m	£1.9m	£2.4m	£0.7m	£2.0m
Removal of exemptions and discounts, and charging a premium of 50% on properties left empty for more than 2 years	£2.2m	£2.2m	£2.2m	£2.2m	£2.2m	£2.2m	£2.2m
Surplus/(shortfall) against estimated funding gap of £3.7m	(£0.9m)	£1.35m	£0.7m	£0.4m	£0.9m	(£0.8m)	£0.5m
Pros	Meets transitional funding criteria	High yield Capital limits seen as fair by non-recipients	Adequate yield Capital limits seen as fair by non-recipients	Adequate yield	High yield, but risk of lower collection rate	Meets transitional funding criteria	Meets transitional funding criteria Adequate yield
Cons	Does not yield sufficient to meet funding gap	Band cap impacts those in higher banded properties severely	Band cap impacts those in higher banded properties severely	Does not meet transitional funding criteria	Does not meet transitional funding criteria	Does not yield sufficient to meet funding gap	Transitional funding from government drops away in year 2

9.6.3. **Proposed Scheme**

It is recommended that Option 6 should be adopted, since:

- It meets the government's criteria for transitional protection, therefore qualifying for a grant of £600,000 for Barnet in 2013/14
- It more than meets the funding gap of £3.7m
- It does not disproportionately impact any groups of citizens
- It provides a relatively 'soft' start for the scheme that can be built on as necessary in later years

Details of the recommended scheme are provided in **Appendix 6**.

9.6.4. **Impact of scheme on specific groups**

Cabinet agreed in July 2012 not to meet the shortfall in funding from reserves or from cuts in other services, but rather to seek to recover the shortfall from a cross-section of the population. Any scheme will therefore impact on some groups in society to a greater or lesser extent. The proposal to reduce the funding gap by removing certain discounts and exemptions places the majority of the burden on owners of empty properties, many of which are second homes.

The remaining burden will fall on people of working age in the borough, who will (some for the first time) be asked to make a small contribution to their Council Tax liability. Of these, 326 households will lose more than £25 per week, and a further 1,180 will lose between £20 and £25 per week, with around 19,500 losing smaller amounts.

The most adversely impacted groups by number are:

- 7,500 single claimants 25 and over will lose more than £3 per week
- 7,400 lone parents will lose more than £3 per week – the majority of these are women
- 4,900 families with one or more children will lose more than £3 per week
- 1,000 working age couples will lose more than £3 per week

The groups with the largest numbers of households losing more than £20 per week are:

- Families with one or more child over 18 (838 households)
- Single claimants 25 and over (282 households)
- Lone parents (majority women - 271 households)
- Working age couples (102 households)

In contrast, the following groups are impacted either minimally or not at all:

- Pensioners (those qualifying for state pension benefit) are exempted from the scheme, but it should be noted that the removal of exemptions and discounts on empty properties is not part of the scheme and pensioners will not be exempt from this provisions
- Families/couples/singles between pension age and 64

Complete data on the protected characteristics of Council Tax Benefit claimants is not available, but on the basis of available data sets, the breakdown of Barnet claimants is as follows:

- All are on low incomes

- The majority are of working age, with most being between 25 and 44 years of age
- A somewhat higher proportion than the general population consider themselves to have a disability
- A higher proportion of them are female, and many of these are lone parents
- A higher proportion than in the general population are Muslim

We have reduced the overall impact of the scheme by making full use of the council's powers to reduce or remove discounts and exemptions for empty properties and constructing a scheme that will meet the government's criteria for qualifying for transitional funding, expected to be worth £600,000 for Barnet in 2013/14. Whilst concerns were raised in the qualitative consultation research regarding the impact of this feature on landlords, those whose property is empty through no fault of their own (eg through fire or flood) and the property market, almost two thirds of respondents to the consultation agreed with this proposal, representing the highest level of agreement for any feature.

It is recognised that the proposal to require all working age CTB claimants pay 8.5% of their Council Tax liability will impact on people in many protected groups, and in particular could disproportionately affect the groups identified above. In addition, concern was raised in the qualitative consultation research regarding the ability to pay of people who are unemployed, people on low incomes and those with a disability. Concerns were also expressed that this requirement may drive people to crime or unethical borrowing, and also that the cost of collection by the Council could be high.

In 2013/14 it is proposed to minimise the disproportionate effect of this requirement on larger families who live in higher banded properties by not implementing the proposal to implement limits on support based on Band D or Band E Council Tax levels - this could have doubled the required contribution for those in the largest properties. Furthermore, we have avoided an adverse impact on hardworking working families by not implementing the proposal to reduce capital limits from £16,000 to £8,000.

Further details of the impact of the scheme of specific groups are provided in **Appendix 7**.

Appendix 5 contains the Equalities Impact Assessment.

9.6.5. **Protections**

A number of factors should be taken into consideration in deciding on the form of any protection that may be given to specific groups. Any group that receives protection will result in a loss of income from those who would otherwise have made a contribution under the scheme, which will have to be found from cuts in other services and/or a Council Tax increase.

Noting that a key element that will contribute to filling the funding gap will be the removal of discounts and exemptions from empty and second homes, the options for protection are therefore:

- a) do not provide any protections in the scheme

- b) a scheme that protects all claimants by minimising the contribution sought from working age claimants and builds a fund that can be used to target support on those who are most adversely affected, and
- c) a scheme that seeks a higher contribution from working age claimants and builds in specific protections for those in defined groups

It is proposed to adopt option b). No protections are proposed for any groups of citizens apart from war pensioners as outlined below. This will enable a more targeted approach to be taken with regard to individual need, regardless of population group.

In response to the consultation, the Royal British Legion made a strong argument for the protection of war pensioners from the impact of the new scheme (see Appendix 4d). The cost of protecting this group is less than £50,000 per annum. Given the potential sensitivity of this group and the low cost of protection, it is proposed that this group be protected from the impact of the new scheme, ie they will pay the same as they would under the existing Council Tax Benefit scheme.

On the basis of the assumptions set out in section 9.7.1 below it is expected that the scheme will generate a surplus of £500,000 in 2013/14. It is proposed that any surplus generated by the scheme should be transferred to the Crisis Fund and used to provide discretionary support to those individuals with severe financial need. This 'no one size fits all' approach will enable those in the greatest need to be targeted rather than providing blanket protection from the impacts of the scheme for population segments who may have a lesser need than those outside the protected groups. The detailed eligibility and evaluation criteria for the Crisis Fund will be developed with the benefit of inputs from a range of community groups, agencies interfacing with those in need and council functions to ensure that best use is made of the available funds.

9.6.6. Mapping to principles and consultation findings

Table 11 below shows how the proposed scheme meets the principles outlined in section 9.4.1.

Table 11: Mapping of Proposal to Principles

Principle	Recommended scheme
A system based on fairness, with those with the ability to pay making a fair contribution	Majority of the financial burden falls on those with second or empty homes Remainder of the financial burden met by requiring all working age citizens to make a small contribution to their Council Tax liability. Crisis fund will support those in real hardship
The scheme should incentivise work	Existing income tapers, designed to not penalise those in work or increasing working hours, will be maintained
Support for those in the most difficult circumstances	Using the new freedoms to reduce the level of discounts and exemptions on empty homes reduces the financial burden on current CTB claimants. The percentage contribution from

	current working age claimants has been reduced to 8.5%, below the lower end of the range put out to consultation.
The most vulnerable should benefit from a level of protection	Those suffering hardship as a result of this reform will be able to apply for support under the local Crisis fund, which will be put in place from 1 April 2013.
The scheme should be transparent and accessible.	The rules of the new scheme will be widely publicised and communicated to citizens Some aspects of the existing CTB scheme will be simplified in the new scheme, eg non-dependant deductions.

The proposal for 2013/14 reflects the feedback from consultation and restricts the impact of the scheme in its first year of operation by:

- Including the removal of exemptions and discounts for empty properties in the scheme
- Limiting the contribution required from working-age claimants to 8.5%
- Including the proposal to simplify the current system of non-dependant deductions
- Excluding the following features:
 - Removal of the second adult rebate
 - Reducing capital limits
 - Restricting discounts to Band D or Band E

The proposed scheme for 2013/14 will:

- Minimise the overall impact on existing Council Tax claimants by taking full advantage of the new powers granted to local authorities to remove discounts and exemptions on empty properties
- Offer partial protection to all claimants by limiting their contribution to 8.5% of their Council Tax liability
- Exempt pensioners (those who qualify for state pension support) and war pensioners from any requirement to contribute to their Council Tax Liability
- Reduce administrative costs by simplifying the current system on non-dependent deductions
- In conjunction with the new Crisis Fund scheme, offer support to the vulnerable who are unable to meet the new requirements
- Provide increased support for people to identify their full entitlement to benefits

The design of the scheme for 2014/15 and subsequent years will be subject to further consultation via the budget planning process in the context of prevailing government funding.

9.6.7. Other London Councils

Barnet officers regularly attend inter-council CTS liaison groups to ensure that the design of schemes of neighbouring boroughs is understood and best practice is incorporated into the design of the Barnet scheme. Most councils

are running to a similar timescale to Barnet, and so no final decisions have yet been taken on which features to adopt by any London borough.

The range of features being considered by other councils is broadly similar to those considered by Barnet, although additional features which have been considered by some other local authorities, are:

- Requiring a flat rate contribution to Council Tax from all benefit claimants,
- Reducing the Council Tax Support for those who have been receiving Jobseekers Allowance for more than a year,
- Reducing the capital limit below £8000,
- Instituting a minimum payment,
- Reducing the amount of backdating,
- Increasing the withdrawal rate as income increases above 20%,
- Treating all self-employed people as having an income from their earnings of the minimum wage,
- Doubling the non-dependant charges, and
- Increasing the earnings disregards.

Overall, the proposed scheme for Barnet is well in line with the majority of these schemes.

9.7. Implementation

9.7.1. Implementation strategy

If Council Tax rates and/or caseload increase in future years the funding gap will grow larger than the figure of £3.7m estimated for 2013/14. An implementation strategy may therefore be required that increases the yield from the scheme over time but avoids the risks of public non-acceptance outlined above and in section 9.8. The transitional grant will allow the Council to design a scheme that best meets the needs to the local community for future years. There is a potential that this will include a progressive increase in the expected rate of contribution under Feature 2, with the potential introduction of a reduction in capital allowances and a limit in support to Band E in a later year. This would be subject to consultation and approval by the Council in future years.

An **illustrative** evolution of the scheme is illustrated below. Assuming Council Tax rises by 2% per annum in both 2014/15 and 2015/16 (in line with the council's Medium Term Financial Strategy) but that there are no increases in caseload, the funding gap would increase as follows:

Table 12: Funding gap in future years

Year	Funding gap
2013/14	£3.7m
2014/15	£4.4m
2015/16	£4.6m

Barnet will be introducing a Crisis Fund from April 2013 to provide support those in extreme hardship. It is proposed to transfer any surplus from the proposed Council Tax Support scheme (expected to be £0.5m in 2013/14) into

the Crisis Fund to support those who have suffered hardship as a result of the changes in the scheme.

Assuming no transitional funding in 2014/15 and a Council Tax increase of 2%, the base scheme would have a shortfall of £0.8m. This could be funded by increasing the minimum funding from those receiving benefit from 8.5% to 15% of their Council Tax liability, by reducing capital limits and/or by introducing caps to support at Band D or Band E. Assuming an increase in contributions to 15%, a further surplus of £0.2m would be generated which could be again be transferred to the Crisis Fund.

	Surplus £0.5m £4.2m v gap of £3.7m	Surplus £0.2m £4.6m v gap of 4.4m	Surplus £0 £4.6m v gap of £4.6m
Government funding £0.6m			
8.5% contribution £1.3m	15% contribution £2.0m	15% contribution £2.0m	
Non-dependent allowances £0.1m	Non-dependent allowances £0.1m	Non-dependent allowances £0.1m	
Removal of discounts & exemptions £2.2m	Removal of discounts & exemptions £2.2m	Removal of discounts & exemptions £2.2m	
2013/14	2014/15	2015/16	

Fig 3: Illustrative evolution of scheme

The size of the funding gap in 2014/15 and later years will depend on a range of factors, all of which are subject to significant uncertainty:

- The level of Council Tax increase
- The growth in caseload, which itself is dependent on economic growth, employment levels in the borough and the propensity of those entitled to support to claim
- Collection rates
- The existence or otherwise of further transitional support from government

In view of these uncertainties, it is recommended that all the optional features that were put out to consultation are kept open, that a decision on which features to adopt in 2014/15 is not made until late 2013 and that consultation on the selected features be undertaken as part of the annual budget round consultation process. Any of the following features, which were included in the recent consultation but are not proposed for adoption in 2013/14, could be adopted in later years:

1. Working age claimants required to pay a minimum contribution to their Council Tax in excess of the 8.5% proposed for 2013/14, up to a maximum of 25%
2. Removal of the second adult rebate for working age claimants
3. Reducing capital limits from £16,000 to £8,000
4. Limiting the level of support for higher banded properties to Band D or Band E

9.7.2. Communications

It is proposed to implement a comprehensive public communications campaign, starting in February 2013, to ensure that all who are impacted by these proposals are aware of them. This will include:

- Guidance booklet for Voluntary Organisations and staff
- Initial letter with booklet that will be sent to all Council Tax claimants detailing the support that is available
- Information available in libraries, other public access points and via the council's contact centre
- Articles/inserts in local press and all other appropriate newsletters etc.
- Help pages on the council's web site
- Information in Council Tax Bills
- Envelope highlighting changes to ensure opened
- Posters at prominent points in Barnet
- Messages sent out via social media

This will be supported by comprehensive staff training across all council functions having contact with those who may be impacted by the scheme and by communications and training to relevant community agencies, including Barnet Homes, Citizen Advice Bureaux, charities and voluntary groups.

9.7.3. Project plan and key milestones

The timetable for implementation is extremely tight, but considered achievable. For the scheme to go live in April 2013, several milestones will need to be achieved. These are:

Table 13: Key Implementation Milestones

Milestone	By
Cabinet agree new scheme	17 December 2012
CTax Support module available from Civica	Early January 2013
Scheme principles and features developed into working procedures	15 January 2012
Full Council agree new scheme	22 January 2013
Legal deadline for a Local Authority to agree a scheme	31 January 2013
Civica Module configured in line with working procedures and fully tested	15 February 2013
Staff fully trained in new scheme and system	15 March 2013
Go Live	1 April 2013

A detailed implementation plan is provided in **Appendix 9**. A full time project manager will be required to ensure that all activities are undertaken to the required quality and timescales.

10 LIST OF APPENDICES

Appendix 1 provides details of the current Council Tax Benefit scheme.

Appendix 2 outlines the topics put out to consultation

Appendix 3 provides the results from the consultation as a Summary Consultation Report as supplied by the independent contractor engaged to collate the consultation findings, BMG Research

Appendix 4 provides additional responses to the consultation from community groups

Appendix 5 summarises the approach taken to consultation

Appendix 6 provides the Equalities Impact Assessment

Appendix 7 details the proposed new scheme

Appendix 8 shows the impact of the proposed scheme on a range of affected groups

Appendix 9 provides an implementation plan for the new scheme

11 BACKGROUND PAPERS

See appendices

APPENDIX 1: The current Council Tax Benefit scheme

Breakdown of current claims

	Number	Percentage of total
Pensioners	9,940	34.68%
Working age	20,479	65.32%
Total	30,419	100.00%
Working age breakdown:		
Couple one or both over 18	723	3.53%
Single claimant age 25 or over	4239	20.70%
Single claimant 60 - 64	68	0.33%
Single claimant 65 or over	1	0.00%
Couple one or both state pension age to 64	18	0.09%
Family one or both over 18	3746	18.29%
Single claimant 18 - 24	205	1.00%
Single claimant under 18	2	0.01%
Lone parent	4372	21.35%
Lone parent 60 - 64	4	0.02%
		65.32%

Current calculation method

1. If a claimant is passported (i.e. the DWP have approved Income Support or Job Seekers Allowance) then the Council pays CTB at 100% less any non-dependant deductions.
2. For non-passported claims, the following process applies once any non-dependant deductions have been made:

Step 1: If an applicant has savings in excess of £16,000, then there is no entitlement. For applicants with less than £16,000 savings go to Step 2.

Step 2: The applicant's income is calculated. This includes all sources of income including earnings, benefits (including Child Benefit) and tax credits. The applicant's income is then adjusted by applying certain disregards e.g. Child Benefit is fully disregarded, £17.10 of Working Tax Credit. This gives an adjusted income figure which is used at Step 3.

Step 3: The applicable amount for the applicant is then calculated. This is the amount that the Government thinks the applicant needs to live on and is dependent on the applicant's circumstances – couple/single, children, disability, etc. The adjusted income figure is then compared to the applicable amount. If the income is less than the applicable amount, then full CTB is due. If the income is greater than the applicable amount then 20% (known as the taper) of the excess must be used to pay towards Council Tax. Hence, CTB is reduced by 20% of the excess income.

APPENDIX 2

Details of options/features put out to consultation

Feature 1: Removing exemptions and discounts

The first option is to include the use of additional powers in relation to Council Tax exemptions and discounts (Class A and Class C exemptions, and second home discounts). This policy option supports the principle of '*A system based on fairness, with those with the ability to pay making a fair contribution*'. Exemptions are currently awarded to properties that are unoccupied and unfurnished for a maximum of six months (Class C) and to properties unoccupied and unfurnished undergoing or requiring major structural repair to render them habitable, or that are undergoing structural alterations (Class A). For second homes, Barnet currently allows the minimum reduction of 10%. See Appendix 1 for further details of current discounts and exemptions.

Removing these discounts and exemptions could generate £2.2m per annum (assuming 85% collection rate), as shown in the table below.

Estimated yield from removal of discounts and exemptions (85% collection rate)

	Total income generation per annum	Barnet share of income per annum (78%)
Class C exemption	£1.70m	£1.33m
Class A exemption	£0.85m	£0.66m
Second home discount	£0.34m	£0.26m
Total	£2.89m	£2.25m

Note: These figures exclude anything from 50% uplift on empty homes

Feature 2: Council Tax discount capped as a set percentage of current CTB award.

The second option replaces the current Council Tax Benefit scheme with a Council Tax discount for those people who would otherwise qualify for benefit.

This option would require all claimants (excluding protected pensioners) to make a contribution towards their Council Tax bill, based on a percentage reduction on the current amount of benefit they receive. All working age claimants would be expected to pay a portion, in the range 10% to 25%, of their Council Tax bill.

Feature 3: Removing the second adult rebate

This option aligns with the principle of '*a system based on fairness*': Second adult rebate does not take the income and savings of the taxpayer into account. It is

designed to compensate the tax payer who loses the 25% single person discount because there are other adults in the household who have a low income.

Feature 4: Reducing capital limits

The Council Tax Benefit scheme has a capital limit of £16,000. Any capital between £6,000 and £16,000 is presumed to generate tariff income of £1.00 per week for each £250 capital above the lower limit of £6,000 income. Capital is made up of savings, shares and property (except the one lived in). The draft scheme for consultation included a proposal to reduce the capital limit to £8,000 as this aligns with the expected capital limit in Universal Credit.

Feature 5: Limit Council Tax Support to Band D or Band E

In line with the principle of 'A system based on fairness, with those with the ability to pay making a fair contribution', it has been argued that those living in larger/more expensive properties should contribute a higher proportion of their Council Tax liability than those living in smaller/less expensive properties. One mechanism for achieving this is to limit Council Tax Support to a level consistent with the Council Tax bill for a specified Council Tax Band, for example Band D or Band E. Assuming 100% collection, this could yield £0.45m (Band E) or £1.56m (Band D) in 2013/14.

Feature 6: A simplified system of non-dependant deductions

Currently there are six different rates of non-dependent deductions depending upon the income of the non-dependant. We suggest reducing this to three. The actual rates will depend upon the standard Government rates to be announced in January 2013.

	Current weekly rate	Proposed weekly rate before uprating
Passported benefit or customer is blind	nil	nil
Out of work or working less than 16 hours	£3.30	£5.00
Working with gross income < £183.00	£3.30	£5.00
Working with gross income £183- £316	£6.55	£10.00
Working with gross income £316 - £394	£8.25	£10.00
Working with gross income £316 - £394	£9.90	£10.00

Offering protection to specific groups

The Government's proposals protect pensioners and single occupants from any financial impact arising from any new scheme. Analysis from the Institute for Fiscal Studies and the Joseph Rowntree Foundation shows that schemes to reduce current entitlement will impact on lower income households, as 85% of CTB goes to the lower-income half of households, and almost half of CTB goes just to the lowest-income fifth. Any scheme to recoup the 10% reduction in funding is therefore likely to disproportionately impact lower-income households and can adversely impact collection rates.

The impact of restricting Council Tax benefits to between 75% and 90% of current Council Tax benefit would equate to a reduction of between 10% and 25% in current entitlement for claimants. This effect could be partly mitigated for specific priority groups, depending on availability of additional resources to meet this need. The table below provides an illustrative summary of the projected costs of offering full protection (i.e. not seeking to recover up to 25% of Council Tax liability). These options can be adjusted to provide part protection (e.g. a lower reduction in support). The cost of protection has been estimated from various sources.

Data on troubled families is limited. The first 85 families are all on maximum benefit. There are approximately 700 families in the programme. The cost of protection has been calculated by assuming that the distribution of those household is the same as that of other Council Tax Benefit recipients accrues the Council Tax Bands. The figures have then been adjusted to take account of a prospective increase in Council Tax and a percentage reduction in maximum benefit.

Approximate additional cost of protecting defined groups

£m	90% discount	85% discount	80% discount	75% discount
Apprentices	£0	£100k	£100k	£100k
Troubled families	£100k	£100k	£200k	£200k
Those with disabilities	£500k	£700k	£900k	£1.1m
Carers	£100k	£200k	£300k	£400k
Volunteers	£200k	£300k	£400k	£500k
Total cost of full protection for all groups	£0.9m	£1.4m	£1.9m	£2.3m

Incentivising Work

The current Council Tax Benefit scheme incentivises work by ensuring that someone who is working receives a greater amount of Council Tax benefit than someone in the same circumstances who is not working by:

- Taking net income into account (gross less tax less national insurance less half of any pension contribution),
- Allowing registered child care costs to be offset against earnings where certain conditions apply,
- Disregarding a small amount of weekly earnings to take account of additional expenditure .(see below), and
- Allowing those who start work or increase their hours (so that they no longer qualify for Income Support, Income based Jobseekers Allowance or Income Related Employment and Support allowance) to keep the higher level of Council Tax Benefit for 4 weeks if the job is expected to last 5 weeks or more. This is known as the Council Tax Benefit extended payment. This 'run-on' period could be extended to further incentivise work – the table below shows the cost of increasing it to 2 months or 3 months.

Approximate additional cost of extending run-on period

£m		90% discount	85% discount	80% discount	75% discount
Increase run-on period for workers from 4 weeks to:	1 month	£0	£0	£0	£0
	2 months	£100k	£100k	£100k	£100k
	3 months	£200k	£200k	£200k	£200k

We propose to retain the system of using net income, offsetting childcare costs, earnings and disregards.

APPENDIX 3

Consultation Report

The following is the Executive Summary from the final consultation report produced by the external market research company, BMG. The full report is available at engage.barnet.gov.uk

1.1 Introduction

1.1.1 Aims and objectives

In August 2011 the government launched a consultation paper⁴ which made the following proposals:

- Help with Council Tax will be a local authority responsibility and will not become part of Universal Credit;
- The amount provided to local authorities for the new system will be 10% less than current spending on CTB;
- Support for pensioners will not be affected by this cut in spending and will remain at existing levels with existing rules;
- Local authorities will be free to establish whatever rules they choose for their schemes for working age people (and will administer the scheme for pensioners using national rules);
- Central government will provide a fixed amount of money to local authorities to operate their new schemes. Unlike current arrangements, this central government grant will not be ring-fenced and will not vary according to demand;
- New local schemes to provide help with paying Council Tax must be in place by April 2013.

The London Borough of Barnet (LBB) is committed to ensuring that people living in the Borough are given the opportunity to have their say in proposed changes to the way services are delivered. The Council therefore held a public consultation over the period 1st August to 24th October 2012 which comprised both quantitative consultation undertaken via postal self-completion, an open online questionnaire and the Citizen's Panel, and qualitative consultation in the form of focus groups undertaken by BMG Research. The Council also provided opportunities for residents to access the paper questionnaire in libraries, elsewhere, and on request.

This report summarises the results of the elements of the consultation outlined above.

The Council also consulted about the proposed scheme with a number of different organisations and user groups, and the findings from this element of the consultation are available in a separate report.

⁴ A consultation paper was launched by the Department for Communities and Local Government on 2nd August 2011. It is available at www.communities.gov.uk/publications/localgovernment/localisingcounciltaxconsult

1.1.2 Overview of the consultation process

The quantitative element of the consultation comprised a number of strands:

- Postal self-completion questionnaires sent by LBB to approximately 24,000 Council Tax Benefit recipients;
- Self-completion questionnaires distributed in public places (e.g. libraries) and provided by the Council to residents on demand;
- An open-access online questionnaire available on the Council's website;
- A postal self-completion sent to the LBB Citizens' Panel, including two follow-up reminders to non-responders;
- Letters to pensioners.

A total of 2,910 returns were received, and these break down as follows:

- 1,874 postal self-completion questionnaires;
- 492 responses from members of the Citizen's Panel, which represents a response rate of 41%;
- 544 responses via the online questionnaire.

A total of 1,914 Council Tax Benefit recipients responded to the questionnaire, which represents 66% of the total sample.

In addition to the quantitative research, London Borough of Barnet (LBB) commissioned BMG Research to undertake nine focus groups with residents, in order to further understand perceptions towards the proposals for Council Tax Support. Of the nine groups, two groups were conducted with 'general population' residents not in receipt of Council Tax Benefit, and the remaining seven groups were conducted with residents who were in receipt of Council Tax Benefit. The groups were held between Wednesday 18th September and Thursday 27th September, at community venues located in the Borough of Barnet. Details of the group dates, times and venue can be found in Appendix D.

1.2 Summary of results

1.2.1 Agreement with principles

The figure on page 9 summarises the response to the principles outlined in the consultation among all respondents, and by Council Tax Benefit recipients and non-recipients.

Among the total sample a majority agreed with each of the principles, with a minimum of two thirds (65%) agreeing with each, and a minimum net agreement⁵ of +57%. Reflecting this, respondents in the focus groups largely considered the five principles underlying the Council Tax Support scheme to be fair and acceptable.

Agreement was highest with regard to the need to support those in the most difficult circumstances (85% agreed overall) and the need to afford the most vulnerable a level of protection (84% agreed). However, one respondent within the single people and childless couple group felt that those in 'difficult circumstances' and the 'vulnerable' overlap, and therefore should be more clearly defined.

⁵ Net agreement = the percentage agreeing minus the percentage disagreeing.

Agreement was similarly high (84%) in relation to the need for the scheme to be transparent and accessible. However, although focus group respondents welcomed this principle, some, particularly in the groups composed of single people and childless couples, and general population residents with no dependents, questioned whether it would be clear and easy to understand, given their experience of the current complex systems in place. Further, throughout the groups (upon receiving information about the scheme), many respondents noted it to be complicated.

While three quarters (76%) of all respondents agreed that the system should be based on fairness, with those with the ability to pay making a fair contribution, many focus group respondents did question the fairness of this. This was particularly true of respondents in the general population groups, as well as both working and non-working families with dependent children. Many stressed that payments should not be significantly more than those made by people in receipt of Council Tax Benefit. Several respondents, particularly within the group composed of general population families felt it was unfair for those with higher incomes to pay substantially more to support others, whilst not benefiting themselves.

Further, many respondents strongly disagreed that people living in larger properties should make a larger contribution. This was especially true of general population families and both working and non-working families with three or more dependent children. Importantly, it was felt that property size did not fully reflect a person's ability to pay, and that contributions for larger properties should instead be calculated on an individual basis. Respondents had particular concerns for those who had inherited a large property.

As well as income, a key factor some respondents felt should be considered was family size: several stated that those living in larger properties with a large family should not be penalised by being asked to contribute higher amounts. These respondents were from both the general population and Council Tax Benefit recipient groups, and typically had one or more dependent children. In addition, some respondents within the group composed of general population families recommended that council tax should instead be calculated on a person's usage of Council services, such as waste collection.

While still in the majority, agreement was lowest in relation to the need for the scheme to incentivise work (65% agreed overall, while 8% disagreed). However it should be noted on this latter point that this was the principle that attracted the highest proportion expressing a 'neither/nor' position, or not offering a definitive response (26%). In the focus groups, while respondents largely agreed with this principle, some, particularly respondents within the groups composed of working and non-working families with up to 2 dependent children, felt that changes to Council Tax Benefit alone would not encourage people to seek employment. It was therefore recommended that the wider benefit system be addressed. Further, many respondents questioned the feasibility of the scheme in encouraging work, since unemployment was quite often considered to be the consequence of a shortage of jobs.

There was little variation in the response among Council Tax Benefit recipients and non-recipients, with both exhibiting high levels of agreement with each of the principles. However Council Tax Benefit recipients were more likely than non-recipients to agree that there should be support for those in the most difficult circumstances (87% compared to 81%) and that the most vulnerable should benefit from a level of protection (86% compared to 80%).

Conversely, non-recipients were more likely than recipients to agree that the scheme should incentivise work (71% compared to 62%).

Agreement with principles by demographic groups

Age

Among respondents of all ages agreement with the principles was high, although in each instance those aged over 65 were more likely to agree with the principles than their younger counterparts. It should be noted that those aged 65 or more were significantly less likely than younger respondents to be in receipt of Council Tax Benefit (45% compared to 71%). It should also be noted that the differences were as a result of higher levels of 'neither/nor', 'don't know' and 'not provided' among younger respondents, rather than as a result of higher levels of disagreement with the principles.

Household type

Respondents were asked to categorise their household into one of the following:

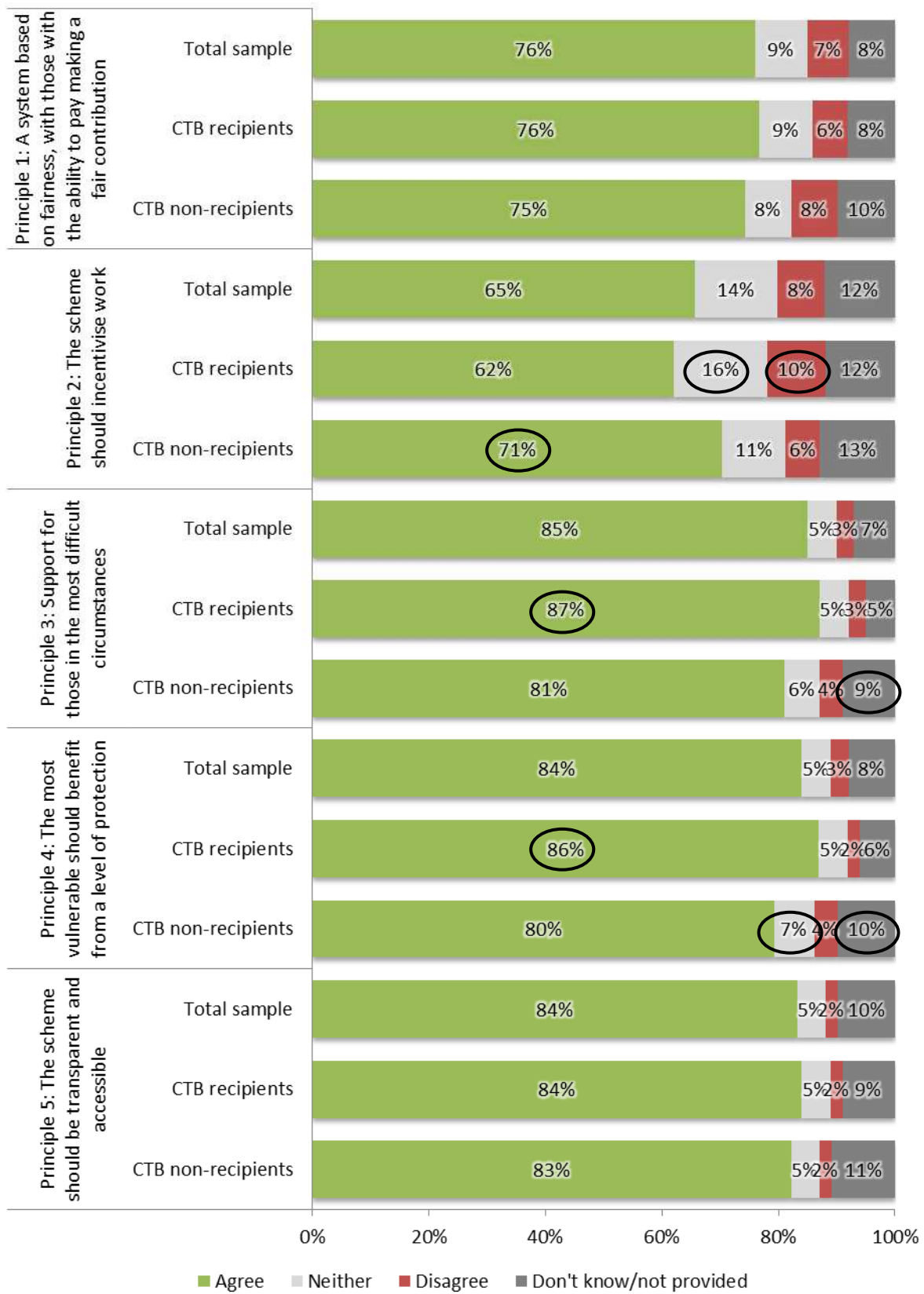
- A family with one or two dependent children;
- A family with three or more children;
- A lone parent household;
- A carer;
- A household with full and/or part time workers;
- A household that includes someone who is disabled or severely mentally impaired;
- A single person household or a couple without children.

Over four in five (83%) of all respondents assigned their household to one or more of these groups.

Considering the results on this basis, overall it is clear that support for the principles is high across the board.

However lone parents were both more likely than those who are not lone parents to be in receipt of Council Tax Benefit (87%), and to agree with a system based on fairness (79%), support for those in the most difficult circumstances (89%) and protection for the most vulnerable (88%). This pattern of response was very similar among disabled respondents, although this group was less likely than non-disabled respondents to agree that the scheme should incentivise work (58%).

Figure 2: Summary of levels of agreement/disagreement with principles (all respondents and Council Tax Benefit recipients and non-recipients)



Unweig

Unweighted base: total sample = 2,910; CTB recipients = 1,916; CTB non-recipients = 994

Where percentages are circled this indicates that there is a statistically significant difference at the 95% level of confidence between CTB recipients and non-recipients.

Among full and part time workers, despite being less likely to be in receipt of Council Tax Benefit (54%), agreement was higher than their counterparts in relation to a system based on fairness (80%), that the scheme should incentivise work (77%) and that it should be transparent and accessible (91%). This pattern of response was replicated among those with no children, although this group was also more likely to agree that there should be protection for the most vulnerable (88%).

Levels of agreement with the principles tended to be lower among families with three or more children, and among those who did not classify their household into one of the listed types, although it should be borne in mind that this latter group were the least likely to be in receipt of Council Tax Benefit.

Ethnicity

Considering the response by respondent ethnicity reveals that, while levels of agreement were high across the board, White respondents were more likely to indicate agreement with all of the proposals than those of other ethnicities.

It should be noted that in many instances the differences were a result of higher levels of 'neither/nor', don't know or not provided among non-White respondents, rather than significantly higher levels of disagreement.

Religion

Jewish respondents were more likely than non-Jewish respondents to agree with all of the proposals despite being less likely to receive Council Tax Benefit. Christians and those who regarded themselves as agnostic, atheist or as having no religion were also more likely than their counterparts to agree with a number of the proposals (a system based on fairness, incentivising work and transparency).

Again it should be noted that levels of agreement were high for all religious groups, although Hindu and Muslim respondents were less likely than their counterparts to agree with some of the proposals (for both groups a system based on fairness, for Hindus protection of the most vulnerable, and for Muslims incentivising work and transparency).

Sexual orientation

Despite being as likely to be in receipt of Council Tax Benefit, Heterosexual respondents were more likely than Lesbian, Gay and Bisexual respondents to agree with a system based on fairness, with those with the ability to pay making a fair contribution (80% compared to 68%), that there should be support for those in the most difficult circumstances (88% compared to 79%), that the most vulnerable should benefit from a level of protection (88% compared to 78%), and that the scheme should be transparent and accessible (88% compared to 76%).

However, again it should be noted that in many instances the differences were a result of higher levels of 'neither/nor', don't know or not provided among Lesbian, Gay and Bisexual respondents, rather than significantly higher levels of disagreement.

Base sizes were insufficient to provide robust findings among transgender respondents (2% equating to 48 respondents) and women who were either pregnant (2% of women, equating to 39 respondents) or on maternity leave (1% of women, equating to 12 respondents).

Ranked importance of principles

Respondents were then asked to rank each principle according to importance, from 1 being the most important, to 5 being the least important.

The principle regarded as most important by the highest proportion of respondents was that there should be support for those in the most difficult circumstances. A third (34%) regarded this as most important, and a further fifth (20%) as second most important.

Close to half (49%) of all respondents rated the principle that the most vulnerable should benefit from a level of protection as either the most or the second most important principle. This reduced to 42% in relation to a system based on fairness, to 36% in relation to a need for transparency and accessibility, and to 34% in relation to incentivising work.

The fact that the need for transparency achieved the equal highest net agreement of +82%, and yet is ranked fourth in terms of importance suggests that respondents regarded this as a 'given' of the scheme.

While the pattern of response was similar among both Council Tax Benefit recipients and non-recipients there were some notable differences:

- Recipients were more likely than non-recipients to rate support for those in the most difficult circumstances as the most or second most important principle (57% compared to 48%), as was the case in relation to the principle that the most vulnerable should benefit from a level of protection (54% compared to 40%), and that the scheme should be transparent and accessible (37% compared to 33%);
- Non-recipients were more likely than recipients to rate the incentivisation of work as the most or second most important principle (41% compared to 31%).

However, support for those in the most difficult circumstances was rated as the most or second most important principle by the highest proportion of both groups (57% and 48% respectively).

Figure 3: Proportion regarding principles as most or second most important (all respondents and Council Tax Benefit recipients and non-recipients)

	Total sample	CTB recipients	CTB non-recipients
Principle 1: A system based on fairness, with those with the ability to pay making a fair contribution	42%	41%	42%
Principle 2: The scheme should incentivise work	34%	31%	41%
Principle 3: Support for those in the most difficult circumstances	54%	57%	48%
Principle 4: The most vulnerable should benefit from a level of protection	49%	54%	40%
Principle 5: The scheme should be transparent and accessible	36%	37%	33%
Unweighted base	(2,910)	(1,916)	(994)

NB: Shaded cells represent statistically significant differences between CTB recipients and non-recipients at the 95% level of confidence.

Ranked importance of principles by demographic groups

The results were very consistent across all groups, with the need for the scheme to incentivise work achieving the lowest proportion of respondents in each case who identified this as the most important principle.

While for many groups the principle that achieved the highest proportion who regarded it as most important was the need to provide support for those in the most difficult circumstances, there were a number of notable exceptions:

- Those aged 65 or more, and Jewish respondents were more likely to regard a system based on fairness as the most important principle, and those in full or part time work were as likely to identify this principle as the most important as they were to identify the need to support those in the most difficult circumstances;
- Carers and those with a disability were more likely to regard the need for the most vulnerable to be afforded a level of protection as the most important principle, as were those regarding themselves as agnostic, atheist or having no religion;
- Respondents of mixed ethnicity were more likely to regard the need for transparency and accessibility as the most important principle.

Overview of response to features

The figure overleaf summarises the response to the features outlined in the consultation among all respondents, and by Council Tax Benefit recipients and non-recipients.

To summarise, overall the feature that attracted the highest levels of agreement among both Council Tax Benefit recipients and non-recipients, was the removal of discounts and exemptions for second homes and empty properties (64% agreed).

Among the total sample, around two fifths agreed with removing the second adult rebate (39%), reducing capital limits (38%), restricting discounts above Band D or E (38%), and to a simplified system of non-dependent deductions (40%). However levels of disagreement with each of these features were more variable, as summarised below:

- A simplified system of non-dependent deductions (12% disagreed);
- Restricting discounts above Band D or E (20%);
- Removing second adult rebate (24%);
- Reducing capital limits (32%).

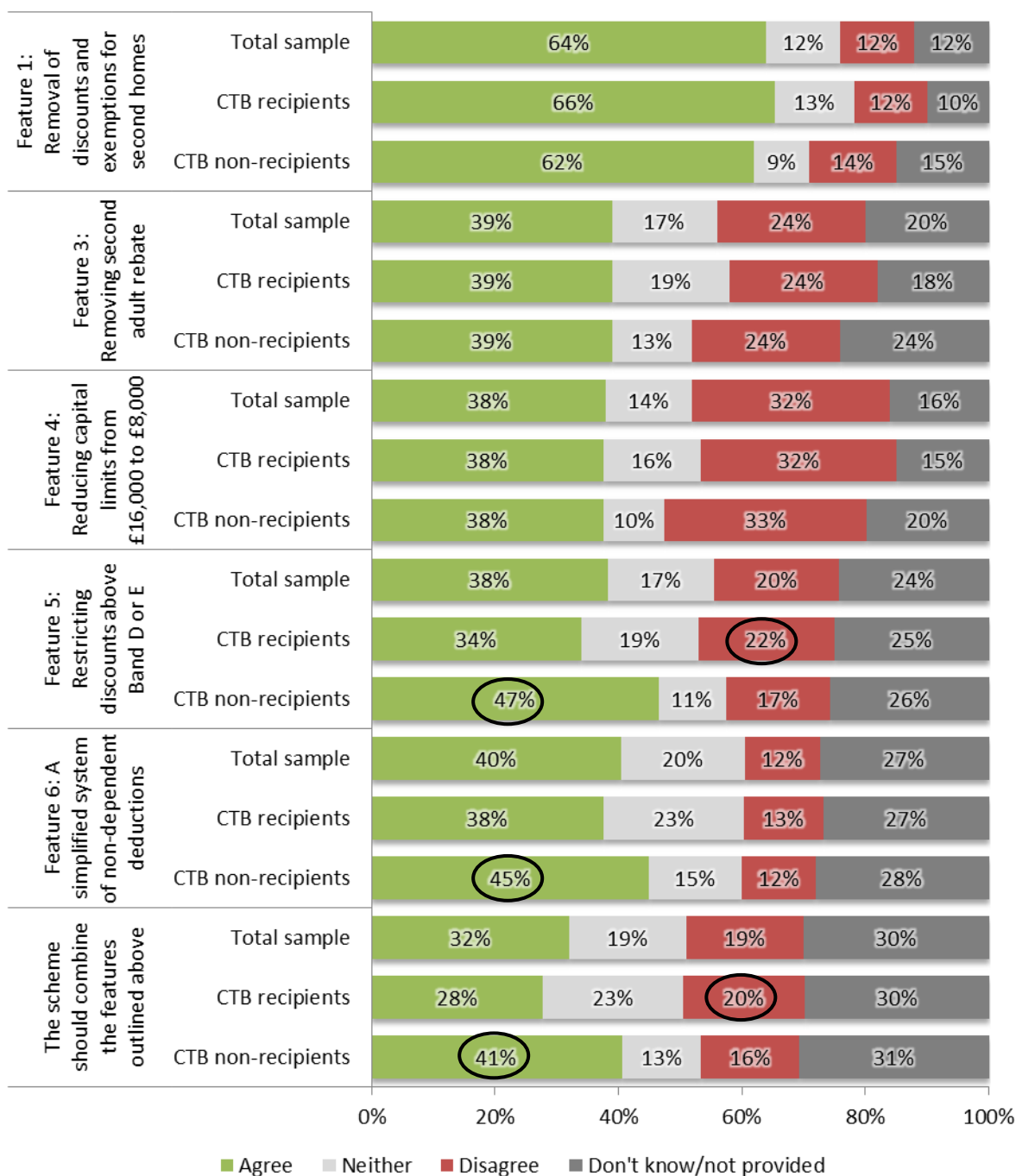
While the response was similar among Council Tax Benefit recipients and non-recipients, there were some differences. Agreement among non-recipients was higher than recipients in relation to:

- Restricting discounts above Band D or E (47% agreed compared to 34%);
- A simplified system of non-dependent deductions (45% compared to 38%).

While overall a third (32%) agreed that the scheme should combine the features outlined above, a fifth (19%) disagreed that this should be the case, although non-recipients of Council Tax Benefit were more likely to agree that this should be the case than recipients (41% compared to 28%).

The proportion of respondents indicating that they did not know, or not providing a response, varied between one in ten (12%) in relation to the removal of discounts and exemptions for second homes, to three in ten (30%) in relation to whether the scheme should combine features.

Figure 4: Summary of levels of agreement with features (all respondents and Council Tax Benefit recipients and non-recipients)



Unwei

Unweighted base: total sample = 2,910; CTB recipients = 1,916; CTB non-recipients = 994

Where percentages are circled this indicates that there is a statistically significant difference at the 95% level of confidence between CTB recipients and non-recipients.

Overall, quantitative views were varied as to what the maximum level of support should be for working age claimants (feature 2), with around one in ten of all respondents indicating the amount should be less than 75% (11%), 75% (8%), 80% (8%) or 85% (9%). However, a third (35%) felt that it should be 90% or more, and this rose to two fifths (39%) of Council Tax Benefit recipients (compared to 27% of non-recipients). Three in ten (30%) respondents did not offer a response to this question.

Response to the features in more detail

The following sections consider the results in more detail, taking each feature in turn. In order to summarise the spread of results, and facilitate comparisons across different sub-groups, net agreement scores have been used (i.e. in each instance the percentage who agree minus the percentage who disagree).

Feature 1: Removal of current council tax discounts and exemptions for second homes and empty properties

This was the feature that attracted the highest levels of agreement among both Council Tax Benefit recipients and non-recipients (net agreement +54% and +48% respectively).

One in ten respondents (12%) did not offer a definitive response to this question and the same proportion neither agreed nor disagreed (12%).

Those aged 65 or more were significantly more likely than younger respondents to agree that discounts and exemptions for second homes and empty properties should be removed (net agreement +70% compared to +52% among those aged up to 64).

Other groups among whom a higher level of net agreement was achieved included:

- Carers (+65%);
- White respondents (+65%);
- Those who describe themselves as agnostic, atheist or as having no religion (+71%).

Groups among whom a lower level of net agreement was achieved included:

- Families with three or more children (+41%) and those not covered by any of the listed household types (+44%);
- Respondents of Mixed (+28%), Asian (+43%) and Black (+44%) backgrounds;
- Muslim respondents (+35%).

Focus group respondents also demonstrated high levels of agreement with this feature, with many respondents in all groups feeling that those with second homes or empty properties could afford to contribute to their council tax, and many highlighting the benefits of the feature in overcoming the shortages of housing in the Borough by bringing empty properties back into use, and raising revenue to fill the funding gap. In particular, respondents demonstrated high levels of agreement for the removal of discounts for second homes, and the introduction of a premium for properties left empty for long periods of time.

However, there were a number of concerns expressed in the focus groups, as summarised below:

- The impact on those with properties left empty for short periods of time, for whom it might become necessary to sell their homes (particularly expressed in the group composed of non-working single people and childless couples);
- The impact on those who have inherited a second property, who might be forced to sell regardless of the wider financial implications (particularly expressed in the groups consisting of general population households with no dependent children, and non-working families with three or more dependent children);
- The negative impact already felt as a result of the removal of such discounts and exemptions for property developers (expressed as the personal experience of one property developer), and more broadly the feeling that the changes might lead to a decline in property development, and the consequent impact of this on job opportunities etc. (particularly stated by respondents within the two general population groups);
- The impact on those trying to sell or rent their property (expressed by some respondents in the following groups: general population households with no dependent children; band E and above households; working and non-working families with up to two dependent children);
- The unfairness of the proposal given that empty properties make no use of council services (raised by some respondents in the groups consisting of general population residents with no dependents, residents living in band E and above households, working families with up to two dependent children, and non-working families with three or more dependent children);
- The impact in instances where a property is empty as a result of fire or flood (expressed by most respondents in all groups, apart from the disability group, where this was not discussed);
- Difficulties in enforcement, particularly in relation to absent landlords (particularly expressed by respondents in the group consisting of general population families).

Feature 2: Range of maximum Council Tax Support

Quantitative views were varied as to what the maximum level of support should be for working age claimants, with around one in ten of all respondents indicating the amount should be less than 75% (11%), 75% (8%), 80% (8%), or 85% (9%). However, a third (35%) felt that it should be 90% or more, and this rose to two fifths (39%) of Council Tax Benefit recipients (compared to 27% of non-recipients). Three in ten (30%) respondents did not offer a response to this question.

Across almost all demographic groups the level of support that received the highest strongest preference was more than 90%. The only exception to this was among those aged 65 or more, for whom less than 75% was the most strongly preferred option.

In the focus groups, views were mixed regarding the introduction of a maximum amount of Council Tax Support. While many felt it was fair to introduce a minimum contribution toward council tax in order to share the responsibility of payment for the

Council's services, there were discrepancies over who should be asked to contribute. While several respondents within most of the groups (apart from the non-working families with up to two dependent children and single people and childless couples groups) felt that everyone should contribute whether in work or not, concerns were expressed with regard to the following groups:

- People who are unemployed (including people short-term unemployed due to redundancy);
- Those with an inability to pay (e.g. low income families);
- Those with a disability.

Some respondents within the general population families group were also concerned that this might drive people to crime or to borrowing, and additionally felt that the introduction of this feature might be costly for the Council as a result of residents' inability to pay additional amounts.

The overriding feeling was that each person should be considered on the basis of their individual circumstances, so that only those with the ability to pay were asked to do so.

Where focus group respondents did feel it was acceptable to introduce a minimum contribution, ten% was considered to be the most appropriate amount, reflecting the quantitative findings outlined above. While several respondents within the general population groups suggested the contribution could be as high as fifteen or twenty%, most recognised that households who were in receipt of Council Tax Support would be unable to afford this increase.

Feature 3: Removing second adult rebate

Among the total sample, around two fifths agreed with removing the second adult rebate (39%), while a quarter disagreed, yielding a net agreement of +15%, which was the same for both Council Tax Benefit recipients and non-recipients.

Around one in five (20%) of all respondents did not offer a response to this question, and a similar proportion (17%) neither agreed nor disagreed.

Groups among whom a higher level of net agreement was achieved included:

- Those aged 65 or more (+34%);
- Those in households with no children (+23%);
- White respondents (+23%);
- Hindu and Jewish respondents (+22% and +21% respectively);
- Lesbian, gay and bisexual respondents (+24%).

Groups among whom a lower level of net agreement was achieved included:

- Lone parents (+5%);
- Respondents of Mixed (-1%), Black (+8%) and other ethnicities (+3%);
- Those of another religion (+7%).

The majority of focus group respondents were unaware of the second adult rebate, or whether they were in fact eligible to receive it. Consequently many found it difficult to understand how the rebate was calculated or applied. For this reason many felt unable to comment on whether or not they were in support of the removal.

Where respondents did feel able to comment, some felt it should be removed because they felt that this group would be likely to be able to afford to pay, and that they should pay to compensate for their use of Council services (particularly some respondents in the groups composed of general population residents with no dependents, disability residents, residents living in band E and above households, and working and non-working families with three or more dependents). However some focus group respondents, including all in the general population families group, as well as several respondents in some other groups, felt the second adult rebate should not be removed for a number of reasons:

- Those accommodating second adults would be unlikely to receive a contribution from the second adult to compensate for the loss of the discount, due to their inability to pay;
- Those accommodating second adults should continue to be compensated for supporting those on low incomes who would otherwise seek more support from the Council;
- Children over the age of eighteen are not necessarily regarded as non-dependent, so should not be expected to contribute to council tax;
- The funds generated from the removal were not considered sufficient to outweigh the impacts on the budgets of those affected, and the difficulties in enforcement.

Feature 4: Reducing capital limits

Reducing capital limits was the feature that generated the lowest level of net agreement (+6% overall, +6% among Council Tax Benefit recipients, and +5% among non-recipients).

Around one in six (16%) of all respondents did not offer a response to this question, and a similar proportion (14%) neither agreed nor disagreed.

Those aged 65 or more were significantly less likely than younger respondents to agree that capital limits should be reduced (net agreement -17% compared to +9% among those aged up to 64).

Levels of net agreement did not exceed +13% except among those of another religion (+19%).

However there were a number of groups among whom levels of net agreement were particularly low, and these included:

- Families with three or more children (-10%), those with a disability ($\pm 0\%$), and those who did not within the household types listed (-1%);
- Jewish respondents (-18%).

Reflecting this, the majority of respondents in most focus groups, apart from those composed of working families, strongly opposed the reduction of capital limits, regardless of whether it affected them personally. It was felt that the limit of £8,000 was too low and should be increased to reflect current living costs, particularly in London (respondents across the groups suggested figures of between £20,000 and £32,000). A key concern was the disincentive such a proposal would have on saving, and the possible negative impact this would have due to an increased reliance on the Council. Concerns were also raised as to the possibility of residents 'hiding' money, and the impact this would have on the Council in terms of enforcement, and in relation to the limited amount of funds generated as compared to the negative impact on individuals. These concerns were particularly raised by respondents in the following groups: general population families; residents living in band E and above properties; working families with up to two dependent children; and non-working families with three or more dependent children.

The minority of focus group respondents who did agree with the reduction of capital limits (predominantly CTB recipients who were in working households with up to two dependent children or working families with three or more dependent children) did so because they felt that only those in genuine need – i.e. people with no savings such as themselves – should be eligible for support, or that it would make little difference since people on Council Tax Benefit such as themselves would be unlikely to have such a level of savings.

Feature 5: Restricting discounts above Band D or E

Overall two in five (38%) of respondents agreed that discounts should be restricted for properties above band D or E, while one in five (20%) disagreed, yielding a net agreement of +18%.

Around a quarter (24%) of all respondents did not offer a response to this question, and a further one in five (17%) neither agreed nor disagreed.

Those aged 65 or more were significantly more likely than younger respondents to agree that discounts above Band D or E should be restricted (net agreement +38% compared to +18% among those aged up to 64).

Groups among whom a higher level of net agreement was achieved included:

- Those in households with full or part time workers (+28%) and those with no children (+29%);
- White respondents (+27%);
- Christian respondents (+27%) and those identifying themselves as agnostic, atheist or of no religion (+30%).

Groups among whom a lower level of net agreement was achieved included:

- Families with three or more children (+2%), lone parents (+6%), carers (+10%) and disabled respondents (+10%);
- Muslim respondents (+6%).

The qualitative response was less equivocal: respondents within most groups, including all CTB recipients in working households living in Band E properties or above, opposed the restriction of discounts above band D or E. The key reason was the view that a person's property band does not necessarily reflect their ability to pay, with concern expressed that people would be forced to move to smaller properties which may be inappropriate for their needs.

Several groups were highlighted as areas of concern:

- Larger families who require a larger property (particularly highlighted by working families with three or more dependent children, and some respondents within the single people and childless couples groups);
- Those who do not own their own property, such as those who pay 'interest-only' on their mortgage, or housing association tenants who are unable to choose where they live (particularly expressed by those in the following groups: working families with three or more dependent children, and non-working families with up to two dependent children);
- Those with a disability whose banding may be higher as a result of the need to live in suitably adapted properties (raised by respondents within the disability group);
- Those whose cultural or religious background requires them to live in certain areas (e.g. Jewish Orthodox) which may by definition be in higher banded areas (particularly expressed by working families with three or more dependent children, as well as some respondents within the disability group).

However some focus group respondents welcomed the suggestion to restrict discounts above band D or E, as they felt that people living in higher banded properties could downsize to more affordable properties. This was particularly true of respondents in the groups composed of working families with up to two dependent children, and non-working families with three or more dependent children.

Overall, it was felt that, if the Council were to introduce such restrictions, these should be limited to Band E or above. Respondents within one group – working families with up to two dependent children – did, however, suggest restrictions should be limited to Band D.

Feature 6: A simplified system of non-dependent deductions

Overall two in five (40%) of respondents agreed that there should be a simplified system of non-dependent deductions, while one in ten (12%) disagreed, yielding a net agreement of +28%.

Over a quarter (27%) of all respondents did not offer a response to this question, and a further one in five (20%) neither agreed nor disagreed.

Those aged 65 or more were significantly more likely than younger respondents to agree with a simplified system of non-dependent deductions (net agreement +45% compared to +28% among those aged up to 64).

Groups among whom a higher level of net agreement was achieved included:

- Those in households with no children (+39%);
- White (+36%), Mixed (+36%) respondents and those of other ethnicities (+42%);
- Christian respondents (+37%) and those identifying themselves as agnostic, atheist or of no religion (+36%).

Groups among whom a lower level of net agreement was achieved included:

- Families with three or more children (+19%), lone parents (+21%) and those who did not fit into any of the listed household types (+21%);
- Muslim respondents (+21%);
- Lesbian, gay and bisexual respondents (+19%).

Reflecting the high levels of non-response and indecision with regard to the quantitative response to the introduction of a simplified system of non-dependent deductions, several focus group respondents amongst the groups highlighted the system's perceived continuing complexity. Some also felt the feature to be ambiguous given that it did not make specific reference to certain groups of people, such as those in education or carers. This was particularly true of respondents representing the following groups: general population families; disability respondents; working families with up to two dependent children; both working and non-working families with three or more dependent children; and single people and childless couples.

Where focus group respondents did feel able to comment, most felt it was fair for deductions to be taken from a person's Council Tax Support in order to fund the gap. In most instances this was felt to be fair only where the non-dependent is in employment and therefore in a position to contribute, but some respondents in the group consisting of households with at least one dependent child, and the group consisting of non-working families with up to two dependent children felt that such deductions were also fair for unemployed people, since the deductions were considered to be relatively small.

Groups identified as needing consideration in respect of this feature included:

- Non-dependent children in education (particularly among those with children at university), whom many respondents still regarded as dependent;
- Carers (particularly among the group consisting of CTB recipients with a disability);
- People working on a freelance basis due to the unpredictability of their income (particularly among the group consisting of CTB recipients with a disability).

Many respondents within the working families with three or more dependent children and the single and childless couple groups felt that there should not be a flat rate deduction, preferring that the amount deducted vary in accordance with the amount earned.

Some respondents, particularly within the general population and disability groups, further observed that the amount of money saved through the increased deductions did not justify the potential impact on affected individuals, nor the potential for additional cost burdens for the Council as a result of affected non-dependents being asked to leave the property. On this latter point, several respondents in the disability group had been forced to ask their carers (family members) to move out due to such changes, leaving them in vulnerable situations without support.

Views on combining features

While overall a third (32%) agreed that the scheme should combine the features outlined above, a fifth (19%) disagreed that this should be the case, yielding a net agreement of +13%, although net agreement was higher among non-recipients of Council Tax Benefit than recipients (+25% compared to +8%).

Three in ten (30%) of all respondents did not offer a response to this question, and a further one in five (19%) neither agreed nor disagreed.

Those aged 65 or more were significantly more likely than younger respondents to agree that the features should be combined (net agreement +31% compared to +14% among those aged up to 64).

Groups among whom a higher level of net agreement was achieved included:

- Those in households with full or part time workers (+23%) and those with no children (+22%);
- White respondents (+20%);
- Christian respondents (+24%) and those identifying themselves as agnostic, atheist or of no religion (+23%).

Groups among whom a lower level of net agreement was achieved included:

- Families with three or more children (+1%), lone parents (+5%) and disabled respondents (+8%);
- Asian respondents (+8%);
- Muslim respondents (+5%).

Protections

Over half (56%) of all respondents felt the Council should consider additional support to give more protection to specific groups of claimants, and this rose to 62% of Council Tax Benefit recipients (compared to 46% of non-recipients). Respondents with a disability (73%) and carers (69%) were more likely than other household types to feel that the Council should consider additional support for specific groups of claimants.

The main groups mentioned are summarised below, along with the number of and the percentage of all respondents who mentioned each group:

- Disabled (661 respondents which equates to 23% of all respondents);

- Those on low income (497 respondents, 17%);
- Pensioners/the elderly (471 respondents, 16%);
- Single parent families (230 respondents, 8%);
- People who are ill (166 respondents, 6%);
- Families/those with children (157, 5%);
- The vulnerable/those most in need (139, 5%);
- Carers (97 respondents, 3%);
- Students/young adults (57 respondents, 2%);
- Those seeking work (39 respondents, 1%).

The following summarises the types of suggestions provided when respondents were asked what forms of support or incentives they thought should be given to these groups:

- More discounts/full support/benefit/100% exemption (587 respondents, 20% of all respondents);
- Incentivise work/help people find work/training (139 respondents, 5%);
- Keep the same level of protection as currently (100 respondents, 3%);
- Provide medical care/the services people need (75 respondents, 3%);
- Assess each case individually (64 respondents, 2%)
- Provide simple advice/information/advice on where to get help (44 respondents, 2%);
- Provide help with housing (43 respondents, 1%).

The views of focus group respondents largely reflected the findings outlined above, with most feeling that those who are unable to work and are in genuine need of support should be protected from the changes under the new Council Tax Support scheme. Most importantly, all respondents stated that those with a disability (either mental or physical) should be protected, especially where it prevents them from working. Respondents within the disability group particularly stressed the need for protection for this group, as their inability to work meant they would simply be unable to afford to contribute additional amounts towards their Council Tax. Many respondents within the group were in fact particularly distressed at the prospect of greater contributions, due to their inability to pay.

Most respondents across the groups also felt that those with long-term sickness preventing them from work should also be protected. Some respondents within the general population groups, however, did question whether certain types of sickness, for example back problems or depression, should always be considered worthy of protection if not proven. It was therefore felt that such protection should be based on a clinical assessment.

In addition, many respondents also typically felt that people who are unable to find work (either in the short or long-term) should be protected. Most felt that the unemployed would simply be unable to afford to pay additional amounts towards their Council Tax. Some respondents in the group comprising households in receipt of

CTB with no dependent children, however, felt that only the unemployed in true poverty should be protected.

Further, most respondents across the groups stated that all people without the means to pay, and particularly low income or vulnerable families and those with nothing, should also be protected from the changes. The need to protect low income families, particularly those with young children, was stressed by many respondents in receipt of Council Tax Benefit who had families. Respondents within the group comprising non-working families in receipt of CTB with up to two dependent children, for example, stated that single parents should be protected as they have few opportunities to work and earn money. It should be noted that the majority of respondents in this group were in fact themselves single parents.

Views were mixed in terms of whether those making a community contribution should be protected. Where such groups were discussed, this was prompted by the moderator. Some respondents felt strongly that those in the armed forces and war veterans/ widows should be protected as compensation for what they have given the country. This was particularly expressed by some respondents representing the following groups: general population residents; residents living in band E and above properties; and working families with dependent children.

It was additionally recognised that certain groups, particularly war widows or those recently returning from the armed forces, may need additional support with living costs. Other respondents, however, questioned the need for additional support (particularly where able to work), or simply stated that support could come from elsewhere (for example: increasing their war pension). For example, one respondent within the group comprising non-CTB recipient households with no dependent children who had been in the armed forces for 23 years stated that such groups are simply not in need of financial support. Further, some respondents in the group comprising non-CTB recipient households with at least one dependent child felt that protection should not be granted for such groups as their career was considered to be a choice.

In terms of those making a community contribution through volunteering more broadly, where discussed (within the general population groups, and with working families with up to two dependent children) most felt that protection should not be offered if the person could seek paid employment. Many respondents (particularly those with children of working age) did, however, agree that young people undertaking internships, or those simply volunteering to gain work experience, should be protected as they often have little alternative.

In several groups, consisting of both working and non-working households, and CTB recipients and non-recipients, respondents also highlighted the need to protect carers from the changes.

Respondents typically felt that those identified as 'protected' groups (as outlined above) should be fully exempt from all of the changes under the new Council Tax Support Scheme. Although several respondents (particularly those representing working families with three or more dependent children) felt that all those currently in

receipt of Council Tax Benefit should be protected from the changes, they recognised that this was not possible. It was therefore recommended that protection should be identified on a case-by-case basis, to ensure only those with an ability to pay are asked to do so. Some respondents in this group did, however, recognise the cost implications associated with this. Further, some respondents highlighted the need to regularly review a person's protection status, and update this as appropriate.

Appendix 4

Other submissions to Consultation

Appendix 4a: Greater London Authority response

GREATERLONDONAUTHORITY
Resources

City Hall
The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 400
Minicom: 020 7983 4458
Web: www.london.gov.uk

Bill Murphy
Assistant Director, Customer Services
London Borough of Barnet
North London Business Park
Oakleigh Road South
London
N11 1NP

Our ref: CTBLocalisation
Your ref:
Date: 24 October 2012

Dear Bill

LONDON BOROUGH OF BARNET – DRAFT COUNCIL TAX SUPPORT SCHEME GREATER LONDON AUTHORITY RESPONSE TO CONSULTATION

Thank you for your email dated 20 July and attached documentation setting out the draft Council Tax support (CTS) scheme which the London Borough of Barnet was intending to issue for consultation with local residents and stakeholders as required under Schedule 4 to the Local Government Finance Bill. The draft scheme published for consultation is summarised in Appendix A to this letter. This letter sets out the Greater London Authority's formal response to your public consultation which was launched on 1 August.

Introduction

Firstly the GLA recognises that the determination of Council Tax support schemes under the provisions of a Local Government Finance Bill is a local matter for each London borough. Individual schemes will need to be developed which have regard to specific local circumstances both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and more generally the financial impact on the council and local Council Taxpayers and the final policies adopted may differ therefore across the capital's 33 billing authorities for legitimate reasons.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of Council Tax benefit localisation in proportion to its share of the Council Tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding both of the factors which have been taken into account by boroughs in framing their proposals as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform their final scheme design.

The GLA therefore welcomes the fact that Barnet's consultation documentation provides clear illustrative numbers on the forecast financial implications of and risks associated with its draft Council Tax support scheme.

Framing and Publicising Proposals

The Government has expressed a clear intention that in developing their scheme proposals billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants
- They consider extending support or protection to other vulnerable groups
- Local schemes should support work incentives and in particular avoid disincentives to move into work

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their final schemes. The GLA therefore welcomes the fact that Barnet has established a series of clear principles which underpin its draft scheme and there is a clear linkage between these and its scheme design.

It is essential that schemes are presented in a way which is transparent, understandable and accessible to claimants and we therefore welcome the approach which Barnet has taken in its consultation material to explain the potential implications for those affected by its proposed scheme. The GLA notes in particular the inclusion of working examples of the potential effects of the changes on different claimant groups.

It is likely, however, that the level of awareness amongst those working age claimants who will be affected by the potential changes in the borough and across London remains limited and may not crystallise until these individuals receive their revised benefit notifications and Council Tax bills for 2013-14 early next year. There remains a significant risk that collection rates will be affected adversely in the first year of the new system as it will take time for some claimants to set up new or revised payment arrangements. The GLA therefore considers that before finalising their schemes billing authorities should consider the challenges which they will face in collecting relatively small sums of money from claimants on low incomes who may not be in a position to pay by direct debit or other automatic payment mechanisms.

The GLA notes that Barnet has provided forecast collection rates for both their proposed technical changes and for the changes to the Council Tax Support Scheme. We would welcome the opportunity to see the Council's modelling in more detail so that we can understand the assumptions on collection rates and how these feed into the calculation of its financial forecasts.

Financial Context

According to the consultation paper 'Localising Support for Council Tax in England – Funding arrangements consultation' issued by CLG in May Barnet is provisionally estimated to receive £21.40m in Council Tax support grant in 2013-14 with the GLA forecast to receive £5.90m in respect of the Barnet borough area and around £159m for London as a whole. Slightly less than 50% of this funding will be allocated to the business rates retention baseline and will thus have the potential to move in line with the NNDR tax

take including the impact of the annual RPI uplift in the multiplier with the balance being provided through revenue support grant (RSG). The RSG element has the potential to be reduced further over the next CSR period commencing in 2015-16.

In developing its proposals for consultation Barnet has identified a potential difference of around £4.4m between the cost of the Council continuing to provide Council Tax support on the same basis at a present for its share of Council Tax through the 'default scheme' for working age claimants and its expected level of Council Tax support grant. The estimated forecast shortfall in respect of the GLA's share is around £1.0m i.e. a total forecast shortfall for the Barnet borough area of £5.4m.

The Council's draft scheme therefore seeks to identify approaches which would allow it to close the expected funding gap with a number of changes to the existing scheme based around five principles. From these principles the Council has developed seven features with feature 2 - that working age claimants will be required to pay a minimum contribution to their Council Tax – providing the most significant contribution towards reducing its funding gap. The effect of this feature is that all working age claimants (unless they are defined as protected) would have to make a minimum contribution towards their Council Tax bill of between 10% and 25% based on the draft scheme.

Technical Reforms to Council Tax

The GLA considers that in formulating its Council Tax support scheme each billing authority should both consider and address how it intends to take advantage of the technical reforms to Council Tax which will provide greater flexibility in relation to discounts and exemptions for second and empty homes. The additional revenues from the technical reforms could be used to reduce any shortfalls and thus the sums which need to be recovered from working age claimants via any changes to Council Tax support.

We welcome the fact that Barnet has considered how it intends to take advantage of the technical reforms to Council Tax and has incorporated this information within the design of its draft Council Tax support scheme. The GLA would be keen to see updated data on the forecast revenues from the technical changes and what revised assumptions the Council has made in respect of collection rates in respect of empty homes (particularly those currently eligible for the class C exemption).

Protecting Vulnerable Claimants

Where boroughs choose not to adopt the default scheme and therefore pass on any shortfalls to claimants they should seek in their scheme to provide an element of protection to the most vulnerable and those in the most difficult circumstances either within the framework of their scheme or through a hardship scheme.

The GLA welcomes the fact that one of Barnet's principles in the development of the scheme is that the most vulnerable should benefit from a level of protection. We also note that the Council is considering whether it will designate specific groups (or individuals who undertake activities which benefit the wider community) of working age as vulnerable and therefore fully or partially exempt them from any reductions in support.

We note that the Council has modelled options which would offer protection to the following groups but it will not make a final decision on its policy in relation to vulnerable groups until after the conclusion of the public consultation.

- those claimants moving into work for a period of between 1 and 3 months (compared to the current run on period of 4 weeks)
- Apprentices
- Troubled families
- Claimants with disabilities
- Carers and
- volunteers

The GLA also notes that Barnet has established support for those in the most difficult circumstances as being a key principle for its scheme. The Council has indicated that extra support may be given to claimants in exceptional hardship or those engaged in specific support programmes offered by the Council. However, the Council have also recognised that this will depend on the availability of additional resources to meet this need.

Ultimately the decision as to which groups are designated as vulnerable is a matter for local determination having regard to the potential impact on other working age claimants or Council Taxpayers and service users more generally.

Incentivising Work

The GLA considers that a key priority for the design of a localised Council Tax support scheme is to ensure that it does not disincentivise those in work or those seeking to move into work. In order to ensure that schemes meet this objective billing authorities should therefore take particular care in determining their policies on earnings disregards and extended payment periods (i.e. run ons).

The GLA welcomes the fact that Barnet has included the need to incentivise work as one of its guiding principles.

Other Elements of Barnet's Draft Scheme

The GLA also notes the other proposed features of Barnet's draft scheme as set out below (i.e. those not addressed earlier). It has no specific comments on these proposals at this stage as it regards them as being a legitimate matter for local determination:

- removal of the second adult rebate for working age claimants.
- Reducing capital limits from £16,000 to £8,000.
- Limiting the level of support for higher band properties to band D or E.
- A simplified system of non-dependant deductions.

Impact of the Government Announcement on 16 October of an Additional £100m to Support Development of Council Tax Support Schemes

Before determining its final scheme the GLA would encourage Barnet to take into account the Government's announcement on 16 October that it will provide up to £100m of additional reward grant to authorities which adopt schemes which limit the impact of changes in Council Tax support on working age claimants.

Setting the Council Tax base for 2013-14 and Assumptions in Relation to Collection Rates

The Council will be required to set a Council Tax base for 2013-14 taking into account the potential impact of the changes being made. This will require the Council to make a judgement as to the forecast collection rates from those claimants affected by the changes. It is likely in respect of those working age claimants currently in receipt of 100% benefit that the recovery rates will be significantly below the average percentage collection for Council Tax as a whole. We note that the Council intends to offer some support to claimants who are in exceptional circumstances but this is dependent upon the availability of additional resources and this would also need to be factored into the calculations.

The GLA would encourage the Council to provide it with an indicative Council Tax base forecast as soon as options are presented to members for approval in December or January (if not before) in order that it can assess the potential implications for the Mayor's budget for 2013-14. This should be accompanied ideally by supporting calculations disclosing any assumptions around collection rates.

Varying Council Tax Payments in Year

The GLA is keen to develop a dialogue with all 33 London billing authorities as to how the budgeting, cashflow and accounting arrangements for Council Tax support will operate under the new system – particularly in order to manage the sharing of risks. These discussions would also need to address the mechanisms and triggers under which billing authorities will be able to vary their instalment payments to preceptors (i.e. the GLA) in year where, for example, Council Tax collection rates are lower than anticipated or the actual demand for Council Tax support is greater than budgeted for.

We anticipate that the Government will address these issues in the secondary legislation on Council Tax support and business rates retention in the autumn as similar issues are also likely to apply where business rates revenues are lower than forecast.

In the absence of any nationally prescribed policy the GLA would be keen to develop a common wide approach in London which would apply equally across all 33 billing authorities.

This could for example follow the current approach used for the Crossrail Business Rate Supplement where instalments may be varied no more than once per quarter with the trigger for any variation being where the forecast shortfall in revenues exceeds a set percentage of the total precept instalments payable for the year. This would recognise that there is a balance to be struck between cashflow and resource management and the additional administration which would result for both parties if instalment payments were to be changed.

In practice, where shortfalls are not material, the GLA would envisage that any deficits would be recovered through the collection fund deficit calculation in January in the normal way (and thus recovered in the following financial year in cash terms).

Finally I would like to thank you for consulting the GLA and we look forward to working with the London Borough of Barnet over the coming months in order to ensure the successful implementation of the Council Tax support localisation reforms.

Yours sincerely

Martin Mitchell

Finance Manager

Appendix 4b: Barnet Citizens Advice Bureau's response

The Citizens Advice Bureau Service in Barnet is one of the busiest in London and in 2010/2011 we helped more new clients than any other London bureau⁶, and continue to do so. This means that we are in a unique position to contribute to this consultation. We see clients in a holistic way, and are able to identify recurring themes which give us cause for concern. We provide free, impartial, independent and accessible advice to all members of our community.

A major part of our work is becoming involved in social policy and responding to changes and trends that will mean that our vulnerable clients are likely to suffer.

In addition to the services we provide for Barnet residents on our own, we work closely with partner organizations that have clients with specific interests and this can only broaden our experience in understanding the impact of these proposals on the most vulnerable in our society.

We are pleased to be able to contribute to Barnet Council's proposals to replace Council Tax Benefit with a new Council Tax Support Scheme from April 2013. We recognise that this is an extremely challenging time for local authorities whose funding will be cut whilst the demand for services continues to increase.

Section 1: Principles

We welcome a system based on fairness and equity so that those who can pay should pay. It would seem appropriate that the people who work should not be penalised so that they are worse off than those who are not able to work. Equally, those who are in difficult circumstances need support and that the most vulnerable should be protected. We agree also that the scheme should be transparent and accessible to all.

Perhaps the first concern we should raise is that when the examples contain references to "working age claimant", it should not be assumed that in the current economic situation that the claimant will be in work.

One factor to bear in mind is that this benefit is means tested and therefore is designed to help the poorest in our community. This means that the most vulnerable are being asked to fund this shortfall.

Section 2: Proposed Scheme Features

Feature 1

Removal of the current Council Tax Exemptions and discounts for empty properties and second homes, and charging a premium of 50% on properties left empty for longer than two years.

People whose properties remain empty are not necessarily wealthy. Many people whose properties are empty are in fact in a nursing home or a care home to try this out before

⁶ Barnet Citizens Advice Bureau Annual Report 2010/2011

committing to a permanent move, or discovering that this is not what they want and so moving back home. Under this feature, Barnet Council has indicated that full Council tax is payable on properties that have been empty for more than six months. This could result in residents facing a substantial Council Tax bill on discharge that they are unable to pay.

Feature 2

Working age claimants will be required to pay a minimum contribution to their Council Tax.

People – especially young people - on means tested benefits will struggle to cope with this requirement. Means tested benefits are already set at subsistence levels of income and 10 – 25% of their Council Tax liability from a 23 year old's fixed income of £56.25 per week is unlikely to be achievable – and is arguably neither proportionate nor equitable. This is the case for anyone living on a fixed income, but the youngest members of society will bear the brunt. Someone who has to find £213 per year has to pay approximately £4.10 per week. As the benefits levels are unlikely to increase to cover this additional cost, it does not appear reasonable to ask those who have little to make a significantly higher contribution than people for instance who can afford to do so without the same hardship. Not all under 25-year olds have a supportive family who can afford to absorb this shortfall.

Feature 3

Removal of the second adult rebate for working age claimants

The second adult rebate is paid to additional adults in the household who are already living on low incomes. This is also likely to focus on younger people in our community, who are likely to earn less. As a result, we would raise the same issues here as mentioned under Feature 2. The fact that this would only close the funding gap by £61,000 pa if 100% of all Council Tax was collected is an indication that the amounts covered by this feature are relatively small to the Council, but could have a devastating effect on families.

Feature 4

Reducing capital limits.

This would have the effect of not penalising those who are amongst the very poorest, however the impact of punishing those who have saved a little may encourage them to spend their savings so as not to be caught by this option. It may also prove difficult to explain to claimants that one benefits system allows £8,000 capital before considering they are disqualified when another continues to discount capital under £16,000. We would be concerned that people whose first language is not English, or those with mental health or learning disabilities may unintentionally fall foul of this proposal and incur large overpayments. As people currently on means tested benefits are automatically passported onto Housing and Council Tax Benefits, this could be a challenge for Barnet Council requiring a lot of resources to ensure that this change is clearly understood by claimants.

Feature 5

Limiting the level of support for higher banded properties to Band D or E.

This proposal would mean that the Council Tax payer would have to find in excess of £10 per week. Many people who live in larger properties or in areas which have a higher Council Tax liability do so not because they have a high income but rather because they live in their family home or because they have been able to afford the expense previously but are temporarily unable to afford to do so for reasons of sickness or unemployment. We would advocate a period of transitional protection for people in this situation similar to that provided to people claiming Housing Benefit until a change in their circumstances or the anniversary of their claim. This would give claimants an opportunity to either make the decision to move or to consider their budget to take account of the additional contribution they will have to find to remain in the property.

Feature 6

A simplified system of non-dependant deductions

We welcome any move to simplify the complicated benefits system

Appendix 4c: Barnet Youth Board and other young people response

Main concerns and issues raised.

- 1. Main concerns by young people was that although claimants of working age will be expected to pay Council Tax, those who are NEET or having specific problems in their lives would not be able to cope with this additional cost.**

“It is difficult, I’ve got friends who aren’t doing anything with their lives, may have what we would call mental health problems but would really suffer if they needed to set aside extra money for paying Council Tax, unemployment is still affecting young people and not everyone can be supported by parents so this will only cause more problems. Young people who are dependent on themselves and live alone or maybe with children can’t possibly cope with this along with all the other responsibilities they have in life.”

- 2. Some young people highlighted the issue of homelessness and those at risk of homelessness.**

“Those who have problems at home or with family and aren’t safe in their home environment but are too old to go in to care might stay longer in unsafe places, not just because of Council Tax but because things are already difficult for residents and all young people before you even think about adding an extra cost to this.”

“There might be an increase in safeguarding issues if young people are having to cope for longer in unsafe environments because leaving will create additional responsibilities especially if they already have emotional problems to deal with (mental health) You say it will have a negative impact on other services if you keep the current system but the truth is later down the line this will have an impact on services anyway because people will be stressed, have mental issues and be at risk of other problems which you as council will then need to deal with.”

- 3. Information needs to be available and clear in a language young people understand**

“If this change must happen then communication will need to be your best friend, you need to be able to inform residents who pay and also young people who are responsible for themselves and even those who live with their families because there might be extra responsibilities shared within the family which they will need to think about and carry around as a burden while trying to stop themselves from becoming a NEET. (Not in Education Employment or Training). With new shared responsibilities, parents might ask young people to get a job on the side or take on some living costs in addition to studying, work experience and activities to build their skills. This will cause a lot of pressure for families and young people.”

“Poverty is real for many people in Barnet even though I always hear that we are an affluent borough, what about the people who are pushed and strained already- what advice and support is available, April is too close, you need to offer something today- information, advice and more”

“At least you’re doing public road shows cause you really need to raise more awareness on this, I’m not sure people are aware, I haven’t heard about it until now”

4. Strain in families naturally affects the children within the families

“Stress cause family break downs, young people don’t talk about everything going on at home but I’m sure many will agree that when something isn’t right at home, someone is ill or unable to do things necessary then everyone can become unhappy really. Mental health services might have to take on more young people and their families.”

5. Young people who are in care or rely heavily on support from Barnet

“What will happen to young people in care who may have financial problems, on benefit, not able to pay rent, no jobs, mental health problems, trying to hold down their education, no extra funds, personal problems and now Council Tax payments? It may seem like a small change but to some it will have a really negative and huge impact because they are already stretched.”

Appendix 4d: Royal British Legion response



Patron Her Majesty The Queen

*Dr. Chris Simpkins DMA, Hon.DUniv, DL
Director General*

The Royal British Legion
199 Borough High Street
London SE1 1AA

T 020 3207 2361
F 020 3207 2276
W www.britishlegion.org.uk

Mr N Walkley
Chief Executive
London Borough of Barnet
Building 2
North London Business Park
Oakleigh Road South
LONDON N11 1NP

Date: 1 November 2012

Reference: 12/077

Contact: dmartin@britishlegion.org.uk

Dear Mr Walkley

Localised support for council tax – consultation submission

As you will no doubt be aware, as part of the Government's localisation agenda local authorities are now required to design and operate their own council tax support schemes. As part of this process local authorities must consult stakeholders on the proposed design of their schemes. Please accept this letter as The Royal British Legion's submission to your authority's consultation process.

I strongly urge you to ensure that your local authority provides a 100% disregard of military compensation payments when calculating entitlement to council tax support. This includes all War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments. These payments are not an income support payment but are paid as compensation for injury, illness or loss as a result of Service in HM Armed Forces. It is therefore not appropriate, nor a recognition of commitment to the nation, to include such compensation payments in calculations for means tested benefits.

Until the recent changes local authorities were statutorily required to disregard the first £10.00 of these compensation payments. However, following our campaigning work, almost every local authority in the country has used its discretionary power to fully disregard these payments, and this is an approach that we strongly support.

The Government, in its guidance to local authorities, provides a reminder that the discretion to provide a full disregard to them is still available under the new regulations. Indeed it encourages them to do so, in line with the principles of the Armed Forces Covenant¹.

An increasing number of authorities are signing up to the Armed Forces Community Covenant and we are very grateful to those who have done so, or are looking to do so. I believe that the provision of a full disregard of military compensation payments when it comes to calculating council tax support is an essential step in delivering on the principles of the Covenant at a local level.

¹ Localising Support for Council Tax: Vulnerable people – key local authority duties, Communities and Local Government, May 2012.

Shoulder to shoulder with all who Serve

Registered Charity: The Royal British Legion, Haig House, 199 Borough High Street, London SE1 1AA
Registered Charity Number: 219279

I would be very grateful if you could confirm to me that your local authority intends to provide a full disregard of War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments in the design of your council tax support scheme.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Simpkins', written over a horizontal line.

Chris Simpkins DMA, Hon.DUniv, DL

Director General

APPENDIX 5

Summary of Consultation Approach

1. Consultation objectives

The consultation approach aimed to ensure all residents in the borough (including organisations and voluntary groups) had an opportunity to have their say about the potential replacement for Council Tax Benefit.

The objectives of this consultation and engagement programme were to:

- Communicate the need to design a local Council Tax Support scheme to replace Council Tax Benefit, with a 10% reduction in funding
- To understand the views, priorities and impact on existing Council Tax Benefit recipients; and the views and priorities of residents, organisations and voluntary groups
- To assess responses to the principles underpinning a future scheme, views on the proposed model, consideration of potential incentives and protection
- To use the consultation data to shape a final recommendation to Cabinet and full Council, completing relevant impact assessments and designing an effective, efficient and sustainable scheme.

The project used a range of consultation and engagement tools and expertise to generate an evidence base to inform the development of a recommended option.

2. Approach

2.1. Communication

This element of the consultation approach focused on initiating a major communication programme with residents, Council Tax benefit recipients, different stakeholder groups, local media, voluntary organisations, and practitioners). This highlighted the changes proposed by government, the implications for Barnet and residents, principles underpinning any new scheme, and asked residents to engage in consultation activities.

2.2. Communication methods

The communications programme included:

- Press releases placed with the local media, and advertisements
- Information provided through 'Barnet First' magazine to all residents
- Dedicated part of the council website, including a summary of the context, proposals, FAQs, relevant information and access to an online questionnaire
- Information flyers placed in council and partner buildings, and hard copy questionnaires made available through face to face council sites
- Communication to all third sector organisations in the borough
- Targeted communications to organisations (e.g. Barnet Homes, Job Centre Plus, colleges, schools), seeking to cascade information to service users and recipients
- Targeted communications to other council directorates (e.g. Children's Services and ASCH) to cascade information to our other council service users
- Internal communication to our employees

2.3. Engagement and consultation

The process used both consultation and engagement. This sought the views of all residents, current recipients, and those likely to be impacted by changes, and included:

- Questionnaire (online and paper copy) available to all residents and organisations
- Information road show events across the borough, to help residents (and current benefit recipients) understand the planned changes
- Focus groups with sample groups of current Council Tax Benefit recipients, representing different demographic groups and those with protected characteristics
- Presentations to a wide range of organisations representing groups of citizens who are likely to be impacted by the changes

3. Timescales

A 12 week consultation period, from 1 August to 24 October, was used to ensure that respondents had opportunity to access relevant information and make an informed response.

4. Delivery of Consultation activities

All Communications and the majority of consultation activities were undertaken by LBB in-house resources from Corporate Communications, Insight Team and Revenues & Benefits staff. However, in order to ensure independence and rigour in the consultation process, it was decided to engage a suitable supplier to undertake the following activities:

- Collation and analysis of completed questionnaire responses
- Conduct of Focus Groups
- Interim and final consultation reports

Following a market review of potential external providers BMG Research were selected as offering best value and were engaged to undertake these activities.

5. Key statistics

Consultation pack sent to

23,095 Council Tax Benefit recipients

- 1,914 returned (8% of CTB recipients)

1,255 members of Citizens Panel (plus 2 reminder letters)

- 492 returned (39%) – 58 were deleted from the list as no longer resident (gives 41%)

Questionnaire

Overall 2,910 questionnaires completed

Letter sent to

9,693 Council Tax Benefit recipients of pensionable age

Publicity (Press)

138,000 households via Barnet First

70,680 via Barnet Press

64,000 via Barnet Times

Focus Groups

9 groups held

56 participants (double check)

Presentations to community group boards and networks

12 boards

141 attendees

Road shows

5 road shows held

717 people engaged

Workshops

2 workshops held

14 attendees

(is this worth including?)

Newsletters

1,500 recipients via Community Barnet + reminder

15,000 recipients via Barnet Homes magazine

200 recipients via Barnet Centre for Independent Living newsletter

755 recipients via School Circular

94 landlords via landlords' mailing list

30 Housing Associations via Housing Association mailing list

550 households and 15 libraries via NHS Patients Circle newsletter

Total 18,129 recipients

Publicity material (posters, leaflets etc) sent to

55 GP's surgeries and health centres

13 Children's Centres and 8 other linked sites

15 libraries

2 Housing Offices

Facebook and Twitter

3,849 followers on Twitter

963 followers on Facebook

6. Consultation Timeline

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
All residents	Barnet online and web-based survey	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	1 August 2012 – 24 October 2012	Online consultation published
All residents	Social Media	Inform CTS consultation is taking place and signpost to the documentation	1 August – 24 October 2012	Use of Facebook and Twitter to highlight CTS consultation 3,757 followers on Twitter 963 followers on Facebook
All residents	Press release	Inform CTS consultation is taking place and signpost to the documentation	2 August 2012	Press release published
All residents	1 page advert in Barnet Times and Barnet Press	Inform CTS consultation is taking place and signpost to the documentation	16 August 2012	Advert published
Residents in Social Housing	Surgery at Residents Forum	Inform CTS consultation is taking place and signpost to the documentation	16 August 2012	Surgery completed 7 participants
Council tax benefit recipients – pension age	Letter	Inform CTS consultation is taking place and signpost to the documentation	23 August 2012	Letters sent 9,693 recipients
Community Barnet network	E-newsletter	Inform CTS consultation is taking place and signpost to the documentation	23 August 2012	Newsletter sent 1,500 recipients
Community Barnet	Publicity	Inform CTS consultation is taking place and signpost to the documentation	23 August 2012 – 24 October 2012	CTS text and link to engage space on CB website

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
All residents	Paper copy of survey available in libraries	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	24 August 2012	Copies sent out
Residents in Social Housing	Publicity	Inform CTS consultation is taking place and signpost to the documentation	24 August 2012	Newsletter and link published on Barnet Homes website
Council tax benefit recipients – working age	Consultation pack containing letter, document, questionnaire and pre-paid reply envelope	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	29 and 30 August	Packs sent out 23,095 recipients
Residents in Social Housing	Publicity in Barnet Homes magazine	Inform CTS consultation is taking place and signpost to the documentation	Beginning September 2012	Carrier page on Barnet Homes magazine
All residents	Barnet First insert	Inform CTS consultation is taking place and signpost to the documentation	4 September 2012	Published
All residents	Posters in bus shelters	Inform CTS consultation is taking place and signpost to the documentation	4 September 2012 – 2 October 2012	Posters put up
All residents	Roadshow	Inform CTS consultation is taking place and signpost to the documentation	5 September 2012	Roadshow at Burnt Oak Customer Service Centre 32 participants
People in social housing	Presentation	Inform CTS consultation is taking place and signpost to the documentation	5 September 2012	Presentation to Housing Association Liaison Group
Mental Health Network	Presentation	Inform CTS consultation is taking place and signpost to the documentation	6 September 2012	Presentation given Consultation packs handed out 12 participants

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
Citizens Panel	Consultation pack	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	6 September	Packs sent 1,255 recipients
Carers Forum	Presentation	Inform CTS consultation is taking place and signpost to the documentation	10 September 2012	Presentation given Consultation packs handed out 20 participants
Mental Health Partnership Board	Presentation	Inform CTS consultation is taking place and signpost to the documentation	11 September 2012	Presentation given Consultation packs handed out 20 participants
All residents	Roadshow	Inform CTS consultation is taking place and signpost to the documentation	12 September 2012	Roadshow at Broadwalk Shopping Centre 145 participants
Carers Strategy Partnership Board	Publicity	Inform CTS consultation is taking place and signpost to the documentation	12 September 2012	Topic publicised at meeting Documentation handed out
Multicultural Group	Presentation	Inform CTS consultation is taking place and signpost to the documentation	13 September 2012	Presentation given Consultation packs and leaflets handed out 4 participants
Older Adults Board	Presentation	Inform CTS consultation is taking place and signpost to the documentation	13 September 2012	Presentation given 14 recipients
All residents	Roadshow	Inform CTS consultation is taking place and signpost to the documentation	14 September 2012	Roadshow at Brent Cross Shopping Centre 270 engaged
Barnet Centre for Independent Living	Presentation	Inform CTS consultation is taking place and signpost to the documentation	18 September 2012	Presentation given 14 participants

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
All residents	Roadshow	Inform CTS consultation is taking place and signpost to the documentation	18 September 2012	Roadshow at The Spires Shopping Centre 170 engaged
All residents	Publicity	Inform CTS consultation is taking place and signpost to the documentation	18 September	Letter, poster and 20 leaflets sent to GP surgeries, health centres etc Sent to 55 sites
Selected residents	Focus Group x 4	Inform CTS scheme consultation is taking place and provide outlet for their comments, views on the scheme	19 September 2012	Focus groups held Responses gathered 22 participants
People living independently	Newsletter	Inform CTS consultation is taking place and signpost to the documentation	19 September 2012	Newsletter sent out via Centre for Independent Living mailing list 200 recipients
Education specialists/ families within Barnet	Newsletter	Inform CTS consultation is taking place and signpost to the documentation	19 September 2012	Newsletter sent out via School Circular 755 recipients
Landlords Forum	Presentation	Inform CTS consultation is taking place and signpost to the documentation	20 September 2012	Presentation given 15 recipients
Citizens' Panel	1 st reminder letter	Remind panel members to complete the questionnaire	21 September 2012	Letter sent 1,013 recipients
Physical and Sensory Impairment Board	Presentation	Inform CTS consultation is taking place and signpost to the documentation	21 September 2012	Presentation given 7 recipients
Barnet Homes residents	Presentation	Inform CTS consultation is taking place and signpost to the documentation	21 September 2012	Presentation to Supply and Demand Group 6 recipients

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
Children's Centres	Publicity	Inform CTS consultation is taking place and signpost to the documentation	24 September 2012	Posters and leaflets given to all CC managers for display 13 CC's and 8 linked sites
Landlords	Publicity	Inform CTS consultation is taking place and signpost to the documentation	24 September 2012	Newsletter sent out to mailing list 94 recipients
Selected residents	Focus Groups x 2	Inform CTS scheme consultation is taking place and provide outlet for their comments, views on the scheme	24 September 2012	Focus groups held Responses gathered 11 participants
Learning Disability Group	Presentation	Inform CTS consultation is taking place and signpost to the documentation	25 September 2012	Presentation given 12 recipients
Advice Agencies and other interested parties	Workshop	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	25 September 2012	Workshop held, views gathered 5 participants
Housing Associations	Publicity	Inform CTS consultation is taking place and signpost to the documentation	25 September 2012	Newsletter sent out to mailing list 30 Housing Associations
Selected residents	Focus Groups x 3	Inform CTS scheme consultation is taking place and provide outlet for their comments, views on the scheme	27 September 2012	Focus groups held Responses gathered 23 participants
Internal stakeholders	Workshop.	Inform CTS scheme consultation is taking place and provide outlet for their comments, views	27 September 2012	Workshop held, views gathered 9 participants

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
Community Barnet Network	Reminder via E newsletter	Inform CTS consultation is taking place and signpost to the documentation	27 September 2012	Newsletter sent
All residents	Roadshow	Inform CTS consultation is taking place and signpost to the documentation	2 October 2012	Roadshow at Burnt Oak Service Centre 100 participants
Children and Young People	Script to be delivered	Inform CTS consultation is taking place and signpost to the documentation	3 October 2012	Children's Services conference ?
Citizen's Panel	2 nd reminder letter	Remind panel members to complete the questionnaire	5 October 2012	Letter sent out 773 recipients
Older Adults	Presentation	Inform CTS consultation is taking place and signpost to the documentation	16 October 2012	Presentation given 10 recipients
People with learning disabilities	CTS support session	Inform CTS consultation is taking place and explain and help carers and support workers in aiding service users in completing the questionnaire	16 October 2012	Presentation given and help and support provided 1 attendee
People with learning disabilities	CTS support session	Inform CTS consultation is taking place and explain and help carers and support workers in aiding service users in completing the questionnaire	17 October 2012	Presentation given and help and support provided 4 attendees
National Landlords	Publicity	Inform CTS consultation is taking place and signpost to the documentation	17 October 2012	Presentation given
Community Barnet Network	Reminder via E newsletter	Inform CTS consultation is taking place and signpost to the documentation	18 October 2012	Newsletter sent

Group consulted	Method	Objective	Consultation dates	Activities Completed and numbers of participants
Barnet NHS Patients	Publicity	Inform CTS consultation is taking place and signpost to the documentation	18 October 2012	NHS Patients First newsletter sent to <ul style="list-style-type: none"> • 550 households • 15 libraries
People with disabilities	Presentation at Experts by Experience	Inform CTS consultation is taking place and signpost to the documentation and offer of further support	25 October 2012	Presentation given, contact details taken, LBB contact details handed out 8 participants

Mental Health Partnership Board membership (via LBB)

Mind in Barnet
 One Housing
 Barnet Voice for mental health
 Depression Alliance
 Barnet Centre for Independent Living
 Barnet, Enfield and Haringey mental health NHS Trust
 Barnet Asian Women's Association
 Barnet Refugee Service
 The Network
 Jewish Care
 Clinical Commissioning Group
 Barnet Carers Centre
 Barnet and Southgate College
 Richmond Fellowship
 Barnet multilingual Wellbeing Service
 Barnet Bi-polar Self Management Group
 Barnet LINK

Service Users

Mental Health Network membership (via Community Barnet)

Relate

Jewish Care

Rethink Mental Illness

Barnet Depression Alliance

Barnet Voice

One Housing

BAWA

Mind

Richmond Fellowship

Community Barnet

Community Focus

Physical and Sensory Impairment Partnership Board membership (via LBB)

NHS

Barnet Deaf Community

Sense

Middlesex Association for the Blind

MS Society

Barnet Carers Centre

DAbB

Advocacy in Barnet

Older Adults Partnership Board

Community Barnet

Stroke Association

Jewish Deaf Association

Service users

Learning Disability Group membership (via Community Barnet)

Barnet Mencap

Self Unlimited

Norwood

CQC
London Visual Impairment Forum
Kisharon
St Joseph's Pastoral Centre

Multicultural and Older Adults Networks membership (via Community Barnet)

Advocacy in Barnet
Age UK Barnet
Alzheimer's Society Barnet Branch
Anand Day Centre
Barnet Asian Old Peoples Association
Barnet Asian Women's Association
Barnet Elderly Asians Group
Chipping Barnet Day Centre for the Elderly
Edgware and Mill Hill Friendship Centre
Farsophone Association in Britain
Friend in Need
Good neighbour scheme for Mill Hill and Burnt Oak
Hindu Cultural Society
Jain Sangha of Europe
Mind in Barnet
Community Barnet

Carers Strategy Partnership Board (via LBB)

26 members

Carers Forum

Older Adults Partnership Board (via LBB)

Barnet 55+ forum
Advocacy in Barnet
Barnet Elderly Asians Group
Community Barnet

Service users

Barnet Centre for Independent Living (Independent)

Advocacy in Barnet

Barnet Carers

Barnet Mencap

Barnet Mind

Barnet Voice

Barnet Borough Sight Impaired

Barnet Disabled for Independence with Support in the Community

DaBB

Barnet Association for the Blind

Richmond Fellowship

Young Autistic Spectrum Socialising

School circular (approx 775 recipients)

Secondary Bursars

Education Management Team

Education Psychology Team

Education Specialist Team

All Children's Centres

All school heads

All schools offices

Chair of Governors

Safeguarding children board

Vice chair of governors

APPENDIX 6

Equalities Impact Assessment

1. Details of function, policy, procedure or service:	
Title of what is being assessed: Council Tax Support Scheme	
Is it a function, policy, procedure or service?: Service	
Department and Section: Revenues & Benefits	
Date assessment completed: November 2012	
2. Names and roles of officers completing this assessment:	
Lead officer	John Gregson
Stakeholder groups	A wide range of stakeholder groups have been consulted as outlined in Appendix 5 of this Cabinet paper
Representative from internal stakeholders	
Departmental Equalities rep	Julie Pal
HR rep (for employment related issues)	
3. Full description of function, policy, procedure or service:	
<p>The following sections set out findings from an assessment of the future Council Tax Support scheme. This equality impact assessment (EIA) is part of the Council's commitment to assessing equalities as set out in the corporate plan 2011-13. A principle underpinning the introduction of this scheme was to ensure that we listened to the views of many groups and captured their voices in helping us to shape the design of the scheme.</p> <p>The design principles and potential features of the future scheme have been subject to an extensive consultation process that has been used to inform the design of the final scheme proposed for adoption by the council.</p> <p>The Equality and Human Rights Commission's guide to decision makers in using the equalities duties to make fair financial decisions state that the equality duties do not prevent the council from making decisions which may affect one group more than another. The equality duties should be used to ensure financial decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups.</p> <p>Why is it needed?</p> <p>Section 33 of the Welfare Reform Act 2012 abolishes Council Tax Benefit and states that support for Council Tax will not be included in the Universal Credit set up by Section 1 of that Act. The Local Government Finance Act 2012 makes provision for the localisation of Council Tax Support. The council is therefore required to design a local Council Tax Support (CTS) scheme, to take effect on 1 April 2013.</p> <p>Draft regulations ensure that pensioners (those who qualify for state pension support) are not</p>	

disadvantaged by the reform of Council Tax Benefit and also state that local authorities must have due regard to their duties under the Equality Act 2010, as well as their duties in relation to disabilities, homelessness and child poverty. There is a requirement for the authority to demonstrate that the proposed local scheme has pay due regard to the public sector equality duty.

The current scheme is a centrally regulated, means tested benefit, funded through demand-led expenditure and administered by Local Authorities on behalf of DWP. The proposed replacement from DCLG will have a fixed grant at 90% of current CTB expenditure, and, in line with Government's localism agenda, will be decentralised to enable Local Authorities to establish local schemes. The framework includes provision for pensioners to be protected at existing rates through national regulations, placing the burden of the funding reduction on working age groups.

Currently, there are around 30,000 benefit claimants in Barnet who receive help paying their Council Tax through Council Tax Benefit (CTB). Current demand-led CTB expenditure of £32m will be cut by 10% from April 2013. When the GLA's contribution, and central forecasts of increases in Council Tax and take-up rates are taken into account, this represents a gap of £3.7m for the Council in 2012/13.

What are the outcomes to be achieved? What are the aims and objectives?

The council's broad strategic objective is to implement a localised Council Tax Support scheme for 2013/14 only, minimising the impact to those most vulnerable within the community while managing any future financial risk to the Council within the 10% reduction in government funding. Decisions on the design of the scheme for subsequent years will be made during 2013/14 and will be subject to further consultation and evaluation.

Cabinet has decided that the new scheme should be self-financing – savings cannot be found elsewhere in the council to compensate for the reduction in funding, nor should this shortfall be taken from reserves. A new scheme will therefore be developed that manages the funding gap of approximately £3.7m in 2013/14.

Within the Act Council Tax Support claimants who are pensioners will be protected so that they will receive no less support than they would under the current Council Tax Benefit scheme. Local authorities must develop approaches to meet their local needs but should consider the impact on the most vulnerable when designing their schemes.

Through technical changes to the relevant regulations, government has also extended the powers of local authorities to change the level of Council Tax discounts and exemptions on empty properties. The council aims to make full use of these changes to minimise the impact on working-age Council Tax Support claimants.

Who is it aimed at? Who is likely to benefit?

The principal segment of Barnet's population that will be impacted by this initiative is working age Council Tax Benefit claimants. At present the majority of claimants receive a full rebate of their Council Tax bill, so they do not pay anything. Under the proposed scheme all working age claimants will be required to contribute something towards their Council Tax (pensioners are protected). Some working age claimants may be particularly vulnerable to the proposals, for example disabled people and people on very low incomes.

In addition, segments of the population that will be affected by various features of the new scheme and other related decisions are as follows:

- Those who own empty properties in the borough (including landlords and second home owners) will lose the current discounts and exemptions granted in the case of properties being left empty or undergoing renovation and therefore unfit for habitation
- Claimants with other adults (non-dependants) living in the household may also receive a different level of benefit

The following customers/stakeholders have been identified:

- Existing Council Tax Benefit claimants
- Future Council Tax Benefit claimants
- Workforce – Housing Benefit, Council Tax Teams and Customer Services
- Other Council Services
- Voluntary Organisations supporting vulnerable people
- Precepting Authorities (GLA, Police, Fire)
- Council Tax payers
- Residents (if funding has to be found elsewhere could affect other services)
- Families with children
- Lone parents
- Carers
- Part time and full time workers who are claiming Council Tax Benefits
- People who are disabled and are claiming Council Tax Benefits
- Single people and couples without children
- People with mental health issues
- People who are on a low income and do not have a good education and therefore unable to earn more
- Young people leaving care
- Low paid workers

How have needs based on the protected characteristics been taken account of?

A 90-day consultation process has been undertaken to canvass the views of citizens to the proposed changes. Data relating to all the protected characteristics was sought in the consultation questionnaire and the different views of the various segments analysed. Both quantitative (based on numbers of respondents agreeing or disagreeing with a particular aspect of the proposal) and qualitative (people's general views) findings were generated from the research.

Focus groups were held as part of the consultation process. These were set up to explore the views of a number of specific groups, including those with a disability, single parents, and families with children, and the results have been included in the qualitative research results.

What data sources have been used to inform this assessment?

This assessment has been informed by the available data on current benefits held on the Revenues and Benefits system, OpenRevenues, and the results of the consultation exercise on this subject held between 1 August 2012 and 24 October 2012. In addition, national and local data sets have been used to inform the analysis of how protected groups may be impacted by the proposed changes.

The available data is shown in the table below. Note that, since data on protected characteristics is not collected via the Revenues and Benefits system, data from respondents to the consultation questionnaire who receive Council Tax Benefit is shown as a proxy.

Protected group	Breakdown	Council Tax Benefit recipients		Consultation statistics ³ (weighted)	All households	
		National statistics ¹	Barnet statistics ²		National statistics ⁴	Barnet statistics ⁵
Age	Working age	51%	96%	92%	72%	62%
	Older than working age	49%	4%	8%	28%	13%
	Under 25		7%	11%		32%
	25-34		27%	27%		17%
	35-44		31%	26%		15%
	45-54		17%	18%		13%
	55-64		12%	10%		10%
	65 and over		4%	8%		13%
Disability	In receipt of a disability benefit	18%			6%	4%
	Not in receipt of a disability benefit	82%			94%	96%
	Consider themselves to have a disability		33%	24%	19%	13%
	Do not consider themselves to have a disability		67%	76%	81%	87%
Gender	Male	38%	39%	45%	48%	48.5%
	Female	62%	61%	55%	52%	51.5%
Marital status	Married					48%
	Never married					36%
	Separated					2%
	Divorced					6%
Lone parents	Female	93%			91%	
	Male	7%			9%	
Pregnancy /maternity	Pregnant or on maternity leave		5%	4%		
	Not pregnant or on maternity leave		95%	96%		
Race/ ethnicity	White	90%	64%	62%	91%	65%
	Ethnic minority	10%	36%	38%	9%	35%
Religion	Christian		46%	49%	70%	55%
	Muslim		14%	11%	5%	7%
	Jewish		10%	9%	1%	15%
	Hindu		6%	7%		
	Other religion		7%	5%		
	No religion/agnostic/ atheist		16%	19%	22%	13%
Sexual orientation	Heterosexual		90%	89%		
	Bisexual		5%	5%		
	Lesbian		3%	3%		

¹National statistics taken from 3 years of Family Resources Survey 2005/6 to 2007/8, quoted in Retrospective EIA for Housing Benefit and Council Tax Benefit

²Barnet statistics on Council Tax Benefit recipients taken as a proxy for actual figures from responses to the consultation questionnaire

³Consultation respondents weighted in line with the proportions of Council Tax Benefit recipients and non-recipients in Barnet's population

⁴National statistics on general population taken from 2011 Census

⁵Barnet statistics on the general population taken from 2011 census data and the GLA annual population survey 2010

Further detailed breakdown of the available data from the consultation respondents is as follows:

- Of those Council Tax Benefit recipients that considered themselves to have a disability, the following impairments were quoted:
 - Reduced physical capacity (43% of respondents)
 - Mental illness (35%)
 - Mobility (35%)
 - Learning difficulties (11%)
 - Physical co-ordination (10%)
- The origin of ethnic minority respondents who claim Council Tax Benefit was cited as:
 - African (10% of all respondents)
 - Indian (6%)
 - Pakistani (1.5%)
 - Other Asian (6%)
 - Caribbean (3%)
 - Mixed race (5%)

A summary of the consultation report is attached to this report at Appendix 3 and the full report is available at engage.barnet.gov.uk.

Quantitative research findings relevant to the proposed scheme features are shown in the following tables. Figures significantly higher than average are highlighted in green and those significantly lower than average are highlighted in red.

Feature 1: Removal of exemptions and discounts for empty properties

Row percentages	Agree	Neither nor	Disagree	Net agree	Unweighted base
Council Tax Benefit					
Recipient	66%	13%	12%	+54%	(1,916)
Non-recipient	62%	9%	14%	+48%	(994)
Age					
Under 65	65%	12%	13%	+52%	(2,540)
65+	81%	5%	11%	+70%	(188)
Household type					
Family children 1-2	63%	14%	15%	+48%	(708)
Family children 3+	56%	15%	15%	+41%	(303)
Lone parent	66%	11%	12%	+54%	(567)
Carer	75%	9%	10%	+65%	(115)
FT/ PT workers	72%	10%	12%	+60%	(413)
Disabled	69%	12%	10%	+59%	(402)
No children	72%	9%	12%	+60%	(644)
None	56%	10%	12%	+44%	(490)
Ethnicity					
White	76%	7%	11%	+65%	(1,268)
Asian	59%	14%	16%	+43%	(301)
Black	56%	17%	12%	+44%	(230)
Mixed	47%	13%	19%	+28%	(85)
Other	71%	10%	14%	+57%	(79)
Religion					
Christian	70%	11%	11%	+59%	(813)
Hindu	62%	13%	12%	+50%	(112)
Jewish	76%	7%	15%	+61%	(184)
Muslim	52%	17%	17%	+35%	(225)
Agnostic/ Atheist/None	80%	6%	9%	+71%	(326)
Other	67%	9%	14%	+53%	(127)
Sexual orientation					
Heterosexual	69%	12%	10%	+59%	(1,428)
LGB	61%	14%	9%	+52%	(160)

Feature 2: Working age people contributing to their Council Tax liability

Row percentages	More than 90%	90%	85%	80%	75%	Less than 75%	Un-weighted base
Total sample	24%	11%	7%	6%	7%	10%	(2,910)
Council Tax Benefit							
Recipient	27%	12%	6%	5%	6%	8%	(1,916)
Non-recipient	19%	10%	8%	8%	11%	14%	(994)
Age							
Under 65	25%	11%	6%	6%	7%	10%	(2,540)
65+	12%	12%	15%	12%	15%	16%	(188)
Household type							
Family children 1-2	21%	13%	7%	7%	9%	11%	(708)
Family children 3+	27%	12%	8%	5%	7%	8%	(303)
Lone parent	24%	11%	5%	5%	6%	9%	(567)
Carer	30%	12%	6%	3%	7%	13%	(115)
FT/ PT workers	23%	12%	7%	9%	12%	13%	(413)
Disabled	33%	11%	5%	3%	4%	7%	(402)
No children	26%	13%	9%	7%	9%	10%	(644)
None	23%	9%	5%	4%	4%	9%	(490)
Ethnicity							
White	26%	13%	8%	8%	8%	11%	(1,268)
Asian	26%	10%	7%	5%	7%	12%	(301)
Black	20%	15%	5%	7%	8%	11%	(230)
Mixed	16%	13%	11%	8%	8%	9%	(85)
Other	28%	10%	8%	8%	13%	10%	(79)
Religion							
Christian	21%	13%	8%	7%	9%	12%	(813)
Hindu	25%	10%	4%	7%	9%	15%	(112)
Jewish	29%	14%	10%	9%	13%	9%	(184)
Muslim	27%	9%	7%	3%	8%	8%	(225)
Agnostic/ Atheist/None	29%	12%	8%	8%	9%	11%	(326)
Other	27%	7%	6%	7%	6%	16%	(127)
Sexual orientation							
Heterosexual	29%	12%	5%	5%	6%	9%	(1,428)
LGB	19%	9%	7%	4%	8%	9%	(160)

Feature 3: Removal of second adult rebate

Row percentages	Agree	Neither nor	Disagree	Net agree	Don't know/not provided	Unweighted base
Council Benefit Tax						
Recipient	39%	19%	24%	+15%	18%	(1,916)
Non-recipient	39%	13%	24%	+15%	24%	(994)
Age						
Under 65	39%	18%	25%	+14%	18%	(2,540)
65+	54%	14%	20%	+34%	12%	(188)
Household type						
Family children 1-2	36%	21%	26%	+10%	17%	(708)
Family children 3+	38%	19%	23%	+15%	20%	(303)
Lone parent	33%	20%	28%	+5%	19%	(567)
Carer	43%	16%	25%	+18%	17%	(115)
FT/ PT workers	41%	19%	29%	+12%	10%	(413)
Disabled	41%	15%	25%	+16%	19%	(402)
No children	46%	15%	23%	+23%	16%	(644)
None	32%	12%	22%	+10%	34%	(490)
Ethnicity						
White	47%	15%	24%	+23%	13%	(1,268)
Asian	36%	23%	25%	+11%	17%	(301)
Black	35%	17%	27%	+8%	22%	(230)
Mixed	25%	22%	26%	-1%	27%	(85)
Other	38	15%	35%	+3%	11%	(79)
Religion						
Christian	44%	15%	25%	+19%	16%	(813)
Hindu	39%	29%	17%	+22%	14%	(112)
Jewish	53%	9%	32%	+21%	8%	(184)
Muslim	33%	25%	20%	+13%	22%	(225)
Agnostic/ Atheist/None	47%	13%	29%	+18%	11%	(326)
Other	33%	20%	26%	+7%	21%	(127)
Sexual orientation						
Heterosexual	39%	18%	25%	+14%	17%	(1,428)
LGB	38%	21%	14%	+24%	26%	(160)

Feature 4: Reducing capital limits

Row percentages	Agree	Neither nor	Disagree	Net agree	Don't know/not provided	Unweighted base
Council Tax						
Benefit						
Recipient	38%	16%	32%	+6%	15%	(1,916)
Non-recipient	38%	10%	33%	+5%	20%	(994)
Age						
Under 65	40%	14%	31%	+9%	14%	(2,540)
65+	32%	10%	49%	-17%	9%	(188)
Household type						
Family children 1-2	40%	16%	30%	+10%	14%	(708)
Family children 3+	28%	18%	38%	-10%	15%	(303)
Lone parent	42%	13%	29%	+13%	17%	(567)
Carer	38%	15%	34%	+4%	13%	(115)
FT/ PT workers	45%	11%	33%	+12%	11%	(413)
Disabled	37%	12%	37%	±0%	13%	(402)
No children	43%	11%	36%	+7%	10%	(644)
None	29%	11%	30%	-1%	30%	(490)
Ethnicity						
White	45%	12%	34%	+11%	9%	(1,268)
Asian	34%	19%	33%	+1%	14%	(301)
Black	34%	16%	27%	+7%	23%	(230)
Mixed	34%	22%	25%	+9%	19%	(85)
Other	46%	6%	39%	+7%	9%	(79)
Religion						
Christian	42%	14%	30%	+12%	14%	(813)
Hindu	38%	18%	31%	+7%	13%	(112)
Jewish	35%	8%	53%	-18%	4%	(184)
Muslim	32%	23%	28%	+4%	17%	(225)
Agnostic/ Atheist/None	49%	7%	36%	+7%	8%	(326)
Other	43%	17%	24%	+19%	16%	(127)
Sexual orientation						
Heterosexual	42%	14%	32%	+10%	12%	(1,428)
LGB	36%	16%	25%	+11%	24%	(160)

Feature 5: Restricting discounts to Band D or E

Row percentages	Agree	Neither nor	Disagree	Net agree	Don't know/not provided	Unweighted base
Council Tax Benefit						
Recipient	34%	19%	22%	+12%	25%	(1,916)
Non-recipient	47%	11%	17%	+30%	26%	(994)
Age						
Under 65	39%	17%	21%	+18%	23%	(2,540)
65+	54%	16%	16%	+38%	14%	(188)
Household type						
Family children 1-2	40%	17%	21%	+19%	22%	(708)
Family children 3+	29%	19%	27%	+2%	24%	(303)
Lone parent	30%	20%	24%	+6%	26%	(567)
Carer	40%	13%	30%	+10%	17%	(115)
FT/ PT workers	48%	14%	20%	+28%	18%	(413)
Disabled	35%	16%	25%	+10%	23%	(402)
No children	47%	16%	18%	+29%	19%	(644)
None	34%	13%	16%	+18%	37%	(490)
Ethnicity						
White	48%	14%	21%	+27%	17%	(1,268)
Asian	37%	21%	21%	+16%	21%	(301)
Black	32%	21%	15%	+17%	32%	(230)
Mixed	36%	14%	21%	+15%	28%	(85)
Other	47%	13%	24%	+23%	16%	(79)
Religion						
Christian	44%	16%	17%	+27%	22%	(813)
Hindu	40%	25%	17%	+23%	18%	(112)
Jewish	49%	12%	30%	+19%	9%	(184)
Muslim	28%	21%	22%	+6%	29%	(225)
Agnostic/ Atheist/None	50%	13%	20%	+30%	18%	(326)
Other	36%	12%	23%	+13%	29%	(127)
Sexual orientation						
Heterosexual	36%	19%	21%	+15%	24%	(1,428)
LGB	37%	16%	20%	+17%	27%	(160)

Feature 6: Simplified system of non-dependent deductions

Row percentages	Agree	Neither nor	Disagree	Net agree	Don't know/not provided	Unweighted base
Council Tax						
Benefit						
Recipient	38%	23%	13%	+25%	27%	(1,916)
Non-recipient	45%	15%	12%	+33%	28%	(994)
Age						
Under 65	41%	21%	13%	+28%	26%	(2,540)
65+	54%	22%	9%	+45%	15%	(188)
Household type						
Family children 1-2	42%	19%	12%	+30%	27%	(708)
Family children 3+	36%	23%	17%	+19%	24%	(303)
Lone parent	35%	23%	14%	+21%	28%	(567)
Carer	43%	18%	14%	+29%	25%	(115)
FT/ PT workers	46%	22%	12%	+34%	21%	(413)
Disabled	37%	20%	14%	+23%	29%	(402)
No children	48%	22%	9%	+39%	20%	(644)
None	33%	17%	12%	+21%	38%	(490)
Ethnicity						
White	48%	19%	12%	+36%	21%	(1,268)
Asian	39%	29%	12%	+27%	21%	(301)
Black	37%	20%	13%	+24%	29%	(230)
Mixed	40%	24%	6%	+36%	31%	(85)
Other	56%	16%	14%	+42%	14%	(79)
Religion						
Christian	48%	19%	11%	+37%	23%	(813)
Hindu	45%	26%	11%	+34%	19%	(112)
Jewish	49%	18%	15%	+34%	17%	(184)
Muslim	33%	26%	12%	+21%	28%	(225)
Agnostic/ Atheist/None	48%	18%	12%	+36%	22%	(326)
Other	40%	19%	15%	+25%	26%	(127)
Sexual orientation						
Heterosexual	42%	21%	12%	+30%	25%	(1,428)
LGB	29%	26%	10%	+19%	35%	(160)

Protections

Over half (56%) of all respondents felt the Council should consider additional support to give more protection to specific groups of claimants, and this rose to 62% of Council Tax Benefit recipients (compared to 46% of non-recipients). Respondents with a disability (73%) and carers (69%) were more likely than other household types to feel that the Council should consider additional support for specific groups of claimants.

The main groups mentioned are summarised below, along with the number of and the percentage of all respondents who mentioned each group:

- Disabled (661 respondents which equates to 23% of all respondents);
- Those on low income (497 respondents, 17%);
- Pensioners/the elderly (471 respondents, 16%);
- Single parent families (230 respondents, 8%);
- People who are ill (166 respondents, 6%);
- Families/those with children (157 respondents, 5%);
- The vulnerable/those most in need (139 respondents, 5%);
- Carers (97 respondents, 3%);
- Students/young adults (57 respondents, 2%);
- Those seeking work (39 respondents, 1%).

Qualitative findings from the consultation included:

Feature 1:

Focus group respondents demonstrated high levels of agreement with this feature, with many respondents in all groups feeling that those with second homes or empty properties could afford to contribute to their council tax, and many highlighting the benefits of the feature in overcoming the shortages of housing in the Borough by bringing empty properties back into use, and raising revenue to fill the funding gap. In particular, respondents demonstrated high levels of agreement for the removal of discounts for second homes, and the introduction of a premium for properties left empty for long periods of time.

However, there were a number of concerns expressed in the focus groups, as summarised below:

- The impact on those with properties left empty for short periods of time, for whom it might become necessary to sell their homes;
- The impact on those who have inherited a second property, who might be forced to sell regardless of the wider financial implications;
- The feeling that the changes might lead to a decline in property development, and the consequent impact of this on job opportunities etc.;
- The impact on those trying to sell or rent their property;
- The unfairness of the proposal given that empty properties make no use of council services;
- The impact in instances where a property is empty as a result of fire or flood;
- Difficulties in enforcement, particularly in relation to absent landlords

Feature 2:

In the focus groups, views were mixed regarding the introduction of a maximum amount of Council Tax Support. While many felt it was fair to introduce a minimum contribution toward council tax in order to share the responsibility of payment for the Council's services, there were discrepancies over who should be asked to contribute. While several respondents within most of the groups felt that everyone should contribute whether in work or not, concerns were expressed with regard to the following groups:

- People who are unemployed (including people short-term unemployed due to redundancy);
- Those with an inability to pay (e.g. low income families);
- Those with a disability.

Some respondents were also concerned that this might drive people to crime or to borrowing, and additionally felt that the introduction of this feature might be costly for the council as a result of residents' inability to pay additional amounts.

The overriding feeling was that each person should be considered on the basis of their individual circumstances, so that only those with the ability to pay were asked to do so.

Where focus group respondents did feel it was acceptable to introduce a minimum contribution, ten% was considered to be the most appropriate amount, reflecting the quantitative findings. While several respondents suggested the contribution could be as high as fifteen or twenty%, most recognised that households who were in receipt of Council Tax Support would be unable to afford this increase.

Feature 3:

The majority of focus group respondents were unaware of the second adult rebate, or whether they were in fact eligible to receive it. Consequently many found it difficult to understand how the rebate was calculated or applied. For this reason many felt unable to comment on whether or not they were in support of the removal.

Where respondents did feel able to comment, some felt it should be removed because they felt that this group would be likely to be able to afford to pay, and that they should pay to compensate for their use of Council services. However some focus group respondents felt the second adult rebate should not be removed for a number of reasons:

- Those accommodating second adults would be unlikely to receive a contribution from the second adult to compensate for the loss of the discount, due to their inability to pay;
- Those accommodating second adults should continue to be compensated for supporting those on low incomes who would otherwise seek more support from the Council;
- Children over the age of eighteen are not necessarily regarded as non-dependent, so should not be expected to contribute to council tax;
- The funds generated from the removal were not considered sufficient to outweigh the impacts on the budgets of those affected, and the difficulties in enforcement.

Feature 4:

The majority of respondents in most focus groups strongly opposed the reduction of capital limits, regardless of whether it affected them personally. It was felt that the limit of £8,000 was too low and should be increased to reflect current living costs, particularly in London (respondents across the groups suggested figures of between £20,000 and £32,000). A key concern was the disincentive such a proposal would have on saving, and the possible negative impact this would have due to an

increased reliance on the Council. Concerns were also raised as to the possibility of residents 'hiding' money, and the impact this would have on the Council in terms of enforcement, and in relation to the limited amount of funds generated as compared to the negative impact on individuals. The minority of focus group respondents who did agree with the reduction of capital limits did so because they felt that only those in genuine need – i.e. people with no savings such as themselves – should be eligible for support, or that it would make little difference since people on Council Tax Benefit such as themselves would be unlikely to have such a level of savings.

Feature 5:

The qualitative response was that most groups opposed the restriction of discounts above band D or E. The key reason was the view that a person's property band does not necessarily reflect their ability to pay, with concern expressed that people would be forced to move to smaller properties which may be inappropriate for their needs.

Several population groups were highlighted as areas of concern:

- Larger families who require a larger property;
- Those who do not own their own property, such as those who pay 'interest-only' on their mortgage, or housing association tenants who are unable to choose where they live;
- Those with a disability whose banding may be higher as a result of the need to live in suitably adapted properties;
- Those whose cultural or religious background requires them to live in certain areas (e.g. Jewish Orthodox) which may by definition be in higher banded areas.

However some focus group respondents welcomed the suggestion to restrict discounts above band D or E, as they felt that people living in higher banded properties could downsize to more affordable properties.

Overall, it was felt that, if the Council were to introduce such restrictions, these should be limited to Band E or above.

Feature 6:

Several focus group respondents highlighted the system's perceived continuing complexity. Some also felt the feature to be ambiguous given that it did not make specific reference to certain groups of people, such as those in education or carers.

Where focus group respondents did feel able to comment, most felt it was fair for deductions to be taken from a person's Council Tax Support in order to fund the gap. In most instances this was felt to be fair only where the non-dependent is in employment and therefore in a position to contribute, but some respondents felt that such deductions were also fair for unemployed people, since the deductions were considered to be relatively small.

Groups identified as needing consideration in respect of this feature included:

- Non-dependent children in education;
- Carers;
- People working on a freelance basis due to the unpredictability of their income.

Some respondents felt that there should not be a flat rate deduction, preferring that the amount deducted vary in accordance with the amount earned.

Some respondents further observed that the amount of money saved through the increased deductions did not justify the potential impact on affected individuals, nor the potential for additional cost burdens for the Council as a result of affected non-dependents being asked to leave the property. On this latter point, several respondents in the disability group had been forced to ask their

carers (family members) to move out due to such changes, leaving them in vulnerable situations without support.

4. How are the equality strands affected? Please detail the effects on each equality strand, and any mitigating action you have taken so far

The nature of the proposed changes means that there will be a negative impact on many segments of the population, including members of protected groups. However, higher concentrations of particular groups with protected characteristics may be impacted by each feature. No groups will be positively impacted by this proposal – the best case is that there will be a neutral impact compared with the current Council Tax Benefit scheme.

The sections below identify the likely impact of each feature of the proposed scheme in turn on each equality strand. The question asked is: Could the impact of the features adopted as part of the CTS scheme differ from the general population according to the following equality strands, for example, because they have particular needs, experiences, concerns or priorities in relation to the proposal?

Feature 1: Removing exemptions and discounts for empty properties

The feature is proposed to be adopted for 2013/14

Note that this is not a feature of the scheme itself but the use of increased powers granted to local authorities to set the level of certain discounts and exemptions. Those with empty homes will lose the discount they currently enjoy on their Council Tax liability. Properties that remain empty for more than 2 years will be charged a premium of 50% on their Council Tax liability. This feature has been adopted for 2013/14 to help overcome the shortage of properties in the area by encouraging them to be brought back into use.

Unlike the other features that were included in the consultation exercise, this feature will impact generally on all those with empty properties rather than those who are currently receiving Council Tax Benefit. The groups impacted by this feature will include landlords (who will incur additional costs for their properties between tenancies), second home owners who occasionally use their properties but live somewhere else, and those whose homes are empty for a period of time. By adopting this feature, the financial burden on those currently receiving Council Tax Benefit has been reduced.

It is not proposed to introduce any specific mitigations to the impacts of this feature of the scheme on any protected groups, although those in severe hardship will be able to apply for discretionary support from the new Crisis Fund being set up by the council to take over from the discretionary elements of the government-run Social Fund. It is also proposed to ensure that any awareness raising campaign includes reference to existing exemptions which people may be entitled to. The Council has a discretion as to how to enforce council tax debts and can take account of an individual's circumstances when deciding on the most appropriate enforcement method to use.

Equality Strand	Affected?	Explain how affected
Age	<p>Age data on citizens with second or empty homes is not available, although it is probable that older age groups (eg above 40) are more likely to be able to afford second homes or be landlords and will therefore be affected by this feature.</p> <p>Since this feature is not part of the scheme pensioners are not exempted from this feature.</p> <p>Qualitative research from the consultation</p>	<p>Landlords will for the first time have to pay Council Tax on their properties during the void periods between tenancies. They may choose to pass on this increased cost to tenants in rents, although market forces will mitigate this trend. Landlords already have a strong incentive to minimise voids since an empty property will be generating no rental income.</p> <p>People with empty properties may be</p>

	<p>did not reveal any impact on any specific protected group from this feature.</p> <p>CAB response raised concerns about the impact on those going into nursing homes or care homes. There is a likelihood that those individuals are likely to be in a higher age range.</p> <p>The CAB also felt this impacted on people who owned assets, but may not have a large income. This may impact on those of pension age who often have a fixed income.</p>	<p>incentivised to either let them to tenants or to sell the property on the open market. Either of these actions will have the desirable effect of increasing the available housing stock in the borough.</p> <p>There are other exemptions that continue to apply in relation to those receiving care other than at home or those who have been hospitalised.</p>
Disability	<p>Whilst no disability data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on disabled people.</p>	<p>No distinction has been made on the grounds of disability on removing exemptions and discounts for empty properties.</p> <p>The existing exemptions in relation to those receiving care other than at home or those who have been hospitalised will continue to apply.</p>
Gender	<p>Whilst no gender data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on either gender</p>	<p>No distinction has been made on the grounds of gender on removing exemptions and discounts for empty properties.</p>
Gender reassignment	<p>Whilst no gender reassignment data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on this group.</p>	<p>No distinction has been made on the grounds of gender reassignment on removing exemptions and discounts for empty properties.</p>
Marital status	<p>Whilst no marital status data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on any marital status</p>	<p>No distinction has been made on the grounds of marital status on removing exemptions and discounts for empty properties.</p>
Pregnancy and maternity (including teenage parents)	<p>Whilst no pregnancy/maternity data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on this group</p>	<p>No distinction has been made on the grounds of pregnancy/maternity on removing exemptions and discounts for empty properties.</p>
Race	<p>Whilst no race data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on citizens of any race</p>	<p>No distinction has been made on the grounds of race on removing exemptions and discounts for empty properties.</p>
Religion or belief	<p>Whilst no religion data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on those of</p>	<p>No distinction has been made on the grounds of religion or belief on removing exemptions and discounts for empty properties.</p>

	any religion	.
Sexual Orientation	Whilst no sexual orientation data on citizens with second or empty homes is available there is no evidence to suggest that this feature would disproportionately impact on those of any sexual orientation	No distinction has been made on the grounds of sexual orientation on removing exemptions and discounts for empty properties. .

Feature 2: Council Tax discount capped as a set percentage of current CTB award

This feature is proposed to be adopted for 2013/14 at a rate of 91.5%

A range of possible discounts, from 75% to 90%, were included in the public consultation. Whilst the level of support for any specific level of discount was spread across the full range of discounts, those currently in receipt of Council Tax Benefit favoured a discount of at least 90%.

Following the announcement of the government's offer of transitional funding, subject to a range of conditions including a minimum discount of 91.5%, we have modified our proposal to include a maximum discount at this rate, which is equivalent to a contribution from working age claimants of 8.5% of their liability. Pensioners (those who qualify for state pension support) are exempt from this and all other aspects of the scheme.

Those who are impacted by this feature may need to re-prioritise their expenditure to enable them to meet the new charges. It is likely that some households will be unable to do so (particularly in the context of other welfare reforms that may impact them), and will find it difficult to pay the charge. This may lead to indebtedness and recovery action (including court proceedings) being taken against them.

Mitigations

Actions already taken to mitigate any adverse effects of this feature are as follows:

The contribution from working age claimants has been minimised in line with the government's wish that such contributions should be limited to no more than 8.5% of their liability. In addition, the removal of existing discounts and exemptions from those with second or empty homes has been used to alleviate the burden on current Council Tax Benefit claimants.

All citizens of working age will be expected to pay the same percentage of their Council Tax liability, regardless of age or any other protected characteristic. A reconsideration/appeals process will be put in place to enable the cases of claimants who believe they have been unfairly assessed to be reviewed.

Those in severe hardship as a result of this proposal may be able to secure support from the local Crisis Fund which will be established from 1 April 2013. Advice on this and other options to alleviate hardship will be available from the council's contact centre.

We will also monitor the impact of the scheme on all groups as part of the on-going management of the service and identify any remedial actions or initiatives that may be required to mitigate the impact of the scheme on specific groups.

Within Council Tax regulations there are already protections for disabled people in the form of discounts and exemptions. These include:

- People who have a severe mental health disability that appears to be permanent. This includes people with Alzheimer's disease, strokes and other similar illnesses. IF all the residents in the household fall into this category the property could be exempt from Council Tax otherwise some charge will still be levied.
- People with disabilities whose homes have been adapted for their use may be entitled to a disabled band reduction. This means that their Council Tax will be calculated as if their property is one band lower than it would normally be.
- Continuing not to take Child Benefit and Child Maintenance into account as income when

assessing Council Tax Support

The scheme will mitigate the impact of the changes on people in some groups by:

- Continuing to not take Disability Living Allowance into account when assessing income for Council Tax Support
- Continuing to take no non dependant deductions where the claimant or partner is receiving care component of Disability Living Allowance

Future mitigating actions to be taken include:

Awareness Campaign - includes activity to reach all Council Tax Benefit claimants especially targeting the group of people who receive 100% Council Tax Benefit. This will include the following:

- Guidance booklet for Voluntary Organisations and staff
- Training sessions for relevant departments. Staff and Voluntary Organisations
- Initial letter with booklet that will be sent to all Council Tax claimants detailing the support that is available
- Information available in libraries, other public access points and via the council's contact centre
- Articles/inserts in local press and all other appropriate newsletters etc.
- Help pages on the council's web site
- Information in Council Tax Bills
- Envelope highlighting changes to ensure opened
- Posters at prominent points in Barnet
- Messages sent out via social media

Collection/recovery policy will be reviewed.

Housing/Barnet Homes will target those households that are hardest hit by the welfare reforms to deliver specific advice aimed at reducing homelessness

Equality Strand	Affected?	Explain how affected
Age	<p>Yes. Under the government's legislation pensioners are protected from the changes. The full financial impact of this change will therefore fall on working age claimants.</p> <p>National statistics show that around half of all CTB claimants are of working age, with the other half being older than working age. Local statistics and the responses to the consultation exercise show that within CTB claimants, the majority (53%) are in the age range [25 to 44] – this compares with [32%] in this age group for all citizens in Barnet.</p> <p>The qualitative research in consultation did not reveal any particular concerns relating to this group.</p> <p>The CAB and Barnet Youth Board both responded to the consultation. CAB felt that young people were more likely to be on low fixed income and minimum contributions could impact on this group more. The Barnet Youth</p>	<p>The largest number of people affected by this feature fall in the age range 31 to 50 and are therefore more likely than other age groups to have families and dependent children. The additional burden of this feature may have a particular impact on those who are already financially stretched, leading to the possibility of hardship that impacts on their children. This may have a consequential impact on Children's Services.</p>

	Board felt that the impact on young people who were NEET (not in education, employment or training) could be high, especially because youth unemployment is high at present.	
Disability	<p>Responses to the consultation show that 24% of respondents considered themselves to have a disability. National data shows that 22.6% of working age Council Tax benefit claimants are disabled. From both national and local data, about 20% of the general working age population⁷ consider themselves to have a disability, with this figure increasing sharply with age (x% of over-65s consider themselves to have a disability).</p> <p>The qualitative research revealed that disabled people were amongst those likely to be most adversely impacted by the feature, and were also the most frequently mentioned protected group that respondents believed should be offered protection under the scheme.</p>	<p>People of working age with disabilities are somewhat more affected than the general population by the proposed 8.5% contribution to their Council Tax liability.</p> <p>Based on national statistics, those of working age who look after a person with a disability (carers) are less likely to claim benefits (3.6% of Council Tax Benefit claimants v 10% in the general population⁸), and therefore carers are not disproportionately impacted by this feature.</p>
Gender	<p>Yes. Whilst the majority of CTB claimants are male, local statistics⁹ show that 94% of lone parents claiming Council Tax Benefit are female.</p> <p>Focus groups did not express any particular concern regarding either gender in their feedback.</p>	<p>Females who are lone parents are disproportionately affected by this proposed feature, leading to the possibility of hardship that impacts on their children. The financial impact of this feature may impact on their ability to pay for childcare, thereby affecting their ability to find and maintain work.</p>
Gender reassignment	<p>Whilst no data is available on the gender reassignment breakdown of claimants there is no evidence that any of the proposed changes will have a disproportionate impact on those with gender reassignment</p>	<p>No distinction has been made on the grounds of gender reassignment on contributions from working age claimants.</p>
Marital status	<p>Yes. Although statistics based on marital status are not available, national statistics¹⁰ show that 75.5% of working age Council Tax Benefit claimants live alone (or with their child dependants), compared with 17.5% of working age people in the general population.</p> <p>Focus groups did not express any particular concern regarding those of any marital status in their feedback.</p>	<p>People who live alone or with their dependent children are disproportionately impacted by this feature. Those who are lone parents are covered by the comments under 'Gender' above.</p>
Pregnancy and maternity	<p>Whilst no data is available on the pregnancy and maternity breakdown of claimants there is no evidence that any of the proposed changes</p>	<p>No distinction has been made on the grounds of pregnancy and maternity on contributions from</p>

⁷ Disability in the United Kingdom, January 2011; Papworth Foundation 2012

⁸ Survey of carers in households 2009/10; NHS Information Centre 2010

⁹ Extract from Barnet Council Tax benefit database

¹⁰ Council Tax Benefits and average weekly award for carers and disabled people not receiving a passported benefit, January 2011; DWP, January 2012

(including teenage parents)	will have a disproportionate impact on those in this category.	working age claimants.
Race	<p>Whilst no distinction has been made on the grounds of race on contributions from working age claimants, the nature of the contribution is such that the larger the Council Tax liability, the larger the contribution. Thus larger families, who may live in larger and therefore higher banded properties, will be expected to contribute a larger monetary sum (but the same percentage) towards their Council Tax liability. Based on national data¹¹, families of Indian, Pakistani and Bangladeshi origin are on average significantly larger than others (2.5 – 3.5 children compared with an average of 2.1 for all other races) and are therefore likely to be asked to contribute more.</p> <p>Focus groups did not express any particular concern regarding those of any race in their feedback.</p>	Families who live in larger properties will be expected to pay a larger monetary contribution.
Religion or belief	<p>Whilst no distinction has been made on the grounds of religion or belief on contributions from working age claimants, the nature of the contribution is such that the larger the Council Tax liability, the larger the contribution. Data from elsewhere¹² shows that households of Muslim, Hindu and Sikh families are significantly larger than average (3.2-3.7 people compared with an average of 2.3) and these families may be amongst those asked to contribute more.</p> <p>Focus groups did not express any particular concern regarding those of any religious group in their feedback.</p>	Larger families, who may live in larger and therefore higher banded properties, will be expected to contribute a larger monetary sum (but the same percentage) towards their Council Tax liabilities.
Sexual Orientation	Whilst no data is available on the sexual orientation breakdown of claimants there is no evidence that the proposed changes will have a disproportionate impact on those in this category.	No distinction has been made on the grounds of sexual orientation on contributions from working age claimants.

Feature 3: Removing the second adult rebate

Actions already taken to mitigate any adverse effects of this feature are as follows:

This feature has not been adopted for 2013/14.

The removal of existing discounts and exemptions from those with second or empty homes has been used to alleviate the burden on claimants.

A reconsideration/appeals process will be put in place to enable the cases of claimants who believe they have been unfairly assessed to be reviewed.

Those in severe hardship as a result of this proposal may be able to secure support from the local

¹¹ LFS household data sets October-December 2004 to April-June 2008, weighted proportions

¹² 2001 Census, Manchester area; Manchester City Council

Crisis Fund which will be established from 1 April 2013. Advice on this and other options to alleviate hardship will be available from the council's contact centre.

We will also monitor the impact of the scheme on all groups as part of the ongoing management of the service and identify any remedial actions or initiatives that may be required to mitigate the impact of the scheme on specific groups.

Equality Strand	Affected?	Explain how affected
Age	<p>Yes. Data is not available on the age breakdown of second adult rebate claimants, but many of these claimants are claiming the rebate for an adult son or daughter who is living in the parental home. Such claimants are therefore likely to be in the age range 40-65, and this age group may be disproportionately affected by this measure.</p> <p>Focus groups also felt that children over the age of eighteen are not necessarily regarded as non-dependent, so should not be expected to contribute to council tax.</p> <p>The CAB felt this could impact on young people living at home, as they would be expected to contribute towards the council tax bill, when these individuals often have a very low fixed income.</p>	<p>If adopted, this feature would result in the loss of this rebate by those who currently receive it</p>
Disability	<p>Data is not available on the disability breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those with a disability.</p>	<p>No distinction has been made on the grounds of disability on the application of this feature.</p>
Gender	<p>Data is not available on the gender breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those of either gender.</p>	<p>No distinction has been made on the grounds of gender on the application of this feature.</p>
Gender reassignment	<p>Data is not available on the gender reassignment breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those with gender reassignment</p>	<p>No distinction has been made on the grounds of gender reassignment on the application of this feature.</p>
Marital status	<p>Data is not available on the marital status breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those of any marital status.</p>	<p>No distinction has been made on the grounds of marital status on the application of this feature.</p>
Pregnancy and maternity (including teenage	<p>Data is not available on the pregnancy/maternity of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those in</p>	<p>No distinction has been made on the grounds of pregnancy or maternity on the application of this feature. .</p>

parents)	this category	
Race	Data is not available on the race breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those of any race.	No distinction has been made on the grounds of race on the application of this feature.
Religion or belief	Data is not available on the religion or belief breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those of any religion or belief.	No distinction has been made on the grounds of religion or belief on the application of this feature.
Sexual Orientation	Data is not available on the sexual orientation breakdown of second adult rebate claimants, nor was this group mentioned as of concern in the qualitative research. There is no evidence that this change will have a disproportionate impact on those of any sexual orientation.	No distinction has been made on the grounds of sexual orientation on the application of this feature.
<p>Feature 4: Reducing capital limits</p> <p>In the quantitative research reducing capital limits was the feature that generated the lowest level of net agreement. The majority of respondents in most focus groups strongly opposed the reduction of capital limits, regardless of whether it affected them personally. It was felt that the limit of £8,000 was too low and should be increased to reflect current living costs. A key concern was the disincentive such a proposal would have on saving, and the possible negative impact this would have due to an increased reliance on the Council.</p> <p>However, these concerns related to the population as a whole and not to any protected group.</p> <p>Actions already taken to mitigate any adverse effects of this feature are as follows:</p> <p>This feature has not been adopted for 2013/14.</p> <p>The removal of existing discounts and exemptions from those with second or empty homes has been used to alleviate the burden on claimants.</p> <p>A reconsideration/appeals process will be put in place to enable the cases of claimants who believe they have been unfairly assessed to be reviewed.</p> <p>Those in severe hardship as a result of this proposal may be able to secure support from the local Crisis Fund which will be established from 1 April 2013. Advice on this and other options to alleviate hardship will be available from the council's contact centre.</p> <p>We will also monitor the impact of the scheme on all groups as part of the ongoing management of the service and identify any remedial actions or initiatives that may be required to mitigate the impact of the scheme on specific groups.</p>		
Equality Strand	Affected?	Explain how affected
Age	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the age breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those	No distinction has been made on the grounds of age on the application of this feature.

	of any age.	
Disability	<p>This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the disability status of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those with a disability.</p> <p>The CAB were concerned that this may impact on those with mental health disabilities or learning disabilities who may find it difficult to understand the impact of this proposal and inadvertently fall foul of it, leading to large overpayments.</p>	There is a potential risk that if individuals failed to understand this policy, they would end up with overpayments against their Council Tax liability.
Gender	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the gender breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of either gender.	No distinction has been made on the grounds of gender on the application of this feature.
Gender reassignment	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the gender reassignment breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those with gender reassignment.	No distinction has been made on the grounds of gender reassignment on the application of this feature.
Marital status	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the marital status breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of any marital status.	No distinction has been made on the grounds of marital status on the application of this feature.
Pregnancy and maternity (including teenage parents)	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the age breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of any age.	No distinction has been made on the grounds of age on the application of this feature.
Race	<p>This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the race breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of any race.</p> <p>The CAB were concerned that those who speak English as a second language may not understand the importance of capital on entitlement to benefits, especially if different</p>	There is a potential risk that those who do not understand the new rules will end up with overpayments against their Council Tax liability.

	benefit systems work in different ways.	
Religion or belief	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the religion/belief breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of any religion or belief.	No distinction has been made on the grounds of religion or belief on the application of this feature.
Sexual Orientation	No. This feature only affects those with savings of between £8,000 and £16,000. Whilst no data is available on the sexual orientation breakdown of claimants with savings in this range there is no evidence that this change will have a disproportionate impact on those of any sexual orientation	No distinction has been made on the grounds of sexual orientation on the application of this feature.

Feature 5: Limit Council Tax Support to Band D or Band E

In the quantitative consultation research, two in five respondents agreed that discounts should be restricted for properties above band D or E, while one in five disagreed. Qualitative research revealed general opposition to the restriction of discounts above band D or E. The key reason was the view that a person's property band does not necessarily reflect their ability to pay, with concern expressed that people would be forced to move to smaller properties which may be inappropriate for their needs. Particular concern was raised regarding the following protected groups:

- Those with a disability whose banding may be higher as a result of the need to live in suitably adapted properties;
- Those whose cultural or religious background requires them to live in certain areas (e.g. Jewish Orthodox) which may by definition be in higher banded areas

Actions already taken to mitigate any adverse effects of this feature are as follows:

This feature has not been adopted for 2013/14.

The removal of existing discounts and exemptions from those with second or empty homes has been used to alleviate the burden on claimants.

A reconsideration/appeals process will be put in place to enable the cases of claimants who believe they have been unfairly assessed to be reviewed.

Those in severe hardship as a result of this proposal may be able to secure support from the local Crisis Fund which will be established from 1 April 2013. Advice on this and other options to alleviate hardship will be available from the council's contact centre.

We will also monitor the impact of the scheme on all groups as part of the ongoing management of the service and identify any remedial actions or initiatives that may be required to mitigate the impact of the scheme on specific groups.

Within Council Tax regulations there are already protections for disabled people in the form of discounts and exemptions. These include:

- People who have a severe mental health disability that appears to be permanent. This includes people with Alzheimer's disease, strokes and other similar illnesses. If all the residents in the household fall into this category the property could be exempt from Council Tax otherwise some charge will still be levied.
- People with disabilities whose homes have been adapted for their use may be entitled to a disabled band reduction. This means that their Council Tax will be calculated as if their property is one band lower than it would normally be.

- Continuing not to take Child Benefit and Child Maintenance into account as income when assessing Council Tax Support

The scheme will mitigate the impact of the changes on people in some groups by:

- Continuing to not take Disability Living Allowance into account when assessing income for Council Tax Support
- Continuing to take no non dependant deductions where the claimant or partner is receiving care component of Disability Living Allowance

Equality Strand	Affected?	Explain how affected
Age	No data is available on the age breakdown of claimants living in properties of higher bands than D or E. There is no evidence that this change will have a disproportionate impact on those of any age	No distinction has been made on the grounds of age on the application of this feature. .
Disability	<p>Yes. Whilst no data is available on the disability status of claimants living in properties of higher bands than D or E, concern was expressed in qualitative research that those with a disability may live in a higher banded property as a result of the need to live in suitably adapted properties</p> <p>The CAB also raised concern about those who may live in larger homes, but be unable to work due to sickness and as such have a reduced income.</p>	If the limit were set at Band E, this feature would result in the loss of £x per week for those in a Band F property and £y per week for those in a Band G property. If the limit were set at Band D, the equivalent figures would be £x per week for a Band E property, £y per week for a Band F property and £z per week for a Band G property. Whilst these losses may be partly mitigated by some of the disability allowances outlined above, these losses are substantial and could impact heavily on in particular those whose disability prevents them from working
Gender	No data is available on the gender breakdown of claimants living in properties of higher bands than D or E, but there is no evidence that this change will have a disproportionate impact on those of either gender	No distinction has been made on the grounds of gender on the application of this feature. .
Gender reassignment	No data is available on the gender reassignment breakdown of claimants living in properties of higher bands than D or E, but there is no evidence that this change will have a disproportionate impact on those with gender reassignment	No distinction has been made on the grounds of gender reassignment on the application of this feature. .
Marital status	No data is available on the marital status breakdown of claimants living in properties of higher bands than D or E, but there is no evidence that this change will have a disproportionate impact on those of any marital status	No distinction has been made on the grounds of marital status on the application of this feature. .
Pregnancy	No data is available on the age breakdown of	No distinction has been made on

and maternity (including teenage parents)	claimants living in properties of higher bands than D or E, but there is no evidence that this change will have a disproportionate impact on those of any age	the grounds of age on the application of this feature. .
Race	Yes. Whilst no data is available on the race breakdown of claimants living in properties banded higher than Band D or Band E, based on national data ¹³ , families of Indian, Pakistani and Bangladeshi origin are on average significantly larger than others (2.5 – 3.5 children compared with an average of 2.1 for all other races) and are therefore likely to be asked to contribute more.	Larger families, who may live in larger and therefore higher banded properties, will be expected to contribute more towards their Council Tax bill.
Religion or belief	Yes. Whilst no data is available on the religion/belief breakdown of claimants living in properties banded higher than Band D or Band E, within Barnet there are significant Jewish communities located in high-cost parts of the borough, where property bands for Council Tax are likely to be higher than in other parts of the borough. Similarly, Sikhs and Muslims may have larger families than average and therefore need larger properties.	Those who live in higher-cost parts of the borough, and larger families, who may live in larger and therefore higher banded properties, will be expected to contribute more towards their Council Tax bill.
Sexual Orientation	No. Whilst no data is available on the sexual orientation breakdown of claimants living in properties of higher bands than D or E, there is no evidence that this change will have a disproportionate impact on those of any sexual orientation	No distinction has been made on the grounds of sexual orientation on the application of this feature. .
<p>Feature 6: Simplified system of non-dependant deductions (adopted for 2013/14)</p> <p>This feature is proposed for adoption in 2013/14, although for one income band the proposed weekly rate has been reduced from the proposal put out to consultation, thereby reducing the impact on claimants.</p> <p>In the quantitative consultation research two in five of respondents agreed that there should be a simplified system of non-dependent deductions, while one in ten disagreed. Qualitative research identified the following protected groups as needing consideration in respect of this feature:</p> <ul style="list-style-type: none"> • Non-dependent children in education, whom many respondents still regarded as dependent; • Carers. 		
Equality Strand	Affected?	Explain how affected
Age	Yes. The qualitative research identified non-dependent children in education as being a group that might be particularly impacted by this feature	Householders with non-dependents could be asked to pay more. However, children in full time non-advanced education aged up to 20 are not treated as non-dependants. No charges are made for student non-

¹³ LFS household data sets October-December 2004 to April-June 2008, weighted proportions

		dependants, those who are severely mentally impaired and where the claimant or partner is blind or receiving the disability premium
Disability	Yes. The qualitative research identified carers as being a group that might be particularly impacted by this feature	Householders with non-dependents could be asked to pay up to £x per week more . .
Gender	No. Whilst no data is available on the gender breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those of either gender	No distinction has been made on the grounds of gender on the application of this feature. .
Gender reassignment	No. Whilst no data is available on the gender reassignment breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those with gender reassignment	No distinction has been made on the grounds of gender reassignment on the application of this feature. .
Marital status	No. Whilst no data is available on the marital status breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those of any marital status	No distinction has been made on the grounds of marital status on the application of this feature. .
Pregnancy and maternity (including teenage parents)	No. Whilst no data is available on the pregnancy/maternity breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those in this category	No distinction has been made on the grounds of pregnancy or maternity on the application of this feature. .
Race	No. Whilst no data is available on the race breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those of any race	No distinction has been made on the grounds of race on the application of this feature. .
Religion or belief	No. Whilst no data is available on the religion/belief breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those of any religion or belief	No distinction has been made on the grounds of religion or belief on the application of this feature. .
Sexual Orientation	No. Whilst no data is available on the sexual orientation breakdown of claimants with non-dependants living in their household there is no evidence that this change will have a disproportionate impact on those of any sexual orientation	No distinction has been made on the grounds of sexual orientation on the application of this feature.

5. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents

Cabinet agreed in July not to meet the shortfall in funding from reserves or from cuts in other services, but rather to seek to recover the shortfall from a cross-section of the population. Through the use of its new powers to remove some existing exemptions and discounts, the proposed solution places the majority of the burden on owners of empty properties, many of which are second homes. It is therefore to be expected that satisfaction ratings amongst owners of second homes may be adversely affected by this measure.

Landlords will also be impacted by being required to pay Council Tax during voids between lettings and renovations. Although the financial impact on landlords will be relatively small compared with their overall outgoings, they may seek to pass on any increase in costs to their tenants, thereby impacting on tenants' satisfaction ratings. However, this effect will be mitigated by market forces and landlords' economic driver to minimise the time during which their properties are unlet.

The remaining burden will fall on people of working age in the borough, who will (some for the first time) be asked to make a small contribution (8.5%) to their Council Tax liability. Of these, 326 households will lose more than £25 per week, and a further 1,180 will lose between £20 and £25 per week, with around 19,500 losing smaller amounts.

The most adversely impacted groups by number are:

- 7,500 single claimants 25 and over will lose more than £3 per week – most of these are likely to be between 25 and 44
- 7,400 lone parents, most of whom are female, will lose more than £3 per week
- 4,900 families with one or more children will lose more than £3 per week most of these will be under 44
- 1,000 working age couples will lose more than £3 per week

The groups with the largest numbers of households losing more than £20 per week are:

- Families with one or more child over 18 (838 households)
- Single claimants 25 and over (282 households)
- Lone parents (271 households, most of whom are female)
- Working age couples (102 households)

In contrast, the following groups are impacted either minimally or not at all:

- Pensioners (those who qualify for state pension support)
- Families/couples/singles between pension age and 64

Satisfaction ratings amongst the groups identified above are therefore likely to be adversely affected, although this may be mitigated by effective publicity and efficient administration of the scheme.

Conversely, the fact that the burden of the changes in government welfare policy will fall mainly on benefits claimants may increase satisfaction amongst those who are not claiming benefits, on the grounds that the initiative will tend to reduce the burden of taxation.

6. How does the proposal enhance Barnet's reputation as a good place to work and live?

This proposal is not unique to Barnet – the vast majority of local authorities will be introducing an equivalent scheme. Within outer London, all Barnet's neighbouring boroughs (ie Enfield, Brent, Harrow, Haringey and Camden) are introducing schemes that reduce or eliminate discounts and exemptions on empty properties and ask all those of working age to make some contribution towards their Council Tax liability.

So whilst these changes will have an adverse effect on some segments of the population, the same segments of the population will be similarly affected in most other London boroughs. On balance,

therefore, it is considered that the proposed scheme is likely to have a neutral effect on Barnet's reputation as a good place to work and live in comparison with alternative locations.

7. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?

The council has conducted an extensive 90-day consultation process through which 22,000 Council Tax Benefit claimants have been mailed with details of the new scheme, 5 public roadshow events have been run, 9 focus groups have been held and presentations made to 12 community groups. Extensive publicity for the impending changes has also been (and will continue to be) implemented. These have increased the council's profile with large numbers of citizens from all communities, as evidenced by the fact that nearly 3,000 residents have responded to the consultation questionnaire.

It is expected that all these events will already have enhanced Barnet's reputation for openness, and this should be enhanced further when the publicity for the scheme is stepped up in February/March 2013.

In particular the Barnet Youth Board commented positively on the roadshows and the need for continued awareness raising communications to ensure those who will be impacted are made aware of this in time to plan for the changes.

8. What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? *Include information about the groups of people affected by this proposal. Include how frequently will the monitoring be conducted and who will be made aware of the analysis and outcomes? Include these measures in the Equality Improvement Plan (section 13)*

Applications for Council Tax Support will include data gathering on protected characteristics and the results of the data gathered will be reported on at regular intervals.

9. How will the new proposals enable the council to promote good relations between different communities? *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

The extent of consultation with both members of the public and community groups has ensured a wide opportunity to respond, which has been demonstrated by the high response rate to the questionnaire. In general there has been a high level of alignment between the quantitative and qualitative research findings regarding who would be affected by each of the features of the scheme regardless of whether respondents came from that protected group or not.

10. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.

A 12-week public consultation was undertaken on the principles and optional features of the new scheme between 1 August and 24 October 2012. Over 2,900 responses were received from a wide cross-section of Barnet citizens, of which 1,900 were from current recipients of Council Tax and 1,000 were from non-recipients. In addition, a range of roadshows and presentations were held to generally inform citizens about the ending of Council Tax Benefit and the consultation process. Nine focus groups were also held with specifically selected representatives of particular citizen segments.

Data was gathered on the postcode, residential status, family status, age, gender, ethnicity and other protected characteristics of those who responded to the questionnaire.

These results have influenced the proposal in this report as follows:

- There was a high level of agreement with the proposal to remove discounts and exemptions on empty properties, with a net approval rating of at least +28% for all groups. However, concerns were expressed regarding the impact of this feature on the housing market, eg ability to sell properties and on property development, together with some questions on the fairness of this feature and difficulties in enforcement. Given the high level of approval, this feature has been incorporated in the proposed final scheme
- With regard to the proposal that all those of working age who currently qualify for Council Tax Benefit should pay a proportion of their Council Tax liability, all groups apart from the over-65s thought that such citizens should be supported by at least 90%, ie their contribution should be less than 10%. In focus groups, respondents expressed the concern that those on low incomes and with a disability may not be able to afford to pay any contribution. These concerns have been reflected in the final scheme design, which proposes a reduced contribution, of 8.5%, from all working age citizens who currently receive benefit towards their Council Tax liability. It is proposed that any surplus from the CTS scheme will be fed into the new Crisis Fund that will be introduced from April 2013 to alleviate severe hardship.
- Whilst there was net agreement in the survey responses to the proposal to remove the second adult rebate, with positive net agreement from all groups apart from mixed race citizens, some concerns were expressed in focus groups regarding the fairness of the proposal and also the small amount of revenue that it would generate. It is therefore proposed not to introduce this feature and to keep the second adult rebate at current levels.
- Most groups demonstrated net agreement with the proposal to reduce capital limits. However, significant disagreement was exhibited in the surveys by over-65s and Jewish citizens, and the qualitative research also showed that many members of the focus groups argued that this measure would be unfair and would discourage saving. It is therefore proposed not to change capital limits in 2013/14
- In the quantitative research, all groups showed net agreement with the proposal to restrict discounts to Band D or Band E. However, in focus groups many citizens expressed the view that this would be unfair, since many citizens had little choice over the size (and therefore banding) of the property in which they lived. It is therefore proposed not to implement any Band-related restriction on Council Tax support in 2013/14
- All groups showed strong net agreement with the proposal to implement a simplified system on non-dependent deductions, with a minimum net agreement rating of +19%. In general, focus groups considered that this feature was fair. This feature is proposed to be adopted for 2013/14.

11. Decision:			
No Impact <input type="checkbox"/>	Positive Impact <input type="checkbox"/>	Neutral Impact <input type="checkbox"/>	Negative Impact or Impact Not Known ¹⁴ <input checked="" type="checkbox"/>
12. Comment on decision			
<p>It is accepted that the decision to reduce the amount of council tax support from that payable under the previous council tax benefit system will impact on individuals and that some protected groups are impacted more than others. A number of mitigating steps have been highlighted to reduce this impact, including reducing the level of liability, removing proposals on capital limits and band reductions and to communicate the effect of this proposal and availability of other support. Finally, the Council will continue to monitor the impact of the proposal and will consider the suitability of its collection/recovery policy.</p>			

¹⁴ 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

APPENDIX 7

Proposed new scheme



London Borough of Barnet Council Tax Support Scheme

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GLOSSARY

Amendments to the scheme	
Capital	Savings and capital
Change of Circumstance	Any change of circumstances affecting entitlement to CTS, including but not limited to changes to income, liability, household members or residence that would affect entitlement to CTS
Council Tax payer	Person liable to pay Council Tax on the property
Council Tax Support (CTS)	the London Borough of Barnet's (Barnet) scheme
Default scheme	The default scheme contained in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 SI 2886/2012
Dispute	Where the CTS recipient disagrees with the amount of CTS awarded or the refusal to award CTS applicant
Disregards	Deductions allowed against the income
Excess Income	The amount by which the taxpayers weekly income exceeds their applicable amount
Extended Reduction	An amount awarded for a period after the applicant or their partner has started work or increased their hours of work and is therefore no longer entitled to a qualifying benefit or qualifying contributory benefit
Income	Income from all sources not limited to earnings. Some income will be wholly or partly disregarded
Interim award	Maximum liability subject to maximum award from which non-dependent charges and the taper have been subtracted
Maximum award	Percentage of calculated award above which CTS will not be awarded
Maximum band	The Council Tax band above which CTS will not be calculated. If the maximum band is band D then Band E, F, G or H properties will be calculated as if they were Band D
Maximum liability	The maximum liability is the maximum band after any Council Tax discounts or

	band reductions awarded under the Local Government Finance Act 1992. For example Single person discounts or band reductions due to disability
Minimum award	Amount of calculated award below which CTS will not be awarded
Overpayment	Any amount of CTS credited to which the recipient is not entitled
Pensionable Age	The age at which a person is eligible to claim State Pension Credit Please note the age is changing to reflect the equalisation of pension ages between men and woman and the planned increase in retirement age
Premium	An additional element forming part of the applicable amount relating to the individual or couple
Prescribed requirements regulations	Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 SI 2885 2012
Protected group	Groups listed in Appendix C to which the maximum award and maximum band calculation does not apply
Suspension	The suspension of an award
Taper	The rate at which CTS is withdrawn if the income including tariff income is greater than the applicable amount or living allowance
Tariff income	Income presumed to be generated by savings and capital between the lower and upper capital limit (See appendix 2)
War Pensions	War Pensions, War Widows pensions War Widowers Pensions, War Disablement Pensions and continuing payments from the armed forces compensation scheme,
Work	Employed or self employed
Working Age	The age below which a person or couple is eligible to claim State Pension Credit
1992 Act	Local Government Finance Act 1992

Introduction

The London Borough of Barnet's Council Tax Reduction Scheme is based on the default scheme and prescribed requirements regulations, except where the contrary is set out within the scheme. Definitions and detail from the regulations are not replicated in this document and the detail can be found by following the links below.

[Council Tax Reduction Schemes \(Prescribed Requirements\) Regulations 2012](#)

[Council Tax Reduction Schemes \(Default Scheme\) \(England\) Regulations 2012](#)

Barnet Councillors agreed to a clear set of principles offering incentives and protections to help deliver local priorities from which the draft scheme was constructed.

The principles are:

- A system based on fairness, with those with the ability to pay making a fair contribution
- The scheme should incentivise work
- Support for those in the most difficult circumstances
- The most vulnerable should benefit from a level of protection
- The scheme should be transparent and accessible.

The scheme for working age has the following features

It will incentivise work by retaining the system of earned income disregards and child care disregards set out in the default regulations

Certain protected groups comprising those listed in Appendix B will not be affected by the award restriction .

Disability Living Allowance, War Pensions and Child Benefit will continue to be disregarded in the calculation

Second Adult Rebate will be abolished

Nondependent charges will be simplified to 3 levels.

- a) In work and with earnings greater than or equal to the amount set out in Appendix C
- b) Out of work or with gross income less than the amount set out in Appendix C
- c) Receiving certain benefits set out in appendix C

Once the interim award calculation has been made the maximum award is then adjusted to 91.5% of the interim award.

If the Council Tax payer applying for Council Tax Support is in a protected group then

The maximum award rules will not apply

Classes of Persons

Classes of persons excluded from the scheme

Classes of persons prescribed to be excluded from the scheme in the prescribed requirements regulations, including persons treated as not in Great Britain and persons subject to immigration control.

Classes of person entitled to a reduction under this scheme

Pensioners

Classes A-C

Pensioners who fall within any of classes A to C in the prescribed requirements regulations.

Working age persons

Class D - Persons who are not pensioners whose income is less than the applicable amount and not in a protected group

Persons who are not in a protected group and who fall within class D as set out in the default scheme,

Class E – Persons who are not pensioners whose income is greater than the applicable amount and not in a protected group

Persons who are not in a protected group and who fall within class E as set out in the default scheme.

Class F – Persons who are not pensioners whose income is less than the applicable amount and are in a protected group

Persons who are in a protected group and who fall within class D as set out in the default scheme.

Class G – Persons who are not pensioners whose income is greater than the applicable amount and are in a protected group

Persons who are in a protected group and who fall within class E as set out in the default scheme.

Class H – persons who are not pensioners who are subject to second adult rebate

Applicable amount: persons who are not pensioners who have an award of universal credit.

Awards of Universal Credit will be treated as follows:

Out of work with an award analogous to Income Support, Income Based Jobseekers Allowance, or Income Related Employment and Support Allowance. The income and capital will be treated as zero so they will fall class D or F as appropriate.

In work and in receipt of Universal Credit

If they receive the maximum universal credit, their income will be their income from universal credit for their living expenses. The Housing Element and Disability element of the Universal credit will be disregarded.

Where the individual is in work and not receiving the maximum universal credit because their income is too high, and where the individual elements can not be identified they will be treated as receiving the income for their living expenses reduced in proportion to the overall reduction in the universal credit from the maximum. For example if the universal credit is 75% of the maximum award for their circumstances, the income used will be 75% of the maximum living expenses element.

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

Maximum council tax reduction under this scheme: pensioners and persons who are not pensioners (class A to C, class F and class G)

For classes A to C, class F and class G, the maximum council tax reduction is as set out in regulation 28 of the default scheme

Maximum council tax reduction under this scheme: persons who are not pensioners and not in a protected group (class D and class E)

For classes D and E, the maximum council tax reduction is as set out in regulation 28 of the default scheme, save that the non-dependant deductions will be as set out in this scheme, Appendix C.

For all classes applicable amounts and income disregards will be the same as the default scheme except that Barnet will disregard all of a war pension or war widow(-er)'s pension or any continuing payments from the armed forces compensation scheme.

Non-dependant deductions: pensioners and persons who are not pensioners

The non-dependant deductions for pensioners (classes A-C) are as set out in the prescribed requirements regulations/default scheme

The non-dependant deductions for working age (classes D-F) are as set out in the default scheme save that the deductions in respect of a day referred to above are as follows:

(a) in respect of a non-dependant aged 18 or over in work with income greater than or equal to £183.00 per week, £10.00 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £5.00 x 1/7 and is not in receipt of Income related Jobseekers Allowance, Income Support or Income related Employment and Support Allowance or the universal Credit equivalent

(c) zero if in receipt of Income related Jobseekers Allowance, Income Support or Income related Employment and Support Allowance or the Universal Credit equivalent

Amount of reduction under this scheme

Amount of reduction under this scheme: Classes A to G

An individual in receipt of income support, income-related jobseeker's allowance or income-related employment and support allowance will have income, earnings and capital counted as zero. This means that the individual's income will automatically be less than their applicable amount, and their Council Tax Support will be worked out as follows

Amount of reduction under this scheme:

The amount of reduction is as set out in the default scheme, save as follows:

Where a person is within class D, that amount is:

- the actual liability for the Council Tax;
- less any non-dependant deductions.
- The result is the interim award.
- The actual award is 91.5% of the interim award.

Where a person is within class E, that amount is:

- the actual liability for the Council Tax;
- less any non-dependant deductions;
- less the taper (currently 20%) of the difference between the income and the applicable amount.
- The result is the interim award.
- The actual award is 91.5% of the interim award.

Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

Income and Capital where there is an award of Universal Credit

The income rules for calculating eligibility for a reduction are as set out in the default scheme, save as set out below.

Income and capital where there is an award of universal credit

Calculation of income and capital: persons who are not pensioners who have an award of universal credit.

In work and in receipt of Universal Credit

If they receive the maximum universal credit, their income will be their income from universal credit for their living expenses. The Housing Element and Disability element of the Universal credit will be disregarded.

Where the individual is in work and not receiving the maximum universal credit because their income is too high, and where the individual elements can not be identified they will be treated as receiving the income for their living expenses reduced in proportion to the overall reduction in the universal credit from the maximum. For example, if the universal credit is 75% of the maximum award for their circumstances, the income used will be 75% of the maximum living expenses element

Capital

The capital rules for calculating eligibility for a reduction are as set out in the default scheme, save that the diminishing notional capital rule is abolished for classes D - F

Calculation of tariff income from capital: persons who are not pensioners

Where the capital of an applicant who is not a pensioner exceeds the lower capital limit in Appendix B, it must be treated as generating an equivalent tariff to that calculated in Appendix A in excess of the lower limit but not exceeding the upper capital limit as set out in Appendix A

Capital includes any income treated as capital as defined in the default scheme

Extended reductions and qualifying conditions for an extended reduction

Extended reductions and qualifying conditions for extended reductions for those of pensionable age and those of working age will be as set out in the default scheme.

Extended reductions: movers into the authority's area will be the same as the default scheme

Procedural Matters

Applications

Anyone entitled to Council Tax Benefit on 31 March 2013 or having made an application for Council Tax Benefit (CTB) which is still to be decided on 31 March 2013 will be assumed to have also made an application for Council Tax Support (CTS) with the circumstances that applied on 31 March 2013.

All others must apply for CTS. Applications must be made in writing and received by Barnet Revenues and Benefits Service, electronically via Barnet's website or in any other format as Barnet may decide. If a request for CTS is received by the Revenues and Benefits Service by any means including one that is not in the correct format Barnet will invite the applicant to complete an appropriate application. If the applicant does so and it is received within four weeks of being asked to do so then the application date will be the date the original request was received.

If a claim is made for Housing Benefit and the person claiming is also liable for Council Tax at the same dwelling then the Housing Benefit claim will be treated as a claim for Council Tax Support.

Where an application is made for Universal Credit, Income Support, Jobseekers Allowance (Income Based) or Income Related Employment and Support Allowance and the Department of Work and Pensions or the CTS applicant makes the Council aware of this fact within 4 weeks of them becoming entitled to one of the above benefits then the date of application will be treated as made on date they become entitled to one of the above benefits.

If a Council Tax payer makes an application for Housing Benefit and the Council Tax payer is liable at the same address as the Housing Benefit claim, the Housing Benefit application will be treated as an application for CTS

Applications for CTS can be made up to 13 weeks in advance prior to an event that would entitle them to CTS

Applicants can withdraw their application for CTS. Barnet will accept withdrawal of applications where a decision on the application has not been made. This will have effect on the same day the notification was received by Barnet.

Effective date of a change of circumstance

Effective date of a change of circumstance is as set out in the default scheme

Appeals

The appeals process is as set out in the default scheme.

Discretionary Reduction - see Part 3 of Schedule 1 of the default scheme

An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act must be made—

- (a) in writing,
- (b) by means of an electronic communication (see part 4 of Schedule 1)
- (c) via Barnet's website

The applicant must state why the request is being made and supply such evidence and information as the Council may require in support of the request.

If for any reason the request is not in a form that Barnet can accept then the applicant will be supplied with a suitable form.

Time and manner of granting relief and recoveries / over-payments

Matters relating to the time and manner of granting relief, persons paid and dealing with over- and under-payments will be dealt with in the same way they currently are under council tax benefit to allow for consistency of treatment. This will include payments to next of kin where a person in receipt of a council tax support dies. Barnet will make payment of the reduction amount to his personal representative or next of kin. However the overpayment will be calculated by comparing amount actually entitled to the amount previously credited. There must be a valid claim.

Where the council tax payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, Barnet can issue a substitute demand notice taking into account the increase or decrease in liability:

Barnet Council will

- a. recover over-entitlement of council tax support – this effectively becomes underpayment of council tax;
- b. take recovery action according to the circumstances of the applicant; and

c. credit the council tax account with any underpayment of CTS.

Updates of the scheme

Each year Barnet Council can choose to freeze or increase any applicable amounts, disregards, and non-dependant deductions. Applicable amounts and disregards will usually be increased in line with the default scheme. In future years if the Government does not publish new applicable amounts as part of the default scheme then the applicable amounts used in the Housing Benefit Regulations (2006) as amended can be used

Non Dependant deductions will be reviewed annually and for those in work and earning more than lowest band in the default scheme (currently £183.00 p.w.) the deduction will be the maximum deduction under the default scheme rounded up to the next whole pound.

For those working who have gross earnings of less than the lowest band (currently £183.00 per week) the lowest band out of work deduction will be half the amount of the in work deduction above.

These changes will not constitute a change to the scheme requiring consultation. Affected applicants will be notified of the changes at least 28 days in advance of implementation.

In order to ensure the scheme is sustainable financially, Barnet Council will review the number and category of protected groups after the first year of operation. If the scheme is costing more than the financial assumptions presented when the scheme was adopted, the Council may remove protected groups from classes F and G or remove classes in their entirety. In a similar manner the scheme parameters listed in Appendix B can also be adjusted

Appendix A Working Age Upper and Lower Capital Limits, Tariff Income, Taper, Maximum Award, Minimum Award Maximum Band

Working age	Class D and Class E	Class F and Class G
Upper Capital Limit	£16,000	£16000
Lower Capital Limit	£6000	£6000
Tariff Income	£1 for each £250 or part thereof above the lower capital limit of £6000	£1 for each £250 or part thereof above the lower capital limit of £6000
Taper percentage,	20%	20%
Maximum award,	91.5%	100%
Minimum award	zero	zero

Appendix B_Protected Groups (subject to ratification by Cabinet and agreement of full Council)

The individual or their partner

Protected group One

Where claimant or partner receives a war pension, or a war widows pension, or a war disablement pension or a regular payment under the armed forces compensation scheme

Appendix C_Non- Dependant deductions - April 2012 rates.

The exact rate and bands of the non-dependant charges will be set out once the default scheme non-dependant charges are known

Description	Deduction
Working with gross income greater than £183.00 per week	£10.00 per week
Working with gross income less than £183.00 per week or not working	£5.00 per week
In receipt of Income Support, Income based Jobseekers Allowance, Income related Employment and Support Allowance, State Pension Credit or maximum Universal Credit	Nil

APPENDIX 8

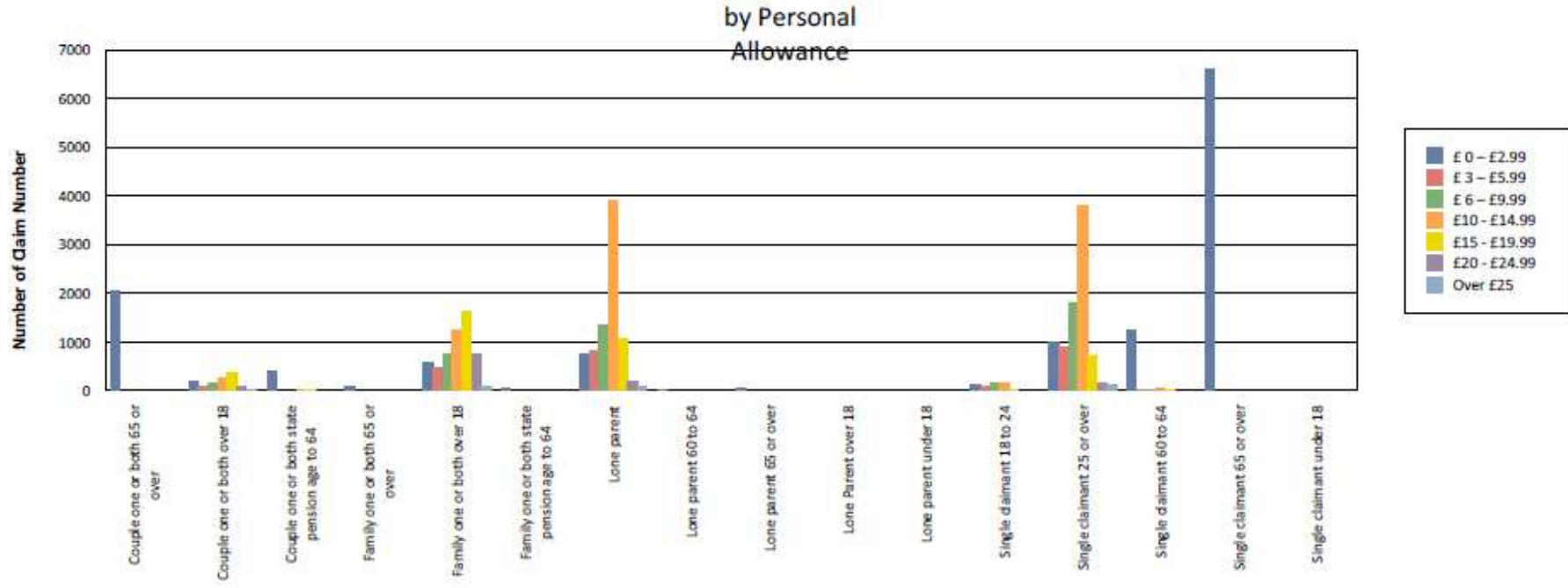
Impact on affected groups – proposed scheme

The figure and table below show the financial impact of the proposed scheme on a range of groups.

Key statistics are:

- 326 households will lose more than £25 per week, and a further 1,180 will lose between £20 and £25 per week
- The most adversely impacted groups by number are:
 - 7,500 single claimants 25 and over will lose more than £3 per week
 - 7,400 lone parents will lose more than £3 per week
 - 4,900 families with one or more children will lose more than £3 per week
 - 1,000 working age couple will lose more than £3 per week
- The groups with the largest numbers of households losing more than £20 per week are:
 - Families with one or more child over 18 (838 households)
 - Single claimants 25 and over (282 households)
 - Lone parents (271 households)
 - Working age couples (102 households)
- In contrast, the following groups are impacted either minimally or not at all:
 - Pensioners
 - Families/couples/singles between pension age and 64

Number of Claim Number / Weekly amounts lost



Weekly losses (Range)

<u>Personal Allowance</u>		<u>£ 0 – £2.99</u>	<u>£ 3 – £5.99</u>	<u>£ 6 – £9.99</u>	<u>£10 - £14.99</u>	<u>£15 - £19.99</u>	<u>£20 - £24.99</u>	<u>Over £25</u>	<u>Total</u>
Couples	Couple one or both 65 or over	2,042	0	0	0	0	0	0	2,042
	Couple one or both over 18	192	100	160	253	359	96	6	1,166
	Couple one or both state pension age to 64	407	4	4	3	12	1	0	433
Families	Family one or both 65 or over	80	0	0	0	0	0	0	80
	Family one or both over 18	590	490	743	1,254	1,622	738	100	5,537
	Family one or both state pension age to 64	72	0	4	3	4	3	0	86
Parents	Lone parent	747	832	1,365	3,900	1,068	189	82	8,183
	Lone parent 60 to 64	31	0	0	4	1	1	0	37
	Lone parent 65 or over	34	0	0	0	0	0	0	34
	Lone Parent over 18	0	0	0	0	1	0	0	1
	Lone parent under 18	0	0	1	1	0	0	0	2
Singles	Single claimant 18 to 24	139	99	165	160	13	1	3	580
	Single claimant 25 or over	1,012	885	1,820	3,794	704	147	135	8,497
	Single claimant 60 to 64	1,242	12	28	63	19	4	0	1,368
	Single claimant 65 or over	6,594	0	0	0	0	0	0	6,594
	Single claimant under 18	3	0	0	0	1	0	0	4
Total		12,895	2,384	4,227	9,431	3,803	1,180	326	33,571

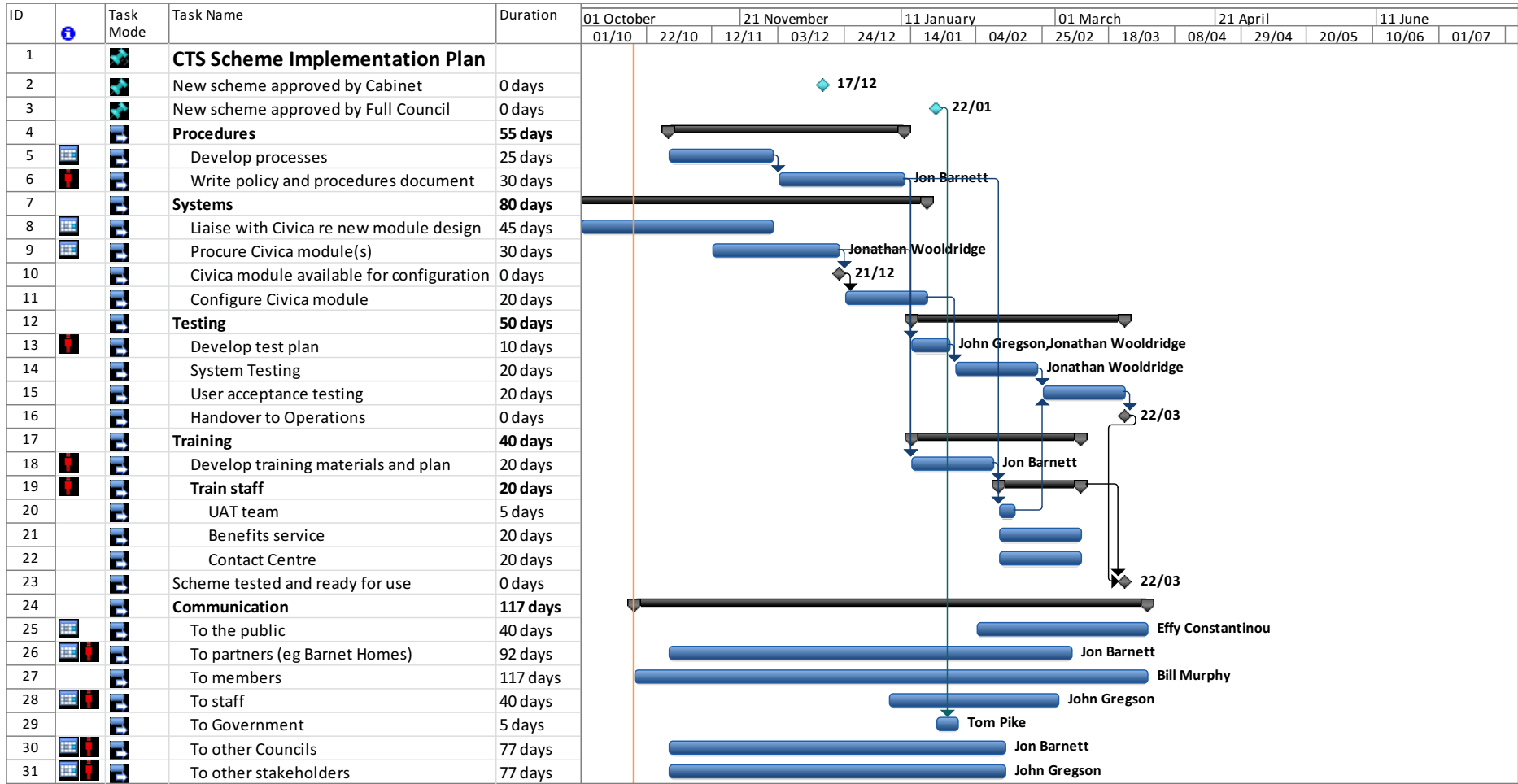
Note: The vast majority of those shown in the £0-2.99 range will suffer no loss.

APPENDIX 9

Implementation Plan

The schedule for the implementation of the proposed scheme is shown overleaf. Key milestones are:

- Scheme approved by Cabinet 17 December 2012
- Civica module available 21 December 2012
- Scheme approved by full Council 22 January 2013
- Start communications to public 1 February 2013
- Module tested and handed over to operations 22 March 2013
- Staff trained in new scheme and system 22 March 2013
- Go live 1 April 2013



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Meeting	Cabinet
Date	17 December 2012
Subject	Crisis Fund
Report of	Deputy Leader of the Council / Cabinet Member for Resources and Performance
Summary	<p>Barnet residents in severe hardship have had access to the 'Social Fund' run by the Department for Work and Pensions, which includes discretionary Community Care Grants and Crisis Loans. Central Government is localising these discretionary aspects of the Social Fund to enable local authorities to make the most efficient use of limited funds and best meet needs in the context of a challenging economic climate.</p> <p>This paper proposes a Crisis Fund for Barnet to replace these parts of the Social Fund, better meeting local needs and reducing the chance of fraud. In addition, it is proposed to integrate Discretionary Housing Payments, currently administered by Barnet Homes, within the scope of the administration of the scheme.</p> <p>It is proposed that the new scheme will be administered by the Revenues and Benefits service, although support in completing applications will be provided from a range of agencies including Barnet Homes. Revenues and Benefits will be outsourced in April 2013 as part of the New Support and Customer Services Organisation (NSCSO) and it is expected that the current volumetric pricing model will be able to encompass the increased transaction volumes. Fulfilment of awards will be undertaken by a range of bodies, subject to compliance with procurement procedures.</p> <p>The new scheme will be implemented in April 2013 and the design enables an evolutionary approach to be taken over time.</p>

Officer Contributors	Bill Murphy, Assistant Director for Customer Services and Libraries John Gregson, Programme Manager, Revenues & Benefits Ann Buchanan, Revenues & Benefits Transition Team Tom Pike, Head of Performance
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of Enclosures	Cabinet Appendix 1: Current Social Fund scheme. Appendix 2: Scheme options Appendix 3: Equalities Impact Assessment Appendix 4: Implementation Plan
Contact for Further Information:	John Gregson. Email: john.gregson@barnet.gov.uk Tel: 0208 359 7853

1 RECOMMENDATIONS

- 1.1 To consider the range of possible options for the design of a local discretionary 'Crisis Fund', to replace Community Care Grants and Crisis Loans which are being devolved to local authorities;**
- 1.2 To approve the proposed scheme design;**
- 1.3 To delegate authority for agreeing the detailed eligibility criteria for the scheme and market testing for cost-effective approaches for fulfilment of grants awarded under the scheme to the Assistant Director, Customer Services in consultation with Deputy Leader and Cabinet Member for Resources and Performance;**
- 1.4 To agree to include Discretionary Housing Payments within the scope of the Crisis Fund application and assessment framework;**
- 1.5 To agree the proposed implementation programme, including communications to the public; and**
- 1.6 To agree to a formal review of the scheme being undertaken after it has been in operation for at least 6 months and to use this review to inform the scheme for 2014/15.**

2 RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 17 July 2012, Decision item 12 Consultation on Options for Council Tax Localisation: Cabinet noted Government changes to Council Tax Benefit and the proposal to replace this with a local Council Tax Support scheme. Cabinet agreed options for consultation, communications and consultation programme. Cabinet agreed that a future meeting of the committee would receive a report presenting the consultation findings, proposals for a local Council Tax Support (CTS) scheme, with relevant impact assessments and a proposed implementation plan.**

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Government have committed to a programme of welfare reform, aiming to simplify the benefits system, create the right incentives to get more people into work, protect the most vulnerable, and deliver fairness to taxpayers and to those claiming benefits. The programme makes a number of changes, including revisions to the housing benefits scheme, the introduction of a cap on the total amount of benefits that can be claimed, and will simplify the existing benefit and credit schemes through the introduction of Universal Credit.**
- 3.2 The reform package gives local authorities funding and responsibility for designing and implementing a Crisis Fund, replacing the discretionary elements of the Social Fund currently administered by the Department for Work and Pensions (DWP). The design of the new scheme gives additional flexibility to the Council to support the most vulnerable, develop incentives, encourage**

individuals and communities to develop resilience and support one another, and minimise the opportunities for fraud.

- 3.3 Despite large cuts to local government funding, continuing economic uncertainty, and a challenging local economy, Barnet Council have a stable budget position based on making the most use of available funding to best meet need. This approach has also been used when designing Barnet's discretionary scheme, aiming to use available government funds in a way which supports local priorities and gives capacity to protect the most vulnerable.
- 3.4 The proposed Crisis Fund scheme has been designed to support the objective to deliver 'better services with less money', making the best use of the totality of available Government funds and the resources of relevant stakeholders to provide a scheme which best meets the needs of Barnet residents, focusing support on those in greatest need, managing the distribution of support through the financial year, and taking proactive action as well as providing reactive support.
- 3.5 The new scheme supports the priority of 'sharing opportunities, sharing responsibilities' by using the first year of its operation as an opportunity to gather detailed information about the causes of hardship and the patterns of demand against a rapidly changing welfare system backdrop. A wide range of stakeholders (including community groups and council functions dealing with those in need in the borough and potential service providers) has been engaged in the consideration of design options, and this consultation has influenced the design of the proposed scheme.

4 RISK MANAGEMENT ISSUES

- 4.1 The timetable for implementation of the Crisis Fund scheme is tight, especially as it coincides with the Government's plans for implementing:
 - A local Council Tax Support scheme
 - The move to a capped system of welfare payments (the Benefits Cap)
 - The introduction of new underoccupancy rules for the calculation of housing benefit
 - The roll-out of Universal Credit
 - The local retention of business rates
- 4.2 Consequently, the time available to decide on the scheme design and to implement a local scheme is limited. The existing discretionary elements of the Social Fund will cease to be administered by DWP on 31 March 2013 so any replacement scheme needs to be in place for start of new financial year.
- 4.3 The Council has mitigated any implementation risk by forming a well-designed project plan and putting in place dedicated project management resources and structures. It will also work closely with the selected NSCSO provider and external agencies to ensure that they are in a position to operate the new scheme from 1 April 2013.
- 4.4 The management of grants of support to applicants against the available funding from Government has required careful consideration to ensure that

budgets are not overspent. It is proposed to implement tight financial controls based on month-by-month profiled historic patterns of demand, with automatic escalation triggers as limits are approached.

4.5 The development and finalisation of any scheme adopted by Barnet must be compatible with various legal obligations:

- 4.5.1 There is no statutory obligation to consult on this discretionary fund in advance of its implementation. The views of a wide range of voluntary and other agencies who deal with those facing hardship of various kinds have already been canvassed and incorporated in this document. In addition, a public communication exercise will be held before implementation to ensure that the availability of the new scheme is widely publicised and understood by all those who may be in need of it. However, in view of the fundamental welfare changes being implemented by central government that will adversely impact on those with already low incomes, the future pattern of demand for support from the Crisis Fund is currently uncertain. It is intended to closely monitor the operation of the scheme and to seek to understand not only the pattern of demand presented by applicants but also the causes of the hardship that they are suffering. It is not expected that meaningful insight into these patterns will emerge until the scheme has operated for at least six months. It is therefore proposed to hold a public consultation into the working and the features of the scheme as part of a review into the effectiveness and equalities aspects of the scheme after it has been in place for at least six months.
- 4.5.2 The proposed scheme must be supported by a thorough equalities impact assessment and have due regard for equalities implications, to ensure compliance with the Equality Act 2010. The Corporate Plan 2012 – 2013 sets out a commitment that major policies, functions and activities will be assessed for their equalities impacts. The Equalities Impact Assessment is provided at Appendix 4.
- 4.5.3 The Council has overarching legal duties in relation to a number of matters, including health, child poverty, crime and disorder and housing and in particular a duties in relation to homelessness.
- 4.6 The IT systems for operating the new scheme must be able to support the administration of the selected local scheme and must be implemented in time. The new scheme should also minimise the risk of fraud. The Council has engaged with its existing supplier, Civica, who have developed a Discretionary Fund module that can be customised to local needs and priorities. This module will be available in early December, meets all the requirements of the proposals in this report, and is planned to be fully configured, tested and staff trained in its use by 1 April 2013.
- 4.7 Reputational risks will arise for the Revenues and Benefits Service if there are delays in the processing of claims or the provision of agreed support packages. An assessment has been made of the internal resource requirements for administration and consideration given to a range of options for the cost-effective and timely provision of support packages to those in need.
- 4.8 The timescale for implementation is tight. In order to have an operational scheme working by 1 April 2013 the scheme will need to be agreed with all

interested parties, set up and tested administrative procedures and systems, be clear on referral pathways (e.g. related to safeguarding issues), trained all staff involved, and communicated the new scheme to those who might be in need of it. In order to do this the Council will need to have negotiated with both the successful NSCSO bidder and any suppliers involved in the fulfilment of awards. There is a risk that all these activities will not be completed to the required quality in time for the new scheme to be operational next April. This risk will be mitigated by the development of a soundly based project plan (see Appendix 4) and the appointment of a dedicated and qualified project manager to take this project forward in the implementation phase.

4.9 Operational risks include data and system security, fraud and staff safety. These are being addressed as follows:

- System security will be enhanced by the restriction of system access to authorised officers in the Revenues & Benefits service. Access to the Civica OpenRevenues system is already tightly controlled within the service and access to the Discretionary Awards module will be similarly controlled to only those who have a justified need to access the system and the data contained therein.
- The risk of duplicate and other forms of fraudulent claims will be addressed by using the existing Revenues and Benefits system as a master database to record claims and to cross-check with other data records already held on applicants.
- The risk of fraudulent use of awards will be minimised by avoiding the use of cash wherever possible and instead providing vouchers or goods direct to claimants. In addition, the integration of Discretionary Housing Payments with Social Fund discretionary payments will reduce the risk of payments being made twice on the same case.
- The determination of awards will be undertaken separately from the application process. This will enable checks to be undertaken against existing records on the current Revenues & Benefits system, and will avoid the risk of coercion of staff by applicants in a face-to-face environment.

5 EQUALITIES AND DIVERSITY ISSUES

5.1 Section 149 of the Equalities Act 2010 created the Public Sector Equality Duty. Section 149 states:-

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups.

- 5.2 The development of this proposal for a localised Crisis Fund scheme incorporates the results of discussions with a wide range of agencies that represent those most in need in Barnet. These include Citizens Advice Bureau, Barnet Homes and a wide variety of charities and other voluntary groups. This consultation has enabled us to understand the needs of Barnet's diverse communities in this context.
- 5.3 The proposals for the new scheme have been assessed to ensure that due regard has been given to the public sector equality duty as enshrined in the Equality Act 2010 using the process set out in the Corporate Plan 2012-13. The resulting Equalities Impact Assessment is presented in Appendix 3.
- 5.4 The most recent available data from the Department of Work and Pensions on the level of demand for those aspects of the current Social Fund scheme that are being transferred to local authorities is for 2011/12. The figures for Barnet are:

TABLE 1: NUMBER AND VALUE OF DWP AWARDS MADE IN 2011/12 FOR BARNET

	No of applications	No of Awards	Application success rate	Value of awards	Average award
Crisis Loan living expenses	3640	2940	81%	£150,000	£51
Community Care Grants	2060	940	46%	£650,000	£691
Total	5700	3880	68%	£800,000	£206

- 5.5 Limited data is available from DWP on the causes of events giving rise to hardship, or the population groups that have applied for discretionary funding. However, based on our knowledge of lower income households in Barnet and research with community groups we expect the principal groups that will seek support to be:
- prisoners and others returning to the community from residential care
 - young unemployed males (18-30)
 - those who have experienced an adverse event such as fire or flood
 - those whose Housing Benefit does not cover their full rent and need some transitional support before moving to lower-cost accommodation
 - those wishing to move into private rented accommodation but who do not have sufficient funds to find a deposit.
- 5.6 It is proposed that the decision on the detailed eligibility criteria and access

routes for applicants will be delegated to the Assistant Director, Customer Services in consultation with the Deputy Leader and Cabinet Member for Resources and Performance on the basis it is within the agreed scheme principles as outlined in this report.

- 5.7 A further Equalities Impact Assessment will be conducted following the public consultation exercise referred to in section 4.5.1 above, to be conducted in late 2013.

6 USE OF RESOURCES IMPLICATIONS (FINANCE, PROCUREMENT, PERFORMANCE & VALUE FOR MONEY, STAFFING, IT, PROPERTY, SUSTAINABILITY)

- 6.1 In 2011/12 DWP issued around 3,000 Community Care Grants and 1,000 Crisis Loans to Barnet citizens. Total spending on both measures in 2011/12 was £800,000, funded directly by government. In addition, around 600 discretionary housing payments (DHPs), totalling some £240,000, were awarded by Barnet Homes – these were matched by government grants to the Council, which transferred the funding directly to Barnet Homes.
- 6.2 The government has allocated £800,000 of funding to be distributed by Barnet in place of Community Care Grants and Crisis Loans in 2013/14, plus a further £169,000 in administration grant. Funding for DHPs increased substantially in 2012/13 to £900,000, and is expected to increase further, to around £1.6m, in 2013/14.
- 6.3 The main resources risk relating to the administration of discretionary schemes is that available funds may be fully distributed before the end of the financial year, resulting in some applicants being turned down because of lack of funds. Equally, the risk of underspending funds that have been allocated by government, and thereby failing to take advantage of this funding to the local economy, is also real. Measures will be put in place to monitor and control the distribution of funds throughout the year to ensure that these risks are managed. These include tight financial controls based on month-by-month profiled historic patterns of demand, with automatic escalation triggers as limits are approached.
- 6.4 A new module will be procured under the current Civica contract in order to operate the new support scheme. This will interface with the existing Civica OpenRevenues system that is currently used to support the administration of Council Tax and Housing Benefits, Council Tax collection and recovery, and non-domestic rates.
- 6.5 Setup costs of the order of £25,000 are expected to be incurred. An initial £8,000 in setup funding has been given to Barnet and the DWP has indicated that further grant may also be given to assist with one-off implementation costs, transition costs and the recurring costs for the first three years of operating the new system. Any shortfall in specific government funding will be met from the Revenues and Benefits budget.
- 6.6 The administration of the scheme is proposed to be undertaken by Revenues and Benefits, which will be transferred to the successful NSCSO provider in April 2013. Total operating costs are estimated at £150,000 per annum

including both staffing and system costs. The government has allocated administration grants of £169,000 for 2013/14 and £155,000 in 2014/15 to Barnet for this purpose.

- 6.7 Fulfilment of awards made under the scheme could be executed by a range of providers, some already having contracts with the council, for example to deliver support to Adult Social Care clients. It is proposed to use existing supply arrangements at the start of the scheme in April 2013 but prior to that date to conduct market testing to determine the most appropriate and cost-effective method of fulfilling the range of awards that will be made under this scheme, followed by any necessary procurement action.
- 6.8 In order to ensure that the scheme is sustainable, the first year of the scheme will be used as an opportunity to substantially increase the volume and quality of information collected on the circumstances that drive hardship and therefore demand for discretionary support. The features of the scheme will be evolved in the light of this insight and the availability of funding. Data collected during the first period of operating the scheme will be analysed in late 2013 and will inform the design of the scheme in 2014/15.
- 6.9 The Council will be introducing a new Council Tax Support (CTS) scheme from April 2013 which is expected to generate a surplus in 2013/14 which could be used to alleviate hardship amongst those who may be adversely impacted by the CTS scheme. It is proposed that any surplus is used within the framework of the Crisis Fund to grant discretionary rebates against their Council Tax liability under Section 13a of the Local Government Finance Act 1992 for those adversely affected by the introduction of the Council Tax Support scheme. This 'no one size fits all' approach will enable those in the greatest need to be targeted rather than providing blanket protection from the impacts of the scheme for population segments who may have a lesser need than those outside the protected groups.
- 6.10 The detailed eligibility and evaluation criteria for the Crisis Fund will be developed with the benefit of inputs from a range of community groups, agencies interfacing with those in need and council functions to ensure that best use is made of the available funds.

7 LEGAL ISSUES

- 7.1 The Welfare Reform Act 2012 abolishes the current system of discretionary payments from the social fund, which was previously administered by the Department for Works and Pensions. The scheme is replicated by local provision to be provided by local authorities.
- 7.2 The existing scheme covers discretionary payments for community care grants and crisis loans. The 2012 social fund guide provides guidance for current decision makers on when to exercise discretion. In relation to community care grants these are intended to help vulnerable people live as independently as possible and are particularly used to help people establish themselves and remain in the community, for care of prisoners and young offenders released on temporary licence, to ease exceptional pressure on families and to help people set up home as part of a resettlement programme. The crisis loans are

provided for immediate needs such as daily living expenses, for items and services required in consequence of a disaster, for advance rent payments and board and lodging costs.

- 7.3 It is proposed to include discretionary housing payments within the new scheme. These are regulated by the Discretionary Financial Assistance Regulations 2001 and associated best practice guidance. There is new draft guidance to be introduced from April 2013 to take account of the changes to the benefit system. Discretionary housing payments can only be used for further financial assistance where a local authority considers that help with housing cost is needed. This can include help with rent, deposits and lump sums associated with housing need eg. removal costs.
- 7.4 The proposed new guide confirms that a claimant will only be entitled to discretionary housing payments if he/she is entitled to Housing Benefit or Universal Credit and has rental liability and requires further financial assistance with housing costs. It is stated that this can cover shortfalls resulting from the following situations:
- 7.4.1 Reduction in Housing Benefit (HB) or Universal Credit (UC) due to benefit cap;
 - 7.4.2 Reduction in HB or UC due to under-occupation;
 - 7.4.3 Reduction in result of Local Housing Allowance (LHA)
 - 7.4.4 Rent shortfall to prevent homelessness whilst alternative options are considered;
 - 7.4.5 Rent officer restrictions;
 - 7.4.6 Non dependant deductions
 - 7.4.7 Income tapers.
- 7.5 The Council must comply with the current regulations on discretionary housing payments and take account of best practice guidance. In relation to the operation of the crisis fund for other areas, the Council has local discretion in setting criteria for the fund; however it should take account of its public law duties when making this decision.

8 CONSTITUTIONAL POWERS (RELEVANT SECTION FROM THE CONSTITUTION, KEY/NON-KEY DECISION)

- 8.1 Council Constitution, Part 3, Responsibility for Functions – section 3.7 provides that the Cabinet may discharge any executive functions whether or not they are also delegated to officers.
- 8.2 The decision on the adoption of a scheme to replace the discretionary elements of the Social Fund is a decision for the Executive.

9 BACKGROUND INFORMATION

9.1 Summary

9.1.1 As part of its welfare reform programme, the government is transferring responsibility for the administration of the discretionary elements of the 'Social Fund' from DWP to local authorities from April 2013. In 2013/14 government will provide non-ring-fenced grant funding of £800,000 plus a further £169,000 for administration to cover the discretionary elements of Community Care Grants and Crisis Loans. In addition, in order to mitigate the impact of its welfare reforms, government has increased funding for Discretionary Housing Payments (DHPs), from £240,000 in 2011/12 to £900,000 in 2012/13, and is expected to increase the sum further to around £1.6m in 2013/14.

9.1.2 The council needs to design and implement a suitable scheme to cover the discretionary elements of the Social Fund, to take effect on 1 April 2013. This report:

- Discusses the options for such a scheme
- Makes proposals for a local Crisis Fund scheme to be adopted by Barnet from 1 April 2013
- Identifies how DHPs can be brought within the scope of the scheme
- Identifies the bodies who may be involved in the administration of the scheme
- Provides an implementation plan that ensures that the new scheme will be fully operational by 1 April 2013.

9.1.3 The following design principles for the new scheme are proposed:

- Integrate the discretionary elements of the Social Fund and Discretionary Housing Payments into a single application framework
- Separate the application process from the process of determining claims
- Use those closest to applicants to provide support in applying for grants
- Use existing data on claimants where possible
- Make only grants not loans, in order to minimise administration costs
- Provide both proactive and reactive support
- Minimise cash payments wherever possible
- Prioritise those in most need against limited funds
- Evolve the scheme in the light of experience.

9.1.4 Devolution of the discretionary elements of the Social Fund to local authorities offers the opportunity to develop a scheme that takes a holistic view of a client's needs and allocates support from the most appropriate source of funding. The government's funding for the replacement of the Social Fund is not ring-fenced, and this provides the opportunity to take a more strategic view and allocate some of the funds to proactive, preventative measures to address the root causes of hardship.

9.1.5 The Crisis Fund should interface and align with organisations providing other forms of support (e.g. charities, Citizens Advice Bureaux, other advice/guidance agencies and Credit Unions) but will not replace them. Recognising that these organisations have a close relationship with many citizens who may seek support in times of hardship, they should have a key

role in supporting and advocating for clients.

9.1.6 In order to ensure effective and safe administration of the scheme, it should be managed by one organisation, separate from those supporting those applying for awards, to avoid front-door pressure from applicants. This organisation should have oversight of all cases and the ability to cross-reference to other relevant council records to avoid fraud.

9.1.7 This change also provides an opportunity to explore different options for the fulfilment of the types of needs expressed by claimants. There are now a number of external providers who are skilled and experienced in this area, and these can offer economies of scale and low administration costs.

9.2 Background to Discretionary Support Localisation

9.2.1 In 2011 the Government published the Welfare Reform Bill as part of its policy to address benefit expenditure as set out in the spending review. The Bill received royal assent on 8 March 2012 and is now the Welfare Reform Act 2012. The Act details some of the biggest changes to the welfare system for decades in an attempt to reduce public sector expenditure and enact the Government's policy to devolve powers to local authorities. Changes contained in the Welfare Reform Act 2012 mean that discretionary elements of the Social Fund scheme, currently administered by DWP, will be replaced by new locally based provision delivered by local authorities from April 2013.

9.2.2 The Government has advised local authorities of indicative funding amounts for these changes – the levels in Barnet's settlement letter are as follows:

TABLE 2: GOVERNMENT FUNDING2

Year	Type of funding	Funding amount
2012/13	Setup funding	£7,994
2013/14	Programme funding	£799,385
	Administrative funding	£168,916
2014/15	Programme funding	£799,385
	Administrative funding	£154,830

Government has confirmed that the Council is not expected to replicate the previous Community Care Grant and Crisis Loan schemes, nor that it would be appropriate to place a new duty on local authorities in respect of the new provision. However, they do expect that the funding is used to provide a new scheme that focuses on those facing greatest difficulty in managing their income, and to enable a flexible response to unavoidable need.

9.2.3 Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. The prime objectives were to:

- Help people to establish themselves in the community following a stay in institutional or residential care;
- Help people remain in the community rather than enter institutional or residential care;
- Help with the care of a prisoner or young offender on release on temporary licence;
- Ease exceptional pressures on families, eg the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
- Help people setting up home as part of a resettlement programme following eg time in a homeless hostel or temporary accommodation; or
- Assist with certain travelling expenses, eg for funerals of a family member or hospital visiting.

9.2.4 Crisis Loans were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health and safety of the applicant or a member of the family.

9.2.5 In 2011/12 DWP in Barnet issued around 3600 Crisis Loans with a total value of £150,000 and over 2,000 Community Care Grants with a total value of £650,000.

9.2.6 Community Care Grants and Crisis Loans have in general been issued via Job Centre Plus offices in the form of money (often cash), with limited verification applied as to whether the funds were used for the purpose(s) specified by the claimant. In Barnet Community Care Grants have also been awarded in the form of cheque, bank transfers or cash. Crisis Loans have been awarded in cash or bank transfer and are recovered by deduction from ongoing benefits, a recovery route that will not be available to us under the new Council Tax Support Scheme.

9.2.7 In addition to these grants and loans, Barnet Council already provides financial assistance on a discretionary basis as follows:

- **Discretionary Housing Payments:** Funded by Government via the Council and administered by Barnet Homes, these are used to support Housing Benefit claimants who require assistance in meeting their rent or with securing rented accommodation
- **The Mayor of Barnet's Benevolent Fund:** Small one-off grants to Barnet residents who are in financial need
- **Payments under Sections 17 and 18 of the Children's Act:** Cash payments administered by the Children's Service and provided to families who have children in need, or for their carers, as assessed by a social worker

9.2.8 All these funds are discretionary, with funding provided by government to the council. It is within the council's remit to design schemes to distribute the funds in the best way its sees fit to meet local needs. Decisions on decision-

making rules, the application process and the administration processes and responsibilities are therefore entirely the council's responsibility.

9.2.9 Discretionary Housing Payments, currently administered by Barnet Homes, could form an increasingly important part of the spectrum of support that the Council can offer those in severe hardship. Government is increasing the level of DHP funding in order to address the expected need to support or re-house significant numbers of people who will be impacted by the economic climate and welfare reform.

9.2.10 A number of other changes flowing from the Welfare Reform Act and previous legislation are likely to further reduce the income of people already on low incomes, leading to greater demands on local authorities and other bodies, eg charities, to provide emergency or other support. These include:

- Localisation of Council Tax Support, which will result in many low-income people of working age being asked to pay a contribution to their Council Tax for the first time;
- Capping of total benefits for working age claimants to £500 per week, also introduced in the Welfare Reform Act and to be implemented from April 2013;
- Under-occupancy limits, which from April 2013 will reduce the Housing Benefits of those families living in houses with more bedrooms than are required for their size of family;
- Capping of Local Housing Allowances, introduced from April 2011 but subject to transitional protection which will run out for all by December 2012.

9.2.11 Government predictions for the economy for next year show limited growth, making it unlikely that the current pattern of demand for hardship support will abate. The overall programme of welfare reform will benefit many people in work and provide a stronger incentive to work; but there is likely to be continued demand for hardship support in specific cases, particularly amongst those who are less able to take up work opportunities.

9.2.12 These changes provide an opportunity to review the totality of discretionary hardship provisions under the control of the Council, taking a strategic approach to developing a coherent and unified application and assessment structure for a Crisis Fund that will prioritise those in greatest need, prevent multiple applications to different parts of the Council from the same applicant, and control expenditure within expected funding levels.

9.3 Analysis

9.3.1 Current state

In 2011/12, there were a total of 5,700 applications for discretionary support to DWP in Barnet, of which around 3,900 were successful. In addition, almost 600 applications for Discretionary Housing Payments were approved by Barnet Homes and over 2,500 Section 17/18 awards were made on the decision of social workers in Children's Services. In total, around £1.4m was paid out, broken down as shown in the table overleaf.

TABLE 3: NUMBER AND VALUE OF DISCRETIONARY AWARDS MADE IN BARNET IN 2011/12

	No of applications	No of Awards	Application success rate	Value of awards	Average award
Crisis Loan living expenses	3640	2940	81%	£150,000	£51
Community Care Grants	2060	940	46%	£650,000	£691
DHPs	N/A	574	N/A	~£240,000**	£418
Section 17 payments	N/A*	2500	N/A*	£298,000	£119
Section 18 payments	N/A*	140	N/A*	£24,000	£171
Total		7094		~£1.4m	

*Section 17 and 18 grants are made on the basis of recommendations by social workers and do not have to be applied for by clients

**Recognising the transitional impact of its welfare reforms, the Government has substantially increased the level of funding for DHPs in 2012/13, resulting in available funds in Barnet being £900,000 for 2012/13 and £1.6M in 2013/14

9.3.2 Expected changes from current scheme

Whilst delivering continuity with the current Community Care Grant and Crisis Loans schemes, this initiative will bring a number of changes compared with the current scheme. These include:

- At £800,000, the 2013/14 settlement from government for Crisis Loans and Community Care Grants is the same as the figure currently forecast for 2012/13. However, demand for support is likely to increase as a result of other elements of welfare reform, and this sum will need to be managed carefully to avoid its exhaustion before the end of the year.
- The average value of a crisis loan is only about £50. The cost of recovering arrears in these loans could therefore easily exceed the value of the loan. For this reason, most local authorities are planning to limit any future scheme to grants rather than loans (but see points on Discretionary Housing Payments below)
- A future scheme should be designed to target those in greatest need, guide applicants to the most appropriate form of support and remove duplication between council functions and external agencies. At present residents may make independent applications to a range of council functions (including Barnet Homes) and be awarded a number of grants without any of the functions having knowledge of any of the other applications from that resident. Conversely, some residents may not be aware that any discretionary grants or loans are available from the council and as a result receive no funds from the council despite possible having a better case for support than some of those who do receive support.
- Discretionary Housing Payments are funded by government to support citizens in funding their housing needs, eg to pay rent in excess of the Local Housing Allowance, or to meet the requirement for a deposit for privately rented accommodation. Barnet Homes have administered the distribution of DHPs since 2007. Whilst in March 2012 the government exceptionally

allowed any surpluses to be carried over into 2012/13, they have stated that this will not be allowed in future years and so any DHP funds not spent during the financial year will be lost. This would represent a lost opportunity for the council to distribute available funds to those in need in Barnet.

9.3.3 Scheme Design Considerations

The following strategic factors have been considered in developing the new scheme:

- The impact of socio-economic conditions and welfare changes on different social groups in Barnet, and the resulting demand for hardship support
- Best use of the available sources of funding to provide hardship support for residents of the borough
- The extent of proactive measures to reduce the need for support, as opposed to reactive support in response to demand
- Coordination of the range of discretionary funding streams to get best impact
- The purpose and form of the new scheme, including:
 - Who should qualify for awards
 - How the scheme operates and who should be involved
 - How it should be implemented and evolve over time.

More detailed aspects of scheme design and administration that have been considered and addressed include:

- Provision of both monetary and non-monetary awards, including not only support in kind (eg food, white goods and furniture) but also advice, on topics such as domestic budgeting skills and how to access affordable credit
- The bodies best placed to deliver the various aspects of the scheme, ie:
 - Support to applicants by groups and organisations already providing hardship support, eg CAB, charities
 - Back office administration by LBB/NSCSO
 - Fulfilment of awards (delivery of goods and services) by organisations who already work in this field
- The evolution of the scheme over time
- System support, particularly from Civica, the Council's current IT supplier in support of benefits
- A mechanism for balancing the demand for grants/loans with the supply of funding in order not to over- or under-spend
- Fraud prevention, including avoiding multiple applications to different boroughs
- Public awareness.

9.3.4 Research findings

A wide range of advice agencies interacting with those in need have been consulted with regard to their views on demographic segments seeking support, the circumstances that lead to the need to the need for support and the support currently provided.

The findings from this research are that:

- Advice agencies act as a valuable source of assistance in completing claims, and make phone calls and provide letters in support of claims and appeals
- The drivers of Crisis Loans and Community Care Grants are wide-ranging,

and include cessation/delay of benefits payments, need for rent advance, relationship breakdown/fleeing homes, and release from prison

- Many awards are given as cash, leaving open the possibility for fraud
- Some awards are given as Crisis Loans or CCGs when other mechanisms exist for funding, eg rental deposits should be covered by Discretionary Housing Payments.

9.3.5 Other London Boroughs

Barnet liaises with representatives of other London boroughs on a regular basis. The current situation is summarised below.

- Few councils are considering loans, on the basis that they are too costly to administer. Cards or vouchers are favoured instead of cash.
- Most councils are consulting with the third sector and others who are in regular contact with citizens in need.
- Many are planning to integrate/align the Social Fund replacement with DHPs
- The vast majority of councils are planning to use their Revenues and Benefits service to administer the scheme.
- Fulfilment options are not yet crystallised, although many councils are considering second hand furniture recycling. A number are considering using Family Fund (see later), but also considering internal delivery of a support scheme
- Most authorities have been looking at a range of systems to support administration, including Civica, Northgate, and in-house solutions
- Concerns expressed by councils include:
 - Risk of fraud
 - Flexibility of the scheme to accommodate demand
 - Limited data available from DWP on both the claim history of individual claimants and statistical data on the reasons that people fall into hardship
 - Ability of local charities and other local suppliers to cope with potential demand

9.4 Purpose and Design principles

9.4.1 The following are suggested as aspects of the purpose of a Crisis Fund for Barnet:

- a) To provide a **temporary safety net** for those who are in extreme hardship and who do not have recourse to any other forms of support
- b) To **alleviate crisis** caused by factors outside the control of the claimant
- c) To support the Council's strategy to **encourage work** by reducing dependency on public support
- d) To support a **healthier lifestyle**, in particular by reducing the misuse of alcohol and drugs
- e) To give people **more independence and control** over how they live their lives

9.4.2 In line with the purpose, the following scheme design principles are suggested:

- **Integrate** the discretionary elements of the Social Fund and Discretionary Housing Payments into a **single application framework** in order to make

best use of available funding from government

- **Separate the application process from the process of determining claims** in order to minimise the opportunity for fraud and coercion
- **Use those closest to applicants to provide support in applying for grants**, leveraging the close relationships that already exist between voluntary and community groups and those in need
- **Use existing data on claimants** where possible in order to minimise administration costs and the opportunity for fraud
- **Make only grants not loans**, in order to minimise administration costs
- **Provide both proactive and reactive support**, devoting a significant portion of funds to prevention of hardship. Provide reactive support only to meet needs that cannot be met by other means
- **Minimise cash payments** wherever possible in order to minimise the risk of fraud and ensure that grants are made for the purpose for which they were made
- **Prioritise those in most need against limited funds.** Funds are limited. However, the Government is increasing funding for DHPs substantially for 2013/14 in the expectation that welfare reforms will adversely impact some groups, who will need some transitional support. We should take full advantage of these funds by assessing the totality of the needs of the applicant to identify the most appropriate way of meeting those needs from the full range of discretionary funds available.
- **Evolve the scheme** in the light of the experience in the early phase of the rollout of welfare reform – the profile of claimants is likely to become significantly different from that of today.

9.5 Design features considered

Appendix 2 identifies a number of design features that have been considered and evaluated, together with the pros and cons of each option.

9.6 Future Scheme Design

The proposed scheme design, that meets the principles above and addresses the topics outlined in section 9.2, is illustrated in Figure 1 overleaf. This model consists of three operational layers, as follows:

- An **Application Layer** (shown in blue), in which applicants can access the scheme through a range of channels, including the internet and face-to-face facilities run by the council, Barnet Homes, Citizen Advice Bureaux and Charities. Applicants will be able to obtain support in completing their application from these agencies, who will also be able to make recommendations to the administration layer regarding a specific application;
- An **Administration Layer** (shown in green), physically separate from the application layer, where the claim is assessed and an award granted or declined; and
- A **Fulfilment Layer** (shown in red), where approved awards are generated and delivered to successful applicants

Control of the overall scheme will be executed by the Council's Revenues and Benefits function. Administration will be supported by that function's existing Benefits system, which already contains details of all Housing and Council Tax Benefits

applicants against which applications to the Crisis Fund will be checked.

The overall scheme will integrate funds from both the Social Fund and DHPs into a single framework, thereby optimising the use of these funds. Section 17/18 awards may make use of the fulfilment services in the scheme. Any surplus from the new Council Tax Support scheme is also proposed to be integrated within the same framework, to enable support to be provided to those suffering hardship as a result of their Council Tax liability.

This design meets the purpose of the scheme as stated in paragraph 9.4 and separates the customer interface (in blue) from claim administration (in green) from award fulfilment (in purple). It integrates the administration of applications for both Social Fund awards and Discretionary Housing Payments, and provides an opportunity for Section 17/18 awards to be made using the Crisis Fund fulfilment process.

Further details on how the scheme will work are provided in the paragraphs below.

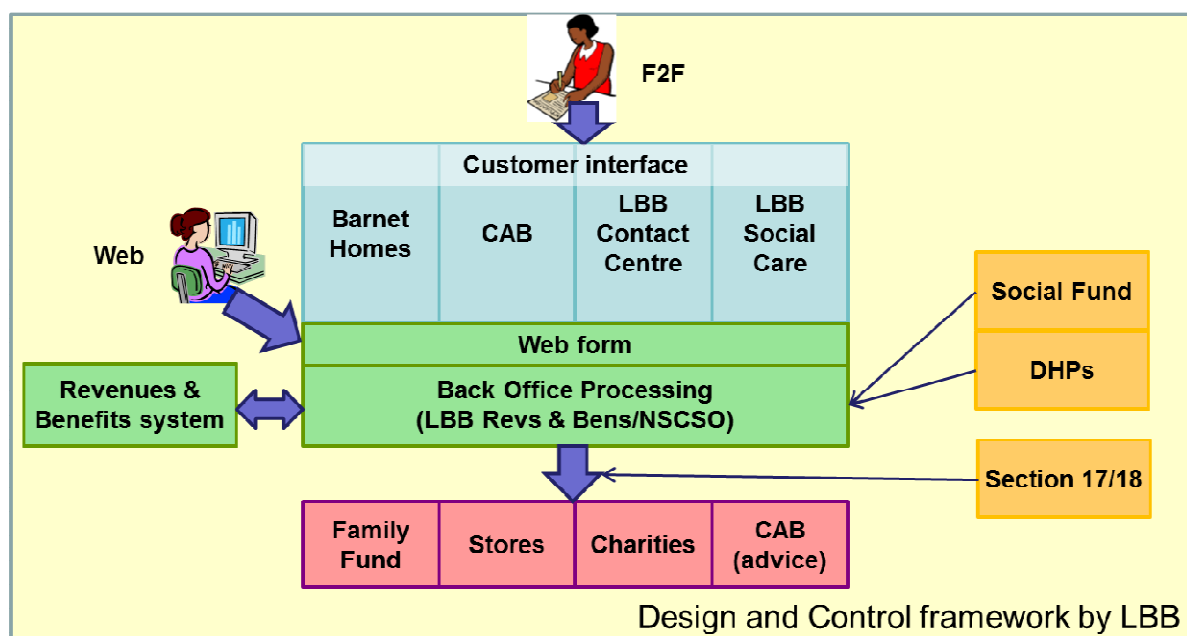


Figure 1: Future scheme design

9.6.1 Scope

The scheme will encompass the following sources of funding, but will recognise the constraints on their use:

- Crisis Loan living expenses
- Community Care Grants
- Discretionary Housing Payments – these are subject to tight guidelines on their use and can only be used to support housing rent and deposit payments

9.6.2 Application and evaluation process

All applications for discretionary hardship support will be made to either the council or one of a number of partners, including Citizen Advice Bureau, Charities and Barnet Homes. There will be a single electronic application process, accessible by claimants on-line, or via telephone/face-to-face interaction with council officers and

other professionals who would have access to the 'Crisis Fund' system.

Arrangements will be made for out of hours support to enable emergency grants to be made in appropriate circumstances.

9.6.3 Administration process

Determination of applications for support will be undertaken centrally by LBB Revenues & Benefits service (with the NSCSO provider from 1 April 2013) in order to ensure security, consistency of approach and overall financial control. Determination will be supported by the Civica Discretionary Awards Module, which will be integrated with the existing Civica OpenRevenues Housing and Council Tax Benefits system. This will check the financial status and other details of applicants for hardship support against the records in OpenRevenues where appropriate.

Applications will be evaluated against defined criteria, including:

- Basic eligibility, eg nationality, age, length of residence in Barnet, benefits claimant
- Previous history of applications for hardship support
- Level of savings accessible to the applicant
- Domestic circumstances of the applicant, including whether they are in a defined vulnerable group
- Nature of the requested support (eg financial or otherwise)

Applications will be allocated to a priority level, with higher priority levels securing a larger proportion of their request than lower priorities.

In assessing claims, a holistic picture of the claimant's financial situation will be built up and those needs that relate to rent or deposits will be met first from DHPs. For example, if a claimant is paying £150/week in rent but is only receiving £120/week in benefit and as a result cannot afford to buy groceries, the £30/week shortfall should be drawn from the DHP fund rather than any of the other (non-ringfenced) funds.

9.6.4 Decisions

Decisions will be made within a short timescale, with higher priority being given in emergency cases. Target times will be defined in the detailed scheme design but will be no more than one week in routine cases and within two hours in emergency cases. Those refused support will be signposted to other agencies outside the Council who may be able to help.

9.6.5 Fulfilment

Delivery of financial awards will be made via a number of mechanisms, including BACS transfer, redeemable voucher or pre-paid debit card, with cash or cheque payments being avoided wherever possible. A procurement exercise will be undertaken to select a suitable supplier but this may not be completed in time to meet the operational deadline of 1 April 2013. As an interim measure, existing fulfilment arrangements will be used, including those already in place via Adult Services. The council will also engage with suppliers of second hand furniture and other recyclable items to provide an end-to-end supply/deliver/install service. The provision of advice will be delivered by a range of agencies outside the council, including Citizens Advice Bureau, with whom discussions have already been

initiated.

9.6.6 Appeals

Consideration will be given to an appeals process. The detailed design of this process will be developed in conjunction with agencies supporting those in need before implementation and submitted for approval via Delegated Powers Report alongside the detailed eligibility and evaluation criteria before the scheme comes into operation.

9.6.7 Financial Control

Tight financial monitoring and control will be implemented by setting monthly budgets based on month-by month profiling of available funds (initially based on historical pattern) and then limiting awards within a small tolerance of these monthly budgets. Criteria for granting awards will be adjusted on a monthly basis to ensure that surpluses or deficits do not develop.

9.6.8 IT systems

The processes above will be supported by a fit for purpose IT system, integrated with the existing Revenues and Benefits system. Civica has already developed such a system which can be configured to the designs of any local authority, integrates with the existing OpenRevenues Revs & Bens system and will be available in pilot form in early December 2012..

9.6.9 Eligibility Criteria

The detailed eligibility and evaluation criteria for the award of grants under the new scheme will need to be evolved over time as the nature and scale of demand for awards under the new scheme develops in the light of the emerging impact of the government's welfare reform programme. The following initial eligibility criteria for qualifying for any grant are proposed:

- 16 or over, and
- Barnet resident or about to move into Barnet for a valid reason (eg release from institution), and
- In receipt of a qualifying benefit, and
- UK or EU citizen, and in possession of a Home Office letter, and
- Savings of less than a defined amount, and
- Claim not covered by insurance, and
- No more than one previous discretionary award in the past year, and
- Immediate and serious risk to the health and safety of the applicant or their family, or
- Need essential assistance to establish yourself, or to remain in, the community, or
- Need financial assistance to meet housing-related costs

Having passed the above screening criteria, claims will then be assessed on the basis of the circumstances that led to the hardship, the claimant's needs and the availability of funds.

A portion of funds will be reserved for proactive interventions, eg budgeting courses,

designed to prevent the recurrence of the cause of the specific hardship that gave rise to the claim. Awards may be made conditional on attending such courses.

Detailed eligibility criteria will be worked up along the lines above, and will be approved via the council's delegated powers process prior to implementation.

9.6.9 Link with Council Tax Support Scheme

The Council will be introducing a new Council Tax Support (CTS) scheme from April 2013 which is designed to generate a surplus in 2013/14, to be used to alleviate hardship amongst those who may be adversely impacted by the CTS scheme. On base assumptions it is expected that this surplus could be up to £500,000 in 2013/14. It is proposed that any surplus is transferred into the Crisis Fund to aid those in hardship in a way that is most appropriate to the individual. This 'no one size fits all' approach will enable those in the greatest need to be targeted rather than providing blanket protection from the impacts of the scheme for population segments who may have a lesser need than those outside the protected groups.

The detailed eligibility and evaluation criteria for the Crisis Fund will be developed with the benefit of inputs from a range of community groups, agencies interfacing with those in need and council functions to ensure that best use is made of the available funds.

9.7 Implementation

A project to design, develop and implement a hardship support scheme has been initiated in Revenues & Benefits. The project will ensure the successful implementation of a coherent local Crisis Fund scheme in Barnet that will be seen to be fair, will prioritise and address the real needs of citizens, will be economic to administer and will work with the available funds.

Workstreams within the project include:

- Analysis and modelling of current state and design options
- Stakeholder consultation (decision needed on whether we go to full public consultation or limit this to other agencies, eg Barnet Homes, charities, CAB etc)
- Delivery partners – engaging with preferred NSCSO provider, public/third sector agencies and private sector suppliers to agree who is best placed to deliver the scheme and to establish appropriate contractual arrangements
- Equalities
- Liaison with other local authorities and other interested groups
- Supporting IT systems
- Scheme design
- Scheme implementation, including testing, training and on-going monitoring of the scheme
- Project governance and management.

It has been confirmed that the volume of scheme administration transactions can be catered for by the successful NSCSO provider within the volumetric pricing arrangements already under negotiation. Discussions will be held with the successful provider during the mobilisation period (January – March 2013) to ensure that the new scheme is picked up and operated successfully from 1 April 2013.

The implementation strategy is to implement a basic scheme in 2013/14 and to review the evolving caseload as the full impact on hardship of the government's welfare reforms emerges. In the light of this we will develop the scope and design of the scheme, in particular considering the extent of proactive support and how to best collaborate with the third sector to support people who may be on the verge of crisis and to respond to short-term need.

It is proposed to conduct a detailed review of the operation of the scheme after at least 6 months in order to assess its effectiveness and value for money and to ensure that the continuity with the current Social Fund scheme that has been incorporated in the scheme design provides the best support for those in need. This will include consultation with both recipients of awards from the scheme and agencies supporting those in need, together with a re-evaluation of equalities impacts.

The timetable for implementation is extremely tight. For the scheme to go live in April 2013, several milestones will need to be achieved. These are:

TABLE 4: IMPLEMENTATION MILESTONES

Milestone	By
Cabinet agree new scheme	17 December 2012
Start transition to preferred NSCSO provider	January 2013
Scheme principles and features developed into working procedures	15 January 2012
Civica Module configured in line with working procedures and fully tested	15 February 2013
Staff fully trained in new scheme and system	15 March 2013
Go Live	1 April 2013

A detailed implementation plan is provided in Appendix 4.

10 LIST OF BACKGROUND PAPERS

- 10.1. Appendix 1 provides details of the current Social Fund scheme.
- 10.2. Appendix 2 details the options evaluated in deriving the proposed new scheme
- 10.3. Appendix 3 provides the Equalities Impact Assessment
- 10.4. Appendix 4 provides a detailed implementation plan for the new scheme

Cleared by Finance (Officer's initials)	
Cleared by Legal (Officer's initials)	

APPENDIX 1: The current Social Fund scheme

A **Community Care Grant** is a non-repayable payment awarded for the purpose of meeting a need for community care. Grants may be awarded to people who are leaving accommodation in which they received care, to help people to continue to live in the community, or to help people on a resettlement programme to set up home. Grants can also be awarded to help ease exceptional pressures on families, to care for a prisoner or young offender on release on temporary licence, or to help with certain travel costs. They are available to people getting Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Pension Credit or payment on account of one of them. They are also available to people who are leaving care within 6 weeks and who are likely to get one of those benefits or entitlements on leaving.

A **Budgeting Loan** is an interest-free loan intended to help spread the cost of certain one-off expenses over a longer period. A Budgeting Loan can help towards the cost of various items for example, things needed for or to improve the home, clothing and footwear, travelling expenses and certain debts.

They are available to people getting Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Pension Credit, or payment on account of one of them for at least 26 weeks.

Budgeting Loans have to be repaid.

A **Crisis Loan** may be available to anyone aged 16 or over, whether or not they get any benefit, who needs help to meet expenses in an emergency or because of a disaster. A loan must be the only way of preventing serious damage or risk to the health or safety of the person or to their family.

Crisis loans are interest free but have to be repaid.

Sure Start Maternity Grants are to help pay for things for a new baby. You may be eligible for a Sure Start Maternity Grant if you or your partner are getting Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Pension Credit, Working Tax Credit where a disability or severe disability element is included in the award or Child Tax Credit at a rate higher than the family element. A Sure Start Maternity Grant is a lump sum payment which does not have to be repaid.

Funeral Payments are to help with the necessary costs of a respectful funeral which you or your partner are responsible for arranging. You may be eligible for a Funeral Payment if you are getting Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Pension Credit, Working Tax Credit where a disability or severe disability element is included in the award, Child Tax Credit at a rate higher than the family element, Housing Benefit or Council Tax Benefit. The payment covers various aspects of the funeral, but is recoverable from the deceased person's estate if they have left one.

Cold Weather Payments are made to some people getting Income Support, income-based Jobseeker's Allowance or Employment and Support Allowance (income-related), and to all people getting Pension Credit to help towards extra heating costs when there is a spell of very cold weather in the area where they live.

Winter Fuel Payments are made to people aged 60 or over to help towards their winter heating costs.

Community Care Grants and Crisis Loans

Following a period of consultation on the localisation of Community Care Grants and Crisis Loans for living expenses, the government proposes to transfer the arrangements for provision of these elements of the Social Fund to local authorities from 01 April 2013.

The DWP will retain responsibility for alignment payments and budgeting loans which will be replaced by a new scheme of short term advances.

The design of the new local provision will be for local authorities to determine although it is anticipated that this will be aligned with existing services. The settlement given to local authorities to administer this scheme will be based on 2005/6 expenditure levels.

Current administration of the Social Fund scheme

People apply for **Crisis Loans** if they need financial help with an emergency or disaster. Customers can only get Crisis Loans for an emergency if it is for:

- living expenses
- rent in advance
- board and lodging and hostel charges
- emergency travel when stranded away from home
- The cost of repaying emergency credit on a pre-payment meter.

The amount of any Crisis Loan awarded is the smallest amount needed to tide the customer over or remove the crisis. There is no minimum amount. The maximum amount that can be paid is £1,500 less any other Social Fund loan outstanding. They are paid in a maximum of two days and are normally limited to 3 awards in a 12 month period.

People apply for **Community Care Grant** if they need financial help to live independently in the community or to ease exceptional pressure on themselves or their family. Grants are intended to promote community as opposed to residential care. They enable customers to buy essential items without having to repay the money.

Essential items include bedding, clothing, cookers, furniture and carpets. There is no limit to what is claimed though some items are excluded from the grant. The minimum payment awarded is usually £30 (but travelling expenses can be lower).

There is no upper limit. The grant is reduced by any capital/savings in excess of £500 or £1000 for those 60 and over. They are paid in a maximum of nine days.

- Applications for a Crisis Loan for living expenses and rent in advance are made over the phone or using text phone.
- Community Care Grant applications are by post via a downloaded form.
- Alternative means include downloading a claim form and posting or taking it to a local Job Centre Plus office.
- Crisis Loans and Community Care Grants are usually paid into a customer account.

APPENDIX 2

Evaluation of design options

Item	Design Option	Pros	Cons	Proposal
Scope	Include Discretionary Housing Payments within scope of Hardship Scheme	Consistency of approach across all discretionary funds Make best use of available government funding Supports holistic view of claimant's circumstances	Administration would need to be transferred back from Barnet Homes to Revs & Bens/NSCSO	Include in base scheme from the outset
	Include Section 17/18 payments within scope of Hardship Scheme	Consistency of approach across all discretionary funds Make best use of available government funding Supports holistic view of claimant's circumstances Take advantage of cost-effective fulfilment services, eg from Family Fund	Section 17/18 grants are made on the recommendation of social workers, and do not have to be applied for	Exclude from scope of main scheme but potentially open up fulfilment processes to Children's Services
	Include Mayor of Barnet Benevolent Fund within scope of scheme	Consistency of approach across all discretionary funds Make best use of available government funding Supports holistic view of claimant's circumstances	Risk that the Fund becomes subsumed into general Hardship scheme	Exclude for time being – review when scheme established
Customer application interface	Web based	Low cost Integrates with existing systems In line with government strategies	Not all applicants have direct access	Use web-based application form supported by face-to-face agencies where needed
	Paper based	Accessible to all	Higher cost Duplication of administrative effort	
Support for applicants	From LBB	Already available at limited number of access points, ie Barnet House, Burnt Oak	Limited access points Do not fully understand applicant groups	Use all these agencies for application support
	From Barnet Homes	Already available at Barnet House	Limited access points Do not fully understand applicant groups	
	From general support agencies, eg CAB, charities, community	Large number of access points Fully understand the situation of 'their' group		

	groups	Already provide support for Social Fund applications		
Administration	Administration of scheme performed by Revs & Bens/NSCSO	Ease of integration with existing Civica back office system and processes Substantial numbers of experienced administrative officers Separation of application process from administration of awards		Revs & Bens/NSCSO to administer awards process.
	Administration of scheme performed by others, eg Barnet Homes	Close understanding of the circumstances of those in hardship	Very limited scale or depth of expertise No separation of application process from administration, leaving open the possibility of coercion	
Fulfilment	Awards made in cash	Ease of use by claimant	Risk of misuse of award for purposes other than those intended Opens up opportunity for coercion and/or fraud LBB not set up to distribute cash	Do not use cash at all, even for DHPs (use bank transfers to landlords instead)
	Awards made in form of vouchers	Reduce potential for misuse/fraud Limit use of award to the item(s) and purpose intended	Potential stigma attached to vouchers Outlets where vouchers can be used may provide limited choice	Use vouchers for the majority of awards, tailored where possible to limit their use to the intended item(s)
	Provide proactive advice/support as part of award package	Addresses root cause of hardship rather than symptoms – prevents recurrence	No guarantee that claimants will follow advice given	In appropriate circumstances, make reactive award conditional on claimant taking advice
	Use Family Fund – national charity who already provide white goods, furniture, clothing etc to those in need	Low cost of administration – £5K setup plus £1K per annum for access to portal LBB could specify awards via their portal and the request would be actioned within [48] hours	National rather than local scheme – cut out local charities etc	Use Family Fund for white goods and other new items
	Use local charities	Supports localism	May not be able to keep up with demand	Use local charities for second hand goods, eg furniture

APPENDIX 3

Equalities Impact Assessment

1. Details of function, policy, procedure or service:	
Title of what is being assessed: Crisis Fund Scheme	
Is it a function, policy, procedure or service?: Service	
Department and Section: Revenues & Benefits	
Date assessment completed: December 2012	
2. Names and roles of officers completing this assessment:	
Lead officer	John Gregson
Stakeholder groups	
Representative from internal stakeholders	
Departmental Equalities rep	Julie Pal
HR rep (for employment related issues)	
3. Full description of function, policy, procedure or service:	
<p>Why is it needed?</p> <p>As part of its welfare reform programme, the government is transferring responsibility for the administration of the discretionary elements of the 'Social Fund' from DWP to local authorities from April 2013. In 2013/14 government will provide non-ringfenced grant funding of £800,000 plus a further £169,000 for administration to cover the discretionary elements of Community Care Grants and Crisis Loans. In addition, in order to mitigate the impact of its welfare reforms, government has increased funding for Discretionary Housing Payments (DHPs), from £240,000 in 2011/12 to £900,000 in 2012/13, and is expected to increase the sum further to around £1.6M in 2013/14.</p> <p>The council needs to design and implement a suitable scheme to cover the discretionary elements of the Social Fund, to take effect on 1 April 2013. Recognising the increased funding of DHPs and the desirability of taking an holistic view of each claimant's needs, it is proposed to integrate DHP applications within the same framework as the Crisis Fund.</p> <p>What are the outcomes to be achieved? What are the aims and objectives?</p> <p>The project's broad strategic objective is to implement a local Crisis Fund scheme, within budget and on time, to provide backstop support to those in extreme hardship in the community while managing the financial risk to the Council.</p> <p>The key business objectives of the project are:</p> <ul style="list-style-type: none"> • To ensure that the scheme: <ul style="list-style-type: none"> ○ Is fully operational from 1 April 2013; ○ Aligns with Barnet's strategic corporate objectives; ○ Feeds into the budget and MTFs processes in a timely fashion; ○ Is legally compliant; ○ Is fit for purpose and allows flexibility for adjustment in the light of emerging demand trends; ○ Meets the Government's Welfare Reform agenda; 	

- Takes account of other wider welfare reforms and Council service delivery changes (in particular NSCSO)
- To analyse and review a range of potential delivery options to:
 - Maximise the opportunities presented by increased funding from government for discretionary awards;
 - Ensure ease of access to those in need;
 - Minimise administrative costs and the opportunity for fraud;
 - Prioritise awards to those in greatest need;
 - Ensure tight financial control in order to stay within budgets
- To engage with the full range of relevant stakeholders to
 - Ensure that the scheme design is informed by the inputs of organisations having contact with those likely to present in need, and that the views of various groups are seen to have been considered;
 - Ensure support and advice is available (eg. from 3rd sector), regarding support for claimants;
 - Ensure that staff skills, experience and knowledge are integral to the development and formation of the scheme;
 - Ensure that the scheme addresses all relevant equalities requirements

Who is it aimed at? Who is likely to benefit?

This scheme is aimed at those in the borough who present with significant or acute hardship and who have exhausted the full range of other support to which they may be entitled. In particular, segments of the population who may seek support from the scheme include:

- Those recently released, or about to be released, from prison or other residential establishment
- Young unemployed males (18-30)
- Those who have experienced an adverse event such as fire or flood, or have been the victim of crime
- Those whose Housing Benefit does not cover their full rent and need some transitional support before moving to lower-cost accommodation
- Those wishing to move into private rented accommodation but who do not have sufficient funds to find a deposit

How have needs based on the protected characteristics been taken account of?

The Hardship scheme is aimed at all in the borough regardless of any protected characteristic. The future pattern of demand for support to alleviate hardship is likely to change fundamentally following the implementation of changes to welfare provision that will come into effect from 1 April 2013, so past patterns of demand are not necessarily a guide to the design of the future scheme.

Nevertheless, research has been carried out with a wide range of community and other groups to gain an insight into the typical causes of hardship and what measures are most appropriate in addressing both the symptoms and causes of hardship. Bodies consulted are shown below.

Voluntary organisations:

- Barnet Refugee Service
- Barnet Somali Community Group
- Chinese Mental Health Association
- Citizens' Advice Bureaux
- Disability Action in Barnet
- Farsaphone Association

- Jewish Care
- Jewish Women's Aid
- Outreach Barnet
- Safe Start Foundation
- Sangam Advice Centre
- Step Forward
- Teenage Parents
- The Ridgeway
- Threshold
- Turning Point
- Welfare Rights Unit
- Young Parents

Housing bodies:

- Barnet Homes
- Central&Cecil Housing Trust
- Safe Start Housing

London Borough of Barnet:

- LBB Adults Service
- LBB Children's Service
- LBB Housing Service

Central Government/NHS/Prisons:

- Barnet, Enfield & Haringey Mental Health Trust
- Chase Farm Hospital
- Department for Work and Pensions/Job Centre Plus
- DWP/JCP Fraud Team
- HM Prison Wormwood Scrubs
- London Probation in Partnership with Threshold Barnet Centre
- Middlesex University
- PDCS Local Service
- Royal Hospital for Neuro Disability
- The Pension Service

What data sources have been used to inform this assessment?

Historic data in this area is very limited. DWP have administered the existing Social Fund scheme

(including Community Care Grants and Crisis Loans), but have made only high-level volumetric and value information available. Similarly, data on applications for Discretionary Housing Payments is limited to volumetric and value information. These data sets have been used to evaluate the scope and scale of the administrative burden for the new scheme, but no equalities data on previous claimants is available to inform this Equalities Impact Assessment.

Since the government's welfare reforms may have a large and profound impact on many people who are currently not in hardship, it is likely that historic data on claimants to the Social Fund will be a poor predictor of the profile of future applicants. Our strategy is therefore to collect data on applicants to the new scheme during the early period of its operation, and to conduct a further Equalities impact Assessment in late 2013, when a clearer pattern of demand has been established.

In the interim, as an illustration of the profile of people who may present with hardship to the new scheme, data has been compiled for the proposal to introduce a Council Tax Support Scheme in Barnet. This uses available data on current benefits held on the Revenues and Benefits system, and the results of a consultation exercise on this subject held between 1 August 2012 and 24 October 2012. In addition, national and local data sets have been used to inform the analysis of how protected groups may be impacted by the proposed Council Tax Support scheme.

The available data is shown in the table below. Note that, since data on protected characteristics is not collected via the Revenues and Benefits system, data from respondents to the consultation questionnaire who receive Council Tax Benefit is shown as a proxy.

Protected group	Breakdown	Council Tax Benefit recipients		Consultation statistics ³ (weighted)	All households	
		National statistics ¹	Barnet statistics ²		National statistics ⁴	Barnet statistics ⁵
Age	Working age	51%	96%	92%	72%	62%
	Older than working age	49%	4%	8%	28%	13%
	Under 25		7%	11%		32%
	25-34		27%	27%		17%
	35-44		31%	26%		15%
	45-54		17%	18%		13%
	55-64		12%	10%		10%
	65 and over		4%	8%		13%
Disability	In receipt of a disability benefit	18%			6%	4%
	Not in receipt of a disability benefit	82%			94%	96%
	Consider themselves to have a disability		33%	24%	19%	13%
	Do not consider themselves to have a disability		67%	76%	81%	87%
Gender	Male	38%	39%	45%	48%	48.5%
	Female	62%	61%	55%	52%	51.5%
Marital status	Married					48%
	Never married					36%
	Separated					2%
	Divorced					6%
Lone	Female	93%			91%	

parents	Male	7%			9%	
Pregnancy /maternity	Pregnant or on maternity leave		5%	4%		
	Not pregnant or on maternity leave		95%	96%		
Race/ ethnicity	White	90%	64%	62%	91%	65%
	Ethnic minority	10%	36%	38%	9%	35%
Religion	Christian		46%	49%	70%	55%
	Muslim		14%	11%	5%	7%
	Jewish		10%	9%	1%	15%
	Hindu		6%	7%		
	Other religion		7%	5%		
Sexual orientation	No religion/agnostic/atheist		16%	19%	22%	13%
	Heterosexual		90%	89%		
	Bisexual		5%	5%		
	Lesbian		3%	3%		
	Gay		2%	2%		

¹National statistics taken from 3 years of Family Resources Survey 2005/6 to 2007/8, quoted in Retrospective EIA for Housing Benefit and Council Tax Benefit

²Barnet statistics on Council Tax Benefit recipients taken as a proxy for actual figures from responses to the consultation questionnaire

³Consultation respondents weighted in line with the proportions of Council Tax Benefit recipients and non-recipients in Barnet's population

⁴National statistics on general population taken from 2011 Census

⁵Barnet statistics on the general population taken from 2011 census data and the GLA annual population survey 2010

4. How are the equality strands affected? Please detail the effects on each equality strand, and any mitigating action you have taken so far

The proposed scheme aims to replicate the existing discretionary provisions of the Social Fund and integrate the application and evaluation process with that for Discretionary Housing Payments, thereby simplifying the process from the applicant's point of view and optimising the use of available funds to alleviate hardship. Overall, therefore, it is expected that there will be a slightly positive impact for all groups from the introduction of the scheme. However, some groups may be affected by the changes in the application process, and these are considered below.

Equality Strand	Affected?	Explain how affected	What action has been taken already to mitigate this?
Age	Potentially	The primary method of applying for grants will be through a web form that will be accessible via the Barnet web site. Older residents may be less familiar with the use of the internet than younger residents and therefore may find it more difficult to apply for support.	It is proposed that support for applicants in filling in the web form will be available in person at a range of locations, including LBB face to face centres at Burnt Oak and Barnet House, Barnet Homes, CAB and charities. In addition, support will be available by phone from the LBB contact Centre. For those who do not have access to the internet and cannot leave their

			home, an application by phone process will be available via the Council's contact centre.
Disability	Potentially	The primary method of applying for grants will be through a web form that will be accessible via the Barnet web site. Disabled residents may be less able to use the internet and therefore may find it more difficult to apply for support.	Whilst detailed agreements have yet to be finalised, it is intended that support for applicants in filling in the web form will be available in person at a range of locations, including LBB face to face centres at Burnt Oak and Barnet House, Barnet Homes, CAB and charities. In addition, support will be available by phone from the LBB contact Centre. For those who do not have access to the internet and cannot leave their home, an application by phone process will be available via the Council's contact centre.
Gender	No	Whilst gender data on applicants to the new scheme is not available, around 60% of Council Tax Benefit recipients are female and 40% male. Many female recipients are lone parents and will therefore have childcare responsibilities.	The ability to apply for support via the internet may be an advantage for younger people, including lone parents, who are familiar with this form of communication. For those who do not have access to the internet and cannot leave their home, an application by phone process will be available via the Council's contact centre
Gender reassignment	No	Whilst gender reassignment data on applicants to the scheme is not available, there is no evidence that any of the proposed changes will have a disproportionate impact on those with gender reassignment	No distinction has been made on the grounds of gender reassignment in the design of the scheme.
Marital status	No	Whilst marital status data on applicants to the scheme is not available, there is no evidence that any of the proposed changes will have a disproportionate impact on those of any marital status	No distinction has been made on the grounds of marital status in the design of the scheme
Pregnancy and maternity (including teenage parents)	No	Whilst pregnancy/maternity data on applicants to the scheme is not available, there is no evidence that any of the proposed changes will have a disproportionate impact on those of those in this category.	No distinction has been made on the grounds of pregnancy/maternity status in the design of the scheme
Race	Yes	Whilst race data on applicants to the scheme is not available, the proportion of Council Tax Benefit claimants from ethnic	Support in completing the form will be available from a wide range of agencies, potentially including those who support ethnic minorities. The

		minorities is the same as that of the general population in Barnet. Nevertheless, those from ethnic minorities may have difficulty in understanding the application form and process.	web form will be translatable using proprietary translation packages available free on the internet
Religion or belief	No	Whilst religion data on applicants to the scheme is not available, there is no evidence that any of the proposed changes will have a disproportionate impact on those of those in this category.	No distinction has been made on the grounds of religion in the design of the scheme
Sexual Orientation	No	Whilst sexual orientation data on applicants to the scheme is not available, there is no evidence that any of the proposed changes will have a disproportionate impact on those of those in this category.	No distinction has been made on the grounds of sexual orientation in the design of the scheme

5. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents

This scheme will make changes in the procedures for applying for existing discretionary grants and loans (Community Care Grants, Crisis Loans and Discretionary Housing Payments). Changes will be made in how awards are granted – in particular cash awards (used fairly extensively by DWP hitherto) will be minimised and only used if there is no alternative. Previous recipients of such awards may therefore be dissatisfied in comparison with their previous experience. The restriction of awards to non-cash media may generate general dissatisfaction and in particular may create adverse reaction from substance abusers, who under the current scheme may have been accustomed to receiving regular cash awards that they have used to fund their habits.

6. How does the proposal enhance Barnet's reputation as a good place to work and live?

This proposal is not unique to Barnet – many councils are implementing a similar scheme. As indicated above, the simplified application process and integration with DHPs will result in a slightly positive impact on claimants to the scheme, although this is unlikely to have a significant effect on Barnet's reputation as a whole. On balance, therefore, it is considered that the proposed scheme is likely to have a neutral effect on Barnet's reputation as a good place to work and live in comparison with alternative locations.

7. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?

The new scheme will bring together under a unified framework a number of discretionary awards that are available to those in need. It will also simplify the administration of such awards and reduce the risk of fraud. All these positive aspects should increase the confidence of the community as a whole in the Council's ability to conduct its business in an efficient and effective manner.

8. What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? *Include information about the groups of people affected by this proposal. Include how frequently will the monitoring be conducted and who will be made aware of the analysis and outcomes? Include these measures in the Equality Improvement Plan (section 13)*

The application process for awards under the new scheme will include data gathering on protected characteristics. The number, value and nature of applications for grants under the new scheme will be closely monitored and reported, in particular during the first 6 months of its operation, to ensure the impact of welfare reform is fully understood and this insight will be fed into the evolving design of the scheme.

9. How will the new proposals enable the council to promote good relations between different communities? *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

The proposal is likely to have a neutral effect on these aspects – the new scheme is unlikely to impact any community differently from any other.

10. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? *Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.*

As a discretionary scheme, there is no legal obligation to consult the general public on this scheme, and so far no public consultation has taken place. Substantial changes in government welfare provision implemented from 1 April 2013 are likely to have a profound impact on the profile of people applying for hardship support and the drivers of hardship, which are likely to change substantially from historic patterns. It is therefore proposed to conduct a public consultation on the scheme operation and design in late 2013, following the collection of sufficient data on the profile of applicants during the early period of its operation.

11. Decision:			
No Impact <input type="checkbox"/>	Positive Impact <input type="checkbox"/>	Neutral Impact <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known ¹ <input type="checkbox"/>
12. Comment on decision			

¹ 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

APPENDIX 4

Implementation Plan

The implementation plan for the Crisis Fund project is shown overleaf. Key milestones are:

- Approval of scheme design by Cabinet 17 December 2012
- Eligibility and evaluation criteria documented 31 December 2012
- System available for configuration/testing 7 January 2013
- Resources for testing and operation secured 31 January 2013
- System configured 19 February 2013
- Staff trained 28 February 2013
- Agreements with suppliers concluded 28 February 2013
- System tested 15 March 2013
- Go live 26 March 2013

A summary of the project plan is shown overleaf.

