

Report for: Cabinet Member Signing 7 November 2023

Title: Council Tax Reduction Scheme Amendments 2024/25

Report authorised by: Jon Warlow

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Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Key

1. Describe the issue under consideration

The report sets out the proposed amendments to the Council Tax Reduction Scheme (CTRS) to include some technical changes in the scheme for working age claimants which have already been included scheme for pension age claimants. The report sets out these technical changes, with a preferred option recommended for consultation. It also sets out the proposed consultation process.

2. Recommendations

- 2.1 The Cabinet Member for Tackling Inequality and Resident Services is asked to agree to a consultation on the preferred option to amend the existing CTRS in respect of working age claimants to replicate some technical changes which Government has already mandated for the pension age scheme.
- 2.2 The Cabinet Member for Tackling Inequality and Resident Services is asked to note the changes detailed in Appendix 1.
- 2.3 The Cabinet Member for Tackling Inequality and Resident Services is asked to note and approve that, following consultation with the Greater London Authority (“GLA”) and having considered the GLA’s response:
 - 2.3.1 A draft CTRS will be published
 - 2.3.2 A consultation (the consultation document is attached at Appendix 2) on the draft CTRS will be carried out with persons likely to have an interest in its operation; and

2.3.3 The findings of the consultation will inform the final CTRS, which will be put to members to consider at full Council in early 2024.

3. Reasons for decision

- 3.1 Central government mandates how CTRS is assessed for people who have reached state pension age. The relevant legislation is the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. These mandatory requirements for the pension age scheme are updated annually by Statutory Instrument.
- 3.2 There is no such mandatory updating mechanism for the CTRS scheme for working age claimants. Instead, the Council is obliged to consider whether to revise or replace its CTRS each year.
- 3.3 The Council is not obliged to revise or replace the CTRS scheme, and if any revision or replacement is to be made, the Council must follow the consultation process set out in the legislation and the decision must be made by Full Council.
- 3.4 Where the changes are minor and/or technical changes it would not be efficient or proportionate to run a public consultation annually. Indeed it is not possible to replicate any changes from the pension age scheme to the working age scheme in the same year as there is insufficient time following the issuance of the Statutory instrument (usually in January) to complete the required consultation process.
- 3.5 The Council has not updated these technical changes since 2013 and there is a sufficient divergence to make a consultation exercise worthwhile. For example, there are some technical changes permitting the Council to disregard certain payments (such as those relating to Windrush and Grenfell Tower) for the purposes of calculating capital, which may have more relevance to some Haringey residents.
- 3.6 The Council is not seeking to enhance or reduce the current working age CTRS scheme beyond the capital disregards and is seeking to consult only on the technical changes set out in Appendix 1. The following changes are proposed:
 - 3.6.1 Replication of capital rules. The proposed change is to update the capital rules to fully disregard certain compensation payments (Such as Windrush or Grenfell Tower support payments). This will replicate the existing pension-age CTRS rules and whilst this might only be applicable for a small number of residents, but it would be beneficial for any affected.
 - 3.6.2 Replicate the Scottish/Welsh legislative changes. The proposed change will update the working-age scheme to replicate the pension age scheme regarding several changes to Scottish and Welsh

legislative provisions. The changes are administrative and the impact on households will be negligible as most affected households are resident in Scotland and Wales.

- 3.6.3 Replicate references to national legislation, so as to include new statutory benefits and income and other minor changes from the pension-age scheme to the working-age scheme. These changes are technical and will simplify the administration of the scheme.

4. Alternative options considered

- 4.1 Not replicating the changes to the working age CTRS and having divergent technical requirements schemes for working age and pension age CTRS. This is not recommended because amending the scheme will reduce the administrative burden on the Council and afford greater clarity and consistency of CTRS entitlement for residents.
- 4.2 Replicating all aspects of the pension age CTRS scheme for working age applicants. This is not recommended as it would either have the effect of creating adverse effects for some residents (such as some households with more than two children) or increasing entitlement for other residents (such as through the reduction of some non-dependant deductions) which would increase the cost of the scheme significantly.

5. Background information

- 5.1 Haringey Council has a Council Tax Reduction Scheme (CTRS) to provide support to residents who need help to pay their Council Tax.
- 5.2 As part of the government's welfare reforms, responsibility for setting Council Tax support was devolved to Local Authorities. Council Tax Benefit was abolished and replaced with locally managed Council Tax Reduction Schemes from 1 April 2013. Nationally, CTRS had 10% less government funding than the previous Council Tax Benefit. There was a mandate to protect pensioners from any changes.
- 5.3 The Council must consider whether to revise or replace its CTRS for each financial year but does not actually have to revise or replace it and can choose to make no changes.
- 5.4 If any revision or replacement is proposed, the Council must follow the consultation process set out in the legislation and changes must be made by 11 March, to take effect from 1 April. The Council will be consulting as required. The consultation is expected to start in October 2023 and last eight weeks. The final decision must be made by Full Council before 11th March 2024.

6. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

- 6.1 These changes contribute to a positive resident experience as they improve the accessibility and design of the scheme by removing unintentional inconsistencies. This is part of the focus on tackling inequalities, recognising economic inequality and the need for us to use the levers available to us to reduce poverty in the borough and mitigate its worst impacts.

7. Carbon and Climate Change

- 7.1 The proposed decision has no impact on carbon emissions, energy usage or climate change adaptation.

8. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

8.1 Finance

The proposed changes to the CTRS are predominately minor changes which will not have any significant impact on the cost of the scheme.

8.2 Procurement

There are no procurement implications

8.3 Head of Legal & Governance

As set out in section 13A (2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act. Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

This report recommends that the existing Scheme is revised and sets out proposals for consultation. Schedule 1A to the 1992 Act makes further provision about council tax reduction schemes including prescribing the consultation process that must be followed. The Council must, in the following order:

- a. consult any major precepting authority which has power to issue a precept to it,
- b. publish a draft scheme in such manner as it thinks fit, and

c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The rationale for consulting with the major precepting authority first, in this case the GLA, is to ensure that they have been involved in shaping the proposals within the draft scheme that will be put out to the public for consultation.

It is proposed that following consultation with the GLA on the proposals set out in this report, and having considered the GLA's response, a draft scheme will be published and consultation with affected groups will commence.

The Council is proposing an eight-week public consultation. This timetable is proposed to start in October 2023

Consultation with affected groups will need to take into account the complexity of the reduction scheme that is proposed, ensuring that the proposals can be understood by consultees to enable them to give an informed response. The Council must ensure it allows adequate time for conscientious consideration of the consultation responses in order that these may inform the final proposals, which will be brought to full Council in early 2024. Whilst the Council has until 11 March 2024 to adopt the scheme, it is recognised that in order to allow sufficient time to implement any changes, full Council should consider the proposals earlier.

Schedule 1A allows the Government to make regulations about the prescribed requirements for schemes. Any scheme that the Council adopts must comply with these regulations.

The Council must ensure that it has due regard to its Public Sector Equality Duty (PSED) under the Equality Act 2010 in considering whether to revise or replace its scheme. A comprehensive Equalities Impact Assessment will be required in order to inform the final proposals put to full Council. Consideration of the PSED will include how the Council will remove or minimise any disadvantage suffered by people with a protected characteristic (by way of their age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, pregnancy, or maternity).

There are no legal reasons why the Cabinet Member should not take the decision recommended in this report.

8.4 Equality

The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act

- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

- a. The proposal is likely to improve the accuracy of CTRS awards consistent with the schemes for pension-age claimants and Housing Benefit
- b. These changes will specifically support those in financial hardship (as applicable to the local protected characteristic of socioeconomic status) and other vulnerable groups.
- c. The proposed changes to the policy will have no detrimental impact on groups that share the protected characteristics or other disadvantaged groups.

9. Use of Appendices

Appendix 1 lists the proposed changes
Appendix 2 sets out the proposed consultation

10. Background papers

[Council approval of the 2013/14 Council Tax Reduction Scheme](#)
[Council approval of the 2019/20 Council Tax Reduction Scheme](#)
[Council approval of the 2022/23 Council Tax Reduction Scheme](#)