

Annex B: Proposed changes to Council Tax Reduction Scheme from 1 April 2024

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1. Introduction

The Council is proposing to make changes to the local Council Tax Reduction Scheme in April 2024 for people who are working, but also receiving Universal Credit. Households that are on a low income can apply for Council Tax Reduction. This means that they pay less in Council Tax.

The Government makes the rules for how much Council Tax Reduction that low-income pensioners (people aged 66 or over) could get. Sefton Council makes the rules for how much Council Tax Reduction that working age customers (under 66 years old) on a low income could get under its local Council Tax Reduction Scheme.

There are nearly 15,000 people in Sefton getting help with their Council Tax through Council Tax Reduction as they have a low income.

Sefton's local Council Tax Reduction scheme contains rules for many different circumstances that people may have, including those who are:

- Single
- Married or living together as a couple.
- Have children
- Have other people living with them
- a carer
- Living with ill health or have a disability
- Working
- Looking for work
- Claiming Universal Credit
- Claiming other benefits or tax credits.
- Have other types of income (e.g., pensions)

What is Universal Credit?

Universal Credit is a government benefit paid to low-income people that is paid by the Department for Work and Pensions (DWP), designed to help people on a low income pay for:

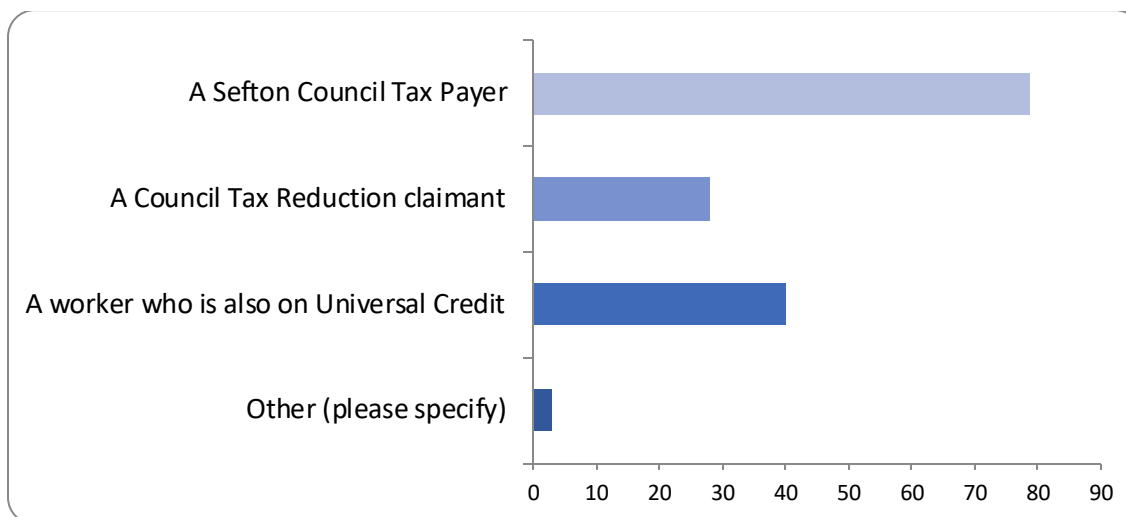
- Daily living costs for the customer and their family such as food and household bills.
- Housing costs such as rent, service charges or mortgage interest.
- Childcare costs
- Most new benefit claims for people under the age of 66 will be for Universal Credit.

Sefton Council carried out a public consultation seeking views from residents from 11th September 2023 to 13th October 2023. This was hosted on the Council's Citizen Space website, with paper copies of the survey available upon request.

2. Main Report from Citizen Space Website showing questions asked and responses received: Proposed changes to Council Tax Reduction Scheme from 1 April 2024

Responses to this survey: **150**

1: Are you responding to this survey as?



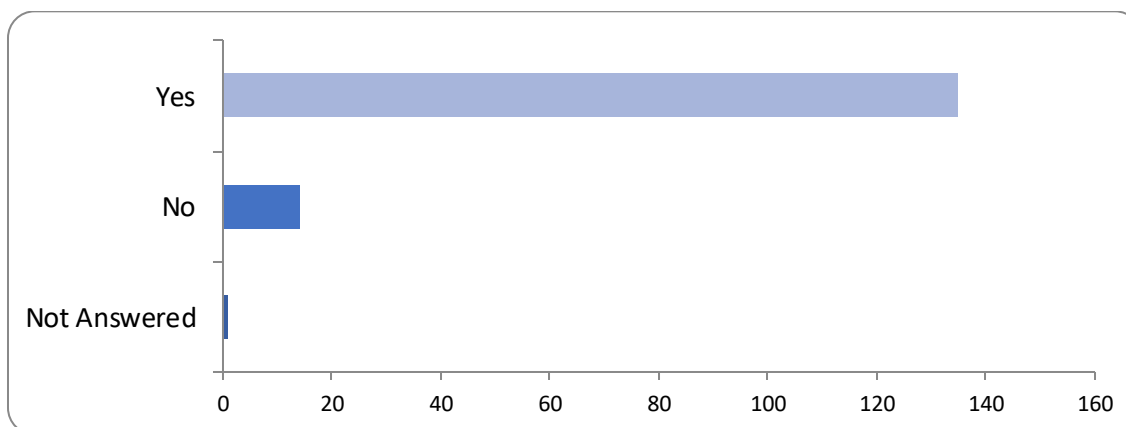
Option	Total	Percent
A Sefton Council Taxpayer	79	52.67%
A Council Tax Reduction claimant	28	18.67%
An elected Member	0	0.00%
A worker who is also on Universal Credit	40	26.67%
A local charity, voluntary or community organisation	0	0.00%
Other (please specify)	3	2.00%
Not Answered	0	0.00%

2: What is the first part of your home postcode (for example: L20; PR8)?

There were 150 responses to this part of the question detailing various postcodes throughout the borough.

3: Do you agree with proposals?

There were 149 responses to this part of the question.



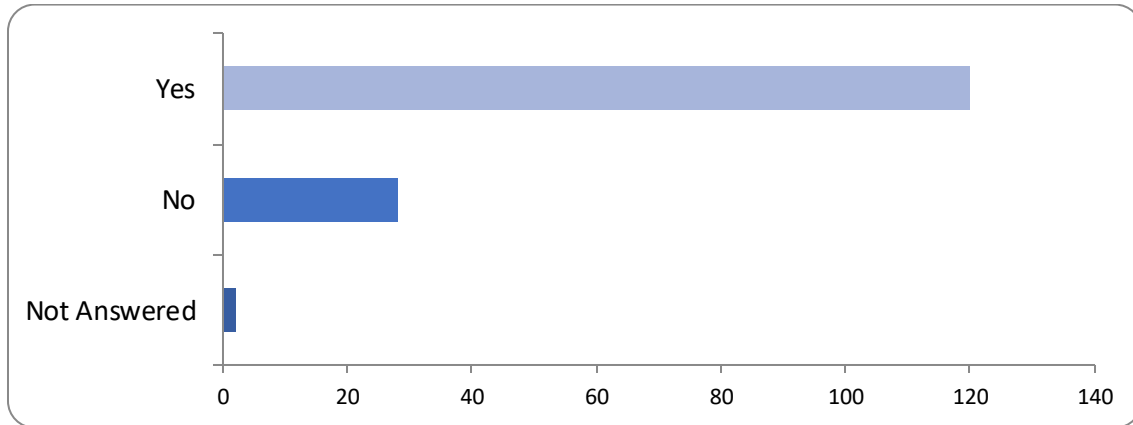
Option	Total	Percent
Yes	135	90.00%
No	14	9.33%
Not Answered	1	0.67%

Any other comments?

There were 39 responses to this part of the question. See Page 13 for analysis of these comments.

4: Do you give consent to providing your details, in accordance with the Privacy Notice?

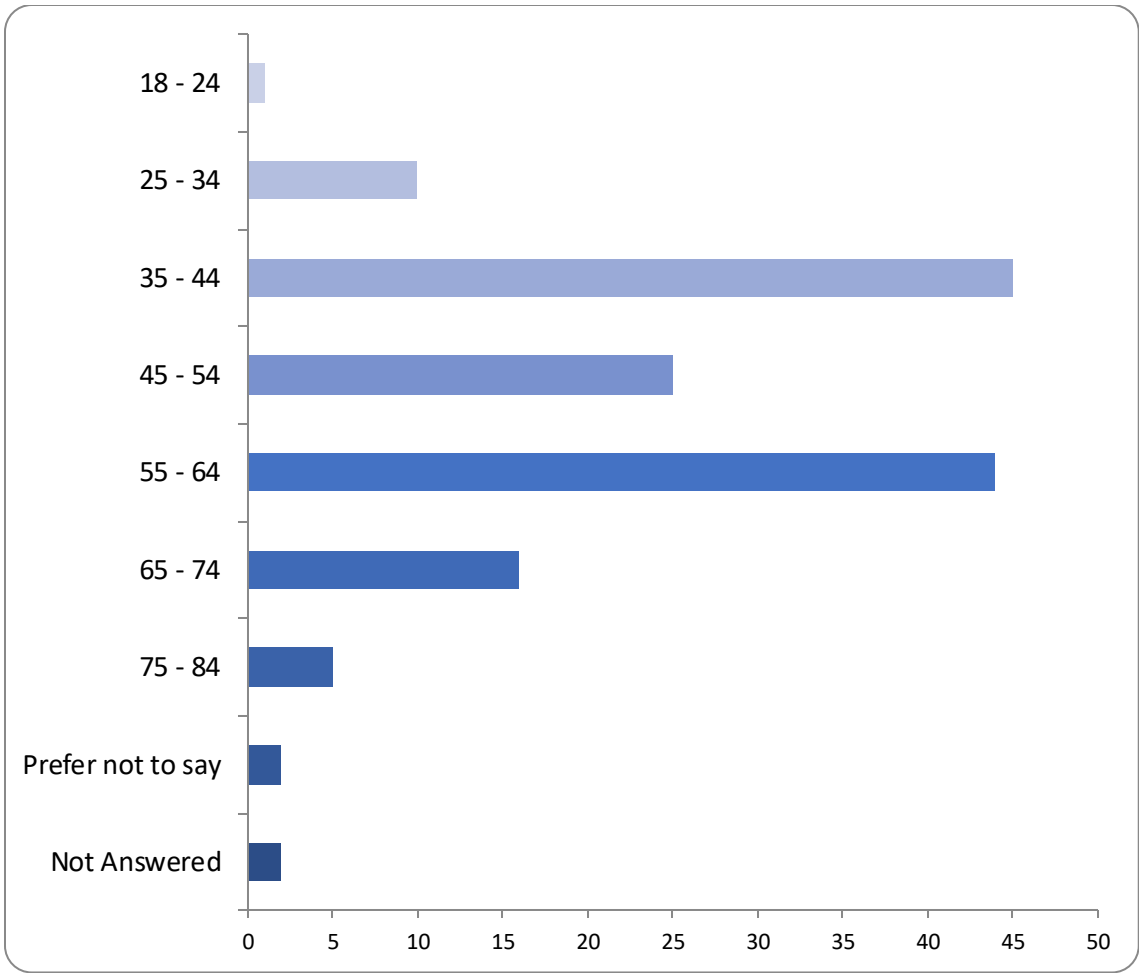
There were 148 responses to this part of the question.



Option	Total	Percent
Yes	120	80.00%
No	28	18.67%
Not Answered	2	1.33%

5: How old are you?

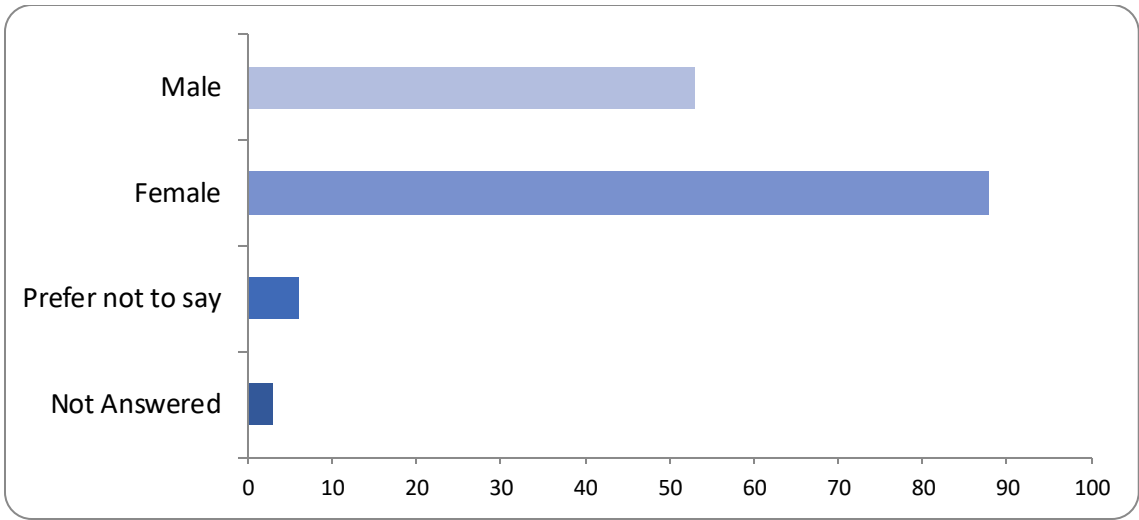
There were 148 responses to this part of the question.



Option	Total	Percent
Under 18	0	0.00%
18 - 24	1	0.67%
25 - 34	10	6.67%
35 - 44	45	30.00%
45 - 54	25	16.67%
55 - 64	44	29.33%
65 - 74	16	10.67%
75 - 84	5	3.33%
85+	0	0.00%
Prefer not to say	2	1.33%
Not Answered	2	1.33%

6: What is your sex?

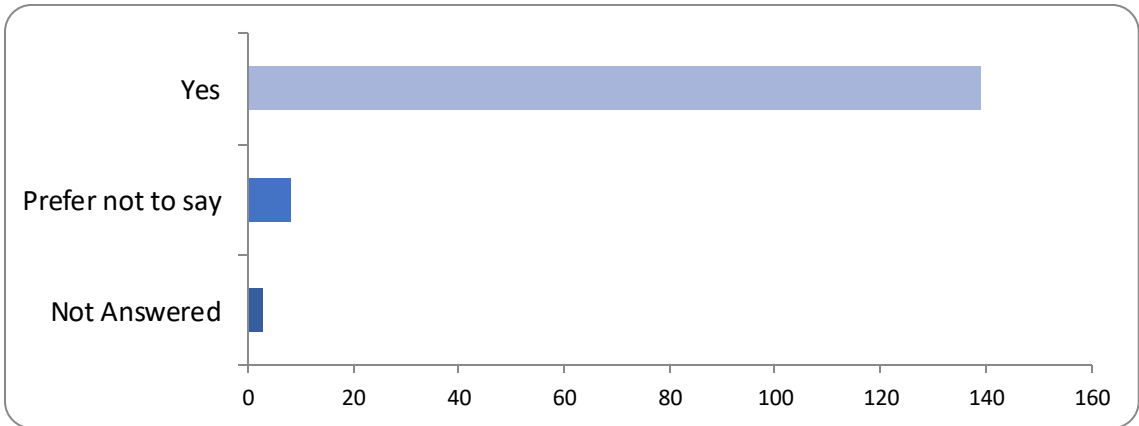
There were 147 responses to this part of the question.



Option	Total	Percent
Male	53	35.33%
Female	88	58.67%
Prefer not to say	6	4.00%
Not Answered	3	2.00%

7: Is the gender you identify with the same as your sex registered at birth?

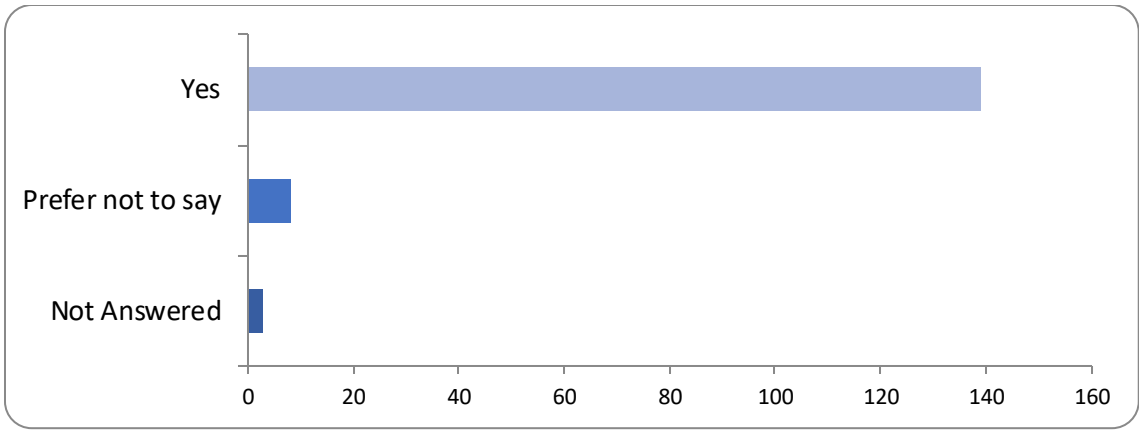
There were 147 responses to this part of the question.



Option	Total	Percent
Yes	139	92.67%
No	0	0.00%
Prefer not to say	8	5.33%
Not Answered	3	2.00%

8: Do you currently live as your birth sex?

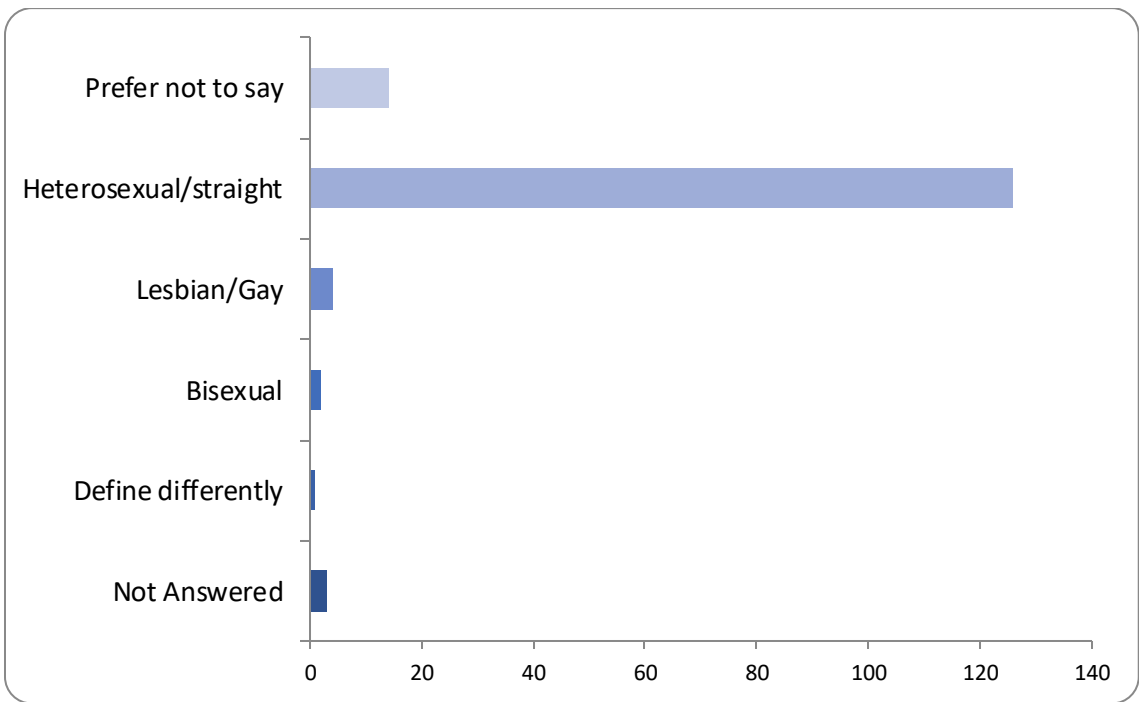
There were 147 responses to this part of the question.



Option	Total	Percent
Yes	139	92.67%
No	0	0.00%
Prefer not to say	8	5.33%
Not Answered	3	2.00%

9: How would you describe your sexual orientation?

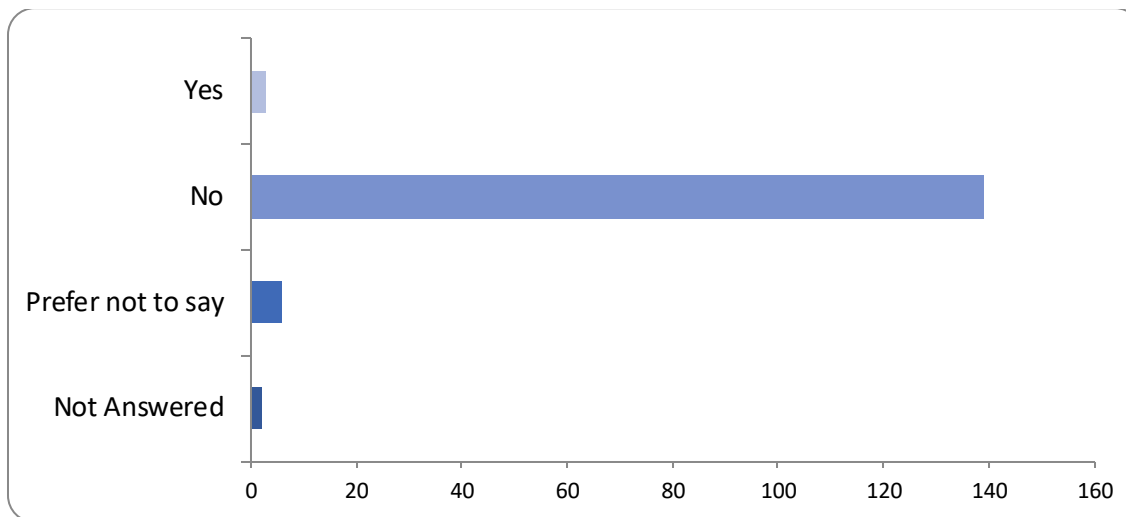
There were 147 responses to this part of the question.



Option	Total	Percent
Prefer not to say	14	9.33%
Heterosexual/straight	126	84.00%
Lesbian/Gay	4	2.67%
Bisexual	2	1.33%
Define differently	1	0.67%
Not Answered	3	2.00%

10: Are you currently cared for by Sefton Council?

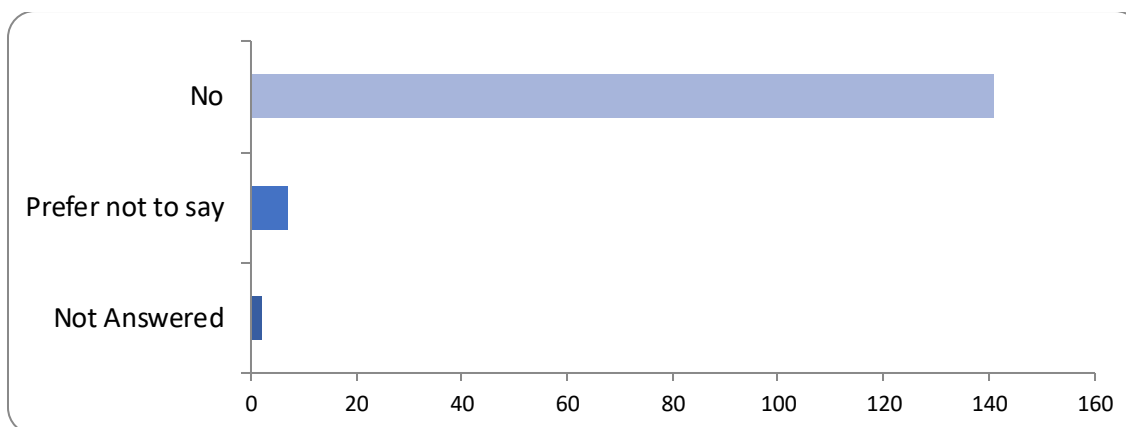
There were 148 responses to this part of the question.



Option	Total	Percent
Yes	3	2.00%
No	139	92.67%
Prefer not to say	6	4.00%
Not Answered	2	1.33%

11: Have you ever been cared for as a child by Sefton Council or another Local Authority?

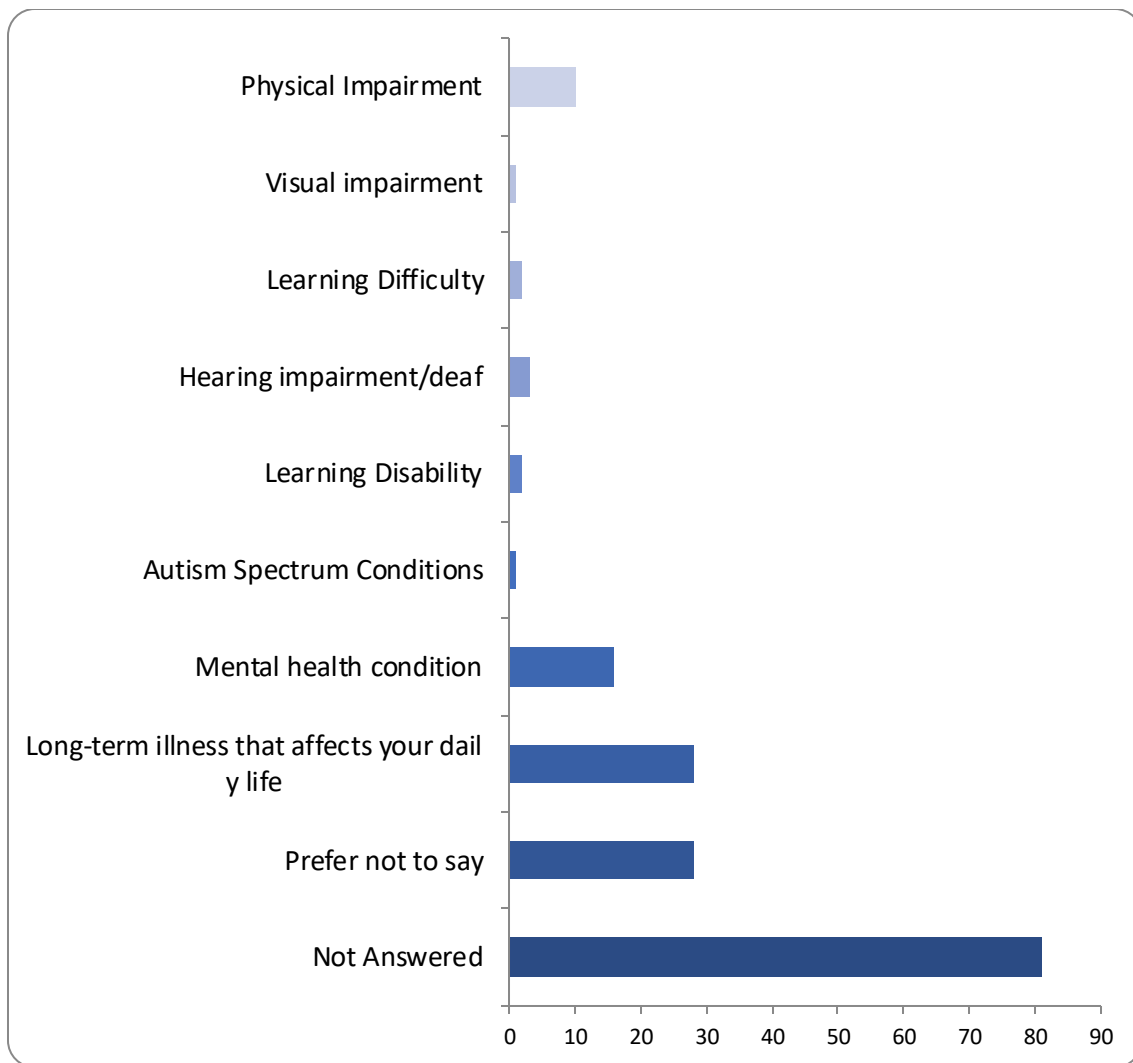
There were 148 responses to this part of the question.



Option	Total	Percent
Yes	0	0.00%
No	141	94.00%
Prefer not to say	7	4.67%
Not Answered	2	1.33%

12: Disability: Do you have any of the following (please tick all that apply):

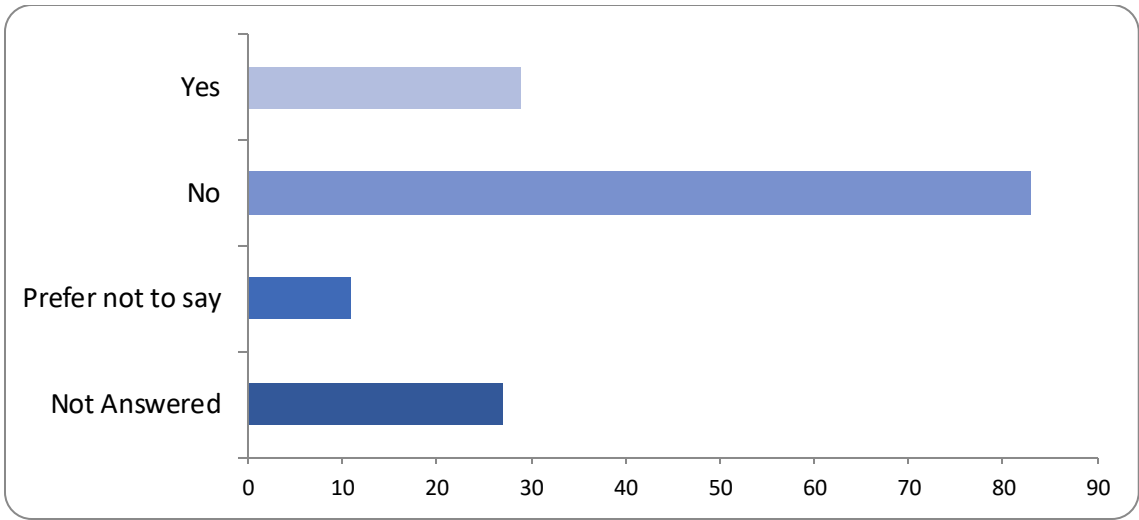
There were 69 responses to this part of the question.



Option	Total	Percent
Physical Impairment	10	6.67%
Visual impairment	1	0.67%
Learning Difficulty	2	1.33%
Hearing impairment/deaf	3	2.00%
Learning Disability	2	1.33%
Autism Spectrum Conditions	1	0.67%
Mental health condition	16	10.67%
Dementia	0	0.00%
Long-term illness that affects your daily life	28	18.67%
Prefer not to say	28	18.67%
Not Answered	81	54.00%

13: If you have ticked any of the boxes above, or you have cancer, diabetes or HIV this would be classed as 'disability' under the legislation. Do you consider yourself to be 'disabled'?

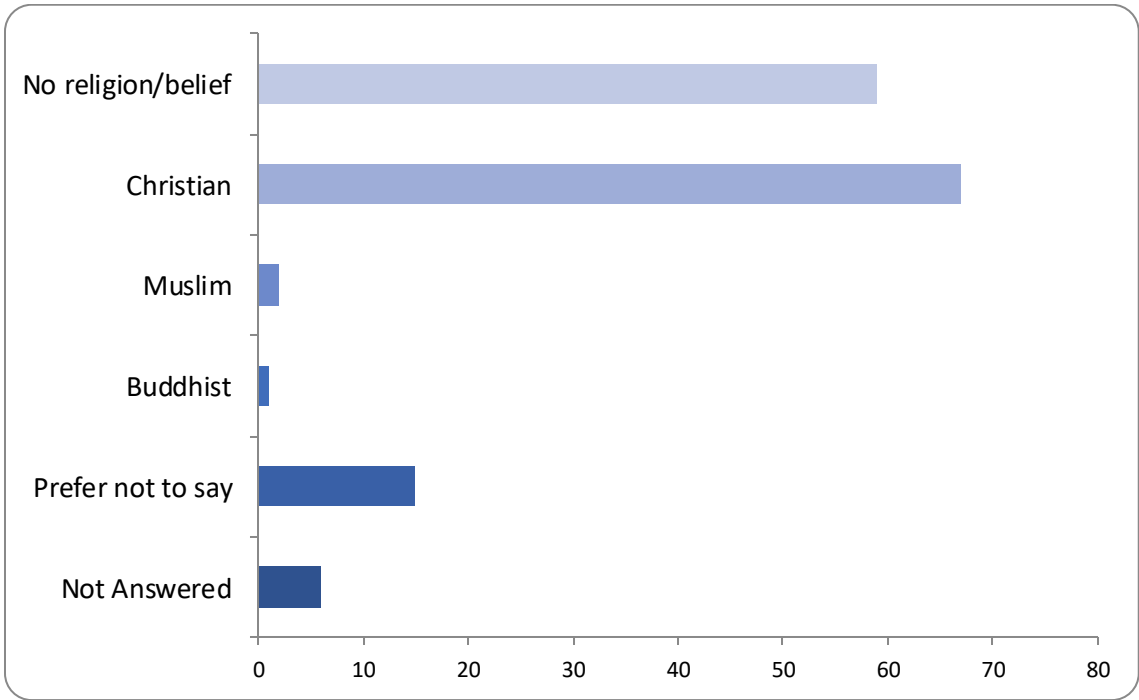
There were 123 responses to this part of the question.



Option	Total	Percent
Yes	29	19.33%
No	83	55.33%
Prefer not to say	11	7.33%
Not Answered	27	18.00%

14: What is your religion/belief?

There were 144 responses to this part of the question.

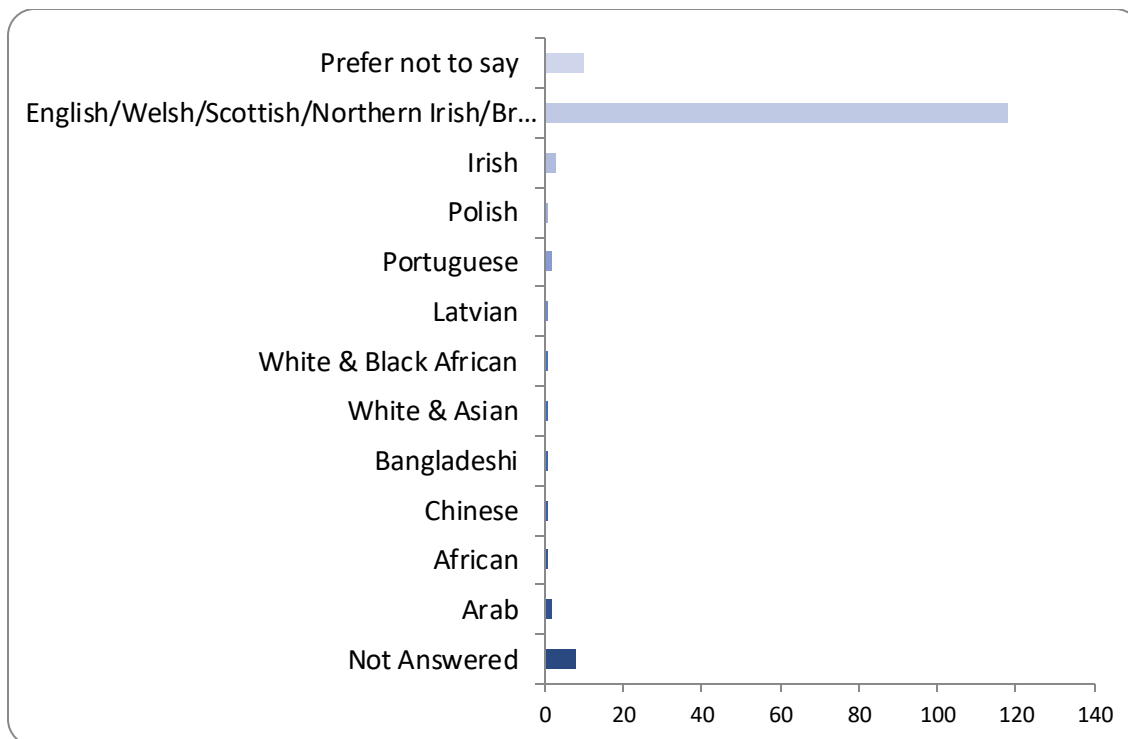


Option	Total	Percent
No religion/belief	59	39.33%
Christian	67	44.67%
Hindu	0	0.00%
Muslim	2	1.33%
Jewish	0	0.00%

Sikh	0	0.00%
Buddhist	1	0.67%
Prefer not to say	15	10.00%
Not Answered	6	4.00%

15: Race/Ethnicity (please note that Sikh and Jewish are collected in the Religion/Belief Section above) – do you identify as:

There were 142 responses to this part of the question.



Option	Total	Percent
Prefer not to say	10	6.67%
English/Welsh/Scottish/Northern Irish/British	118	78.67%
Irish	3	2.00%
Gypsy or Irish Traveller or Roma	0	0.00%
Polish	1	0.67%
Portuguese	2	1.33%
Latvian	1	0.67%
Lithuanian	0	0.00%
White and Black Caribbean	0	0.00%
White & Black African	1	0.67%
White & Asian	1	0.67%
Indian	0	0.00%
Pakistani	0	0.00%
Bangladeshi	1	0.67%
Chinese	1	0.67%

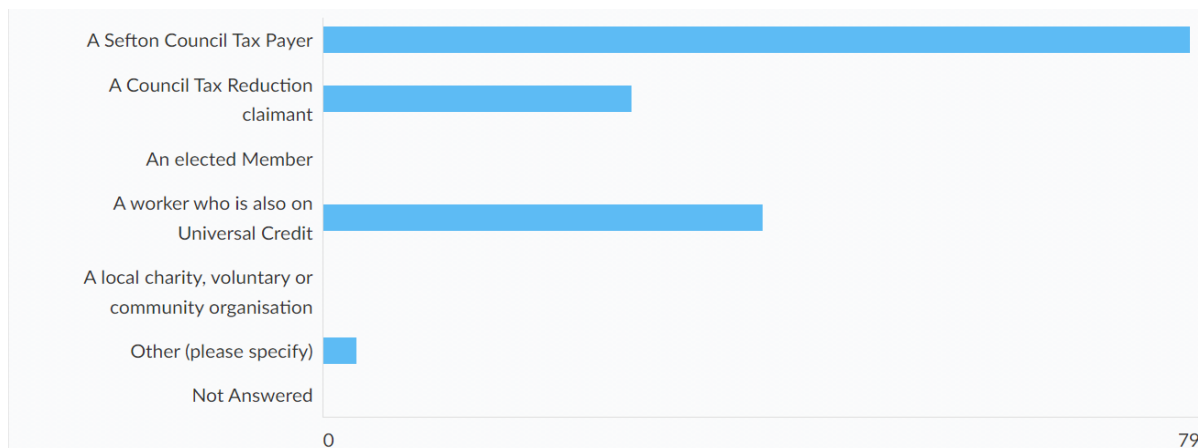
African	1	0.67%
Caribbean	0	0.00%
Arab	2	1.33%
Not Answered	8	5.33%

3. Consultation Analysis

CTRS Consultation Summary

Total of 150 submissions. 135 (90.00%) agreed with the proposal, with 1 (0.67%) not responding at all before submitting.

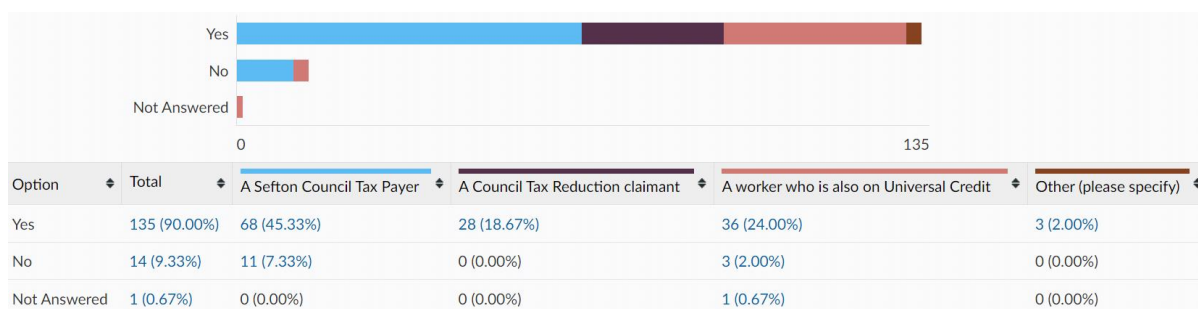
Respondents answering Question 1 identified themselves as:



The percentage breakdown of these respondents is as follows:

Option	Total	Percent
A Sefton Council Tax Payer	79	52.67%
A Council Tax Reduction claimant	28	18.67%
An elected Member	0	0.00%
A worker who is also on Universal Credit	40	26.67%
A local charity, voluntary or community organisation	0	0.00%
Other (please specify)	3	2.00%
Not Answered	0	0.00%

The specific Agree/Disagree answer each respondent submitted was broken down into their separate groups.



- The biggest response was from Council Tax Payers answering the question 'Do you agree with Proposals' seeing 79 in total. Of these 79 respondents, 68 (45.33% of total respondents) agreed with the proposal.

- Second biggest number of responses were from Workers in receipt of UC, totalling 40. Of this amount, 36 (24.00% of total respondents) agreed with proposals.
- The third biggest number of responses was from 28 CTR claimants, all of whom agreed with the proposal (18.67% of total respondents).
- Finally, 3 responded as 'Other' ('Exempt from Council Tax', 'Retired Pensioner' and 'Independent man'), all of whom agreed (2.00% of total respondents).

Of those 14 who did not agree with the proposals (9.33%), the biggest number came from 'Council Tax Payers' with 11 (7.33% of total respondents) and a further 3 from 'Workers in receipt of UC' (2.00% of total respondents).

The reasons for CT Payers selecting 'No' included concerns over:

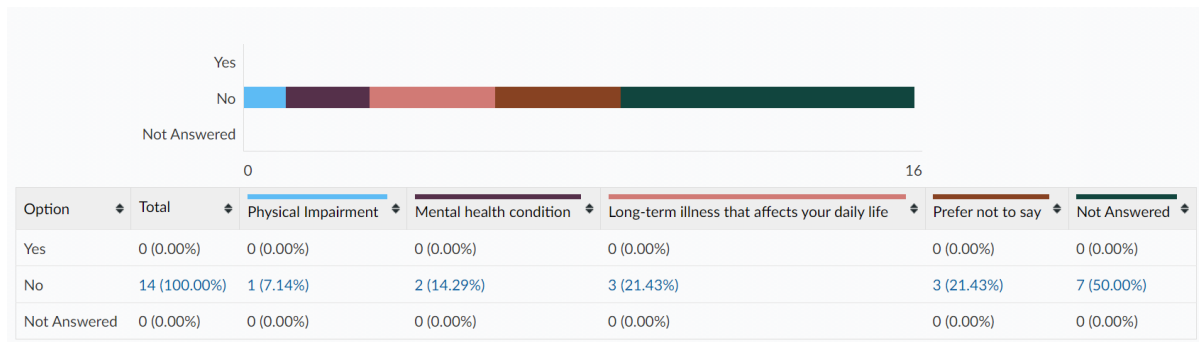
- properties only being empty because of probate,
- it being a bad time to sell,
- people who claim CTR contributing less and people being able to hide their earnings.

Analysis shows that several of these comments are related to concerns over Council Tax for these individuals, rather than the proposed changes to the CTR scheme as detailed in this consultation.

It therefore appears that some customers have applied their comments to the incorrect consultation; the proposed changes to the CTR Scheme, rather than the concurrent Exempt and Empty properties consultation.

Further analysis of these responses (where the customer also gave permission to share their details via the privacy notice) shows several disabilities also detailed.

Please note that this question allowed multiple responses, so there appears to be extra 'No' responses (16) than the previously stated 14.



There is only 1 comment related to this specific question for those who indicated a disability:

Answer

I'm responsible for Council Tax on my late father's property. It's a bad time to sell. I can't afford increased charges on his empty flat. It's in probate. It isn't my fault that the property is empty.

It therefore could be possible through this specific instance and cross referencing them with the wider number of 'No' comments that a number of these responses were made in error through customers misunderstanding the question and mistaking this consultation for another.

4. Equality Impact Assessment

Equality Analysis Report – Changes to Council Tax Reduction Scheme 2024/25

Details of proposal: Council Tax Reduction Scheme for 2024/25

Sefton Council is looking to make a change to its established local Council Tax Reduction scheme regarding how it processes some changes in circumstances for working-age Universal Credit households, in employment, that also claim Council Tax Reduction. The change, if agreed, will be effective from 1st April 2024.

What the change is/what's proposed

Council Tax Reduction currently supports just under 25,000 Sefton households who are on a low income with the cost of their council tax.

Around 14,500 claimants are of working age (60% of households using the scheme) and the remaining 10,000 (40%) are pension age.

There are almost 1100 working-age people in Sefton who are in low paid work and who are also claiming Universal Credit to top up their wages.

The Council Tax Reduction scheme is a means tested discount. It should be noted that pension age recipients are protected from any reduction in support under rules that are set out in national regulations.

Ramifications of Proposal:

Summary of Council Tax Support available to assist Council Taxpayers who are in receipt of a low income for 2024/25

Sefton Council's local Council Tax Reduction Scheme is based on five principles: -

1. The Council will continue to support work incentives
2. The Council will continue to recognise the additional needs of our most vulnerable residents.
3. The Council will continue to recognise the additional needs of families with children
4. The Council supports households staying together to make better use of housing in Sefton and reduce homelessness
5. The Council will continue to have due regard to the Armed Forces Covenant

The proposed changes to the Council Tax Reduction Scheme with effect from 1st April 2024 have been considered mindful of those principles and the Council's equalities duties.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

The protected characteristics under the Equality Act 2010 are:

Age (working age)

The Council's local Council Tax Reduction scheme affects working age people and has a financial impact on households who already have a low income.

The proposed change will affect working age households in employment in receipt of Universal Credit. It is proposed that with effect from 1st April 2024 minor changes in the amount of the Universal Credit award will not be actioned. It is intended that this change will introduce more financial stability to these households when budgeting for Council Tax payments, as opposed to Council Tax bills payments changing each time there is a minor change in the amount of the Universal Credit award.

Examples of when recalculations will take place include when a customer:

- stops working.
- has their Universal Credit payments stop.
- changes jobs or get a second job.
- moves home, or someone joins or leaves their household.

Age (Pensionable age)

People over pensionable age are supported with Council Tax Reduction, but this is via the national prescribed scheme and local authorities are not permitted to change this. The proposed change to Sefton's Council's scheme from 1st April 2024 will only affect working-age households, and so will have no effect on people of pensionable age.

People with a Disability

In Sefton, around 53% of pensioners receiving Council Tax Reduction have a disability income, and 41% of working aged people receiving Council Tax Reduction have a disability income.

The Council recognises that additional expenses may be incurred relating to disability and has put the following mitigations in place: -

- Continuing to make additional allowances and give additional support to those receiving certain DWP sickness benefits, disability benefits and benefits for Carers when calculating entitlement.
- Disregarding certain disability benefits as income when calculating entitlement.
- Providing signposting and support to people to claim other reductions of Council Tax liability where appropriate, e.g., discount in respect of severe mental impairment, disabled banding reductions

The proposed changes will have no impacts specific to this equality group.

Gender Reassignment

No impacts identified specific to this equality group.

Marriage and Civil Partnership

No impacts identified specific to this equality group.

Race

No impacts identified specific to this equality group. Calculation of entitlement to Council Tax Reduction does not refer to race and is not impacted by it.

Religion or Belief

No impacts identified specific to this equality group.

Sex

Women are generally more likely to be single parents in the first place (84%) according to ONS 2021.

The proposed changes will have no impacts specific to this equality group.

Sexual Orientation

No impacts identified specific to this equality group.

Pregnancy and Maternity

We do not have sufficient evidence, but females are disproportionately affected and are more likely to be single parents.

Mitigation in place to support the additional needs of households with children includes:

- Deciding that the Council's local Council Tax Reduction scheme for working-age families should not replicate the rules that are in place in the national Housing Benefit scheme and the Council Tax Reduction Pensioner scheme whereby the removal of the family premium and the "2-child" rule restrict the level of award.
- Child Benefit and Child Maintenance payments are not taken into account as income when calculating entitlement to Council Tax Reduction.
- Additional allowances are given when calculating entitlement for where there is a disabled child in the family.
- The scheme also mirrors provisions in the Housing Benefit scheme by taking childcare costs into account for low income working families.
- The Council continue to include the Family Premium when calculating the Council Tax reduction.
- Procedures are regularly reviewed for the collection of non-payments of Council Tax and signposting to Exception Hardship Fund to ensure non-disproportionate impact on the most vulnerable household.

The proposed changes will have no impacts specific to this equality group.

Mitigations in place to support the Council's principals of the scheme

Financially Vulnerable People:

The Council has put the following mitigation in place: -

- Provision of a discretionary Exceptional Hardship Fund to provide additional support to those financially vulnerable to struggling to pay Council Tax
- For working age people, allowing a Universal Credit notification, received from the DWP, to be treated as a claim for local Council Tax Reduction thus removing the need for those in receipt of Universal Credit to have to make a separate claim for support towards their Council Tax.
- Making provision in the local Council Tax Reduction Scheme for awards to be backdated for up to 6-months for working-age vulnerable claimants.
- Offering 12-month (rather than 10-month) instalment payments to Council Tax payers to help ease payment difficulties.
- Adopting a sensitive approach to enforcement action to consider the potential

vulnerability of Council Tax Reduction claimants. Before cases are referred to Enforcement Agents a vetting stage is in place and cases are dealt with under a separate debt recovery process to minimise potential increases in debt.

- Establishing a co-ordinated working relationship between the Council's contracted Enforcement Agents and Citizens Advice Sefton to support people in debt, ensuring that Citizens Advice Sefton has direct lines of communication with the Enforcement Agents and can arrange for recovery action to be placed on hold whilst discussing and agreeing affordable payment arrangements.
- Putting an escalation process in place for the debt advisor based at South Sefton foodbank to contact nominated Council Tax staff to request a hold on recovery action or discuss affordable payment arrangements.
- Participating in the Council's Welfare Reform Anti-Poverty Partner's Group – staff from the Council's Council Tax and Benefit team, work with partner organisations and other Council services to support residents suffering financial vulnerability, this includes signposting customers to emergency support for food, heating, essential household goods and provide practical support such as signposting claimants for winter coats, school uniforms.
- The Council attends various customer representative events and hard to reach groups to raise awareness of Council Tax support available, i.e., Pensioner and Disability forums, Sefton Citizens Advice surgeries.

Care Leavers

The Council provides up to 100% Council Tax discount to support young people leaving local authority care up to the date of their 25th birthday.

Armed Forces Covenant

The Council has identified that there are 16 households in Sefton claiming support from Council Tax Reduction and in receipt of War Disablement, War Widows pension including any Armed Forces compensation. The Council fully disregards this income when calculating entitlement. Also disregarded is the service attributable element of the armed forces pension.

Supporting Households to Stay Together, Making Better Use of Housing and Reducing Homelessness

- The Council has decided that the amount of Council Tax Reduction taken away from a customer's entitlement when other adults live in the household (known as a non-dependant deduction), should remain at a reduced level.
- The Council uses the powers available to it to charge a premium on long-term empty properties to encourage owners to bring them back into use. The premium cannot be applied homes that are empty due to the occupant living in armed forces accommodation for job-related purposes. Also, the Council Tax system makes provision for statutory exemptions for properties left empty for a specific purpose, e.g., when a person goes into care.

Consultation:

A public consultation has been carried out to seek views on the proposed change. The consultation run from 11/09/2023 to 13/10/2023, and it was hosted on the Council's Citizen Space Website with alternative paper copies available on request.

The consultation had 150 responses. Of these 90% agreed with the proposal, with 9.33% disagreeing. A further 0.67% stated they didn't know.

Is there evidence that the Public Sector Equality Duties will be met?

The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:

- 1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
- 2. Advance equality of opportunity between people who share a protected characteristic and those who do not.*
- 3. Foster good relations between people who share a protected characteristic and those who do not.*

The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The Council has set out in the sections above how it meets its equalities duties in relation to the local Council Tax Reduction Scheme.

What actions would follow if proposal accepted by Cabinet and Council?

As a result of the consultation, monitoring, and analysis undertaken, it is proposed that a change is made to the Council's local Council Tax Reduction Scheme (CTRS) for 2024/25, regarding working-age Universal Credit income households in employment. The change is designed to make the CTRS calculation more stable and consistent for households by ignoring some of the information provided by the DWP relating to Universal Credit income. The change includes ignoring when a customer:

- Works a few extra hours one month.
- Receives a back-dated pay rise.

Applying these changes to the scheme will ensure that it will:

- Make it more straightforward for low-income households to budget household finances for Council Tax payments
- Reduce confusion for customers, and
- Reduce the council's administration costs.

The Council will continue to monitor and analyse the support provided by the local Council Tax Reduction scheme to ensure that it remains relevant to support low-income households.