

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM:10
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	
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SUBJECT:	DEVELOPING & CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 - 2023	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM12

1.0 Recommendations

- 1.1 The Committee approves the proposal to develop a draft revised Local Council Tax Reduction scheme (LCTRS) and acknowledges that the development of the scheme will involve consulting residents and stakeholders on a variety of potential models.
- 1.2 The Committee approves the various scheme changes/considerations that will be included in the consultation models that will be brought back to Finance & Management committee for approval on 7 October 2021 prior to consultation.
- 1.3 The Committee approves the proposed timeline for the development of the proposed revised LCTRS.
- 1.4 The Committee approves a maximum spend of £10,000 on support services to develop the proposed LCTRS, to be funded from the Welfare Reform Reserve.

2.0 Purpose of Report

- 2.1 The Council currently has a sliding scale LCTRS. It has also been recognised that the current scheme is costly to administer and often results in customer confusion and dissatisfaction.
- 2.2 The purpose of this report is to introduce the Committee to ways in which the Council's scheme could be simplified and deliver greater customer satisfaction, more streamlined administration, and address changes introduced by welfare reform and Universal Credit (UC).
- 2.3 The report also provides a national context and comparison to other LCTRS.
- 2.4 Finally, the report outlines the key steps the Council will need to take to consult on and implement such a scheme.

3.0 Executive Summary

- 3.1 Since Council Tax was introduced in 1993, people on low incomes have been able to claim support to pay their Council Tax bills. Until 2013, this was through the nationally designed Council Tax Benefit Scheme.
- 3.2 On 1 April 2013, the Government transferred responsibility for Council Tax support to local councils. Since then, local councils have had a duty to design and deliver Local Council Tax Reduction Schemes (LCTRS) for working-age claimants.
- 3.3 Local Council Tax Reduction Schemes apply to working-age claimants only. Pension-age claimants receive support under the nationally prescribed scheme in line with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations.
- 3.4 The Council's current LCTRS was launched in April 2013. It fundamentally mirrored the outgoing national Council Tax Benefit Scheme.
- 3.5 There are many variations of LCTRS across the country, ranging from more generous schemes that mirror the national scheme, through to those that aim to limit who is eligible and severely restrict the level of help given. Whilst the Council's current scheme is one of the more generous schemes, it is also one of the most complex to deliver for both customers and the Council.
- 3.6 Many councils have simplified their schemes to address changes brought about by welfare reform and Universal Credit, including introducing income-banded schemes for working age claimants. Such schemes are recognised to deliver more financial security/stability to customers, and to reduce the administrative burden on councils administering the schemes.
- 3.7 There are approximately 2,968 working-age claimants under the Council's current LCTRS which costs approximately £3 million per annum to deliver, not including administration costs. This cost is accounted for in the Collection Fund whilst the administration costs (net of Government Grant) are accounted for in the General Fund.

4.0 Detail

About the Council's Local Council Tax Reduction Scheme (LCTRS)

- 4.1 When the Council calculates Council Tax reduction, it compares the income a claimant receives (not taking into account child benefit, child maintenance, some disability benefits and earnings disregards) to the 'applicable amount'. The 'applicable amount' is an amount the government says a person needs to live on. In the case of Universal Credit (UC) claims, the Council uses the maximum award of UC as the 'applicable amount'.
- 4.2 The amount of 'excess income' a claimant has above the 'applicable amount' is then used to calculate the percentage of Council Tax reduction residents are entitled to which is tapered on a sliding scale.

- 4.3 The current taper is set at 20%. If a customer has excess income of £50 a week, the tapered amount would be £10 and this, along with any other deductions, would be the amount they need to contribute towards their Council Tax charge each week.
- 4.4 Under the current LCTRS, if a working-age claimant's income changes (for example they have worked a few more or less hours or their UC has changed), the Council has to recalculate their Council Tax reduction/bill and write to them – even if their income has changed by just pennies. This provides very little clarity for residents on the amount of Council Tax they will pay and often results in confusion. It also leads to complex calculations and high administrative costs – it is estimated each reprofiling and monthly letter costs between £5 - £10 depending on the level of manual input needed.
- 4.5 If a working-age non-vulnerable resident does not receive Income Support, Job Seekers Allowance (income-based) or Employment and Support Allowance (income-related) they are required to pay a minimum of 10% towards their Council Tax bill and can get a reduction on the remaining 90%. **This is called a baseline reduction.**
- 4.6 If a working-age non-vulnerable resident receives Income Support, Job Seekers Allowance (income-based) or Employment and Support Allowance (income-related) they are required to pay a minimum of 8.5% towards their Council Tax bill and can get a reduction on the remaining 91.5%. **This is called a baseline reduction.**
- 4.7 The most vulnerable members of our community (for example those who qualify for disability premiums) are protected from the baseline reduction and do not have to pay a minimum amount towards their bill (as described in 4.5 & 4.6).
- 4.8 Anyone on a low income can apply, provided they have **no more than £15,999 in capital** (savings and investments). The savings cap doesn't apply if residents receive the Guarantee Credit part of Pension Credit.
- 4.9 The Council currently reduces the amount of Council Tax support a customer is entitled to if they have a non-dependent adult living with them (e.g. an adult offspring, relative or friend aged over 18), on a sliding scale between £4.05 and £12.45 per week, depending on the income of the non-dependent. These are called **non-dependent deductions** and recognise that the non-dependent adult should contribute towards household costs, including Council Tax.
- 4.10 The Council also offers a **second adult rebate** which is available to residents who have a second adult living in their home who is on a low income or claims certain benefits. Residents can claim up to 25% off their Council Tax bill, regardless of their own financial position. This scheme has ended in many authorities. People claim second adult rebate when their own income or capital is too high to claim a Council Tax reduction.
- 4.11 There is no **minimum payment** under the Council's current scheme. This means the Council administers Council Tax reductions of as little as 1p a day, regardless of the cost of processing.
- 4.12 Currently new Universal Credit claimants are not automatically assessed/awarded Council Tax Reduction and have to apply separately. This means some people miss out even though they may be eligible.

About income-banded schemes

- 4.13 Many councils have introduced an income-banded LCTRS for working-age claimants to both improve customer satisfaction and reduce administrative burdens.
- 4.14 In a banded scheme, the amount of support a claimant receives depends on the band their 'excess income' falls into. The bands are calculated based on the affordability of the overall scheme to the Council and these have not yet been determined. The suggested bandings will be included in the models presented to Finance & Management Committee on 7 October 2021.
- 4.15 Banded schemes can either offer the claimant a percentage off their Council Tax bill, which some argue is fairer as the support a resident receives reflects the Council Tax band of their property and the parish charge where they live. Other schemes require residents to pay a set £ sum towards their Council Tax which then does not take into consideration their property band or parish, so regardless of their house size residents pay the same amount.

Banded scheme differences (please note the excess income bands are illustrative only)

Income band	Excess income or net earnings per week¹	Banded scheme option 1 Percentage reduction in a resident's Council Tax bill	Banded scheme option 2 £x resident pays towards their Council Tax bill (for example per week)
Band 1	£0 - £142.99	100%*	£0
Band 2	£143 - £213.99	75%*	£7.50
Band 3	£214 - £309.99	50%*	£15
Band 4	£310 - £402.99	25%*	£22.50
Band 5	£403 and over	0%*	Full billed amount

- 4.16 The key benefit of banded schemes is that if a claimant or their partner varies their income within a band (for example they do a few hours overtime or earn a little less), the Council Tax support they receive will not change, and their Council Tax bill will not be reprofiled. As such banded schemes can provide greater stability from month-to-month.
- 4.17 Some banded schemes take net earnings into consideration, whilst others take excess income into account. By taking excess income into account, such schemes retain the concept of 'applicable amounts' (i.e. the minimum amount the government says someone needs to live on). Claimants without excess income are placed in the lowest band/receive the most help.

¹ Please note the banding figures in this table are based on Oxford City Council's current bands and are for illustrative purposes only. The proposed bandings will be based on what is affordable to the Council and will be included in the models presented to F&M Committee for approval for public consultation on 7 October 2021.

- 4.18 Some councils introduce different bandings for vulnerable and non-vulnerable residents, depending on the other scheme criteria they introduce.
- 4.19 Others add to this and create additional bands that take into consideration whether the individual is single or whether there are more people in the household. The easiest schemes to understand/administrate have between 5 and 7 bands, and the most complex can have upwards of 300 bands – some council schemes exceed 800 bands.
- 4.20 Whilst a banded scheme can give a greater number of claimants more financial stability, there will inevitably be some people who are worse off than on a sliding scale scheme (as per the Council’s current scheme).
- 4.21 This is because if a resident’s ‘excess income’ is on the borders of a band, they could receive significantly less Council Tax support if they earned just a little more – for example (using the illustrative table at 4.15) if a claimant earned slightly more than £309.99 excess income in a week, they could see their Council Tax bill reprofiled and the support they receive drop from 50% to 25% for that week (in a percentage reduction scheme), rather than the current sliding scale reduction. This is known as a ‘cliff-edge’.
- 4.22 From a Council perspective, banded schemes reduce regular complex reprofiling of claimant’s bills that require a skilled assessor, and high administrative/postage costs.

About removing baseline reductions

- 4.23 Studies have shown that requiring residents on the lowest incomes to pay a percentage towards their Council Tax bill (either 8.5% and 10%) before any reduction is applied is expensive. Oftentimes the administration costs associated with recovery far exceed the debt the customer originally owed (Institute of Fiscal Studies). In addition, it sees the Council chasing people on the lowest incomes for very small amounts of debt they cannot pay, and customers incurring summons and further charges that can easily double the amount of their original debt, placing them further into financial difficulty and hardship.
- 4.24 Removing the baseline reductions would allow the Council to refocus its recovery activity on residents and businesses who are not eligible for such support (those on higher incomes) and who are arguably more capable of paying, rather than those who simply can’t pay.
- 4.25 The additional cost of removing the baseline reductions in 2020/2021 would have been £120,000, however the associated debt recovery activity costs would have been removed, and successful debt recovery on other debts would have increased.

About other simplifications and improvements

- 4.26 Many councils have introduced other simplifications, which the Council has the option to do, including:

- **Reduce capital thresholds (savings and investments)** – some councils have reduced the capital threshold to £6,000 for working-age claimants. This would reduce the number of eligible claimants and generate a saving that could be diverted into other elements of the LCTRS (such as removing the baseline reduction). To illustrate the impact of this, based on the Council's current case load, reducing the capital limit to £6,000 would mean approximately 140 residents would no longer be eligible for LCTRS and this would generate an annual saving of £30,000. The capital cap could be set at a different amount – a number of councils set it at £10,000.
- **Remove the second adult rebate** – many councils have removed the second adult rebate because it awards support to residents regardless of their own financial situation. With the second adult rebate removed, residents on low incomes can still claim Council Tax reduction if they are eligible. Currently 38 out of 2,968 working age cases claim second adult rebate at a cost of around £10,000 a year.
- **Remove or simplify non-dependant deductions** – many councils have either removed or simplified non-dependent deductions. Introducing a flat fee, vs a sliding scale eliminates the administration for both customers and the Council, as there is no need to verify the income of the non-dependent, as the deduction is the same regardless of their income.
- **Introduce minimum payments** - many councils have introduced minimum payments ranging upwards from £1 per week. Derby City have a minimum payment of £4 per week. This means, should a resident be entitled to less than £4 per week in Council Tax Reduction, no award is made. This helps to reduce administration activity/costs and only affects residents who would be eligible for a very minimal level of support.
- **Treat a Universal Credit claim as a claim for Council Tax Support** - many councils now treat a claim for Universal Credit as a claim for Council Tax Support. As soon as the Council is notified by the DWP that a customer is receiving Universal Credit, the Council assesses them for LCTRS and issues a revised bill. This increases the number of residents supported and gets support to residents faster.

How the Council's current scheme compares locally and nationally

- 4.27 The Council's current Local Council Tax Reduction Scheme (LCTRS) is one of the most generous in the country.
- 4.28 The minimum amount non-vulnerable eligible residents have to pay towards their Council Tax is 8.5% (called the baseline reduction), compared to 25% in East Staffordshire and 30% in Derby City.
- 4.29 Derbyshire Dales District Council has the same 8.5% baseline reduction, but residents are not eligible to claim if they have in excess of £10,000 capital. Some councils have no baseline reduction.
- 4.30 The current scheme still awards Second Adult Rebate which has ended in many authorities.
- 4.31 By 2019/2020 28 councils had introduced banded schemes. It is now understood that at least 100 councils have or are in the process of introducing them.

Why is the Council keen to contemplate changing the scheme?

4.32 The Council is keen to consider altering the current scheme for a number of reasons:

- The administration grant the Council receives from national government to deliver the scheme is reducing year-on-year.
- Despite this drop in funding, the cost of administering the scheme is not reducing. This is primarily due to inbuilt complexities in the current scheme – for example every time an applicant's income changes, their case must be reassessed, and their award must be reprofiled.
- Universal Credit (UC) is undoubtedly a contributing factor to this, especially for claimants who are in employment. Claimants' UC is recalculated every month which generates new files for the Council to process. For claimants receiving fluctuating wages, this means they receive a revised award every month and, as a consequence, a revised Council Tax bill, which is costly to administer and deliver.
- This reprofiling of payments creates a high level of uncertainty for both customers and the Council. Payments made by customers can be delayed because of the requirement to give 14 days' notice, meaning customers do not have the opportunity to apportion their remaining Council Tax payments over as many instalments.
- In some circumstances the current scheme does not distribute support to the neediest residents, in that those with significant savings and with a working adult living in their home, could be awarded more support than people with no savings and on very low incomes.
- A removal of the baselines could prevent people on very low incomes being chased for small amounts of debt, as well as cut out the related debt recovery costs. Studies have shown that the collection of the baseline reduction of 8.5% and 10% is expensive, with recovery fees often exceeding the debt the customer originally owed (Institute of Fiscal Studies²).
- Due to the complex nature of assessments, benefit assessor skills are required to process Local Council Tax Reduction Scheme (LCTRS) cases/changes.
- A simplified scheme will allow the possibilities of awards being automated, resulting in a prompt award of the discount to the Council Tax bill, so meeting the customers need for real-time changes to their bill according to changes in their circumstances.

4.33 Above all, the cost of administering the scheme remains high, whilst customer satisfaction is reducing, as customers are often confused by the nature and regularity of correspondence they receive and are less able to budget/manage their money based on fluctuating awards.

4.34 Equally future potential savings the Council may hope to achieve due to the drop in the Council's Housing Benefit workload, following the introduction of Universal Credit is being hampered. This is because the Council's unique caseload is relatively constant, as regardless of whether a resident is claiming Housing Benefit or Universal Credit, the Council's assessors will still need to regularly review their case.

² <https://www.ifs.org.uk/publications/13827>

4.35 Finally it has been identified that the Council's scheme is out of sync with changes to various national benefits made since the introduction of the scheme in 2013, such as the two-child limit introduced in 2017, and the mixed-age couple regulations introduced in 2019.

Consulting with residents and stakeholders

4.36 It is vital that the Council gains resident and stakeholder views on the proposed scheme (for example the CVS and Citizens Advice Bureau, as well as other precepting authorities).

4.37 In terms of how the consultation is carried out, the Council is proposing to consult on a variety of potential models using an online consultation tool provided by Entitledto, which has been shown to generate high response levels from residents. A full consultation plan will be included in the report to Finance & Management Committee on 7 October 2021.

4.38 The responses from the consultation will then be used to draft a final proposed scheme that will be presented to Finance & Management Committee in January 2022 for approval before being presented to Full Council in February 2022.

What will the models include?

4.39 The Council has established an internal working group with representation from the Benefits, Housing, Customer Services and Revenues services.

4.40 The working group looked at the variety of national schemes currently in operation and also considered local need. The working group also worked alongside Entitledto, a company specialising in supporting councils to deliver new/revised LCTRS, to explore the various options.

4.41 Based on the input from the working group, it is proposed that the Council create up to three fully costed and affordable scheme options/models, which will be presented to Finance & Management Committee on 7 October 2021, prior to consultation.

4.42 If approved by the Committee, the models will then be loaded into an online consultation tool hosted by Entitledto, which will allow claimants to understand the impact of the proposed changes on the support a claimant could receive.

4.43 By offering up to three choices it does not mean that the Council has to adopt one of the models – it just means that consultees can express which scheme they most prefer and which elements they feel the Council should/should not adopt in its new scheme. It is also best practice to consult on a variety of models.

Fundamentals of the consultation options

4.44 The models presented to Finance & Management Committee on 7 October 2021 will:

- Be financially viable and will not materially increase the cost of the scheme to the Council.
- Be simplified and will incorporate legislation designed and calculated specifically for those in receipt of Universal Credit and working-age non-Universal Credit cases.

- Aim to increase customer satisfaction.
- Reduce the administration required for the scheme.
- Should better support customers in greater need by redistributing the existing budget to better support those who have less resources.

The proposed models

- 4.45 It is proposed, subject to Committee approval, that the elements detailed below and overleaf are built into the three models the Council publishes for consultation.
- 4.46 There are some items the Council is keen to include in all models, whereas there are other elements that will only be tested out in one of the models.
- 4.47 Each model will aim to not increase the overall cost of the scheme to the Council and aim to help those most in need in our communities, whilst at the same time simplifying the scheme from a customer and Council standpoint.
- 4.48 Within each model there will always be some people who are worse off and others who are better off, and this is what the testing/consultation will help to reveal.
- 4.49 If any of the models will significantly increase the overall cost of the scheme, some amendments may be made to the options included in the final models to ensure they remain in budget, before being presented to committee for approval for consultation on 7 October 2021.

Proposed changes to include in all models

- **Introduce a minimum discount amount.** The current scheme allows for Council Tax Support payments as low as 1p a week. This means changes in entitlement can be administratively more expensive than the resulting change. It is proposed that minimum payment amounts of 50 pence and £1 will be considered and the effect of these options examined.
- **Treat a Universal Credit claim as a claim for Council Tax Support.** This approach speeds up the process, allows for efficiencies and ensures that those who struggle to complete claim forms for any reason still receive the help they are entitled to.
- **Remove Second Adult Rebate** Second adult rebate is widely considered unfair in so far as a ratepayer can receive a reduction of up to 25% from their Council Tax bill because of the low income of a non-dependant in their household, regardless of their own income or capital. Many councils have removed this rebate from their scheme. It is proposed that the removal of this is tested.

Model 1

Banded for UC claimants only (retaining two sets of regulations)

The first model we want to test will mean that we retain two sets of LCTRS regulations and roll the new scheme out slowly. Customers on UC who are used to their Council Tax reduction changing regularly will be automatically moved onto the new scheme, whereas those who do not claim UC will remain on the old scheme until they move to UC. These tend to be the more complex cases and it will allow the team time to roll the change out slowly, and hopefully lead to less customer confusion. This is the way UC was rolled out, so many customers are well used to the Council retaining two sets of regulations.

- **Banded scheme for UC claimants only.** This model will include a banded scheme based on net earnings, so this scheme doesn't take into consideration any DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments and Universal Credit payment etc. It will be a percentage reduction scheme, so takes into consideration the size of property someone lives in and their total council tax charge. As the scheme doesn't take into consideration DWP or HMRC income, there is no need for bandings for different household make-up etc.
- **Introduce a standard non-dependent deduction of £5 per week.** Removing the sliding scale will eliminate the need to verify details as the deduction is the same regardless.
- **Remove the baseline reductions of 8.5% and 10%.** This would mean that a maximum of 100% of Council Tax could be discounted for those on the lowest incomes.
- **Aligning the current regulations for non-UC claimants.** We want to align the existing regulations with the national pension age regulations. This would see a restriction to two child limit for new claims from April 2022 onwards and the introduction of mixed-aged couple regulations.
- **Plus introduce a minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Model 2

Banded for all claimants and baseline retained

The second model we want to test will mean that we only have one set of LCTRS regulations and roll the scheme out to everyone immediately. This option contains the least changes and introduces the bands primarily as a way to stop the constant recalculation of UC claimants' Council Tax bills. Introducing the bands would have an affect on all LCTS claimants.

- **Banded scheme in all cases.** This model will include a banded scheme based on excess income, taking into consideration all income (including DWP and HMRC income). It will be a percentage reduction scheme, so takes into consideration the size of property someone lives in and their total Council Tax charge. Because of the desire to simplify the scheme, it is not currently proposed that a variety of bandings for different household sizes/make-ups will be included in the consultation model, however if this becomes the preferred model, it would be possible to introduce a wider variety of bandings to better support different household sizes and make-ups.
- **Retain the baseline reductions of 8.5% and 10%.**
- **Plus introduce minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Model 3

Banded for all claimants, baseline removed and non-dependent charges simplified

The third model we want to test will mean that we only have one set of LCTRS regulations and roll the scheme out to everyone immediately. This model however is a £ contribution to council tax, vs a % reduction, so differs from the other two models in this regard.

- **Banded scheme for everyone.** This model will include a banded scheme based on net earnings, so this scheme doesn't take into consideration any DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments and Universal Credit payment etc. It will be £ contribution to Council Tax, so does not take into consideration the size of property someone lives in and their total council tax charge. As the scheme doesn't take into consideration DWP or HMRC income, there is no need for bandings for different household make-up etc.
- **Introduce a standard non-dependent deduction of £5 per week.** Removing the sliding scale will eliminate the need to verify details as the deduction is the same regardless.
- **Remove the baseline reductions of 8.5% and 10%.** This would mean that a maximum of 100% of Council Tax could be discounted for those on the lowest incomes.
- **Plus introduce minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Optional testing

We will not include the below options in the models, but we will ask for people's opinions on whether to reduce the capital cap. Such a reduction could be applied to the final scheme if it gains Elected Member, stakeholder and resident support.

- **Reduce the capital cap to £10,000.** In many cases this could mean that affected residents will use some of their savings to pay their Council Tax for a period, until their savings dip below the allowed level, and then become eligible for Council Tax support again. **The savings will be estimated in the paper presented to committee in October 2021.**
- **Reduce the capital cap to £6,000.** This would reduce the number of eligible claimants across the District even further. In many cases this could mean that affected residents will use some of their savings to pay their Council Tax for a period, until their savings dip below the allowed level, and then become eligible for Council Tax support again. **This would save approximately £30,000 that could be reinvested into other changes in the scheme.**

Timeline

4.50 The proposed timeline is as follows:

26 August 2021	Proposal to simplify Council Tax Reduction Scheme considered by F&M Committee, and agreement to consult publicly on new models.
6 September 2021	Website updated (after call-in period) to notify residents that the Council will be consulting on new models.
7 October 2021	F&M Committee approves models for public consultation.
15 October – 7 January 2022	Public consultation (12 weeks).
13 January 2022	Interim update provided to F&M Committee
10 February 2022	Final proposed scheme presented to F&M Committee for approval.
10 February 2022 onwards	New Council Tax Reduction Scheme Regulations developed.
23 February 2022	Final scheme approved by Full Council and parameters set on Council Tax billing system
11 March 2022	New Regulations published no later than 11 March 2022.
April 2022	New scheme launched and reflected in 2022 – 2023 billing.

5.0 Financial Implications

- 5.1 The full financial implications of the proposed Council Tax Reduction Scheme, both in terms of support paid out to residents, the administration, the system costs and other associated costs/savings will be modelled as part of the proposed draft Local Council Tax Reduction Scheme (LCTRS).
- 5.2 Fundamentally however, it is proposed that the draft simplified scheme will not materially increase the overall cost of delivering the scheme to the Council which stands at approximately £3 million per annum.
- 5.3 With regards to the costs of the developing the simplified scheme, the team is keen to secure the support services of external specialists to ensure that the Council incorporates best practice into its scheme and avoids pitfalls other councils have encountered.
- 5.4 As such, it is requested that the Committee approve a budget of £10,000 to support the development of the scheme. This will be funded from the Welfare Reform Reserve.

6.0 Corporate Implications

Employment implications

- 6.1 There are no direct employment implications arising from the consultation on the proposals.
- 6.2 Any implications from any future proposals that arise from the consultation will be fully explored in future papers presented to Finance & Management Committee.

Legal implications

- 6.3 None directly arising from the proposals in this report. Any changes to statutory or legislative requirements that impact on customers will be considered as part of the proposals.

Corporate Plan Implications

- 6.4 The proposal will support the Council's Corporate Plan in the following ways:
- Encourage independent living and keep residents healthy and happy in their homes.
 - Ensure consistency in the way the Council deals with its service users.
 - Support unemployed residents back into work.
 - Provide modern ways of working that support the Council to deliver services to meet changing needs.

Risk Impact

- 6.5 Appropriate risk assessments will be completed on any proposed changes as part of the governance of the overall project.

7.0. Community Implications

Consultation

- 7.1 The community will be directly consulted on the proposals to develop a new scheme and a full consultation plan will be incorporated in the paper presented to Finance & Management Committee on 7 October 2021.
- 7.2 There are no direct community impacts from consultation on the proposals of a proposed revised Local Council Tax Reduction Scheme (LCTRS).

Equality & Diversity and Social Value Impact

- 7.3 The purpose of the consultation is to give customers, residents, Elected Members and stakeholders an opportunity to give feedback on a proposed new scheme.
- 7.4 The full community implications, including a full Equality Impact Assessment will form part of the governance of the project and will be reported to the EDI Steering Group. It will be included in the report that details the proposed Local Council Tax Reduction Scheme (LCTRS) models that will be presented to Finance & Management Committee prior to consultation on 7 October 2021.

8.0 Conclusions

- 8.1 The report details how the current scheme is not as user friendly as it could be for both customers and the Council. It also details how potential changes to the scheme could better distribute support to those in need across the district. It does however highlight that some residents could be more affected by the proposed changes than others and as such, a wide public consultation is required to ensure the needs of all residents, in particular the most vulnerable are fully considered.

9.0 Background Papers

9.1 Appendix 1 – Model overview sheet