

CABINET

18 July 2023

Title: Council Tax Support Scheme 2024/25 – Options and Consultation	
Report of the Cabinet Members for Finance, Growth and Core Services and Community Leadership and Engagement	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Stephen McGinnes, Director of Support & Collections	
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Summary <p>The Council has a statutory duty to consider annually whether to revise its Local Council Tax Support (CTS) scheme for working age recipients, replace it with another scheme or retain the current scheme. This excludes the scheme that exists for pension age recipients which is a nationally prescribed scheme and cannot be varied locally.</p> <p>By Minute 16 (12 July 2022), the Cabinet agreed to support the proposal to undertake and commence modelling to replace the current CTS scheme with a new 'income banded discount' scheme to enable a draft replacement CTS scheme to be considered for implementation in 2024/25.</p> <p>This report updates on this fundamental review of the CTS scheme undertaken with consideration for the implementation of a replacement CTS scheme for 2024/25, with a view to providing a more transparent and simple approach, with predictable levels of support, via a new income banded discount scheme.</p> <p>This report sets out the reasons why the Council should consider replacing the scheme and includes proposals for a new replacement scheme, including analysis of the implementation arrangements.</p> <p>The Assembly has a legal duty to approve the CTS scheme by 31 January each year. The report seeks endorsement of the recommended scheme and approval to consult on the proposals, the outcome of which will be included in a report to the Assembly later in the year.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p>	

<p>(i) Agree the recommended 'income banded discount' CTS scheme (Model 1), as set out in sections 2.10 to 2.13 of the report, as the Council's draft proposed replacement CTS scheme for 2024/25; and</p> <p>(ii) Agree to the commencement of public consultation on the proposals to replace the current CTS scheme for 2024/25 with an income banded discount scheme.</p>
<p>Reason(s)</p> <p>To assist the Council in its efforts to support low-income residents with a fair and equitable approach to the management of their Council Tax costs through the core financial support provided by the CTS scheme, and to ensure its effective and efficient administration.</p>

1. Introduction and Background

- 1.1 The Welfare Reform Act in 2012 abolished Council Tax Benefit (CTB) from April 2013 and, in its place, support took the form of a local Council Tax Support Scheme (CTS). For working age customers, the scheme is determined by the Billing Authority and for those of pension age it is prescribed by legislation. The scheme that exists for pension age recipients is a national scheme and this cannot be varied at a local level. Prescribed regulation changes to the pension age scheme must be applied every financial year. The national pension age scheme and the default CTS scheme very much mirrors the former means tested national benefit scheme.
- 1.2 The Local Government Finance Act 2012 contains provisions for the setting up of local support schemes. The current scheme in Barking & Dagenham has been based around the default CTS Scheme and has been ratified by Assembly.
- 1.3 The Council must consider whether to revise or replace its CTS scheme each financial year, in accordance with requirements of schedule 1A of the Local Government Finance Act 1992, for working age recipients. However, it does not actually have to revise or replace its scheme and can choose to retain the scheme unchanged from the prior financial year.
- 1.4 In order to change its scheme the Council is required by law to:
- Consult with the major precepting authorities;
 - Consult with other persons it considers are likely to have an interest in the operation of the scheme including with the public on any draft scheme.
- 1.5 Local schemes must take account of and support the following principles:
- Work incentives and avoid disincentives for those moving into work;
 - The Council's duties to protect vulnerable people (under the Equality Act 2010, the Care Act 2014, the Child Poverty Act 2010 and the Housing Act 1996);
 - The Armed Forces Covenant.
- 1.6 The current CTS scheme in operation retains many of the core components of the former means tested national benefit scheme (CTB) and remains aligned with the

remaining Housing Benefit (HB) caseload and its administration, with a number of local provisions applied:

- The support for claimants is based on each individual's ability to pay through a means tested approach.
- Pensioners are protected under the nationally prescribed pension age CTS scheme and must be able to receive up to a 100% reduction under the national scheme rules.
- A "minimum payment" of 15% of their Council Tax liability is required for all working age claimants in Barking & Dagenham irrespective of their financial circumstances. This means maximum support is limited to 85% of the Council Tax bill.
- Those who fall under the working age scheme and with capital in excess of £10,000 are not eligible for CTS under this scheme.
- Limiting CTS to 2 children born after 1 May 2017 for all Universal Credit (UC) claimants in line with welfare reform.
- Accepting a new application for UC as an application for CTS without the requirement for a separate application made to the Council.

1.7 The main benefits of keeping the scheme aligned with HB administration were:

- HB & CTS was processed from one application form.
- The rules and calculations between HB & CTS were similar for both staff and residents.
- Administration costs were shared and relied on the HB administration grant via the Department for Work & Pensions (DWP).
- Award notices were generated as one notification due to being processed together.

1.8 The Council went to live to 'Full Service Universal Credit' in December 2018. From this date no new claims for HB have been accepted from working age claimants (excludes temporary & specified accommodation). This means that the main benefits of keeping the scheme aligned to HB have increasingly been lost and the link with administration of HB broken.

1.9 New claimants and those who experience a 'triggering' change in circumstances must now apply for UC. This is administered by the DWP and includes an amount towards housing costs, and they must apply to the Council for CTS separately.

1.10 Managed migration of the remaining Legacy Benefit case load to UC is due to commence in 2024. This will increasingly affect the administration of the CTS scheme.

1.11 The impact of UC on the administration of the current CTS scheme can be summarised as follows:

- Lower support (CTS award)
- A higher volume of changes

1.12 Expenditure on the CTS scheme has declined year on year since 2015, with the exception being the 2020/21 financial year due to the impact of Covid-19. The CTS caseload has also declined year on year with the value of CTS awards reducing

during this period for working age claimants. This is partly due to UC Migration, as recipients of UC receive lower levels of CTS through the current means testing process.

- 1.13 The current scheme has numerous ongoing issues with its administration that highlights the need for the Council to consider a replacement scheme to effectively administer and provide support to residents through the core support of the CTS scheme.
- 1.14 The requirement to consider a replacement CTS scheme means the Council should now consider the implementation of an income banded discount CTS scheme to address some of the issues that arise with the retention of the current CTS scheme.
- 1.15 An income banded discount scheme provides support based on bands of income and provides a percentage discount off the Council Tax bill (the CTS award). The number of discount bands, the level of discount and income thresholds can all be varied. Income banded discount schemes can be designed to be as simple or as complex as desired, can be made more or less generous and designed to support protected groups if required. Re-assessment of cases will only be required if income crosses one of the income band thresholds.
- 1.16 An income banded CTS scheme can be designed to assist households with low incomes and ensure that their Council Tax liability is manageable and fair.
- 1.17 It is difficult to vary the current CTS scheme to adopt or target different levels of support at a range of applicants. An income banded discount scheme gives the Council the opportunity to vary support based on a targeted approach to residents in line with Council objectives and Borough manifestos.
- 1.18 This paper sets out an overview of the current scheme, the impact of retaining the current scheme, proposals to implement an income banded discount scheme and the impact of this replacement scheme.

2. Proposal and Issues

2.1 An overview of the current CTS scheme (the default scheme)

- 2.1.1 The current CTS scheme is based on the centrally defined default scheme following the localisation of CTS in 2012/13. This is a complex means tested scheme in which incomes are compared to a needs allowance (applicable amount) calculated with reference to household circumstances and incomes.
- 2.1.2 This scheme must be retained by all Councils in respect of pensioner households (prescribed scheme). The scheme for working age households can be modified and varied by the Council, ensuring key principles and legislative requirements are met.
- 2.1.3 The Council has retained the 2013 default scheme for working age households but with a minimum payment of 15%, with some amendments and local provisions applied.
- 2.1.4 A significant investment was made by the Council into the 2023/24 scheme through a reduction in the minimum payment required from all claimants, from 25% to 15%.

This increased the maximum Council Tax bill that could be considered through a CTS award from 75% to 85%.

2.1.5 This was held to balance the need to better support low-income residents of the borough, including the most financially excluded, with their ongoing Council Tax costs. Residents are now supported with their ongoing cost of living through an increase in the value of the CTS award, reducing the payable Council Tax charge, increasing resident income, and this was balanced against the financial cost to the Council.

2.1.6 The current scheme retains some advantages which can be summarised as follows:

- Means testing allows support to be focused on those most in need financially and continues to protect these households
- Pensioners remain fully protected
- Pension age and working age claimants are assessed under the same scheme
- Does not impact disproportionately on any equality group

2.1.7 The current scheme however has a number of disadvantages which can be summarised as follows:

- Highly complex calculation of entitlement and legislative based assessment processes
- Reactive to minor changes in circumstances generating higher volumes of work, adjustments to awards and multiple Council Tax bill adjustments
- Complex administration for staff & complex for applicants to understand
- Difficult to simplify with little flexibility in the scheme available
- The impact of Universal Credit on administration of the scheme and the value of CTS awards
- Difficult to vary and change the levels of support for different types of applicant

2.2 The current CTS case load

2.2.1 The current CTS scheme¹ caseload is as follows:

Case load count	Working age	Pension age
15,216	10,717	4499

2.3 Current CTS expenditure

2.3.1 The current scheme expenditure² is as follows:

CTS expenditure	Working age	Pension age
£16,648,683.81	£11,216,501.52	£5,432,182.29

¹ CTS case load extraction 31.05.2023 (2023/24)

² CTS expenditure extraction 31.05.2023 (2023/24)

2.4 The main issues with the current CTS scheme

2.4.1 There are a number of issues with the current CTS scheme that will need addressing to ensure that the Council has a CTS scheme that ongoing is fit for purpose in future years and that continues to:

- Provide the greatest support to low income households.
- Reduce the administrative burden allowing for the efficient administration of the scheme.
- Provide a simplified approach for residents.

2.5 CTS and the impact of UC on the current scheme

2.5.1 The introduction of UC within the borough has brought a number of significant challenges to both the administration of CTS and also the collection of Council Tax generally.

2.5.2 In 2021/22, the collection rate for CTS claimants was 87.9% against an overall collection rate of 93.64%. The collection rate for CTS claimants in receipt of UC was lower at 83.1%.

2.5.3 In 2022/23 the collection rate for CTS claimants was 87.5% against an overall collection rate of 93.6%. The collection rate for CTS claimants in receipt of UC was lower at 81.8%.

2.5.4 The managed migration of the remaining Legacy Benefit caseload to UC is due to be commenced by the DWP in 2024 and will significantly impact on the CTS scheme.

2.5.5 Currently there are 5712 CTS claims that are UC recipients. This now accounts for 53% of the working age CTS case load (not applicable to pension age). As a consequence, a significant proportion of the case load remains to be migrated to UC.

2.5.6 The impact of UC on the CTS scheme can be summarised as follows:

- The reluctance of UC claimants to make a prompt claim for CTS leading to a loss of entitlement.
- The design of UC resulting in working age households receiving on average lower CTS awards.
- This can be attributed to taper deductions and work allowances. Under UC working households retain a higher proportion of earned income due to support being removed (taper deduction) at 55p per pound earned, a lower rate than for existing legacy benefits. Work allowances also allow for the retention of earnings without any reduction to UC awards. The higher retention of earned income means household income for some working households through their UC award is higher, leading to reduced CTS awards.
- UC restricts child allowances to two dependants (with certain exceptions). This on average results in lower applicable amounts for larger families and reduced CTS awards for these households.
- A high number of changes to UC cases are received from the DWP requiring an adjustment to awards. On average 40% of Universal Credit claimants have

between eight and twelve changes in entitlement per annum. The welfare service received 102,613 UC changes notifications in 2022/23.

- The current means tested scheme is reactive to change where any small change to income will require a change to the CTS award. Changes from UC notifications result in adjustments to CTS awards.
- These changes result in amendments to Council Tax liability and the re-calculation of Council Tax instalments due to the liability amount changing with an adjustment to the CTS award.
- Frequent instalment changes can make it difficult for residents to budget with continual changes and the reprofiling of Council Tax payment amounts, with multiple bills being issued.
- Frequent changes altering the amount of CTS awarded and consequently the sum of Council Tax to be collected can result in the bill payer being offered fewer instalments to pay, due to re-profiling, making it more difficult to pay.
- The increased costs of administration through multiple changes with significant additional staff and staff time being needed.
- Increased printing and postage costs due to these multiple UC changes, adjustments and Council Tax bills.
- Printing and postage costs are on average £150,000 per annum. A reduction in changes will reduce printing and postage costs and make an effective contribution to environmental concerns.

2.5.7 The existing means tested CTS scheme, which is highly reactive to change, will not be viable in the longer term now that UC has been rolled out fully within the borough and with a further substantial increase in UC claimants due to managed migration of the remaining legacy benefit caseload.

2.5.8 Any new scheme needs to deliver a scheme that is more compatible with the UC system, reflecting the changing caseload and does not respond to every change, while protecting the most vulnerable residents.

2.6 **The need for a simplified approach to the CTS scheme**

2.6.1 The existing CTS scheme is based on an old-fashioned means tested benefit scheme (CTB), which now has major defects which can be summarised as:

- It is complex for customers to understand and is based on a complex calculation of entitlement (means testing).
- Customers are not easily able to calculate their entitlement.
- The administration for staff is complex, with staff having to request significant amounts of information from applicants to process applications and changes.
- Staff have to undergo significant training to be proficient in processing claims.
- The current scheme is too reactive to change.
- It does not interact well with UC which is a benefit that is re-assessed every month.

2.6.2 A key driver and objective of the proposal to replace the CTS scheme is simplification and to ensure the scheme works better in the broader context, responding to external influences that directly impact the delivery of the scheme and payment of Council Tax.

- 2.6.3 A banded income discount scheme removes the means tested element of the current scheme allowing residents to easily calculate their entitlement based on their current income and household size.
- 2.6.4 There are several different types of banded income and discount CTS schemes, with variations such as:
- Not accounting for household size and type with discounts against income only.
 - Only accounting for employment as income and ignoring all other benefits and household size.
 - Varying discounts based on the Council Tax band.
- 2.6.5 These options are considered in the options appraisal.
- 2.6.6 Income bands allow for smaller changes in income to occur without the requirement for a change in the income band, and thus discount, meaning more stability and consistency in the award. This simplifies the process, requiring only more significant changes in income to be reported, allows the resident to calculate potential changes to the award in advance, and reduces the requirement to consistently adjust the level of the award.
- 2.6.7 This stabilisation of the award simplifies the process for Council Tax instalments due to a reduction in the re-profiling of the payments due to minor changes in the CTS award, making it simpler for residents to understand the Council Tax they are required to pay.
- 2.6.8 This will improve the customer journey and experience.
- 2.7 The need to help low-income households and assist in the collection of Council Tax**
- 2.7.1 Since 2013, the introduction of CTS, the majority of Councils have required all working age applicants to pay a minimum payment. Under the previous scheme (CTB) some claimants, based on the means test, were not required to pay any Council Tax and would have received full (100%) support.
- 2.7.2 In 2015/16 the Council introduced a maximum award of 75% requiring a minimum payment of 25%, irrespective of financial circumstances.
- 2.7.3 Based on the socio-economic indicators and level of deprivation and poverty within the borough the minimum payment was reduced from 25% to 15% in the current 2023/24 CTS scheme, representing a major investment by the Council in the financial support provided to residents through the CTS scheme.
- 2.7.4 By targeting support at those households least able to pay the Council can seek to reduce collection costs and improve collection rates for Council Tax.
- 2.7.5 The current CTS scheme cannot be easily varied to target differing levels of support against vulnerable residents and would require complex amendments to change the outcome of the means test applied. This would not meet the requirements for simplification of the scheme.

2.7.6 Retaining the current scheme with the migration of the remaining Legacy Benefit case load to UC will result in a reduction in support, as on average CTS awards are less for UC claimants due to the design of the current scheme and UC.

2.7.7 A replacement income banded discount scheme allows the Council the opportunity to look at varying the support provided, targeting support at the most vulnerable, while also providing support and incentives around employment, taking account of migration to UC, based on a simple discount scheme. This retains the objective of supporting low-income households with better targeted support.

2.8 The impact of retaining the current scheme into 2024/25

2.8.1 The council have worked with a specialist provider 'Policy & Practice' to model the outcomes on retaining the current CTS scheme into 2024/25³. This modelling is based on a CTS scheme extract from January 2023.

2.8.2 Maintaining the current scheme into 2024/25 would increase costs from £16.6m (2023/24) to £17.2m (2024/25).

Group	£/annum
All working age	£11,250,647
Pension age	£5,948,152
Total	£17,198,798

2.8.3 This was based on a projected 4.99% increase in Council Tax in 2024/25 and a 5.4% benefit uprating figure (based on projected CPI inflation figures).

2.8.4 The increase in scheme costs is driven primarily by these factors, with demand for the scheme variable and can be considered against the cost base increase for Council Tax.

Annual CTS in current scheme retained into 2024/25 compared to current scheme 2022/23			
Group	£/annum	Change (£/annum)	Change (%)
All working age	£11,250,647	£2,399,527	27.11%
Pension age	£5,948,152	£853,874	16.76%
Total	£17,198,798	£3,253,401	23.33%

2.8.5 The average weekly awards from the current scheme in 2022/23 can be modelled against the projected costs for retaining the scheme into 2024/25. This demonstrates the increase in the weekly award as scheme costs increase⁴.

	Current scheme in 2022/23	Current scheme in 2024/25
All working age	£16.49	£20.88
Legacy benefits	£17.29	£22.21
Universal Credit	£15.88	£20.32

³ Appendix 1 – Policy & Practice localised CTS Final Report

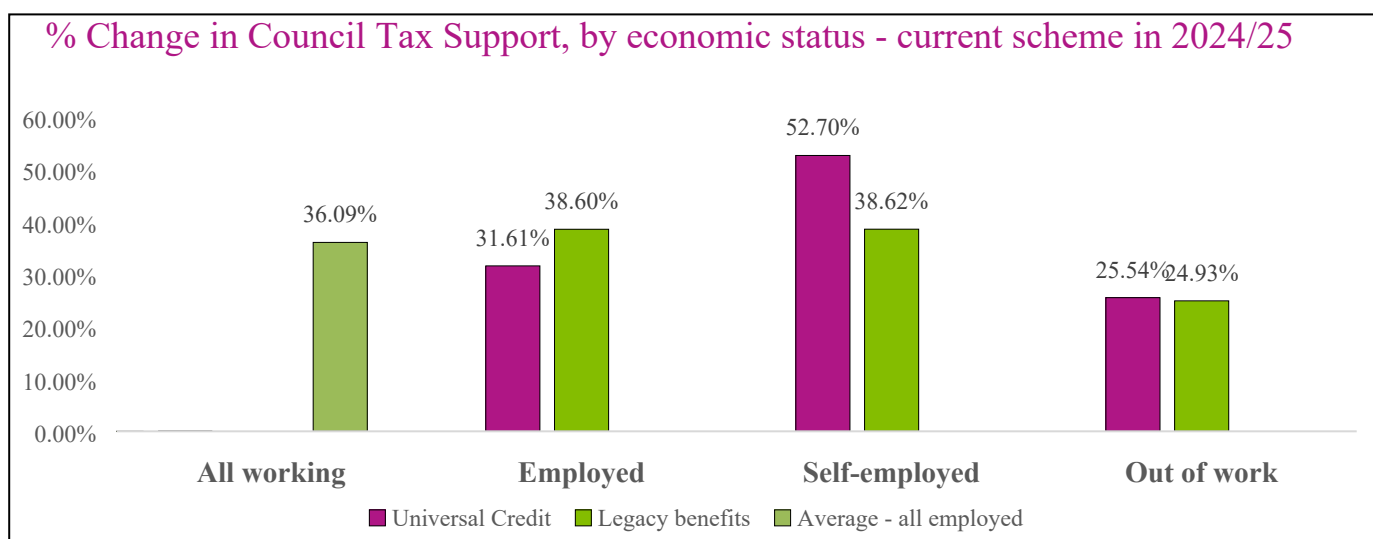
⁴ Appendix 1 – Policy & Practice localised CTS Final Report

2.8.6 The difference in awards between the old legacy benefits and UC, with UC cases having a lower award value should be noted.

2.8.7 UC awards will increase on average 1.51% less than existing legacy benefits if the current scheme is retained⁵.

Average weekly CTS awarded in current scheme retained into 2024/25, compared to current scheme 2022/23			
Group	Upated current scheme (£/week)	Change (£/week)	Change (%)
All working age	£20.88	£4.45	27.11%
UC	£20.32	£4.27	26.63%
Legacy benefits	£22.21	£4.88	28.14%

2.8.8 Increases in the support provided from retaining the current scheme into 2024/25 due to increased scheme costs is also modelled against economic status⁶.



2.8.9 As scheme costs are increasing due to Council Tax increases and Benefit uprating support average levels of support will consequently also increase through the means testing process.

2.8.10 Employed UC claimants will benefit less from increased support through the current scheme. UC allows claimants to keep more of their income with a work allowance and a more generous taper reduction against earnings. As a consequence, their income is higher leading to lower CTS awards. The current scheme will provide less support for residents as UC migration is completed.

2.8.11 Although the retention of the current scheme into 2024/25 will lead to increased support due to natural increases in costs, it will not address the issues of administration and defects with the scheme as outlined above and will increasingly fail to provide a scheme that can be effectively administered to support low income residents of the borough.

⁵ Appendix 1 – Policy & Practice localised CTS Final Report

⁶ Appendix 1 – Policy & Practice localised CTS Final Report

2.8.12 The drivers for changing the CTS scheme remain.

2.9 **The proposed approach for the 2024/25 Council Tax Support scheme**

2.9.1 In view of the issues with the retaining of the current scheme into 2024/25 and taking account of the drivers for change it is proposed that an alternative approach be taken for a replacement scheme in 2024/25.

2.9.2 This approach will:

- Vary the level of support to disabled households (disability uplift) while retaining the current levels of support for the poorest households.
- Address the issues caused by UC and the final migration of the remaining Legacy Benefit cases.
- Address the administrative issues and defects caused by a reactive scheme.

2.9.3 The main objectives of this scheme change can be summarised as follows:

- Is affordable and maintains a fiscally cost neutral position from natural increases in the cost of retaining the current scheme into 2024/25.
- Simplifies the scheme making it easy for residents to understand and access.
- Provides and protects the maximum level of support for all low-income households.
- Removes the requirement to continually make changes in awards making support more consistent and provides stability on managing household budgets.
- Improves how the scheme works with the UC system.
- Creates a scheme that is fair and equitable to all residents, requiring a fair contribution towards Council Tax from those who can pay while protecting the most vulnerable.
- Encourages and incentivises employment.
- Builds in capacity to better manage an increase in demand for the scheme (increased automations and more efficient administration).

2.9.4 An income banded discount scheme provides support based on bands of income and provides a set percentage reduction off the Council Tax bill (the award).

2.9.5 The number of discount bands, the level of discount and income thresholds can all be varied.

2.9.6 Banded schemes vary in the types of income taken into account, what circumstances are considered and the % of the discount awarded.

2.9.7 Income banded discount schemes can be designed to be as simple or as complex as desired, can be made more or less generous and designed to support protected groups if required.

2.9.8 Re-assessment of cases will only be required if income crosses one of the income band thresholds.

2.9.9 This approach will fundamentally redesign the scheme.

2.10 The proposed income banded discount scheme for 2024/25 (Model 1)

2.10.1 The key characteristics of the proposed income banded discount scheme for 2024/25 can be summarised as follows:

- Income bands based on all household income with a set discount % reduction in the Council Tax bill (the CTS award).
- The maximum award is set at 85% (in line with the current scheme) requiring a 15% minimum payment.
- Higher awards to applicants in receipt of disability benefits by granting applicants a higher discount automatically (disability uplift) by increasing the award by 5% in each income band to a maximum of 90%.
- The following incomes are disregarded in full:
 - Housing Benefit
 - UC Housing costs
 - UC Childcare support
 - Personal Independence Payment (PIP) & Disability Living Allowance (DLA)
- Flat rate non-dependant adult deduction of £5 per week (maintaining no deduction for those in receipt of disability benefits to mirror the current scheme).
- Household size allowance restricted to 2 dependants (to mirror UC and welfare reform). This aspect will be addressed in the Equalities Impact Assessment⁷.

2.10.2 The scheme proposes the following income bands and discounts:

Income Thresholds (Bands) £						
Band	Discount	Disability discount (5% uplift)	Single	Couple	1 child addition	2+ children addition
1	85%	90%	0-80	0-160	130	230
2	75%	80%	80-125	160-190	130	230
3	65%	70%	125-165	190-230	130	230
4	55%	60%	165-205	230-265	130	230
5	35%	40%	205-250	265-290	130	230
6	25%	30%	250-325	290-365	130	230

2.10.3 Income band thresholds and discounts are balanced against scheme affordability and overall scheme objectives.

2.10.4 To support the most vulnerable in the borough a disability uplift is proposed for those claimants in receipt of DLA/PIP (middle to higher rates) or the limited capacity to work (LCW) element of UC.

⁷ Appendix 2 – Equalities Impact Assessment (EIA)

2.10.5 Claimants with disability often incur higher costs, are disproportionately affected by rising costs in living, and are often unable to affect a change in their circumstances due to health conditions.

2.10.6 The disability uplift will automatically provide an uplift of 5% for all eligible claimants up to an increased maximum of 90%.

2.10.7 This will increase their award providing core support for the most vulnerable and disabled residents in the borough.

2.10.8 The current scheme applies a means tested approach to non-dependant (ND) adults in the household that requires significant amounts of administrative work to obtain details of income in order to determine the level of deduction applied.

2.10.9 The advantages of flat rate non-dependant deductions can be summarised as follows:

- Simplify the scheme and administration.
- Existing protections remain for those in receipt of disability benefits.

2.10.10 The application of a flat rate non-dependant deduction of £5 per week, while maintaining the current exemptions due to receipt of disability benefits, will significantly simplify the administrative process required.

2.10.11 Applicants will be required to provide less information, and this will also make the approach simpler to understand with applicants only needing to know how many non-dependants they have in the household, to understand the deductions that will be applied.

2.11 **The impact of the proposed income banded discount scheme (Model 1)**

2.11.1 Model 1 is a banded income discount scheme which takes into account all household income and size (restricted to 2 children).

2.11.2 Higher rates of discount are given to households on legacy benefits in receipt of PIP/DLA and households on UC who get the LCW/LCWRA element (disability uplift).

2.11.3 Flat rate non-dependent deductions are introduced at £5 per week with current scheme exemptions protected (receipt of disability benefits).

2.11.4 Model 1 compared to the current scheme in 2024/25⁸:

	Model 1 cost	Comparison to current scheme retained into 2024/25	
Group	£/annum	Change (£/annum)	Change (%)
All working age	£11,282,772	£32,125	0.36%
UC	£7,878,492	£217,384	2.84%
Legacy benefits	£3,404,281	-£185,258	-5.16%
Pension age	£5,948,152	£0	0.00%
Total	£17,230,924	£32,125	0.19%

2.11.5 Model 1 increases total scheme costs by £32k in comparison to costs if the current scheme were to be retained into 2024/25.

2.11.6 Average CTS costs for working age households under Model 1 increases by 0.36% compared to the current scheme retained into 2024/25.

2.11.7 Costs for UC households increase by 2.84%, whilst costs for households on legacy benefits decrease by 5.16%.

2.11.8 The impact of the proposed model as a comparison with the current scheme⁹:

Band	No. households	% households	Average weekly CTS Model 1	Average weekly CTS Current scheme in 2024/25
1	8,481	81.86	£22.40	£22.35
2	272	2.63	£20.23	£19.32
3	493	4.76	£17.87	£14.24
4	552	5.33	£16.22	£12.58
5	157	1.52	£10.44	£14.32
6	256	2.47	£7.96	£12.49
Losing support	149	1.44	£0	£14.52
Total	10,360			

2.11.9 The model increases the average level of support for 9,798 households (94.5%) of the caseload demonstrating its overall positive impact between bands 1-4 for residents with the lowest incomes.

2.11.10 The main reductions in support are for those claimants in higher bands with higher household incomes.

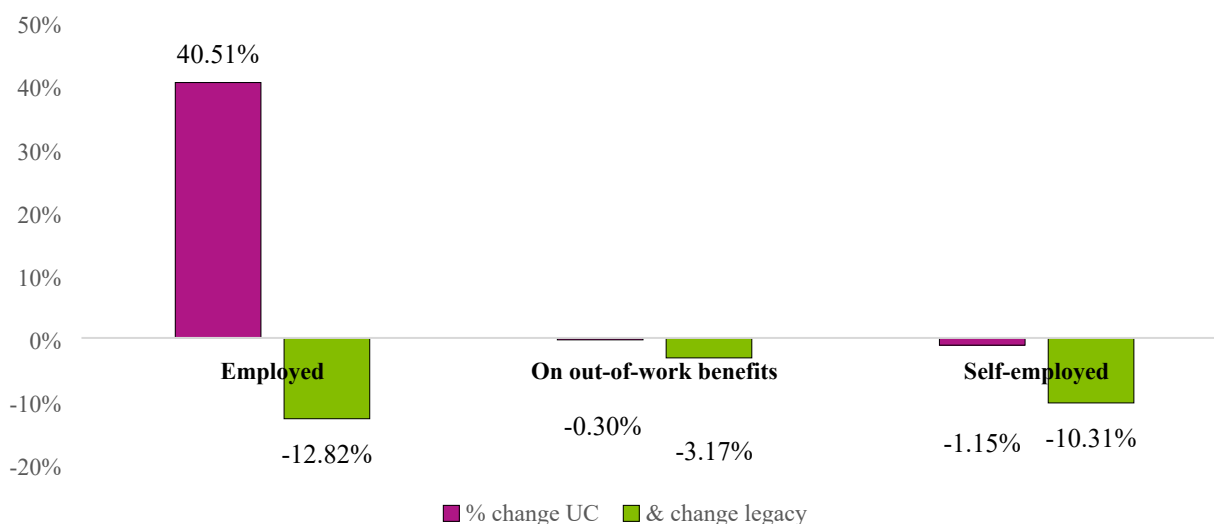
⁸ Appendix 1 – Policy & Practice localised CTS Final Report

⁹ Appendix 1 – Policy & Practice localised CTS Final Report

2.11.11 For households that lose out the majority are due to falling into income bands that give an award lower than the earnings taper in the current scheme (employed), as well as due to the introduction of flat rate non-dependant deductions.

2.11.12 This impact can also be modelled against employment status¹⁰:

Percentage change in weekly CTR compared to current scheme retained into 2024/25, by economic status



2.11.13 This modelling demonstrates a positive impact of the new scheme on UC claimants in employment against the retention of the current scheme.

2.11.14 Employed households under the old legacy benefits lose out. This is because the average award for employed households on UC in the current scheme in 2024/25 is lower than that for legacy claimants. This means that awards in the current scheme in 2024/25 for employed households who are migrated from legacy to UC may drop. This model accounts for an artificial migration of 30% of the current legacy case load to UC by 2024/25.

2.11.15 These awards are evened out in the model, meaning UC households gain more compared to the current scheme in 2024/25.

2.11.16 The proposed scheme provides better support for employed earners on UC than the current scheme and therefore supports employment and does not disincentivise work.

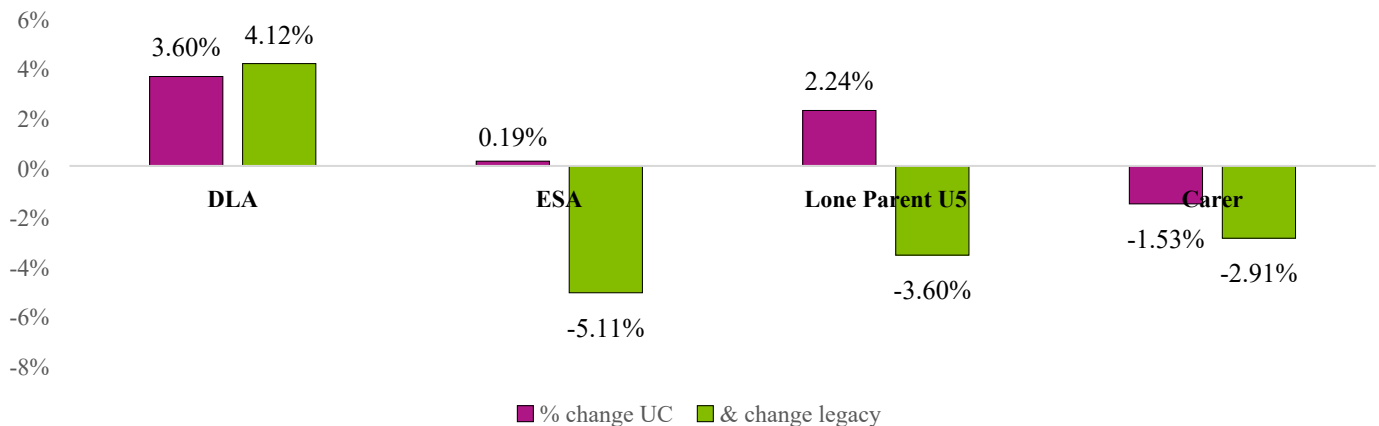
2.11.17 This is important in the context of managed migration of the remaining legacy benefit case load to UC which is due to commence in 2024.

2.11.18 The impact can also be modelled against types of claimant who are not in employment and have barriers to work¹¹.

¹⁰ Appendix 1 – Policy & Practice localised CTS Final Report

¹¹ Appendix 1 – Policy & Practice localised CTS Final Report

Percentage change in weekly CTR compared to current scheme retained into 2024/25, by barriers to work



- 2.11.19 Disabled claimants (DLA) benefit from the new scheme due to the disability uplift increasing their discount. This helps to support our most vulnerable residents.
- 2.11.20 The proposed scheme protects the level of support (band 1) where most claimants with barriers to work fall, compared to the current scheme.
- 2.11.21 Reductions in support can be attributed to non-dependant deductions that were not previously payable now being applied due to the change to a flat rate deduction.
- 2.11.22 Further analysis on the impact of the proposed replacement scheme is contained in the Policy & Practice report and Equalities Impact Assessment (EIA) ¹², inclusive of those residents who may lose support.
- 2.11.23 The overall impact of the proposed new scheme increases support for 94.5% of the existing caseload. Legacy benefits on average will see slightly lower levels of support (-5.16%) however the scheme will provide greater support than the current scheme for UC claimants.
- 2.11.24 An average reduction in support for existing legacy benefit claimants is acceptable due to the planned migration to UC that will reduce and end receipt of these benefits during 2024.
- 2.11.25 A scheme that better supports claimants on UC, while protecting the most vulnerable is recommended.

2.12 How the new scheme will address the problems with the current CTS scheme

- 2.12.1 The simplicity of the proposed new scheme approach will help to address some of the problems associated with the administration of the current scheme. This can be summarised as follows:

¹² Appendix 2 – Equalities Impact Assessment (EIA)

The impact of UC

- 2.12.2 Income bands are sufficiently wide to ensure the scheme is less reactive to change reducing the number of adjustments to awards.
- 2.12.3 The current CTS scheme is reactive to minor changes and awards are altered even with very minor changes to income, generating multiple claim adjustments and Council Tax demands. The income banded approach means minor changes in income will no longer trigger a change in award and will reduce the number of adjustments.
- 2.12.4 This also supports the efficient administration of the scheme.

The need for a simplified approach

- 2.12.5 Significant simplification allowing for applicants to easily understand their award and how it has been calculated due to the removal of complex means testing.
- 2.12.6 Simplified administration with the removal of complex means testing for staff.
- 2.12.7 Income banded schemes are simpler to understand than the current scheme and therefore allows the Council to convey a relatively simple eligibility message to residents.

The need to assist low income households and assist in the collection of Council Tax

- 2.12.8 The varying of support with disabled applicants given increased awards, the maintenance of current levels of support for the poorest residents, and the encouragement and incentivisation of employment.
- 2.12.9 The current scheme is difficult to change and cannot be varied in the same way as an income banded scheme. To provide additional support such as the disability uplift would require complex changes in means testing that could not be simply explained to residents. An income banded approach allows the Council to target additional support in a simple way, while continuing to protect the lowest incomes.

2.13 Transition to the new scheme and the exceptional hardship scheme (Discretionary Council Tax Relief - DCTR)

- 2.13.1 The Council must acknowledge that any scheme change and transition to a new scheme will result in changed awards for some applicants.
- 2.13.2 Although the new scheme has been designed to protect the most vulnerable there will be some applicants who gain support, and some who lose support, due to a different design of the scheme.
- 2.13.3 The DCTR fund will remain in place and will be reviewed prior to presenting the final details of the proposed income banded discount scheme.
- 2.13.4 Where any applicant is likely to experience hardship, they will be encouraged to apply for DCTR.

2.13.5 The Council will consider all applications for DCTR on an individual basis, in line with current policy, taking account of current circumstances, income and expenditure.

2.13.6 Where appropriate further support towards the payment of Council Tax will be given to the applicant.

3. Options Appraisal

3.1 The options appraisal currently has the following options for the CTS scheme for 2024/25.

- Maintain the current scheme with no changes.
- Implement a replacement income banded discount scheme (Model 1).
- Implement a replacement income banded discount scheme with a reduction in the level of support (Model 2).¹³
- Consider other types of discount schemes

3.2 The implementation of a completely new income banded discount CTS scheme requires the following:

- Engagement with members, residents & voluntary sector groups to obtain feedback on potential changes.
- Engagement of an external third party to undertake scheme & financial modelling.
- Cabinet and assembly approval.
- Public consultation.
- ICT engagement for implementation.

3.3 Within this options appraisal consideration was given to retaining the current CTS scheme unchanged or implementing a replacement scheme.

3.4 A replacement scheme can either retain the current level of support against a fiscally cost neutral position or can reduce the level of support against a fiscal cost saving.

3.5 The retention of the current scheme in to 2024/25 is not held to address the administrative issues with the scheme as outlined above. The completion of managed migration to UC will cause further significant administrative issues, including an increase in adjustments to awards and the re-profiling of Council Tax instalments and will result in lower levels of support through the CTS award.

3.6 A retention of the current scheme will not provide an efficient and effective scheme for residents of the borough.

3.7 Model 1 is held to address the administrative issues with the retention of the current scheme, while maintaining the levels of support provided for the lowest income residents. Additional support is provided to disabled residents through the disability uplift and the proposed model also provides better levels of support for UC

¹³ Appendix 1 – Policy & Practice localised CTS Final Report

claimants in employment, incentivising employment. This is balanced against the financial cost to the Council, maintaining a fiscally cost neutral position, against the anticipated cost of retaining the current scheme into 2024/25.

3.8 For those reasons Model 1 is recommended.

3.9 Model 2¹⁴ has lower income thresholds and lower child additions and therefore provides lower levels of support:

Model 2		Income Thresholds (£, weekly)				
Band	Discount	Disability discount	Single	Couple	1 child addition	2+ children addition
1	85%	90%	0-90	0-150	100	180
2	75%	80%	90-115	150-175	100	180
3	65%	70%	115-135	175-195	100	180
4	55%	60%	135-160	195-220	100	180
5	35%	40%	160-200	220-260	100	180
6	25%	30%	200-240	260-300	100	180
7	0%	0%	240+	300+	100	180

3.10 Model 2 has a reduction in overall expenditure on the scheme and provides a cost saving to the Council against the anticipated cost of retaining the scheme into 2024/25.

Group	Model 2 cost £/annum	Comparison to current scheme retained into 2024/25	
		Change (£/annum)	Change (%)
All working age	£10,618,931	-£631,716	-5.61%
UC	£7,386,984	-£274,125	-3.58%
Legacy benefits	£3,231,948	-£357,591	-9.96%
Pension age	£5,948,152	£0	0.00%
Total	£16,567,083	-£631,716	-3.67%

¹⁴ Appendix 1 – Policy & Practice localised CTS Final Report

3.11 Model 2 provides lower levels of support compared with retaining the current scheme into 2024/25 for all claimants:

Model 2	Average household support	Comparison to current scheme retained into 2024/25	
Group	£/week	Change (£/week)	Change (%)
All working age	£19.71	-£1.17	-5.61%
UC	£19.59	-£0.73	-3.58%
Legacy benefits	£20.00	-£2.21	-9.96%
Pension age	£25.29	£0.00	0.00%
Total	£21.41	-£0.82	-3.67%

3.12 This model is not held to sufficiently support residents of the borough with their Council Tax costs, during a time of a high cost of living, also considering the socio-economic demographics and poverty indicators of the borough. This model reduces core support for all claimants irrespective of vulnerability and income.

3.13 Consideration was given to other types of income banded and discount schemes as a possible replacement scheme:

Employment income only banded scheme

3.14 Income banding schemes can be based exclusively on household earnings. Consequently, all other benefits/income are disregarded.

3.15 Income banding based exclusively on earnings is the simplest banding scheme administratively as it only requires the Council to decide on the earnings of the household only.

3.16 The main disadvantage of an earnings only banded scheme is although other benefits are disregarded it fails to fully account for a needs allowance, which may penalise households with dependants. Often these households will incur higher expenses which are not fully met by receipt of other benefits such as Child Allowances or Child Tax Credit and this is not accounted for within the income bands.

3.17 Residents may feel the scheme disincentivises work as only those without employment will be provided with the highest levels of support.

Simple discount schemes

3.18 Basic discount schemes can vary in type but usually apply a simple assessment around a level of household income that applies a set % discount at above or below an income threshold. These schemes are usually designed to be admirably simple but also fail to account for household size and type.

Variations based on the Council Tax Band

- 3.19 Some discount schemes account for the Council Tax band to determine the levels of income or discount applied on the basis of variations in the cost of payments for bands.
- 3.20 This approach fails to meet the objectives of simplification and can often lead to complex grids where different Council Tax bands have differing levels of discount.
- 3.21 Proportionately although a level of discount has a higher monetary value in a higher band it remains fair and equitable with a recognition that larger properties have higher charges as reflected for residents not in receipt of CTS.
- 3.22 These types of income banded, and discount scheme are not held to sufficiently support residents or meet the objectives of simplification of the CTS scheme and were therefore not modelled.

4. Consultation process and feedback

- 4.1 Prior to the implementation of any change to the CTS scheme the Council is required to consult with the residents of the borough. The guiding principles that have been established through case law for fair consultation are as follows:
- The consultation must be carried out at an early stage when the proposals are still at a formative stage.
 - Sufficient information on the reasons for the decision must be provided to enable the consultees to carry out a reasonable consideration of the issues and to respond.
 - Adequate time must be given for consideration and responses to be made.
 - The results of the consultation must be properly taken into account in finalising any decision.
- 4.2 There is also a duty to consult with the major precept authorities who are statutory consultees.
- 4.3 The aims of any consultation should be to:
- Inform residents and help them understand the impact of the proposals.
 - Confirm why the proposals are being made.
 - Detail any alternative proposals.
 - Give purposeful consideration to realistic alternative proposals presented.
 - Obtain feedback on whether residents support the proposals.
- 4.4 The Council will be required to consult extensively on the proposals to change the CTS scheme due to the significant change to the scheme proposed.
- 4.5 The consultation will be primarily web based through an online survey form.
- 4.6 The survey will inform residents of the proposals to change the scheme and ask residents and stakeholders their opinions and views on:

- Replacing the current scheme with an income banded discount scheme for 2024/25 (Model 1)
- Other options including (Model 2)
- Retaining the current scheme unchanged.

- 4.7 The survey will be run through the Citizens Alliance website and will require promotion across the Council webpages, social media channels, E-newsletter, press releases & CTS award notification letters.
- 4.8 Current CTS claimants affected by the proposals will be contacted directly to explain possible changes to their award due to the changed scheme for 2024/25, to invite consultation and feedback on the proposed changes.
- 4.9 It is also anticipated that public workshops will be held at various sites throughout the borough, supported by outreach officers, to enable residents and stakeholders to engage with the proposals in person and these sessions will need to be widely promoted to ensure visibility and attendance.
- 4.10 Direct engagement with voluntary partners and stakeholders will be required with the support of the relevant internal teams to ensure a broad section of these partners are engaged in the consultation process.
- 4.11 CTS scheme consultations historically have poor response rates from residents and the Council will need to ensure it widely promotes the consultation to ensure engagement in the proposals.
- 4.12 This will include a communication strategy for inclusion to ensure all residents have equal access and uptake taking account of digital exclusion, non-English speakers, those engaged with community groups but not statutory authorities.

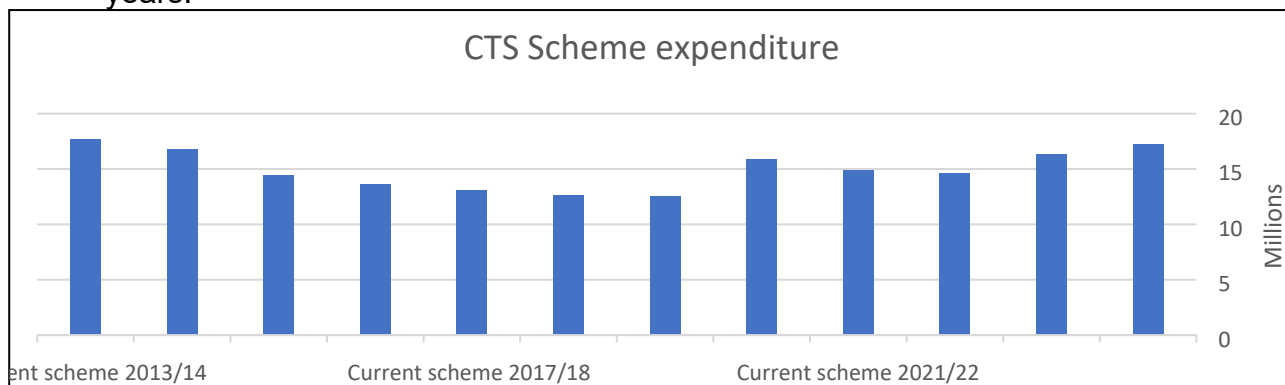
5. Financial Implication

Implications completed by: Nurul Alom, Group Accountant

- 5.1 The Council is required to maintain a CTS Scheme. This is now funded as part of the Council's overall funding settlement and so any increases or decreases in take up or cost fall upon the Council's budget (rather than being provided for by a grant) and becomes a cost to the authority's budget in the following financial year.
- 5.2 CTS expenditure has reduced year on year from the commencement of a localised CTS scheme in 2012/13 and will vary based on demand.
- 5.3 The impact of Covid-19 within the 2020/21 financial year saw significantly increased demand for access to the scheme resulting in an increase in expenditure of 26.4% and a CTS case load increase of approximately 10%. This was due to people who were in employment but lost that income during the pandemic and claimed for support. Additional discretionary funding provided by central government via the CTS scheme was also included in the total expenditure for this financial year and was not a cost to the Council. This was approximately 2.2 million in grant funding.

5.3 The overall impact of Covid-19 was significant in terms of expenditure and case load, reversing the trend of prior years' which had seen the caseload and expenditure decline year on year.

5.4 Expenditure and case load continued to reduce in the 2021/22 & 2022/23 financial years.



5.5 The Council made a significant investment into the CTS scheme for 2023/24 by reducing the minimum payment from 25% to 15%. This increased the scheme costs from 14.6m (2022/23) to 16.6m (2023/24) and ended year on year decreases in expenditure (excluding 2020/21).

5.6 The current CTS expenditure for the working age part of the scheme for 2023/24 is currently £11,217,667.60.

5.7 The current CTS expenditure for the pension age part of the scheme for 2023/24 is currently £5,434,026.65.

5.8 Total expenditure for the CTS scheme is currently £16,648,683.81 for 2023/24.

5.9 The total expenditure figure for 2023/24 also includes an award of £25 provided from the Department for Levelling Up, Housing and Communities (DLUHC) to provide additional support to low-income households in receipt of CTS with their Council Tax payments. The grant, which is to be administered through the Council's discretionary powers, is intended to provide a further rebate of up to £25 per household and is provided through grant funding of £405,573 and is not a cost to the Council.

5.10 This has added a cost of £380,400 to the current expenditure for 2023/24 funded through the grant.

5.11 The current CTS case load for 2023/24 is 15,216.

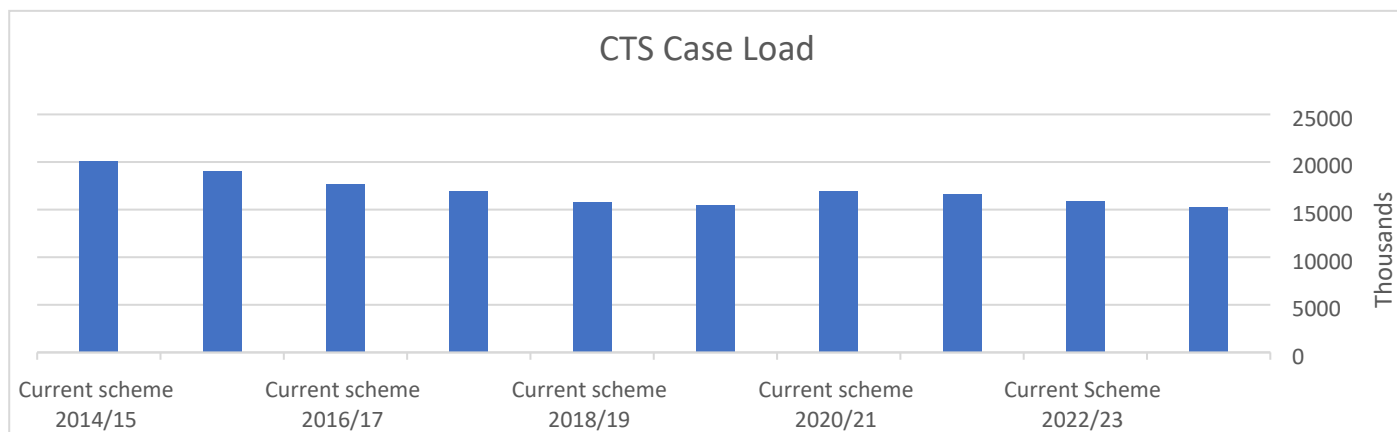
Case load count	Working age	Pension age
15,216	10,717	4499

5.12 This is a reduction of 668 on the case load of 15,884 in 2022/23

Case load count	Working age	Pension age
15,884	11,293	4591

5.13 This reduction is primarily in the working age case load (576). Although the pension age case load has reduced it reduces at a slower rate (4591 reduced to 4499)

5.14 The CTS case load has declined on average by -4.4% over the last 8 years (excluding 2020/21 – Impact of Covid-19).



5.15 The increased investment into the scheme for 2023/24 has not currently resulted in an increase in case load which will vary based on demand and access but has contributed towards an increased cost in support payable per week.

Age Group	Number of Households	Support Payable (£/annum) 2022/23	Support Payable (£/week) 2022/23
All working age	11,293	£9,425,605.09	£16.05
Pension age	4,591	£5,220,139.16	£21.86
Total	15,884	£14,645,744.25	£17.73

Age Group	Number of Households	Support Payable (£/annum) 2023/24	Support Payable (£/week) 2023/24
All working age	10,717	£11,217,667.60	£20.12
Pension age	4499	£5,434,026.65	£23.22
Total	15,216	£16,651,694.25	£21.04

5.16 Policy & Practice have modelled¹⁵ the anticipated cost for the 2024/25 scheme based on the retention of the current scheme.

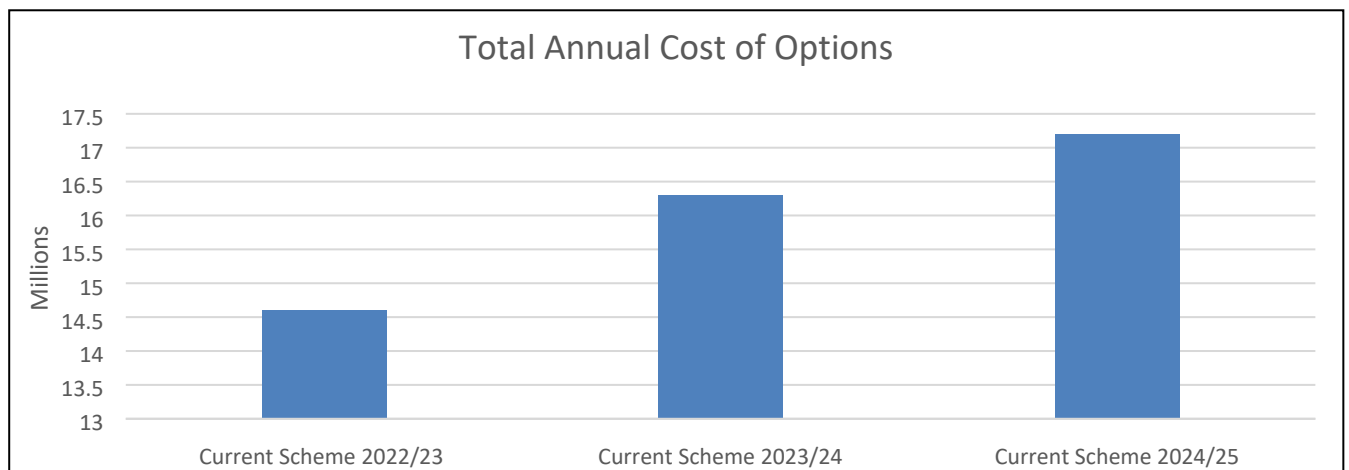
5.17 This modelling is based on an expected rise in Council Tax of 4.99% against this cost base, and a 5.4% benefit uprating figure (based on projected CPI inflation

¹⁵ Appendix 1 – Policy & Practice localised CTS Final Report

figures). This also accounts for a projected migration of 30% of the caseload to UC which will affect the overall cost of the scheme due to changed levels of support.

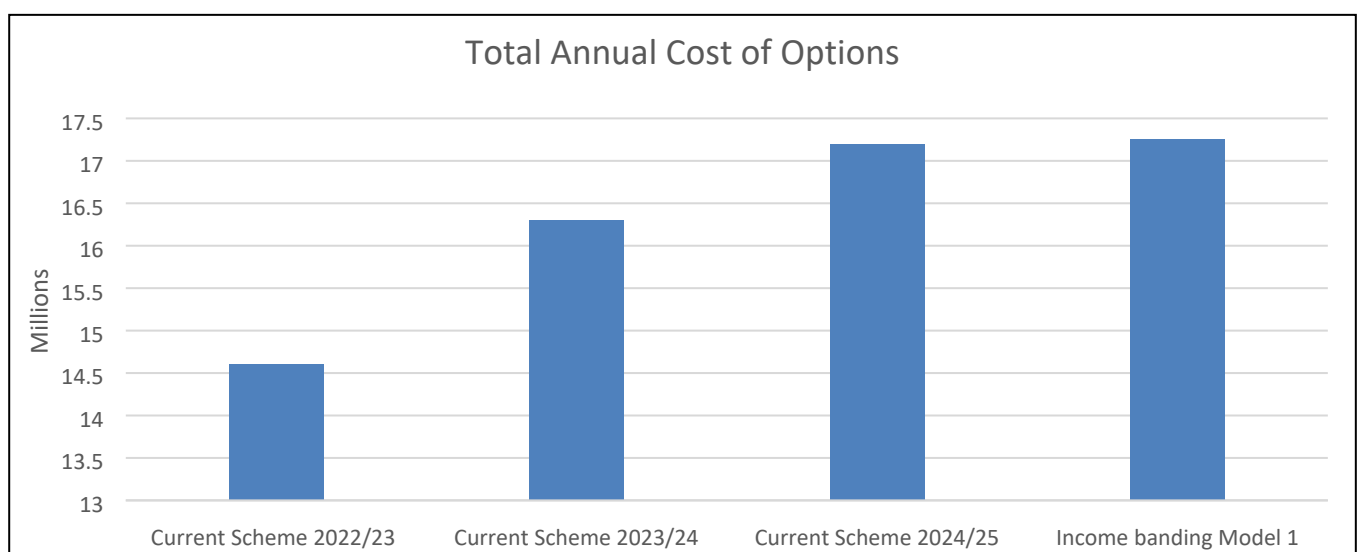
5.18 This will increase scheme costs to an anticipated £17.20m for 2024/25, should the current scheme be retained. The increase in scheme costs is driven primarily by these factors, with demand for the scheme variable and can be considered against the cost base increase for the Council Tax charge.

5.19 This is demonstrated by the annual cost of options below:



5.20 Modelling for the replacement income banded discount scheme for 2024/25 has been based on the anticipated expenditure if the current scheme was retained into 2024/25 of £17.20m.

5.21 The income banded discount scheme has been modelled at an expenditure of £17.23m.



5.22 This modelling has been undertaken by our 3rd party partner, Policy & Practice.

5.23 The Council is in the final procurement stage for the software required through the Capita Academy processing system, used to administer the current CTS scheme, to enable it to undertake its own financial modelling of the costs associated with the proposed replacement CTS scheme.

- 5.24 There remains a risk that this modelling for the anticipated scheme costs is more or less than anticipated.
- 5.25 The Council will be required to undertake its own financial modelling of these scheme changes. There remains a risk that both this modelling and the 3rd party modelling is more or less that anticipated due to uncertainty concerning the migration of the case load to UC, the impact and level of Benefit uprating, and Council Tax in increases.
- 5.26 Increased scheme costs into 2024/25 are driven significantly by increased CTAX charges. If at 4.99% this accounts for a significant increase in expenditure but simply reflects an increase in the cost base. Cost comparison between both schemes outlined below;

CTS Scheme	2024/25
15% Contribution Scheme (Existing Scheme)	£17.2m
Banded Scheme (Model 1)	£17.23m

- 5.27 The cost of either scheme will increase by £0.5m, in-line with the wider increase in Council Tax (estimated at 4.99%).

Risks to Financial Assumptions of cost;

- Assumed CTAX increase of 4.99%
- LBBD Modelling
- Outcome of Public Consultation
- Increase in caseload
- Impact of Cost of Living
- Impact inflation/interest
- Impact of transition to Universal Credit
- Government Policy (General Election 2024/25)

6. Legal Implications

Implications completed by: Dr Paul Feild, Principal Governance & Standards Lawyer

- 6.1 The Council is required to maintain and annually review its CTS scheme in accordance with Section 13A and schedule 1A of the Local Government Finance Act 1992.
- 6.2 Schedule 1A to the Local Government Finance Act 1992 requires the Council to 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.
- 6.3 As the CTS scheme is being proposed to be replaced with a new scheme it is a statutory requirement for the Council to carry out consultation on the changes as set out by the Local Government Finance Act 1992 Schedule 1A paragraph 5 and that paragraph 3 of the said Act.

6.4 Before making a scheme the Council is required to:

- Consult any major precepting authority which has a power to issue a precept to it.
- Publish a draft scheme in such a manner as it thinks fit.
- Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

6.5 This paper sets out the proposals to change the CTS scheme and the required consultation.

6.6 Since the introduction of CTS schemes there have been a number of legal challenges in relation to the consultation undertaken. Most of these challenges have been in relation to the consultation undertaken in the sense of it being meaningful and to have due regard to equality impact assessments. As determined by a Supreme Court ruling in 2014 in the case R (Moseley) v London Borough of Haringey, consultation is critical when there is a possibility of an adverse outcome.

6.7 With regard to the recommended proposal the outcome is to maintain the level of support for the lowest incomes, while increasing the level of support for those with disability. However, due to the wider impact of replacing the scheme, potentially some claimants will gain support, and some claimants may lose support. ¹⁶

6.8 The proposed schemes subject to consultation may be subject to further change through the ongoing modelling process. Any proposed changes to the scheme are likely to retain the core elements of the schemes consulted on and reflect minor changes to the income band threshold or overall levels of discount granted only.

7. Other Issues

7.1 **Risk Management** - The Council is at the final procurement stage for the software required through the Capita Academy processing system, used to administer the current CTS scheme, to enable it to undertake its own financial modelling of the costs associated with the proposed replacement CTS scheme and for the implementation of an income banded discount scheme.

Consequently, the Council has relied on its external partner Policy & Practice (who have national expertise in modelling CTS schemes) to model both the projected expenditure on retaining the current CTS scheme into 2024/25, and the projected costs for a replacement discount income banded scheme.

A fiscally neutral cost for the replacement discount income banded scheme has been based upon projected costs for retaining the current scheme into 2024/25, with a natural increase in cost due to Council Tax increases, Benefit uprating and variance in demand. This has not been modelled through the Capita Academy system and therefore a risk is raised that the projected cost of the scheme is more or less than anticipated.

¹⁶ Appendix 1 – Policy & Practice localised CTS Final Report
Appendix 2 – Equalities Impact Assessment (EIA)

Until the Council has procured the required software for the Capita Academy system it is reliant on 3rd party modelling regarding projected costs for the scheme and this is raised as a risk. Furthermore, without the purchase of the required software the Council cannot implement the proposed replacement scheme as set out.

With the costs of the CTS scheme determined by demand, there remains a risk that future fluctuations in demand could place an additional financial burden on the Council.

The proposed scheme has been modelled to take account of full migration of the remaining legacy benefit case load to UC. Consequently, the scheme has been designed to provide greater support to these claimants than would have been afforded if the current scheme was retained. However, modelling has demonstrated the proposed new scheme may see reductions in support for some legacy benefit claimants. Managed migration is scheduled to commence in 2024 however no date or confirmation is available. Should the timetable for the commencement of managed migration be delayed the proposed scheme change may detrimentally affect some existing legacy benefit claimants pending the final migration to UC and is raised as a risk.

7.2 Contractual Issues - Final procurement of the required software for the Capita Academy system is in the final stages and has not yet been completed.

In the event any procurements are required as a result of the change in process, then they will be conducted in line with the contract Rules and the Public Contract Regulations 2015.

7.3 Corporate Policy and Equality Impact - There is a requirement under the Public Sector Equality Duty (section 149 of the equality act 2010) to have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people from different groups.
- Foster good relations between people from different groups.

An Equality Impact Assessment (EIA) of the proposal to replace the CTS scheme for 2024/25 has been undertaken and reviewed by the Strategy team and is attached in Appendix 2.

The report has identified there is potential for adverse impact on some protected characteristics from Model 1. There will be a positive impact on some and a negative impact on other working age claimants. Pension age claimants, who also have protected characteristics will not be affected as they are protected under the prescribed pension age scheme. This is demonstrated in the EIA.

The DCTR scheme will remain in place to mitigate against any potential issues that may arise from the EIA.

7.4 Health issues - Income (and debt) is the greatest determinant of health, in a positive way enabling people to afford factors that support healthy living (e.g. diet, physical activity, housing, etc.) and in a negative way driving poor health (e.g.

mental health, unhealthy behaviours, etc.). There the proposed Council Tax Support Scheme 2024/25 is welcome and should have an overall positive impact on health and wellbeing and the reduction of health inequalities, including for those with health issues or barriers.

The Barking & Dagenham Joint Health and Wellbeing Strategy 2019-23 includes an outcome that when residents need help, they can access the right support, at the right time in a way that works for them. As a simplified Scheme that is easier for applicants to understand with fewer barriers to access should support this outcome, since the proposed scheme is less reactive to minor changes in circumstances than the current Scheme, enabling residents with fluctuations in their household circumstances (e.g. to time off work for ill-health or caring) to financially plan.

The B&D Joint Strategic Needs Assessment highlight that people with a disability are at particular risk of disadvantage in all its forms, as they are more likely to be living on a low income, be unemployed or on unsuitable housing, putting their health at additional risk of further decline.

The proposed disability uplift will help financially protect disabled residents, who face higher living costs due to their disability and are often less able to affect a change in their circumstances due to limited capacity to work. However, it should be noted that claimants who may have a disability but are not in receipt of the qualifying benefits may be affected, and in some cases, may see reduced awards.

Public Background Papers Used in the Preparation of the Report: N/A

- [B&D Joint Health and Wellbeing Strategy 2019-23](#)
- [B&D Joint Strategic Needs Assessment](#)

List of appendices:

- **Appendix 1:** Policy & Practice – Localised Council Tax Support – Final Report
- **Appendix 2:** Equality Impact Assessment (EIA)
- **Appendix 3:** How does an income banded discount scheme work and Model 1 Scheme summary