

# Taunton Deane Borough Council

**Executive - 3 December 2015**

## **Review of Council Tax Support Scheme for 2016/2017**

**Report of the Revenues and Benefits Service Manager**

(This matter is the responsibility of the Executive Councillor Richard Parrish)

### **Executive Summary**

On 1 April 2013 Council Tax Benefit (CTB) was abolished and replaced with a locally designed "Council Tax Support Scheme" (CTS). On 11 December 2012, the Council adopted the Local Council Tax Support scheme for 2013/14. While those of pension age receive support of up to 100% of their Council Tax liability, from 1 April 2013, the maximum support for those of working age was set at 80%.

The Council is legally required to give annual consideration on whether to revise its local CTS scheme and to consult with interested parties if it wishes to change the scheme. The Council decided to continue the 2013/14 CTS scheme for 2014/15. On 9 December 2014, a decision was taken to continue the 2014/15 CTS scheme for 2015/16 with an amendment to disregard maintenance received for children.

The funding for CTS provided through the Settlement Funding Assessment (SFA) has reduced by 26.1% in cash terms in the two years up to 2015/16. Therefore, with the assistance of a leading consultant, we have worked in collaboration with the County Council (as the major preceptor) and the other Somerset District billing authorities of West Somerset, Sedgemoor, Mendip and South Somerset to develop options to revise our CTS scheme for working age applicants from 2016/17.

On 4 June 2015, the Corporate Scrutiny Committee agreed on the options to take to public consultation for our CTS scheme for 2016/17. Consultation started on 1 July 2015 and ended on 7 September 2015. On 22 October 2015, the Corporate Scrutiny Committee, recommended amending the [current CTS scheme](#) to reduce support offered to working age applicants in 2016/17 by:

- removing entitlement to applicants with capital over £6,000
- applying a Minimum Income for Self-Employed applicants; and
- paying CTS at a level that would be no more than for a Band D property

These revisions are shown in the CTS scheme attached at [Appendix 1](#).

The Executive is now asked to give consideration to the CTS scheme for the financial year 2016/17 that will require approval by Full Council by 31 January 2016.

## 1. Background

- 1.1. Responsibility for Council Tax Support (CTS) passed to Local Authorities on 1 April 2013. Government also passed funding for CTS to Local Government through the annual Settlement Funding Assessment (SFA), but reduced the amount of funding available by 10% compared to the costs of the previous Council Tax Benefit (CTB) system. Previously, responsibility for CTB was held by central Government and funded by the Department for Work and Pensions (DWP). Local Authorities therefore had to decide whether to absorb the funding reduction across other areas of their budget or pass it on to recipients of CTS by requiring them to make a contribution to their overall Council Tax bill.
- 1.2. Billing Authorities were tasked with designing a CTS scheme for people of working age, while rules for people of pension age are set in regulations prescribed by the Government. This means people of pension age continue to receive assistance at no less amount than had been available under the CTB scheme. Pensioners make up 48% of our CTS caseload, but account for 55% of spending on CTS. This means any cut in the support paid under CTS must be borne by the remaining 52% of working age claimants.
- 1.3. While we have some discretion on designing our CTS scheme for people of working age, the Government say we must protect vulnerable groups. There is no definition of which groups are counted as “vulnerable” as each authority has to make its own assessment. However, the Government have highlighted statutory duties regarding:
  - Children and duties under the 2010 Child Poverty Act to reduce and mitigate the effects of child poverty
  - Disabled people and duties under the Equality Act 2010
  - Homelessness Prevention and duties under the 1996 Housing Act to prevent homelessness with special regard to vulnerable groups.
- 1.4. It is up to Billing Authorities to decide how they apply any such protection. Currently, our scheme considers disabled people’s needs and those responsible for children. It fully ignores income from a War Disablement or War Widows Pension. Also following the Government’s direction, our CTS scheme strengthens work incentives and does not discourage people to move off benefits and into work or to stay in work.
- 1.5. The Department for Communities and Local Government (DCLG) provides funding through the annual Settlement Funding Assessment (comprising Revenue Support Grant and Business Rates Baseline) to help meet the cost of localised CTS schemes. Each of the major precepting authorities in Somerset received the initial funding based on their share of Council Tax receipts. In Taunton Deane, the initial grant for precepting authorities was £6,110,080, with TDBC’s share being £587,775 (based on a 9.62% share in 2013/14). From 1 April 2014, funding for localised CTS was merged into the Revenue Support Grant and Business Rates Funding Baseline and is not separately identified, but the Settlement Funding Assessment has reduced by 26.1% in cash terms in the two years up to 2015/16, and is projected to continue to reduce significantly over the next four years.
- 1.6. Therefore, we need to consider the affordability of our current CTS scheme, and consider the cost of the financial support provided against other service priorities and alternative options to address the overall budget gap.
- 1.7. On 4 June 2015, the Corporate Scrutiny Committee agreed the options to take to public consultation to potentially amend our CTS scheme for Working Age applicants from 2016/17.

## Corporate Scrutiny Comments

1.8. Corporate Scrutiny looked at the results of the consultation, the various options and the Equalities Impact Assessment. Their comments and recommendations are reflected in the draft scheme at Appendix 1.

### 2. Existing Council Tax Support Scheme

2.1. In designing our CTS scheme, we considered customers' ability to pay and the collectability of the resultant Council Tax liability. For people of working age, our scheme for 2015/16, has the following key elements:

- Maximum support is 80% of Council Tax - everyone has to pay something;
- Increased non-dependant deductions;
- No Second adult rebate;
- Earned income disregards are at increased levels than those offered under CTB.
- Exceptional Financial Hardship fund of £35k, through Discretionary Reduction in Council Tax Liability for short-term help (this is a Collection Fund commitment and not fully funded by TDBC).

2.2. Taunton Deane Borough Council send 50,882 Council Tax bills amounting to more than £55m each year. Approximately 15% of residents receive financial support through CTS, with 8% of those liable to pay Council Tax, being CTS recipients of working age.

2.3. There were 8,514 people who moved from the Council Tax Benefit scheme to the localised CTS scheme. At 31 March 2015, this had reduced to 7,749. Overall caseloads for CTS for all Somerset Authorities have reduced as well as in most authorities nationwide. It is accepted this is primarily due to the gradual improvement in economic conditions as well as increases in pension age.

2.4. Other key information on CTS caseload, spending and budgets is shown below:

Claimant type	% of total claims	Caseload at 31 March 2015	% of total spend	CTS Expenditure
Working Age	52%	4,068	45%	£2,567,105
Pension Age	48%	3,681	55%	£3,118,755
<b>Total</b>	<b>100%</b>	<b>7,749</b>	<b>100%</b>	<b>£5,685,860</b>

Table 2.4.1

Comparative data	
Council Tax Benefit awarded 2012/13	£6,896,492
Council Tax Support awarded 2013/14	£5,930,677
Council Tax Support awarded 2014/15	£5,685,860
<b>Reduction in Council Tax Support expenditure in comparison to CTB</b>	<b>£1,210,632</b>
Council Tax Benefit claims @ 31 March 2013	8,514
Council Tax Support claims @ 31 March 2014	8,106
Council Tax Support claims @ 31 March 2015	7,749

<b>Reduction in Council Tax Support caseload in comparison to CTB</b>	<b>765</b>
Council Tax Support Budget 2014/15	£5,938,290
Council Tax Support awarded 2014/15	£5,685,860
<b>Saving in Council Tax Support awarded in 2014/15 in comparison to budget</b>	<b>£252,430</b>

Table 2.4.2

- 2.5. Members will see from the tables shown on the previous page that the cost of our CTS scheme has reduced through both the implementation of the local policy and the trend in demand / eligibility for financial assistance. However, funding reduced by 10% in 2013/14 and the Settlement Funding Assessment has reduced by 26.1% in cash terms in the two years up to 2015/16.
- 2.6. Our current CTS scheme is available on-line through the following web address:  
<http://www.tauntondeane.gov.uk/irj/go/km/docs/CouncilDocuments/TDBC/Documents/Revenues%20and%20Benefits/LocalCTSscheme2015-16.pdf>

### 3. Collection Activity and Debt Profile for 2014/15

- 3.1. From 1 April 2013 the Council decided to take advantage of new flexibilities related to second home discounts and short and long term empty properties to generate additional income.
- 3.2. For unoccupied and unfurnished properties the changes meant Council Tax would be payable at 100% of the liability after 3 months. For those remaining unoccupied and unfurnished after 2 years, the Council decided to charge Council Tax at 150% to encourage owners to put those properties back into use. Previously, there was no Council Tax payable for unoccupied and unfurnished properties for the first 6 months and after this, Council Tax was due at 90% of the liability.
- 3.3. For unoccupied furnished properties (“second homes”) Council Tax from 1 April 2013 was payable at 100% instead of 90% that previously applied.
- 3.4. The net collectable amount for Council Tax in 2014/15 increased by 6.2% in comparison to 2012/13. The collection of Council Tax in year was at a similar level, with additional income for Taunton Deane of £303k based on its preceptor share of 9.66% in 2014/15.

	2012/13	2013/14	2014/15	Difference since 2012/13	% change since 2012/13
Council Tax due	£52,147,230	£54,085,519	£55,404,644	<b>£3,257,414</b>	6.2% ↑
Council Tax Collected (in year)	£51,125,612 (98.0%)	£52,989,588 (98.0%)	£54,267,304 (98.0%)	<b>£3,141,692</b>	6.1% ↑

Table 3.4.1

- 3.5. While it has been possible to maintain in-year collection of Council tax at 98% since the introduction of CTS, this has entailed significant extra work for Revenues Officers. For

many customers, having to pay Council Tax has caused them budgeting issues, not least because many were also affected by other welfare reform impacts, such as the removal of the spare room subsidy.

- 3.6. While working age CTS recipients represent 8% of households, the value of their debt is equivalent to 33% of all Council Tax outstanding at 31 March 2015 (£1,137,340).
- 3.7. The number of customers affected by recovery action has increased considerably since the introduction of our localised CTS scheme. This increase in collection activities covering both CTS and non-CTS recipients is shown below.

	2012/13	2013/14	2014/15	Difference since 2012/13	% change since 2012/13
Reminders and final notices issued (for all years)	13,893	18,425	18,869	4,976	36% ↑
Summons' issued (for all years)	4,650	6,610	5,795	1,145	25% ↑
Liability orders obtained	2,501	4,420	3,387	886	35% ↑
Cases referred to enforcement agents	1,062	3,082	707	-355	-33% ↓

Table 3.7.1

- 3.8. Since April 2014, the Ministry of Justice has provided new regulations to which Bailiffs should now adhere. Referencing these as Enforcement Agents, the regulations make changes to how fees are imposed. The simplified charging model separates the costs into two elements, the compliance stage (£75) and the enforcement stage (£235). These are in addition to the local authority costs of £73.50. Through Taunton Deane's existing policy, the use of enforcement agents has been mainly directed at those tax payers not in receipt of CTS. Where enforcement agents are used in CTS cases, it will only be to compliance stage.
- 3.9. It is important to treat all taxpayers fairly and ensure those that do not pay – and do not respond to demands – are pursued. However, in some circumstances additional effort is required to collect relatively small sums of money and that effort may not be economical in view of the value of the debt owed. Furthermore the impact of passing enforcement costs on to residents will only increase their level of the debt.
- 3.10. More information on the debt profile for Taunton Deane for Council Tax Support recipients at 31 March 2015 is shown in [Appendix 5](#).

#### 4. Council Tax Support Scheme 2016/17

- 4.1. The Local Government Finance Act 2012 states that before making a scheme we must consult with any major precepting authorities, publish a draft scheme and then consult with other such persons who are likely to have an interest in the operation of such a scheme. We must set a realistic timeframe for consultation to ensure we can seek feedback from all appropriate individuals and groups in the community.
- 4.2. Consultation with precepting authorities (Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority took place on 20 March 2015. Public consultation started on 1 July 2015 and ended on

7 September 2015. At the closing date, we had received 383 responses giving us a confidence interval (CI) of 95%. The CI is a way of expressing how certain we are about the findings from our consultation, using statistics. It gives a range of results that is likely to include the “true” value for the population. Full details of the consultation are shown in [Appendix 2](#). Information on the following page shows a summary of the 5 options on which we consulted, as well as the response received.

#### 4.2.1. Option 1

**Consultation Response: 32% in favour**

Under this option we would work out CTS in the same way as we do now. Any shortfall in the funding we get and the CTS we pay in 2016/17 would need to be met from other Council budgets.

#### 4.2.2. Option 2

**Consultation Response: 71% in favour**

Under this option, applicants with capital of over £6,000 would not be entitled to CTS (under our current scheme, the capital limit is £16,000).

#### 4.2.3. Option 3

**Consultation Response: 67% in favour**

Under this option, we would use a Minimum Income figure for those who are self-employed. This Minimum Income would be in line with the UK minimum wage for 35 hours worked. We would not apply this Minimum Income for a designated start-up period of one year to allow the business to become established. If a self-employed person is limited in the hours they can work by circumstances such as having to provide child care, then we would work out the Minimum Income proportionately. This proposal would align our treatment of income for self-employed people with that used to work out Universal Credit.

#### 4.2.4. Option 4

**Consultation Response: 69% in favour**

Under this option, we would change our scheme to pay CTS at a level that would be no more than for a Band D property. This would not disadvantage any applicant that lives in smaller or lesser value property.

#### 4.2.5. Option 5

**Consultation Response: 53% in favour**

Under this option we would apply a taper of 65% to the income of applicants with no earnings and apply a taper of 20% to people in work. This would mean two applicants on similar income levels, but where one is in work, would receive different levels of support. The applicant with no earnings would get less CTS, compared to an applicant with earnings receiving the same weekly income.

4.3. Case law on consultation has established it is important not just to consider the options to reduce funding for our CTS scheme, but also to provide options on how the scheme could be retained at the same level with funding being made available from other sources or a reduction in other services. Therefore, in addition to consulting on the options listed above, we also asked the public for their views on the following:

**Should the Council increase Council Tax to help pay for the scheme?**

**Consultation Response: 47% in favour**

**Should the Council reduce funding to other services to help pay for the scheme?**

**Consultation Response: 22% in favour**

**Should the Council use its reserves to help pay for the scheme**

**Consultation Response: 35% in favour**

- 4.4. The welfare changes announced in the Summer Budget on 8 July 2015 will have a significant impact on our CTS scheme. These changes were not known when consultation started and it is not now possible to amend our scheme to reflect them in 2016/17. As some of changes will reduce claimant income, they will equivalently increase entitlement to CTS. This is because our scheme provides more help for people on lower incomes.
- 4.5. The most significant change to affect our CTS scheme will be the reduction in Tax Credit income. From April 2016, the income a household can earn before the tax credits they receive start to fall, will reduce from £6,420 to £3,850. For every £1 the household earns above that threshold, their tax credits will reduce by 48p, compared to the current rate of 41p. The Institute of Fiscal Studies (IFS) estimate an average loss of £1,000 in Tax Credit income for affected households from April 2016. This would result in increased entitlement to CTS of £200 a year (assuming a taper rate of 20%). Currently, there are 914 CTS recipients receiving Tax Credits We estimate the additional cost to our CTS scheme in 2016/17 because of cuts in Tax Credit income, will be approximately £184k ([Model 1](#)), with TDBC's share of this extra cost being £18k based on its preceptor share of 9.62%.
- 4.6. From April 2016, there will be increased disparity between rules applied for Housing Benefit (HB) and our CTS scheme, therefore adding to the complexity of administration. While the Family Premium will be abolished for new HB claims, it will continue to apply for new CTS applications. In addition, HB claims will be backdated for a maximum of 4 weeks, whereas our CTS scheme will allow for backdating for up to six months.
- 4.7. The benefit cap restricts the amount in certain benefits that a working age household can receive. Any household receiving more than the cap has their Housing Benefit reduced to bring them back within the limit. The Benefit Cap will be cut from £26,000 to £20,000 for households living in the Taunton Deane area. This will be phased-in gradually during 2016/17, but we estimate up to 150 households will be affected. This reduction in income may mean Council Tax is more difficult to collect from those households affected.
- 4.8. Our CTS scheme's premiums and personal allowance are linked to the rates set by the DWP. Except for pensioners and the disabled, these rates will be frozen in cash terms for four years. For pensioners, premiums and personal allowance will rise by the higher of price inflation, earnings growth or 2.5%. Disability allowances will rise in line with the CPI.
- 4.9. The National Minimum Wage will be "rebranded" as the National Living Wage and will be increased to £7.20 an hour for those 25 or over from April 2016. It will reach £9.00 an hour by 2020
- 4.10. As well as reductions to benefits in 2016/17, there will be further changes that will be important to consider for our CTS scheme in 2017/18. From April 2017:
  - Support provided through Child Tax Credit will be limited to 2 children. This means any subsequent children born after April 2017 will not be eligible for this support.

- New claims for Child Tax Credit will not be eligible for the “family element” of £545 a year. In effect this will mean families with one or more children born before April 2017 will continue to get the family element but first children born after this date will not get the family element.
- New claimants of Employment and Support Allowance who are placed in the Work-Related Activity Group will receive the same rate of benefit as those claiming Jobseeker’s Allowance. This will mean a reduction of £30.00 a week.
- Parents receiving benefits (including lone parents) will be expected to look for work when their youngest child turns 3.

## **5. Key Considerations Applicable To All Options**

- 5.1. Any of the options to reduce the level of support we offer through CTS will have an adverse or positive impact on certain applicants or groups of applicants. If we cut the support offered through our CTS scheme, we need to consider a careful selection of options for our particular demographic. There is no single option or change to the CTS scheme that can deliver sufficient savings to meet the predicted budget gap from the reduced Revenue Support Grant and Business Rates funding in 2016/17.
- 5.2. The reality is that any revised scheme that reduces the amount of rebate awarded, needs to establish which applicants are more able to pay an increased level of Council Tax with the reduction in their CTS. The decision will be to choose what options are acceptable to the Council bearing in mind the overall level of finance available.
- 5.3. Although the Council is not legally required to include transitional protection for claimants moving from one CTS scheme to a replacement scheme, the legislation does state that Members must consider if transitional arrangements may be needed and if protection should apply to all groups or just certain groups. Such protection could limit our ability to realise savings.
- 5.4. Should there be any shift in proportions between working age and pension age or further economic downturn resulting in more people relying on some form of state financial support, there would be greater pressure on remaining Council Taxpayers to meet potentially higher outlay.
- 5.5. A decision to reduce CTS for people of working age will mean that Council Tax Collection will be a much harder task. This is evidenced by the information shown in paragraph 3.7. This will result in more pressure on Revenues staff and may require additional capacity to maintain tax collection rates.
- 5.6. Detailed financial effects on modelling on each, as well as a mix of the options, is shown in [Appendix 3](#). This modelling also illustrates the effect on applicants and potential savings. The table below shows the illustrative financial effect of the individual options (based on data @ 15 September 2015).



Option	Estimated CTS Expenditure 2016/17	Comparison to estimated cost of scheme in 2015/16
1. No Change - but modelled for expected increases in CTS entitlement as a result of reductions in Tax Credit income (32% of respondents in favour – <a href="#">Model 1</a> )	£5,699,493.69	+ £183,769.12 (additional cost)
2. Reduce Capital limit to £6,000 (71% of respondents in favour – <a href="#">Model 2</a> )	£5,493,137.14	- £22,587.43 (saving*)
3. Minimum Income for self-employed (67% of respondents in favour – <a href="#">Model 3</a> )	£5,379,254.15	- £136,470.42 (saving*)
4. Restrict CTS to Band D (69% of respondents in favour – <a href="#">Model 4</a> )	£5,511,482.11	- £4,242.46 (saving*)
5. Income taper of 65% for non-working applicants (53% of respondents in favour – <a href="#">Model 5</a> )	£5,499,516.00	- £16,208.57 (saving*)

Table 5.6.1.

\* Any savings in the table above, exclude the effect of the increased cost ([Model 1](#)) of the CTS scheme from applicants' reduced Tax Credit income. For the estimated net effect in applying Tax Credit changes for each of the options, see the [summary](#) contained in [Appendix 3](#).

5.7. The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. Taunton Deane's share of the collection fund in 2015/16 is 9.62%. The maximum saving that can be achieved is through implementing Options 2 to 5 combined ([Model 6](#)). The illustrative **budgetary** savings for each preceptor is shown below.

Authority	% CTS budget	CTS Budget for 2015/16	Estimated CTS spend in implementing Options 2-5	Estimated budget saving*
TDBC	9.62%	£551,044	£512,457	£38,587
Parishes / Unparished	1.05%	£59,868	£55,934	£3,934
Somerset County Council	71.67%	£4,105,656	£3,817,862	£287,794
Avon and Somerset Police	12.19%	£698,517	£649,361	£49,156
Devon and Somerset Fire Authority	5.47%	£313,409	£291,387	£22,022
<b>Total</b>	<b>100%</b>	<b>£5,728,495</b>	<b>£5,327,001</b>	<b>£401,494</b>

Table 5.7.1.

\* Any savings in the table above, exclude the effect of the increased cost ([Model 1](#)) of the CTS scheme from applicants' reduced Tax Credit income. For the estimated net effect in applying Tax Credit changes for each of the options, see the [summary](#) contained in [Appendix 3](#).

## 6. Final Decision Making Process

6.1. Following consideration by the Corporate Scrutiny Committee on 22 October 2015, this report on the Council Tax Support scheme for 2016/17 is before the Executive on 3 December 2015, with a further report going to Full Council on 15 December 2015.

- 6.2. Corporate Scrutiny Committee recommended amending the current CTS scheme to reduce support offered to working age applicants in 2016/17 by:
- removing entitlement to applicants with capital over £6,000
  - applying a Minimum Income for Self-Employed applicants; and
  - paying CTS at a level that would be no more than for a Band D property
- 6.3. These revisions are shown in the CTS scheme attached at Appendix 1.
- 6.4. We cannot afford to wait until the deadline of 31 January to approve our local CTS scheme. Realistically, we need the scheme approved in December at the latest. The new scheme impacts on the Council Tax Base. By law, we must have the tax base approved by 31 January if we are to safely set tax next year. We can't risk this not being in place.
- 6.5. The other major preceptors and local town/parish councils/unparished area fund are reliant on us providing tax base information in December for their own financial planning and budget setting. How we operate CTS plays a fundamental part in that.

## 7. Finance Comments

- 7.1. The budget for CTS is calculated by the sum of band D equivalents for CTS discretionary discounts multiplied by the equivalent number band D properties. Therefore, our budget of £5,728,495 for 2015/16 is £1,433.36 Council Tax per Band D equivalent multiplied by 3,996.56 number of Band D equivalent properties.
- 7.2. By running the scheme as a “discount” we share the risk of financing the costs with the other precepting authorities through the Tax base calculation. The first financial impact is on the Collection Fund that is used to manage all Council Tax income, before that funding is shared between the various local precepting bodies. Given TDBC's share of the Collection Fund (shown in the chart on the following page) is only 9.62%, the major element of the risk falls on the other precepting local authorities.

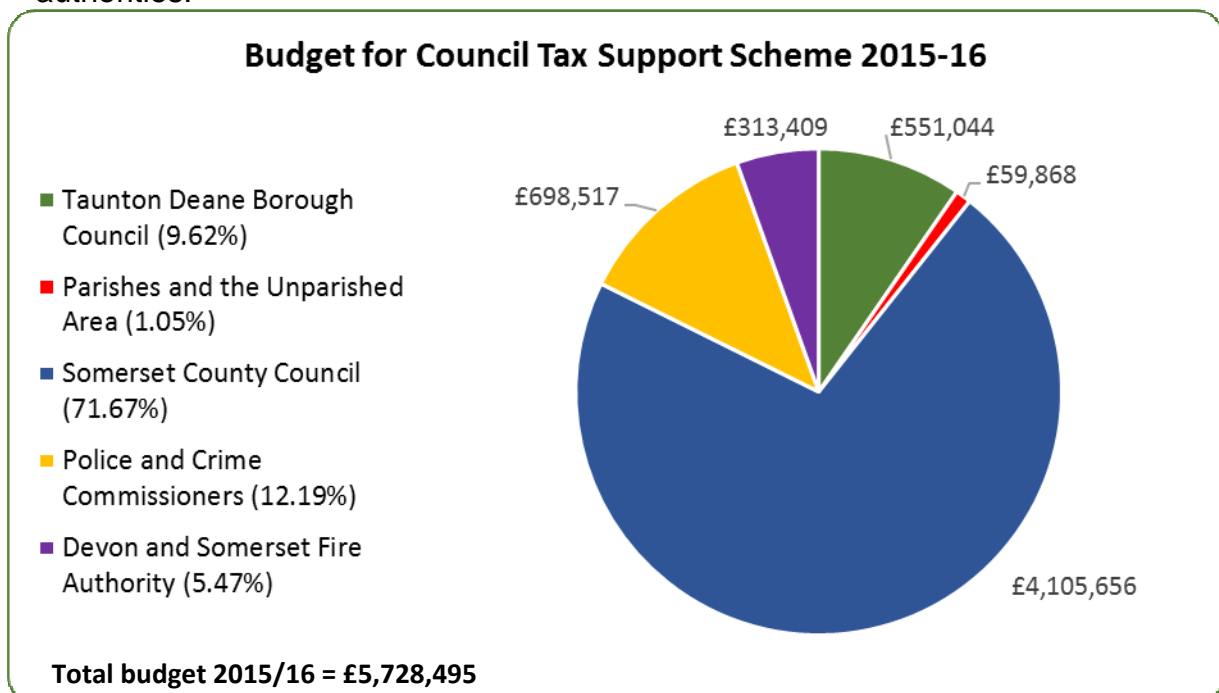


Chart 7.2.1

- 7.3. As reported earlier, funding for CTS was reduced by 10% in 2013/14. Subsequently the Settlement Funding Assessment has reduced by 26.1% in cash terms in the two years up to 2015/16. If we reduce the CTS budget by the same amount (26.1%), it will result in a budget of £4,423,358. If there is no change to the existing CTS scheme, we estimate we will award CTS of £5,515,725 in 2016/17. This will mean we have a budget shortfall of £1,092,367, with TDBC's share of that shortfall being £105,086. These estimates assume increased expenditure through cuts in Tax Credit income and that caseloads remain steady.
- 7.4. The Council has been required to make significant financial savings in recent years, and faces further cuts in funding and increasing financial risks over the coming years. It is becoming increasingly difficult to preserve core services to local residents. The update to the Medium Term Financial Plan (MTFP), as reported to the Corporate Scrutiny Committee on 13 August 2015, stated we have a projected budget gap of £1.27m in 2016/17, rising to approximately £3.9m by 2020 if no action is taken to address the financial position. This takes into account projected cost pressures based on current service provision, and further reductions in funding from Government. It is clear that Members will need to consider a number of potential options to reduce costs / increase income to close this gap.
- 7.5. Indicative information received from the Somerset billing authorities of West Somerset, Sedgemoor and South Somerset show all are likely to decrease the support - subject to their own local decision processes - they provide to residents through CTS in 2016/17, as all face similar cuts in funding.

## **8. CTS Grant Funding to Parishes**

- 8.1. Within the 2013/14 Funding Settlement for TDBC, the Government included funding for Council Tax Support that included a proportion related to Parishes and Special Expenses. The Council decided to pass on a proportion of this funding to parishes and the unparished area to reflect their reduction in funding as a result of Council Tax Support, although there is no legal requirement to do so and no prescribed method by the Government. For 2013/14, a grant was given by TDBC to parishes based on the tax base reduction attributable to Council Tax Support in each parish multiplied by their 2012/13 Band D Charge.
- 8.2. Since 2014/15 the Funding Settlement has not separately identified the proportion of funding for CTS for any preceptors - including TDBC and parishes so the Council has approved the principle of applying the same formula used in the previous year. This has meant each parish's grant for CTS is calculated as CTS Tax Base Adjustment x 2013/14 Parish Band D Tax rate.
- 8.3. In view of the significant financial pressures the Council needs to make difficult decisions in order to balance the budget and provide a sustainable financial future. The Council is responsible for determining which services are affordable within its available resources - and this same responsibility is held by parish councils (although they are not currently subject to regulation on the amount of Council Tax charged to local tax payers). Last year the Council wrote to each parish confirming there are no guarantees that the level of grant funding would continue.
- 8.4. It is therefore suggested that careful consideration is given to the level of grant funding that is affordable in 2016/17 and subsequent years to mitigate CTS impact on parishes, whilst recognising the impact on parish budgets and potential local tax requirement. If funding is reduced parishes will have the opportunity to consider

whether to take action to reduce their costs and/or adjust the amount of precept levied on the local tax payer.

8.5. The amount of grant funding provided to parishes and the unparished area in 2015/16 totals £45,000. TDBC needs to determine the policy for providing any CTS Grant funding to parishes for 2016/17, and it is recommended this is approved at this stage to give the Council and Parishes some certainty for financial planning and budget setting purposes. Members are requested to consider the following options for 2016/17:

(a) Use the same formula that was used for 2015/16, so each parish's grant for CTS would be calculated as:

*CTS Tax Base Adjustment x 2013/14 Parish Band D Tax rate*

This would reduce the budget requirement for CTS Parish Grants by approximately £420, to a total of approximately £44,580.

(b) Use the same formula that was used for 2015/16 as the baseline, but phase out the funding over 2 years, so each parishes grant for CTS would be calculated as:

*2016/17: CTS Tax Base Adjustment x 2013/14 Parish Band D Tax rate x 66%*

*2017/18: CTS Tax Base Adjustment x 2013/14 Parish Band D Tax rate x 33%*

*2018/19: Nil – CTS grant funding ceases*

This would reduce the budget requirement for CTS Parish Grants by approximately £15,300 in 2016/17, £30,150 in 2017/18 and by £45,000 in 2018/19.

8.6. We have issued details of the options being considered to all parishes for consultation, setting out the indicative impact on their funding for 2016/17. The responses to date have been varied – some parishes have accepted a reduction in funding while others have opposed a reduction. A further verbal update will be provided at Committee.

8.7. Options for grant funding were considered by the Corporate Scrutiny Committee on 22 October 2015. The Committee indicated its preference to support option (a) to use the same formula that was used for 2015/16. The Executive is minded to consider two options in this regard – (a) or (b) as shown – therefore an option to reduce by 50% has (option (c) presented to the Corporate Scrutiny Committee) has been removed.

## **9. Legal Comments**

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

9.2. The 2012 Act amends the 1992 Act by adding a new section 13A to state that Council Tax will be reduced to the extent set out in an authority's Council Tax reduction scheme and to such further extent as the authority sees fit (new s13A(1)(c) replicating the existing provision for authorities to adopt specified additional classes).

- 9.3. Local authorities must make a Council Tax reduction scheme setting out the reductions which are to apply in its area by persons or persons in classes consisting of persons whom the authority considers to be in financial need.
- 9.4. Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the CTS scheme is to be revised or replaced. Where the scheme is to be revised or replaced the procedural requirements in paragraph 3 of that schedule apply. Any revision/replacement must be determined by 31st of January in the preceding year to the year which the changes are to apply.
- 9.5. The council must therefore consider whether the scheme requires revision or replacement and if so, consult with precepting authorities (Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority), publish a draft scheme and then consult with such persons as are likely to have an interest in the operation of that scheme prior to determining the scheme before 31st January. If any proposed revision is to reduce or remove a reduction to which a class of person is entitled, the revision must include such transitional provision as the Council sees fit.
- 9.6. Case law has confirmed that consultation must
- be undertaken when proposals are at a formative stage;
  - include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
  - give consultees sufficient time to make a response; and
  - be conscientiously taken into account when the ultimate decision is taken.

Therefore, it is most important that Members in considering amending our CTS scheme for 2016/17, carefully consider such issues, as a failure to do so may render the scheme unlawful.

- 9.7. In a decision published on 6 November 2015, the High Court found that procedure in adopting a Council Tax Rebate scheme was defective where Members deciding on the scheme failed to access the Equality Impact Statement (EIA) appended to the officers' report or failed to understand the importance of reading it in discharging their statutory obligation under the public sector equality duty. Therefore, it is vital that Members both read and consider the EIA at [Appendix 4](#), as a failure to do so may result in a decision on our CTS scheme for 2016/17 being found defective.

## **10. Links to Corporate Aims**

- 10.1. Council Tax and Council Tax Support are most closely linked with the "Transformed Council" section that details three further objectives that underpin the Council's ability to achieve the Corporate Aims. The three objectives are:
- Achieving financial sustainability;
  - Transforming services; and
  - Transforming the way we work

## **11. Environmental and Community Safety Implications**

- 11.1. There are no environmental and community safety implications associated with this report.

## 12. Equalities

- 12.1. Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority must have due regard for:
- Eliminate discrimination, harassment, victimisation
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 12.2. The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.
- 12.3. The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 12.4. The Council must pay due regard to any obvious risk of such discrimination arising from the decision before them. There is no prescribed manner in how the equality duty must be exercised, though producing an EIA is the most usual method. For this reason these matters are examined in the EIA appended to this report ([Appendix 4](#)). In addition, debt levels are broken down by claim profile in [Appendix 5](#)
- 12.5. Councillors must consider the effect that implementing any changes to the CTS for 2016/17 will have on equality before making a decision. The EIA will assist with this. Where it is apparent the CTS policy would have an adverse effect on equality, then adjustments should be made to seek to reduce that effect - this is known as “mitigation”.
- 12.6. Implementing Option 5 to apply an income taper of 65% instead of 20% to the excess income of applicants with no earnings, will disproportionately disabled CTS recipients. Of the 163 applicants affected by this option, 53 (33%) have disabilities. Option 5 may also disproportionately affect working age recipients receiving maternity allowance. Women receiving maternity allowance will be considered to have protected characteristics as defined within the Equalities Act 2010 through both their gender and their pregnancy/maternity status. Finally, implementing Option 5 could have a disproportionate negative impact on older applicants still of working age, that receive an occupational pension.
- 12.7. Budgetary pressures and economic and practical factors will also be relevant. The amount of weight to be placed on the same countervailing factors in the decision making process will be for Members to decide.

## 13. Risk Management

- 13.1. Principal risks and mitigations are below:

Risk	Mitigation
The increased complexity of financial planning that could result from growing pressure from the Council Tax Support scheme if funding reductions are not fully addressed.	Cautious assumptions on recovery rate and therefore yield from the scheme.
Lower Council Tax collection rate and bad debts. The impact of the scheme is that low incomes working age households are now paying more Council Tax. There will be a point if people are asked to pay more Council Tax where the liability is too high for them and they will not pay anything.	Robust arrears management procedures to maximise collection rate and prudent assumptions on collection rates.
Higher administrative costs.	Maximisation of Council Tax collected.
Potential growth in the number of claimants.	Realistic assumption on caseload growth based on trends.
The scheme is based on a number of assumptions, including collection rate and take-up rate. A downturn in the economy could lead to higher benefit take-up rates. As a result, the projected funding gap would increase.	Review operation of scheme yearly and modify to reflect experience.
If Taunton Deane's population increases, including an increase in the population segment that currently receives CTS, demand for CTS could increase against funding from the government. This would increase the funding gap. Such population migration may occur if Taunton Deane's CTS scheme is more generous than those of neighbouring boroughs.	Ensure that TDBC's scheme is not significantly more generous than those of neighbouring boroughs.
Wider welfare reforms (HB reductions, Universal Credit) cause additional hardship and/or migration of people claiming to TDBC from more expensive areas and impact on Council Tax collection.	Ensure adherence to robust recovery timetable. Maximise take-up of all available discounts/ exemptions/ hardship relief. Monthly monitoring of performance against targets. Maximise DD take-up to free more resource in pursuing recovery.
Council Tax Support Scheme is challenged on equality grounds.	Consultation with preceptors and general public. Full Equalities Impact Assessment.

13.2. In addition to the principle risks outlined above a number of other factors have been considered:

**Fairness:** There is also a risk that scheme may be perceived as being unfair. This risk will be studied during consultation in line with the Government's commitment to incentivise work, the recommended scheme requires a contribution. To mitigate this all residents will have access to a discretionary fund.

**Culture of non-payment:** As CTS recipients will mainly be asked to make only a small contribution to their Council Tax bill, collection and recovery strategies may not be cost-effective, and small debts may be written off. This may over time develop into a culture of non-payment, where it becomes increasingly difficult and costly to recover small amounts of Council Tax from those who can least afford to pay it. This has been mitigated by minimising the level of contribution and is supported by robust arrears management procedures.

#### **14. Partnership Implications**

14.1. CTS costs will increase if any of the precepting Authorities increase their Council Tax.

#### **15. Recommendation**

15.1. The Executive, having regard to the consultation response and the Equality Impact Assessment (EIA - see [Appendix 4](#)), recommends that the Council amends the CTS scheme to that shown in [Appendix 1](#), (and illustrated in [Model 9](#)) to reduce support for working age applicants in 2016/17 by:

- removing entitlement to applicants with capital over £6,000
- applying a Minimum Income for Self-Employed applicants
- paying CTS at a level that would be no more than for a Band D property.

15.2. The Executive is also invited to recommend to Council its option in providing and calculating CTS Grant funding for Parish Councils in 2016/17.

15.3. The 2016/17 Council Tax Support Scheme is recommended for 2016/17 only.

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Taunton Deane Borough  
Council

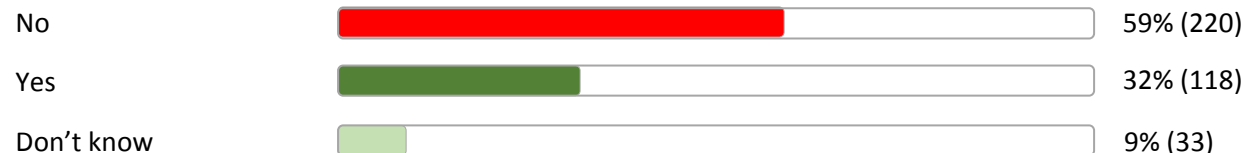
Council Tax Reduction Scheme

S13A and Schedule 1a of the Local Government Finance Act 1992

### Council Tax Support – Consultation for Changes in 2016/17

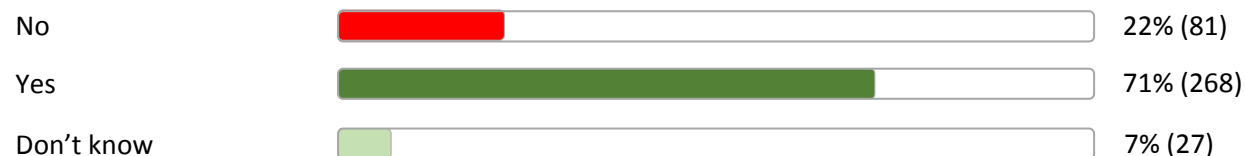
#### Option 1

Do you agree with the principle that the current CTS scheme is unchanged for 2016/17?



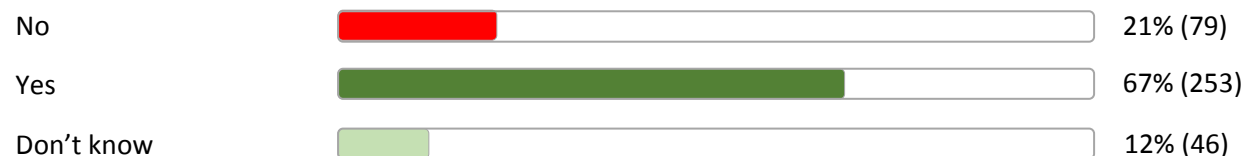
#### Option 2

Do you agree with the principle that the level is reduced from £16,000 to £6,000?



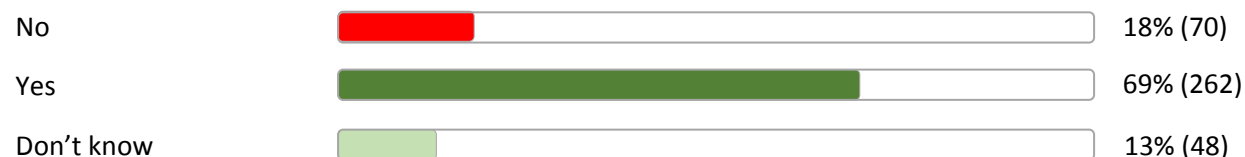
#### Option 3

Do you agree with the principle that we should use a minimum earned income figure for those who are self-employed?



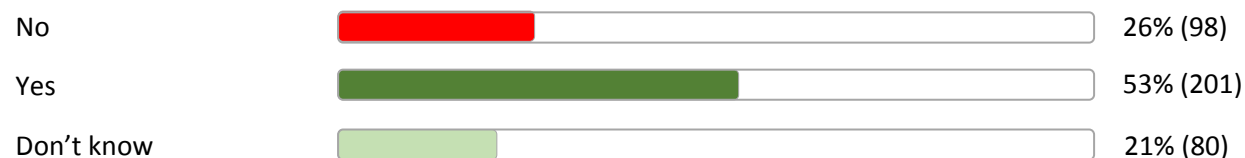
#### Option 4

Do you agree with the principle that we pay Council Tax Support at a level that would be no more than for a Band D?

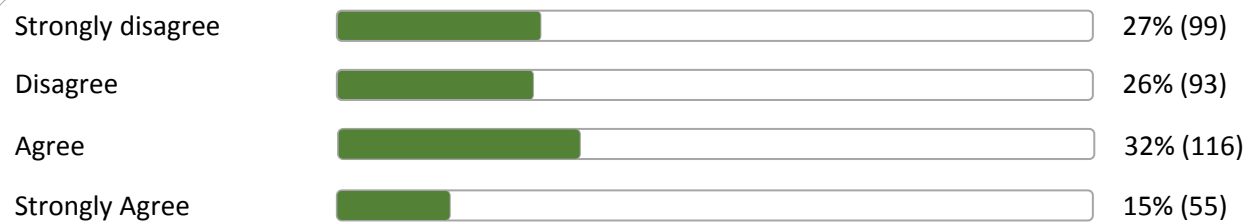


#### Option 5

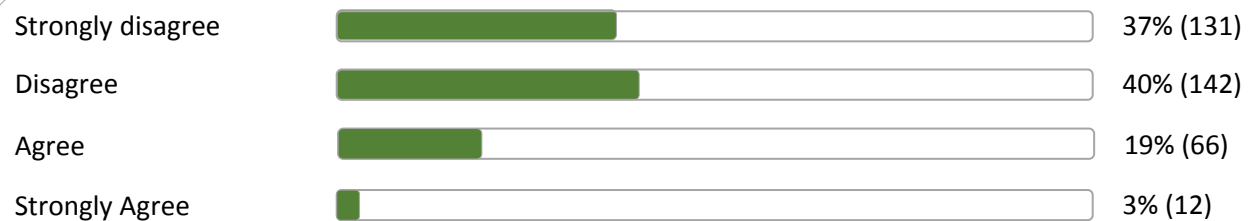
Do you agree with the principle that we apply a taper of 65% to applicants with no earnings and a taper of 20% to people in work?



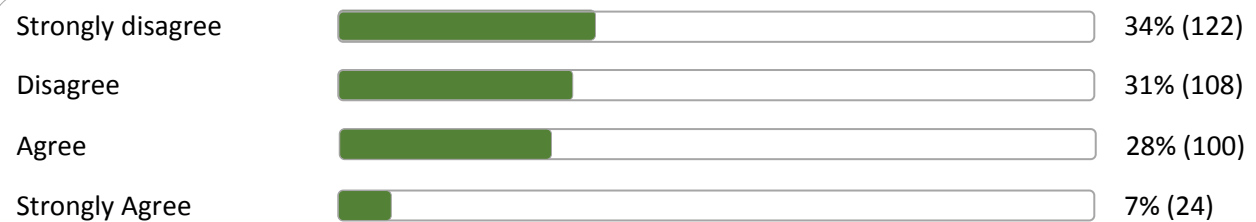
### Should the Council increase Council Tax to help pay for the scheme?



### Should the Council reduce funding to other services to help pay for the scheme?



### Should the Council use its reserves to help pay for the scheme?



### Are you a resident of Taunton Deane?



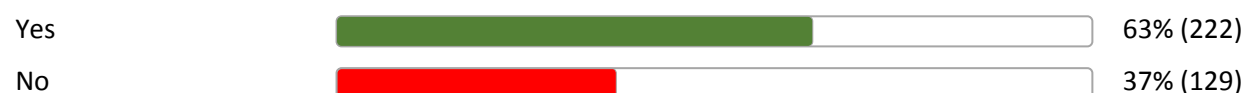
### Do you pay Council Tax?



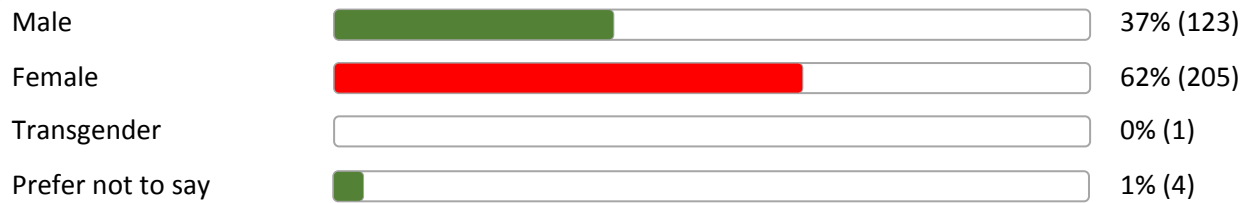
### Do you currently receive Council Tax Support?



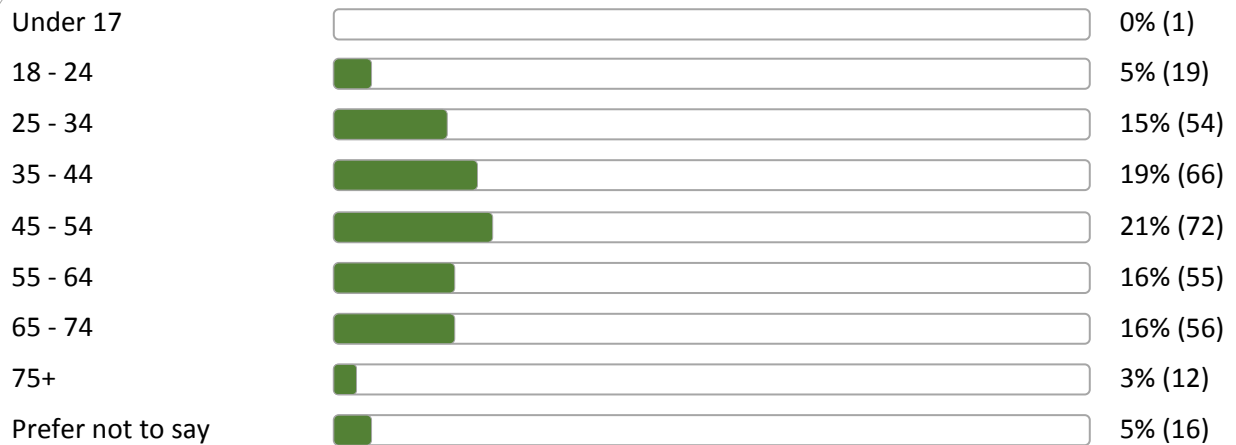
### Do you work, either full or part time?



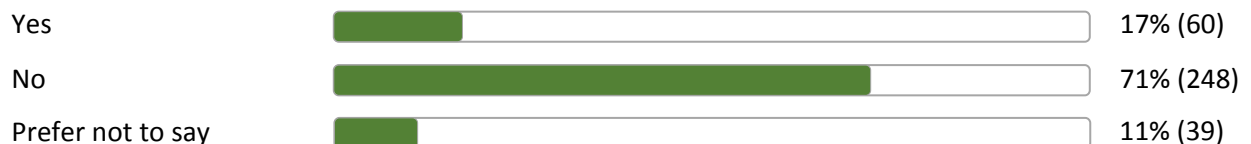
## What is your gender?



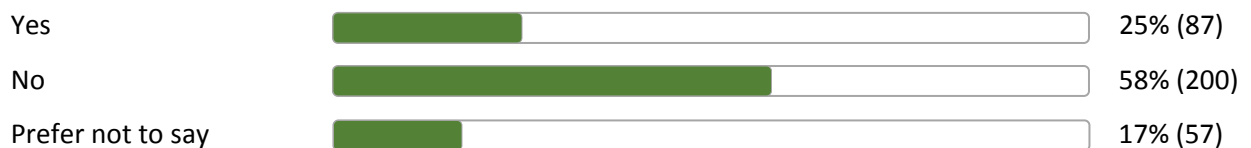
## What is your age group?



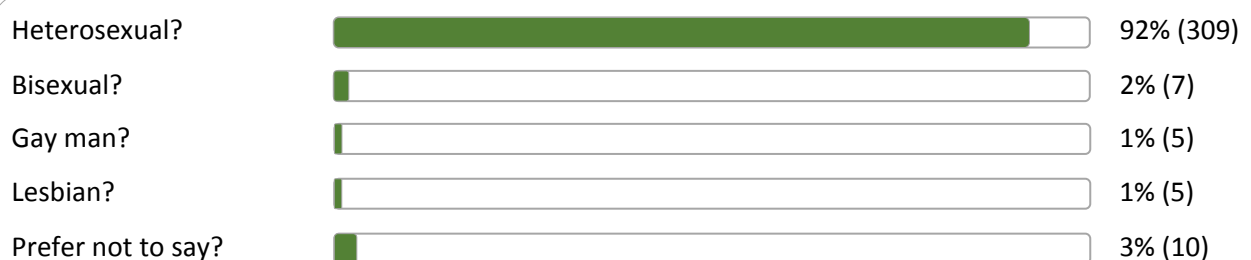
## Do you consider yourself as having a disability or long-term physical or mental health condition?



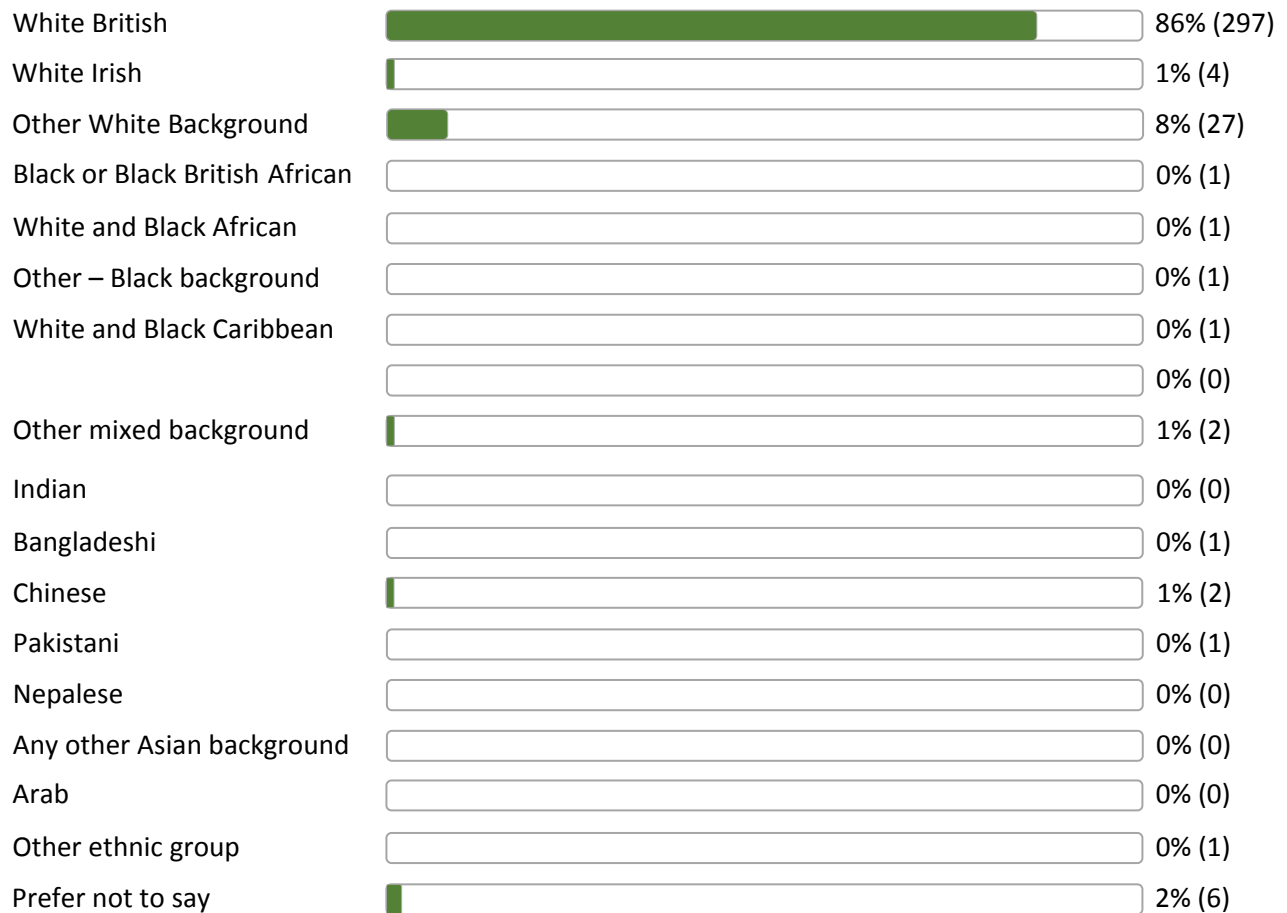
## Do you consider yourself to have a religion or belief?



## Do you consider your sexual orientation to be



## Which of these ethnic groups do you feel you belong to?



### Question A1: Should the Council continue with the existing scheme?

- 17: needs to be reduced - needs to change
- 28: It's not feasible. Savings need to be made.
- 82: It should be changed to be more fair for the lower income
- 83: Scheme needs to change so council tax does not have to go up
- 96: For genuine cases
- 105: People could pay a bit more
- 108: More people should work to pay their own bills
- 117: To a point
- 161: This questionnaire appears to be missing an opening page that would explain the reason or need for this document. That is: a mega shortfall in the accounts
- 167: There needs to be changes to encourage people into work
- 225: People need it.
- 234: If funding going to be cut then we need to change the existing scheme.
- 255: Shout be government funded if TDBC has to contribute, it should still go ahead.
- 287: It is too open to abuse and far too generous.
- 294: Very good.
- 298: I think it should stay the same as some people will find it harder to pay more.
- 329: The council should aim to increase contributions from those who can genuinely afford to pay while protecting those who cannot. The scheme should therefore be made more progressive.

351: Not if you cannot afford it.

370: Save as Q3, a fair system. Rest as before.

**Question A2: Should the Council reduce the capital limit to £6,000?**

10: We should be encouraging savings accordingly, I do not agree to such a low sum.

25: What about £10k?

28: It's not right that someone with savings should be receiving discounted services when so many of us struggle to get out of debt, let alone manage to save money.

29: £16000 is not a huge amount of savings and people should not be penalised for having this small amount of savings

35: I would set the capital limit to £10,000 which I think is fairer

39: This will ensure that the most needy get the benefits.

58: If you have £10,000 - pay your council tax.

83: Yes, £6000 is a fair point to cap it. Saving £4200 would help and this could be spent elsewhere

96: £10k not less

132: I don't think people with any amount of savings should be able to claim council tax support

134: This probably does make sense, but maybe there should be some tapering between the two limits

146: Unfair for capital to be held gaining interest whilst being supported by benefits

154: If you have £6000 you have enough to pay your council tax for at least 5 years

161: The financial pinch must be felt by everyone and although unpleasant, difficult decisions must be made

167: If you have money you should pay your own bills until this is spent

201: Big gap between 6k and 16k

210: Too big a drop

215: £10,000

217: Bring it down to 40k.

234: If I had savings of over £6000 then you should be paying your council tax!

239: People with savings should pay.

243: Maybe have an initial protection time.

248: About 10 or 12 is fair.

253: In between the two £10k fairer.

255: Existing limit is needed.

258: Too big to drop. Should be around £10k.

261: People get used to what it is.

287: No one with any savings should be entitled to any reduction.

291: Some people have to spend their capital just to stay under the limit as a good source of information has informed me which means they don't need as much support as they are getting.

299: £10,000 more realistic figure.

319: £10,000 - £12,000 more realistic.

**Question A3: Should the Council apply a Minimum Income for Self Employed applicants?**

- 10: An average should always be used to be fair.
- 21: This is a must do
- 28: Self-employment is important but if you're not earning enough to pay your council tax then it is essentially a failing business. It should not be 'propped up' by everyone else who also struggles to get by but isn't offered the same support.
- 31: Otherwise the scheme could end up subsidising self employed businesses which really aren't viable.
- 35: Since this option appears to save the most money, it has to be one of the best options
- 38: No because some self-employed jobs are commission based only and income may rely on how many customers you enrol - sometimes also it is difficult (in sales) to sign (enrol) anyway.
- 45: But only after a prolonged period of time as self employed an earning nothing.
- 71: Because self employed businesses are so different in the amount that we earn how would it work?
- 82: I don't think it should be assumed that their income is minimum wage if it is lower
- 83: People should have the right to financial aid if they are not earning minimum wage
- 137: If 3 year start-up period
- 161: This area of self employment is open to abuse. It would not be cost effective to employ staff to check the validity of claims
- 167: Not fair that self employed are allowed to declare no income
- 184: Self employed is hard at the moment
- 189: Eve if you do loads of hours, you should not be punished
- 206: Give them a chance to start up first
- 213: Self employed people should be getting at least the minimum wage
- 234: To bring this in line with universal credit.
- 239: No point in being in business if not making money.
- 254: Use a common cost of living per family.
- 255: Why should self-employed be different?
- 258: Don't think 2 years is enough.
- 268: You can't find a plumber or electrician never mind a cheap one.
- 272: This is a discriminatory action against all self-employed people. Not all their circumstances are the same. Some might not be able to work 30 hours due to childcare or carer responsibilities.
- 287: Self employment is a very grey area and so easy to get out of paying all sorts, let alone CTS. Needs to be fair to those who pay their dues via PAYE.
- 294: I believe everyone should be paid the same as everyone else to council poverty and greed.
- 298: As some self employed people cannot provide proof of income!
- 301: Maybe 2 years before it???
- 311: This could incentivise working age applicants - provided employers are not abusing the system themselves. i.e. paying them without declaring an extra or paying them in kind.
- 337: When no accounts are provided and after the first year of trading.
- 370: In terms described - one year start up allowed and childcare. Most significant savings and a simpler calculation than present system which gives too much sway to business expenses.

**Question A4: Should the Council limit support to a maximum of a Band D property?**

- 10: Any higher and the resident should in fact not be living in the said property.
- 21: This would save money
- 28: If someone can afford to own or rent a band E or above property then they can afford to pay their full council tax, they shouldn't be getting any support let alone getting more because their property is so valuable.
- 29: the type of property should not be taken into consideration, this should still be means tested
- 35: I can't believe the council has been daft enough to support people in band E to H houses in the first place. What on earth were you thinking ?!!!
- 38: I think that perhaps the Council Tax level should be based on 'income levels' rather than working it on 'band'.
- 39: If you own a property in Bands E to H why should they get support. They must have money to purchase such a high rating property.
- 82: Housing size/ income from person working their should be 'banded'
- 83: Housing prices should be taken into account as 'savings' as if people can afford to live in big houses they shouldn't expect benefits to support their lifestyle
- 95: Valuation system needs to be revised anyway
- 104: People should be allowed to live where they want.
- 122: Band B - a minimum for number of bedrooms they are allowed
- 134: The possession of a large house, possibly inherited does not provide any means to pay tax
- 161: The time has come for residents to be realistic. If they cannot afford to pay their way in a very large house - downsize.
- 180: Much smaller
- 182: Lead in period for up to 12 months to downsize
- 184: People in higher bands should be able to afford it/ move/ sale/ downsize
- 189: sale your house
- 190: People think they can have it all when they are not working
- 208: Allow a 6 month delay (protection)
- 216: 6 month delay.
- 218: Otherwise the system would be too complex.
- 225: 12 months to sort yourself out.
- 230: Should stay in the band they are in.
- 239: Should be B.
- 258: Should be on a sliding scale and not 'all or nothing'.
- 261: All people should have the same treatment.
- 262: People are lucky to live in band D. I am looking for a bigger property.
- 287: People living in higher band properties can obviously afford more than the average person. If they wish to stay living there they should pay the going rate with NO support. If they can't afford it they should move and live within their means.
- 294: People should be sensible about how they fund themselves. Greed don't get help.
- 298: As I don't agree with people having a big house when there are big families living in a small house.
- 310: Yes.
- 311: It should be for all bands.
- 329: People in high-value properties have the option of moving into a smaller and cheaper one attracting less Council Tax. The option is not generally available to people who live in less expensive housing.



**Question A5: Should the Council increase the income taper for applicants with no earnings?**

7: Encourages people to work

10: I have said a yes as this will encourage employment.

21: Yes This would save money

28: It would depend on what you class as "basic weekly needs". If it covers all essentials - food, non-alcoholic drink, basic toiletries, non-branded clothing, amenities, etc. - then this seems fair enough.

56: Part time work is always available.

71: I was homeless for a year with my daughter. I still paid council tax where I stayed and bill and had no help. I feel people that don't work should not have it so easy. The law should be together.

82: I believe this will encourage people to work harder and then tax/ income will be more fair

83: We need to encourage people that are capable of working but unemployed to get work

108: Should work

111: Elderly relative with no resource to public funds - I have to support her. She has no income at all.

117: Encourage more people to work and earn more themselves to pay their own bills - not for disabled people though

122: It's their choice not to work of claim JSA or work

132: I agree with this as a concept however I feel that those who have been classed as not able to work should be excluded: eg serious disabilities or injuries as opposed to those who can work but choose not to

146: This doesn't help encourage people to go into work

161: The country can no longer afford to pay those who have no desire to seek work

218: It depends on everyone individual circumstances.

239: Don't believe them.

254: If no benefit claim - no HB+CT claim. Income from somewhere.

287: Far too much is given away to those with 'nothing' (on paper).

288: Maybe it should be the other way around. 65% for working people and 20% for applicants with no earnings. I think we should reward working class not lazy, too comfortable people.

294: Just even things out some.

298: As you're out working and doing something unlike people on benefits.

329: It seems reasonable to treat people in in employment differently from those who have no earnings.

**Please use the space below to make any other comments you have about the Council's preferred options:**

- 20: Combine 2 approaches to allow for less harsh changes. Applying only one option will financially cripple certain people. Apply more than one and it will allow the changes to be easier to take.
- 34: A mix of options should be used. There is absolutely no justification for assisting people in large houses with their Council Tax. If they can't afford the house they should sell and move to one they can.
- 35: Why not implement more than one of the options? I would recommend doing all of options 3,4 and 5, and I would alter option 2 to set a limit of £10,000 on savings and do that as well as options 3, 4 & 5. This would save c. £375,000 p.a.
- 38: I think that the Council tax should be worked out on income rather than house size or area - those amount increases in options 2, 3, 4 and 5 are far too steep. Everyone are working on budgets wherever they live and whoever they are.
- 138: Consider that CTS should be more designed around customers who work and incentivising people to find work. Allowing increased hours that you can work and still being entitled to help.
- 161: It's time to make unpleasant decisions. Spell out the financial situation boldly on page one of this questionnaire. If you ask silly questions like 'Do you want us to reduce your benefits the answer will always be no'. In addition to these recommendations it is time to increase the Council Tax. After 5 years of virtually no increases there has to be a limit to further cutbacks. It is now time to reward employees with a pay rise
- 167: Why £6000 limit on savings. Surely this should be used first
- 184: Anyone that works is always the ones that have to pay
- 185: As I have been on benefits before I know how hard it is to manage and using the system that is in place today I agree that this should stay
- 187: I work very hard as a business man trying to make a honest living while we pay for everyone just to sit at home
- 200: Simple table to make life easier. Too complex
- 233: People need help that are on low income.
- 234: The message needs to be clear. By all means have a council tax support scheme for those that need it especially those going through difficult times. However nobody of working age should be on council tax support indefinitely unless there is a very good reason. Work must always be the way forward for anyone and those people that do should be better off because of it. It's time to stop rewarding the lazy!
- 237: I feel sorry that the Council have to make sure decisions. The preferred 'new' options are all about taking a little here and a little there. All the result of central funding cuts that although 'spun' as good, will always be hitting the wrong people in society. I can only agree with keeping the existing scheme. Where will the rich be after these cuts and other cuts - getting tax breaks and dodging their liabilities to society, probably 'off shore' somewhere!
- 240: People need to help themselves. Spend more wisely. Help people that really need it. Take account of spending.
- 242: Make everyone have morals - if needed help is there.
- 259: No comment just sort out the mess.
- 260: I have worked all my life and when I lost my job I got nothing as I had money in the bank.
- 261: Green bins - too expensive. This is how they do the increase in the council tax.
- 262: I struggle as a single mum looking for work to fit around school hours.
- 263: I am a pensioner and I don't feel this will affect me. I do feel sorry for the people that struggle.
- 264: People with savings are the people that suffer. From working all my life I can't get anything.

- 267: Double council tax should be applied to a 2nd home if it is not occupied. It is taking a home away from someone who needs it. Disabled people should be helped.
- 287: TDBC needs to toughen up and stop giving in to sob stories. Benefits in the UK are very generous - more than generous. It's what applicants do with the money that needs to be looked at. Bills should come first (like it has to for those in work). Write offs are too frequent with repeat offenders getting away with it time and time again.
- 289: Don't agree with what the council do - whenever you call them you get nowhere.
- 290: Overcharged for what we get. We write into the council and get no reply back. Have emailed Penny James and get nowhere. Rats in the park and now today there is food everywhere.
- 292: You have to find a scheme that will provide some benefit to the council but at the same time will not be ??? when implemented. This, given your examples, rules out option 2, 3 and 5.
- 303: Get rid of police commissioner!! and his salary and support ??? salary.
- 351: Anything to meet the shortfall.
- 367: Ask central government for more money.

## Part B

### Question B1: Should the Council increase Council Tax to help pay for the scheme?

- 7: A rise in Council Tax should happen, but to fund other services
- 8: It has been frozen for a while - the economy is improving and I would be happy to pay more tax
- 10: It should not be automatic. The devastation on the services as it stands should be evaluated and the flow of extra monies decided accordingly.
- 12: Increase Council Tax to improve services not for CTS.
- 21: Reduce entitlement first why should we sub benefits people all the time
- 28: Council Tax needs to increase due to rising costs and reducing funding, but the current CTS scheme seems to be overly generous based on Part A.
- 31: The financial difficulties being experienced currently also apply to people not eligible for help with their council tax.
- 34: No way
- 35: Once I'd read the details of the support scheme, I feel very strongly that it must be changed so that it requires significantly less funding from council taxpayers
- 38: I agree, but again, only if people can afford to based their income or type of benefit that they receive (for e.g. people on JSA - £70 something a week could not afford this amount).
- 40: Not sure.
- 62: Smaller increase.
- 63: Smaller increase.
- 83: The scheme should change to help the working class
- 84: Make those who don't pay - pay!
- 96: Everything else has gone up
- 108: Hard enough for most people. more wealthy should pay more
- 111: Everyone in different circumstances. Some can afford more but some working people can not
- 115: Costs go up- only right and fair
- 118: Understand it has to
- 122: More if people have got loads of money
- 123: People with money should help people that haven't
- 127: ok for those that can afford it
- 132: I don't feel that people who pay their full council tax should be charged more to cover those who do not work etc

- 161: Do not use increased Council Tax revenue to protect the tax support scheme. Build up reserves to cover the additional unknown costs relating to the proposed move to County Hall.
- 171: Rather pay than have services reduced to pay for the scheme
- 173: As big as other savings
- 174: Vaguely agree
- 180: No more increases
- 207: No! We pay enough already!
- 208: depend what it covers
- 211: Vaguely agree
- 214: Partially
- 215: Not by the full amount - use all the options to save money.
- 217: Not all but we use other options as well.
- 221: But shouldn't pass the charge onto the Government not on LA15.
- 234: No - council tax is enough as it is.
- 235: Why should tax payers have to pay for people claiming and living on benefits.
- 237: Small rises are justified if they protect the poorer and more vulnerable.
- 238: Along with other saving measures.
- 247: £1 a month is minute.
- 251: Along with other savings.
- 275: Possibly.
- 276: No more about the figures - possibly.
- 287: Tighten up or if there is a need, increase CT by 0.5% which should bring in £250,000 approx.
- 288: I think is enough pressure on people who do not receive any help (work and pay taxes). I do believe that people on benefits get far too much.
- 298: Yes by £15 a month as schools etc will soother.
- 299: No.
- 319: No.
- 329: The Council is facing a financial 'black hole' and cannot afford not to increase the Council Tax. Council Tax should be increased by the maximum allowable without triggering a referendum.

**Question B2: Should the Council reduce funding to other services to help pay for the scheme?**

- 10: Again, I believe services have already been devastated quite significantly.
- 28: Again, whilst some services probably do need to be reduced, it shouldn't be done to prop up an overly generous CTS scheme.
- 29: many other services are operating with decreasing funds
- 31: Some sort of balance needs to be struck through cuts to non-statutory functions.
- 35: I was horrified to find that the council has been wasting money supporting people in band E to H properties. I want Council taxes to be used to provide services for everyone in the community, not to help support a few people who could easily obtain funds by moving & using their own capital
- 38: Not sure - it depends what the services are.
- 83: no
- 95: selective flower basket watering!?! But more bin waste collection needed
- 111: Payers should get the services they pay for. Less to the police please- lower their pay
- 122: Too many big salaries being paid
- 127: Don't want to pay more to receive less. Should not pay for people who won't help themselves

- 143: but cut back on unnecessary areas
- 158: Not sure, depends which services
- 161: No Way. The area looks a disgrace. We have a patchwork quilt of an Upper High Street. The approach from the motorway is scruffier than some third world countries. It is no wonder that companies are deserting the town.
- 215: Depends on what.
- 217: Depends what services you consider cutting. Cut back on services that are not needed. This may mean no necessarily need to save so much by increasing the council tax.
- 221: Cutting too much already.
- 234: Other important services should not be cut to fund council tax support. And the council should stop paying consultants from outside as this is a waste of money.
- 237: Strongly against cuts - the last resort.
- 240: Reduce unnecessary staff. Spending unnecessary money.
- 245: Needs to be investigated further.
- 247: Depends on the services and what is spent.
- 248: Depends on the class.
- 255: Council services already cut to bone.
- 268: But do not waste money - i.e. fire station never used.
- 276: Services are already out to the bare minimum.
- 287: Toughen up! Collect from those that can afford it but choose to spend it on other things.
- 288: Every service should manage itself.
- 294: Big NO!!!!
- 299: Depends what services. Only what is needed.
- 301: Reduce advertising.
- 312: Without knowing which services would be reduced I couldn't comment.
- 319: Depends on what services.
- 329: The scheme should be funded by reducing benefits to the more affluent and increasing income.

**Question B3: Should the Council use its reserves to help pay for the scheme?**

- 10: Again, I would not presume that Council Tax Support Scheme is the most deserving. This has to be judged carefully and balanced against the many competing interests I can see there might be.
- 21: reduce the benefits first
- 28: The question answers itself. This is not a solution, it's a short-term stop-gap that would merely delay the inevitable.
- 29: reserves should be kept back for contingency not for ongoing costs
- 31: This would be a more rapid route to the financial cliff edge.
- 35: You should have reserves for emergencies. I think you should change or scrap the support scheme
- 38: The reserves should be saved in case government reduces funding further.
- 50: Only if enough in reserves.
- 62: Some of the reserves.
- 82: Partly use reserves
- 83: Reserves should only be used in exceptional circumstances
- 108: To a point
- 111: Ask the government for more help
- 122: If it's there - use it
- 143: Some, but keep some back

- 158: Not sure
- 161: Use reserves to improve the infrastructure. Make the town look presentable from its approaches. Pester the County Council to improve traffic flow. Open a second motorway exit at Walford Cross. Whether you agree to this or not everything revolves around transport links accessibility. Taunton is rapidly becoming a commuter town for Bristol and Exeter
- 171: Depends on how much
- 213: Didn't think they could
- 234: Reserves are there for a reason.
- 237: Some reserves could be utilised for the duration of this parliament. Hoping that the 'destroyers' of public service will be ousted in the future and then more sympathetic approaches taken, including protecting the most needy.
- 247: Depends on how much they have.
- 248: Depends how much reserves they have.
- 255: When I was a TDBC Councillor we were always told reserves could never be used for revenue purposes. What has changed?
- 256: Up to them.
- 276: Where appropriate.
- 287: Definitely not. Toughen up, go against what the media might say and get the message home that whoever you are and whatever you might earn or receive in benefits you have to pay. Write offs should never happen.
- 288: I think support should stay all together. Also, if the Council needs more money, should do a benefit fraud team and not to write debts off.
- 294: Refine why.
- 299: At least some of them. Living out of Taunton makes it difficult.
- 329: The Council should not reduce reserves below recommended minimum levels.

### **Part C**

#### **If you have any further comments or suggestions to make on the Council Tax Support Scheme please use the space below:**

- 9: Council Tax support should be a temporary benefit and a long term not a way of life. Any award should be limited to 6 months within any 12 month period.
- 10: Cutting more funding towards the Council's revenue will not make the town any better. What needs to happen is there needs to be more resources to actually prevent escalation of issues and to make the town a better place to live. How can you do this with reduced funding? And the first instinct to utilise the excess to fund the Council Tax Support Scheme without consultation cannot happen.
- 34: Support should be given only as a last resort. To repeat if they can't afford their Council Tax they should either move to a property where they can or increase their income.
- 35: I only knew about this consultation because a council employee approached me at a bus stop on Saturday morning. She did not mention the questions and issues in section A, but turned straight to section B. I strongly suspect that she would have filled in the council's preferred answers without actually discussing them with me if I hadn't insisted on bringing the form home so I could read it properly. I am very concerned that this consultation is not being carried out properly. I feel that the forms should have been delivered to people's homes or emailed to them. The current scheme and the various options were not simple enough for people to answer whilst waiting in a bus queue. The lady who gave me the form (somewhat reluctantly) seemed to be more concerned with getting responses quickly than with getting true considered opinions. Which leaves me thinking that the whole consultation process is a 'whitewash' - going through the motions without bothering about really seeking taxpayers' opinions.
- 38: Just want to say thank you for always processing my HB and CTAX promptly and for all you do for us in general.

- 92: Reduce pay from council officials earning £40k or more
- 130: Possibly charging those not born here/ immigrants for services we would be charged for when abroad
- 161: I have probably said too much.
- 165: People that work for a living should receive more help than people who do not work. How is it fair that we're on the same income? It encourages people not to work!
- 234: I am all for cutting benefits as I think our current welfare bill is far too high. The wrong message has been sent out in the last few years. If you don't work then the state will pay. Now that we are not in a recession there should be no excuse to find work. We seem to reward the lazy and not the hard working. This has to change. Benefits and support should only exist to the very needy and for a limited time. We need to get Britain working again!!
- 257: Scrap council tax completely.
- 258: For people who do their own recycling i.e. don't use TDBC bins - should be reduced council tax charge.
- 287: See B3.
- 325: I think rich people with big houses should pay more council tax. Please do not cut help to disabled, vulnerable and the old on low income.
- 329: It is time that the single person discount on the Council Tax was ended for people living in properties with more than one spare bedroom. This would not only raise more income, but would bring the treatment of owner occupiers more into line with Council tenants, who have been penalised by the 'bedroom tax'.
- 369: Put more effort into the recovery of overpayments and use the subsidy received to help pay towards the CTS scheme. End backdating for CTS. Reduce pensioner applicable amounts.

# Consultation on our Council Tax Support Scheme 2016/17



## Introduction

Council Tax Support (CTS) is a means-tested discount to help people on low incomes pay their Council Tax. It is a local scheme run by Taunton Deane Borough Council that replaced Council Tax Benefit. No money is paid to the people who claim it. Instead, we reduce their Council Tax bill by the amount of support they are entitled to.

On 1 April 2013 Central Government ended the national Council Tax Benefit Scheme and gave responsibility for designing and administering CTS to Local Authorities. At the same time, the Government made Local Authorities responsible for funding CTS, but reduced the finance available by 10%. Our current Council Tax Support Scheme broadly follows the principles and rules that applied to Council Tax Benefit and has been largely unchanged since its introduction on 1 April 2013.

Under the current scheme, everybody of working age who receives CTS must pay a contribution of 20% towards their Council Tax bill. This means the maximum support working age applicants receive is 80% of their Council Tax bill. Pension-age applicants continue to receive up to 100% support. Currently, approximately 7,700 households claim CTS, including pension-age applicants. Of these, approximately 4,000 are of working-age.

In addition to the CTS Scheme, the Council offers a Discretionary Reduction in Council Tax Scheme for residents who demonstrate exceptional financial hardship or exceptional personal circumstances that justify a reduction or waiver of their Council Tax bill. This scheme is intended to offer short term help, and we make awards on a case by case basis.

## Why are we carrying out consultation?

Partly, we need to revise our CTS Scheme because of reductions to the Council's funding that is putting pressure on local services. As reductions are likely to continue until the end of the decade, the Council needs to strike a balance between a CTS Scheme that is affordable and fair, not only for who receive CTS, but also residents that depend on wider services.

The Council needs to look at all areas of spending to identify savings, as well as identifying how it can generate more income. The Council can reduce spending, increase Council Tax or, in the short-term, use financial reserves. The Council will need to consider all of these things to a greater or lesser extent, and the key will be to strike the right balance between them.

In Part A of this questionnaire we set out 5 options for the CTS Scheme from 1 April 2016. We give examples of the effects for each of the options.

Part B of the questionnaire asks for your views on how the scheme should be funded. Part C provides an opportunity for suggestions and comments as well as asking you to provide information about yourself as part of our commitment to equalities monitoring.







## How may this consultation affect me?

Everyone liable to pay Council Tax pays for the Council Tax Support Scheme through their Council Tax payments. Therefore, it is important to get the views of all Council Tax payers regardless of whether you receive Council Tax Support or not.

Any changes to the scheme will directly affect working-age households receiving Council Tax Support now or in the future.

Central Government set the scheme for pension-age applicants and they will not be directly affected by any changes. For Council Tax Support, we treat you as being of pension age if you or your partner are old enough to receive Pension Credit. From April 2016, anyone born before 5th April 1953 will be considered to be of Pension Age.

It is important you have all the information you need to provide informed answers. The background to the consultation and information about our Council Tax Support Scheme is available on our website at:  
[www.tauntondeane.gov.uk/benefitconsultation](http://www.tauntondeane.gov.uk/benefitconsultation)

## How and when can you respond to the proposals?

The consultation will be from 1 July 2015 to 7 September 2015. You can respond to the consultation:

By completing and returning the questionnaire to:

Business Support Unit  
Taunton Deane Borough Council  
The Deane House  
Belvedere Road  
TAUNTON  
TAI IHE

Or complete the form on-line at: [www.tauntondeane.gov.uk/benefitconsultation](http://www.tauntondeane.gov.uk/benefitconsultation)

## Next steps

Because of the timescales involved and the legal requirement the Council adopts its scheme by 31 January 2016 at the latest if it is to take effect from 1 April 2016, the consultation must close on 7 September 2015.

A report will be presented to the Council's Corporate Scrutiny Committee on 22 October 2015 to put forward the result of the consultation. We will listen carefully to what residents tell us, and the consultation results will be considered alongside other evidence and information for the Council to make the final decision on the scheme to adopt. Following the decision, the results from the consultation will be available on: [www.tauntondeane.gov.uk/benefitconsultation](http://www.tauntondeane.gov.uk/benefitconsultation)

## Extra information

More information can be found at: [www.tauntondeane.gov.uk/benefitconsultation](http://www.tauntondeane.gov.uk/benefitconsultation)

[www.communities.gov.uk/localgovernment](http://www.communities.gov.uk/localgovernment)

Telephone: 01823 356321 (lines open weekdays 8.30am-5.00pm)

Email: [benefits@tauntondeane.gov.uk](mailto:benefits@tauntondeane.gov.uk)

## Option 1 - No change to the existing Council Tax Support Scheme

Costs of the scheme are funded by Taunton Deane Borough Council, Somerset County Council, Avon and Somerset Police and Devon and Somerset Fire and Rescue Authority.

If we adopt Option 1, we will work out Council Tax Support in the same way as we do now. The amount of help will not reduce as long as the individual circumstances that relate to the application for Council Tax Support do not change. The current scheme means people of working age must pay a minimum contribution of 20% of their Council Tax bill. We show the minimum contributions for 2015/16 below.

Band	Annual Council Tax		Minimum annual contribution		Minimum weekly contribution	
	Single Person	Couple	Single Person	Couple	Single Person	Couple
A	£716.69	£955.58	£143.34	£191.12	£2.74	£3.66
B	£836.13	£1,114.84	£167.23	£222.97	£3.20	£4.26
C	£955.58	£1,274.10	£191.12	£254.82	£3.66	£4.87
D	£1,075.02	£1,433.36	£215.00	£286.67	£4.11	£5.48
E	£1,313.92	£1,751.89	£262.78	£350.38	£5.03	£6.70
F	£1,552.81	£2,070.41	£310.56	£414.08	£5.94	£7.92
G	£1,791.71	£2,388.94	£358.34	£477.79	£6.85	£9.14
H	£2,150.05	£2,866.73	£430.01	£573.35	£8.22	£10.97

## Option 2 - Reducing the Capital Limit

Currently applicants with savings and investments of more than £16,000 are not entitled to any Council Tax Support. Under this option, we could reduce this limit to £6,000. We estimate this change would save £42,000 and would affect 84 working age households currently getting Council Tax Support.

Only those working-age residents with at least £6,000 in savings will be affected. Residents who have less savings will not be affected. Where a working-age resident has more than £6,000 in savings, no support whatsoever will be payable. Currently our scheme allows for some support to be provided, although the higher the level of savings the less we can award.

## Option 3 - Setting a Minimum Income for Self Employed People

Currently when we work out earned income for self-employed claimants, we base it on an assessment of the income and expenditure of the business.

To align Council Tax Support with Universal Credit, under this option we would use a minimum earned income figure for those who are self-employed. This would be in line with the UK minimum wage for 35 hours worked. From 1 October 2015, the adult National Minimum Wage will be £6.70 an hour. The rate for 18 to 20 year olds will be £5.30 an hour, while the rate for 16 to 17 year olds will be £3.87 an hour. Any income above this amount would be taken into account based on the actual amounts earned.

We would not apply this minimum income for a designated start-up period of one year to allow the business to become established. We would allow one start-up period in 5 years to allow the applicant to start up a different trade, profession or vocation from that carried out previously.

Similarly if a self-employed person is limited in the hours they can work by circumstances such as having to provide child care then we will work out the Minimum Income proportionately. We estimate this change would save £244,000 and would affect 315 working age households currently getting Council Tax Support.

Such a change could incentivise working-age applicants to grow and expand their business. However, where a working-age resident is in self-employment and continues to run a business where their income is below the minimum level, we will assume they earn at least minimum wage (based on a 35 hour week).

## Option 4 - Limit support to a maximum of 80% of a Band D property

The Valuation Office Agency put each property in a valuation band based on its value as at April 1991. This band decides the amount of Council Tax payable. There are eight Council Tax bands - A is the lowest band and H is the highest. Currently we work out Council Tax Support based on the Council Tax Band of the property the applicant lives in, regardless of whether that band is A or H.



We could change our scheme to only pay Council Tax Support at a level that would be no more than for a Band D property. This would not disadvantage any applicant that lives in smaller or lesser value property. Where an applicant lives in a property that is either Band E, F, G or H, we would work out their Council Tax Support based on the Council Tax that would have been payable if they lived in a Band D property. The maximum Council Tax Support they could receive would be 80% of the Council Tax payable for a Band D property. Applicants resident in a Band A, B, C or D property would not be affected by this change.

The majority of Council Tax Support applicants live in lower banded properties and will not be affected by this option. We estimate this change would save £20,000 and would affect 100 working age households currently getting Council Tax Support.

For example, currently the maximum Council Tax Support for a working age couple living in a Band E property would be £1,401.51 ( $£1,751.89 \times 80\%$ ). If we implemented the option to limit support to an equivalent Band D property, the maximum Council Tax Support they could receive would be £1,146.69 ( $£1,433.36 \times 80\%$ ). This would mean they would have to pay a minimum annual payment of £605.20. In this example, implementing this option would mean support would be reduced by at least £254.82.

## Option 5 - Increase income taper from 20% to 65% for applicants with no earnings

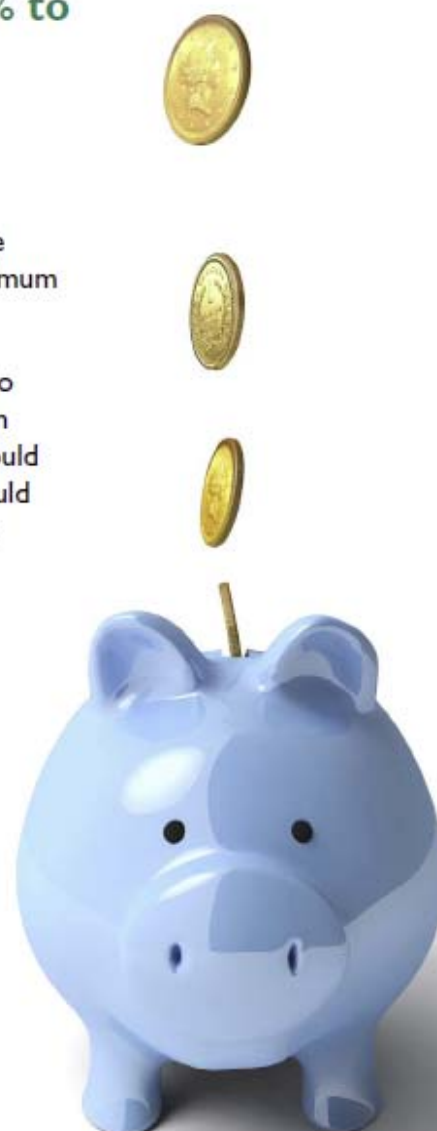
When we work out Council Tax Support, we compare income to an amount that reflects basic weekly needs. This amount is called an “applicable amount” that will vary according to the applicant’s circumstances. If the applicant’s weekly income exceeds the applicable amount, we deduct 20% (income taper) of that excess from the maximum Council Tax Support they can receive.

Under this option we could apply a taper of 65% to applicants with no earnings and apply a taper of 20% to people in work. This would mean two applicants on similar income levels, but where one is in work, would receive different levels of support. The applicant with no earnings would get less Council Tax Support, compared to an applicant with earnings receiving the same weekly income.

For example, where the applicant’s weekly income is £100 and the applicable amount is £90, we treat them as having an excess income of £10 a week. Under this option, we would deduct £2 a week (20% of £10) from the maximum Council Tax Support a working applicant could receive but we would deduct £6.50 (65% of £10) for the non-working applicant.

This option will not affect any applicant whose income is less than their applicable amount.

We estimate this change would save £109,000 and would affect 348 working age households currently getting Council Tax Support.



## Examples for each option

We show an estimate of the impact of each option below. We have based estimates on the 2015/16 Council Tax rates and show the minimum contribution for working age Council Tax Support applicants if we implement each option.

These are only estimates as we work out every case on the individual circumstances.

Example Households	Option 1 Minimum annual contribution if scheme is unchanged	Option 2 Minimum annual contribution if capital limit reduced to £6,000	Option 3 Minimum annual contribution if we apply a minimum income for the self-employed	Option 4 Minimum annual contribution if we limit support to a maximum of 85% of a Band C property	Option 5 Minimum annual contribution if we apply an income taper of 65% for applicants with no earnings
<b>Example 1</b> - Lone Parent aged 45 with two children living in a Band E property. Receives Income Support.	£262.78 (no change)	£262.78 (no change)	£262.78 (no change)	£453.90 (increase of £191.12)	£262.78 (no change)
<b>Example 2</b> - Couple both aged 50 living in a Band D property. Applicant disabled receiving Disability Living Allowance. Partner working, earning £235 a week. Savings of £6,200.	£580.52 (no change)	£1,433.26 (increase of £852.84)	£580.52 (no change)	£580.52 (no change)	£580.52 (no change)
<b>Example 3</b> - Single person aged 26 living in a Band B property. Self-employed - weekly income of £100.	£167.23 (no change)	£167.23 (no change)	£836.13 (increase of £668.90)	£167.23 (no change)	£167.23 (no change)
<b>Example 4</b> - Single person aged 37 living in a Band E property, receiving Industrial Injuries Disablement Benefit of £100.80 a week.	£552.45 (no change)	£552.45 (no change)	£552.45 (no change)	£743.57 (increase of £191.12)	£1,204.19 (increase of £651.74)
<b>Example 5</b> - Single person aged 58 living in a Band C property with weekly pension of £130.	£786.13 (no change)	£786.13 (no change)	£786.13 (no change)	£786.13 (no change)	£955.58 (increase of £169.45)

### Question A1: Should the Council continue with the existing scheme?

Full details of the current 2015/16 scheme and Council reports are in the on-line consultation information at [www.tauntondeane.gov.uk/benefitconsultation](http://www.tauntondeane.gov.uk/benefitconsultation)

Thinking about Option 1 (No Change), do you agree with the principle that the current Council Tax Support Scheme is unchanged for 2016/17?

Yes     No     Don't know

Comments:

### Question A2: Should the Council reduce the capital limit to £6,000?

Thinking about Option 2 (Reducing the Capital Limit), do you agree with the principle that the level is reduced from £16,000 to £6,000.

Yes     No     Don't know

Comments:

### Question A3: Should the Council apply a Minimum Income for Self Employed applicants?

Thinking about Option 3 (Minimum Income for the Self Employed), do you agree with the principle that we should use a minimum earned income figure for those who are self-employed?

Yes     No     Don't know

Comments:

**Question A4: Should the Council limit support to a maximum of a Band D property?**

Thinking about Option 4 (Limit to Band D), do you agree with the principle that we pay Council Tax Support at a level that would be no more than for a Band D?

- Yes     No     Don't know

Comments:

**Question A5 : Should the Council increase the income taper for applicants with no earnings?**

Thinking about Option 5 (Increase income taper to 65% for applicants with no earnings), do you agree with the principle that we apply a taper of 65% to applicants with no earnings and a taper of 20% to people in work? The applicant with no earnings would get less Council Tax Support, compared to an applicant with earnings receiving the same weekly income.

- Yes     No     Don't know

Comments:

**Please use the space below to make any other comments you have about the Council's preferred options:**

## Paying for the scheme

The cost of the Council Tax Benefit scheme in 2012/13 was £6.9 million. This was fully funded by the Government. Taunton Deane Borough Council, Somerset County Council, Avon and Somerset Police and Devon and Somerset Fire and Rescue Authority received funding of £6.1 million from the Government in 2013/14 to help finance our Council Tax Support Scheme.

Since 2014/15, although funding for Council Tax Support has been provided in our normal grant allocation, the Government have not separately identified it. The grant we received from the Government reduced significantly in the years up to 2015/16. If we apply similar cuts to the funding we received for Council Tax Rebate in 2013/14 it would leave £4.5 million. In 2014/15 we spent £5.7 million.

Given the annual reductions in Government spending and the Council's own budgeting pressures, we are considering options to reduce the cost of the Council Tax Support Scheme and how we finance the scheme. Any additional funding for a Council Tax Support Scheme would need to be found from one or more of the following options: (a) Increasing Council Tax (b) Cutting other services or (c) Using Council reserves.

## Increasing Council Tax

Taunton Deane Borough Council strives to find a fair balance between supporting people who are more frequent users of particular local services or who require more targeted support, and providing local services generally available to all Council taxpayers more generally.

The local authorities that fund the cost of the Council Tax Support scheme could consider increasing Council Tax to protect local services, which could include raising additional income to help fund their share of the cost of the scheme.

Taunton Deane Borough Council aims to keep tax rises low and may be required to conduct a local referendum if a proposed tax increase is above a certain limit (this limit was 1.99% for the current year). A referendum is expensive for the Council to run and the general population may vote against an increase.

Full Council sets the Council's budget on an annual basis and it will consider the level of Council Tax for 2016/17 in February 2016.

## Making cuts to other services

As an alternative to making changes to the Council Tax Support Scheme, Taunton Deane Borough Council, Somerset County Council, Avon and Somerset Police and Devon and Somerset Fire and Rescue Authority could cut spending in other areas. If spending on Council Tax Support is to be protected or increased, this will increase the amount that needs to be saved from other budgets that are already facing the need for significant savings as we seek to meet budget shortfalls.

## Use of financial reserves

The Council maintains a sensible level of financial reserves to reduce the impact of unexpected financial pressures that may occur. An option could be to use resources for a limited time to fund part of the cost of Council Tax Support or to protect the scheme, however the use of reserves is not considered a viable permanent solution to protecting recurrent spending on Council Tax Support.



### Question B1: Should the Council increase Council Tax to help pay for the scheme?

For example, if the Council Tax was increased by 1% or £14.33 a year for a Band D property, an additional £550,000 would be raised in Council Tax income by local authorities. This could be prioritised to protect the current Council Tax Support Scheme.

Please let us know if you:

- Strongly Agree       Agree       Disagree       Strongly Disagree

Comments:

### Question B2: Should the Council reduce funding to other services to help pay for the scheme?

For example, if the Council decided to reduce other services more funds would be available. This could then be used to protect the current Council Tax Support scheme.

Please let us know if you:

- Strongly Agree       Agree       Disagree       Strongly Disagree

Comments:

### Question B3: Should the Council use its reserves to help pay for the scheme?

For example, if Taunton Deane Borough Council used its reserves, more funds could be available to maintain the current Council Tax Support Scheme. However, the use of reserves is a short term solution only because once reserves are used ongoing annual budget savings would be needed.

Please let us know if you:

- Strongly Agree       Agree       Disagree       Strongly Disagree

Comments:



Model 1

Current Council Tax Support Scheme (2015/16) modelled for expected increases in CTS entitlement as a result of reductions in Tax Credit income

	Pension Age	Working age	Total
Number of claims	3,758	4,316	8,074
Total weekly awards	£56,639.00	£52,367.71	£109,006.71
Average weekly award	£15.07	£12.13	£13.50
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,738,083.12</b>	<b>£5,699,493.69</b>
Estimated expenditure 2015/16			<b>£5,515,724.57</b>
<b>Additional expenditure</b>			<b>£183,769.12</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£29,001.31</b>

Working age customers	Number increased
Single, no children	65
Couple no children	12
Lone parent with children	563
Couple with children	274
Employed & self employed	886
Applicants with a disability	126

## Model 2

### Current scheme modelled to remove entitlement to applicants with capital over £6,000

	Pension Age	Working age	Total
Number of claims	3,758	4,273	8,031
Total weekly awards	£56,639.00	£48,421.00	£105,060.00
Average weekly award	£15.07	£11.33	£13.08
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,531,726.57</b>	<b>£5,493,137.14</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>- £22,587.43</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£235,357.86</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	0	£8.92	24
Couple no children	0	£13.21	3
Lone parent with children	0	£14.57	9
Couple with children	0	£9.90	7
	<b>0</b>	<b>£10.56</b>	<b>43</b>
Employed & self employed	0	£11.49	23
Applicants with a disability	0	£0.39	13

## Model 3

### Current scheme modelled to apply a Minimum Income for Self-Employed applicants

	Pension Age	Working age	Total
Number of claims	3,758	4,134	7,892
Total weekly awards	£56,639.00	£46,242.91	£102,881.91
Average weekly award	£15.07	£11.19	£13.04
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,417,843.58</b>	<b>£5,379,254.15</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£136,470.42</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£349,240.85</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	8	£6.27	61
Couple no children	1	£8.06	9
Lone parent with children	4	£10.64	53
Couple with children	2	£6.86	59
	<b>15</b>	<b>£7.81</b>	<b>182</b>
Self employed	7	£8.02	182
Applicants with a disability	1	£0.39	23

## Model 4

Current scheme modelled to pay CTS at a level that would be no more than for a Band D property

	Pension Age	Working age	Total
Number of claims	3,758	4,312	8,070
Total weekly awards	£56,639.00	£48,771.86	£105,410.86
Average weekly award	£15.07	£11.31	£13.06
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,550,071.54</b>	<b>£5,511,482.11</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£4,242.46</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£217,012.89</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	26	£2.22	0
Couple no children	12	£4.60	1
Lone parent with children	30	£2.46	2
Couple with children	35	£4.79	2
	<b>103</b>	<b>£3.46</b>	<b>5</b>
Employed & self-employed	57	£3.63	5
Applicants with a disability	19	£0.00	1

## Model 5

Current scheme modelled to apply an income taper of 65% to applicants with no earnings and an income taper of 20% to people in work

	Pension Age	Working age	Total
Number of claims	3,758	4,279	8,037
Total weekly awards	£56,639.00	£48,543.00	£105,182.00
Average weekly award	£15.07	£11.34	£13.09
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,538,105.43</b>	<b>£5,499,516.00</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>- £16,208.57</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£228,979.00</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	50	£4.66	20
Couple no children	12	£6.32	7
Lone parent with children	54	£1.68	8
Couple with children	10	£5.82	2
	<b>126</b>	<b>£3.81</b>	<b>37</b>
Employed & self employed	0	0	0
Applicants with a disability	39	£4.70	14

## Model 6

Current scheme modelled to remove entitlement to applicants with capital over £6,000, apply a Minimum Income for Self-Employed applicants, pay CTS at a level that would be no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to people in work

	Pension Age	Working age	Total
Number of claims	3,758	4,057	7,815
Total weekly awards	£56,639.00	£45,243.53	£101,882.53
Average weekly award	£15.07	£11.15	£13.04
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,365,590.28</b>	<b>£5,327,000.85</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£188,723.72</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£401,494.15</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	76	£6.39	100
Couple no children	25	£7.15	19
Lone parent with children	51	£6.06	71
Couple with children	37	£8.27	69
	<b>189</b>	<b>£6.82</b>	<b>259</b>
Employed & self employed	67	£7.96	208
Applicants with a disability	44	£4.91	50



## Model 7

### Current scheme modelled to remove entitlement to applicants with capital over £6,000 and apply a Minimum Income for Self-Employed applicants

	Pension Age	Working age	Total
Number of claims	3,758	4,093	7,851
Total weekly awards	£56,639.00	£45,842.32	£102,481.32
Average weekly award	£15.07	£11.20	£13.05
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,396,898.45</b>	<b>£5,358,309.02</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£157,415.55</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£370,185.98</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	31	£9.06	84
Couple no children	4	£9.88	12
Lone parent with children	13	£15.19	62
Couple with children	8	£10.81	65
	<b>56</b>	<b>£11.21</b>	<b>223</b>
Employed & self employed	28	£11.47	203
Applicants with a disability	1	£0.39	36

## Model 8

Current scheme modelled to apply a Minimum Income for Self-Employed applicants and pay CTS at a level that would be no more than for a Band D property

	Pension Age	Working age	Total
Number of claims	3,758	4,131	7,889
Total weekly awards	£56,639.00	£45,865.05	£102,504.05
Average weekly award	£15.07	£11.10	£12.99
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,398,086.90</b>	<b>£5,359,497.47</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£156,227.10</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£368,997.53</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	23	£5.16	61
Couple no children	11	£6.94	9
Lone parent with children	27	£5.59	54
Couple with children	31	£6.89	61
	<b>92</b>	<b>£5.99</b>	<b>185</b>
Employed & self employed	49	£5.94	49
Applicants with a disability	14	£5.08	14

## Model 9

**Current scheme modelled to remove entitlement to applicants with capital over £6,000, apply a Minimum Income for Self-Employed applicants and pay CTS at a level that would be no more than for a Band D property**

	Pension Age	Working age	Total
Number of claims	3,758	4,090	7,848
Total weekly awards	£56,639.00	£45,505.00	£102,144.00
Average weekly award	£15.07	£11.13	£13.02
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,379,261.43</b>	<b>£5,340,672.00</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£175,052.57</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£387,823.00</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	45	£7.66	84
Couple no children	13	£7.92	12
Lone parent with children	36	£6.92	63
Couple with children	32	£8.97	67
	<b>126</b>	<b>£7.84</b>	<b>226</b>
Employed & self employed	64	£8.08	64
Applicants with a disability	11	£5.14	11

## Model 10

Current scheme modelled to apply a Minimum Income for Self-Employed applicants, pay CTS at a level that would be no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to people in work

	Pension Age	Working age	Total
Number of claims	3,758	4,094	7,852
Total weekly awards	£56,639.00	£45,563.58	£102,202.58
Average weekly award	£15.07	£11.13	£13.02
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,382,324.33</b>	<b>£5,343,734.90</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£171,989.67</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£384,760.10</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	63	£4.73	80
Couple no children	23	£6.61	16
Lone parent with children	42	£5.03	62
Couple with children	37	£6.56	64
	<b>165</b>	<b>£5.48</b>	<b>222</b>

Employed & self employed	52	£5.91	187
Applicants with a disability	51	£4.98	38

## Model 11

**Current scheme modelled to pay CTS at a level that would be no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to people in work**

	Pension Age	Working age	Total
Number of claims	3,758	4,274	8,031
Total weekly awards	£56,639.00	£48,144.97	£104,777.97
Average weekly award	£15.07	£11.26	£13.05
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,517,294.15</b>	<b>£5,478,391.00</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£37,333.57</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£250,104.00</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	67	£5.54	0
Couple no children	24	£6.11	0
Lone parent with children	46	£6.59	1
Couple with children	43	£5.54	1
	<b>180</b>	<b>£5.89</b>	<b>2</b>
Employed & self employed	57	£5.63	0

Applicants with a disability	59	£5.03	0
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## Model 12

**Current scheme modelled to remove entitlement to applicants with capital over £6,000 and pay CTS at a level that would be no more than for a Band D property**

	Pension Age	Working age	Total
Number of claims	3,758	4,269	8,027
Total weekly awards	£56,639.00	£48,062.07	£104,695.07
Average weekly award	£15.07	£11.26	£13.04
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,512,959.66</b>	<b>£5,474,056.52</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£41,668.05</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£254,438.48</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	50	£3.75	25
Couple no children	14	£5.59	3
Lone parent with children	39	£3.07	10
Couple with children	38	£5.36	9
	<b>141</b>	<b>£4.14</b>	<b>47</b>
Employed & self employed	75	£4.59	26
Applicants with a disability	16	£3.75	13

## Model 13

**Current scheme modelled to apply a Minimum Income for Self-Employed applicants and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to people in work**

	Pension Age	Working age	Total
Number of claims	3,758	4,097	7,855
Total weekly awards	£56,639.00	£45,937.63	£102,570.63
Average weekly award	£15.07	£11.21	£13.06
<b>Estimated 2016/17 awards</b>	<b>£2,961,410.57</b>	<b>£2,401,881.80</b>	<b>£5,362,978.65</b>
Estimated expenditure 2015/16			£5,515,724.57
<b>Additional expenditure</b>			<b>-£152,745.92</b>
Budget 2015/16			£5,728,495.00
<b>Estimated underspend in 2016/17 compared to budget for 2015/16</b>			<b>£365,516.35</b>

Working age customers	Number reduced	Average weekly reduction	Applicants that would no longer qualify
Single, no children	50	£4.66	80
Couple no children	13	£6.45	16
Lone parent with children	19	£5.41	61
Couple with children	8	£5.39	62
	<b>90</b>	<b>£5.19</b>	<b>219</b>
Employed & self employed	10	£7.22	184
Applicants with a disability	39	£4.70	38



## Summary of the impact of models for working age customers

### Number of claims with reduced entitlement

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Single, no children	0	24	69	26	70	176	115
Couple, no children	0	3	10	13	19	44	16
Lone parent with children	0	9	57	32	62	122	75
Couple with children	0	7	61	37	12	106	73
<b>Total claims reduced</b>	<b>0</b>	<b>43</b>	<b>197</b>	<b>108</b>	<b>163</b>	<b>448</b>	<b>279</b>
Employed & self employed	0	23	189	62	0	275	231
Applicants with a disability	0	13	24	20	53	94	37

	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
Single, no children	84	129	143	67	75	130
Couple, no children	20	25	39	24	17	29
Couple with children	81	99	104	47	49	80
Lone parent with children	92	99	101	44	47	70
<b>Total claims reduced</b>	<b>277</b>	<b>352</b>	<b>387</b>	<b>182</b>	<b>188</b>	<b>309</b>
Employed & self employed	98	128	239	57	101	194
Applicants with a disability	28	22	89	59	29	77

## Summary of the impact of proposals for working age customers

### Average weekly decrease in entitlement

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Single, no children	£0.00	£8.92	£6.27	£2.22	£4.66	£6.39	£9.06
Couple, no children	£0.00	£13.21	£8.06	£4.60	£6.32	£7.15	£9.88
Lone parent with children	£0.00	£14.57	£10.64	£2.46	£1.68	£6.06	£15.19
Couple with children	£0.00	£9.90	£6.86	£4.79	£5.82	£8.27	£10.81
<b>Average reduction</b>	<b>£0.00</b>	<b>£10.56</b>	<b>£7.81</b>	<b>£3.46</b>	<b>£3.81</b>	<b>£6.82</b>	<b>£11.21</b>
Employed & self employed	£0.00	£11.49	£8.02	£3.63	£0.00	£7.96	£11.47
Applicants with a disability	£0.00	£0.39	£0.39	£0.00	£4.70	£4.91	£0.39

	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
Single, no children	£5.16	£7.66	£4.73	£5.54	£3.75	£4.66
Couple, no children	£6.94	£7.92	£6.61	£6.11	£5.59	£6.45
Couple with children	£5.59	£6.92	£5.03	£6.59	£3.07	£5.41
Lone parent with children	£6.89	£8.97	£6.56	£5.54	£5.36	£5.39
<b>Average reduction</b>	<b>£5.99</b>	<b>£7.84</b>	<b>£5.48</b>	<b>£5.89</b>	<b>£4.14</b>	<b>£5.19</b>
Employed & self employed	£5.94	£8.08	£5.91	£5.63	£4.59	£7.22
Applicants with a disability	£5.08	£5.14	£4.98	£5.03	£3.75	£4.70

## Summary of potential savings for CTS expenditure

		Estimated 2016/17 awards	Saving against estimated spend 2015/16	Estimated saving on budget 2015/16
Model 1.	CTS Scheme modelled for expected increases in CTS entitlement as a result of reductions in Tax Credits	£5,699,493.69	-£183,769.12	£29,001.31
Model 2.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000	£5,493,137.14	£22,587.43	£235,357.86
Model 3.	CTS Scheme modelled to apply minimum income for self-employed applicants	£5,379,254.15	£136,470.42	£349,240.85
Model 4.	CTS Scheme modelled to pay CTS at no more than for a Band D property	£5,511,482.11	£4,242.46	£217,012.89
Model 5.	CTS Scheme modelled to apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	£5,499,516.00	£16,208.57	£228,979.00
Model 6.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000, apply minimum income for self-employed applicants, pay CTS at no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	£5,327,000.85	£188,723.72	£401,494.15
Model 7.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000 and to apply minimum income for self-employed applicants	£5,358,309.02	£157,415.55	£370,185.98
Model 8.	CTS Scheme modelled apply minimum income for self-employed applicants and pay CTS at a level that would be no more than for a Band D property	£5,359,497.47	£156,227.10	£368,997.53
Model 9.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000, apply minimum income for self-employed applicants and pay CTS at no more than for a Band D property	£5,340,672.00	£175,052.57	£387,823.00
Model 10.	CTS Scheme modelled to apply minimum income for self-employed applicants, pay CTS at a level that would be no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	£5,343,734.90	£171,989.67	£384,760.10
Model 11.	CTS Scheme modelled to pay CTS at no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	£5,478,391.00	£37,333.57	£250,104.00
Model 12.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000 and, pay CTS at no more than for a Band D property	£5,474,056.52	£41,668.05	£254,438.48
Model 13.	CTS Scheme modelled to apply minimum income for self-employed applicants and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	£5,362,978.65	£152,745.92	£365,516.35

## Estimated net effect through applying reduction in Tax Credit income compared to expenditure in 2015/16

		Additional cost (all preceptors)	TDBC @ 9.62%
Model 1.	Expected increases in CTS through reductions in Tax Credits	<b>£183,769.12</b>	<b>£17,678.59</b>
Model 2.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000	<b>£161,181.69</b>	<b>£15,505.68</b>
Model 3.	CTS Scheme modelled to apply minimum income for self-employed applicants	<b>£47,298.70</b>	<b>£4,550.13</b>
Model 4.	CTS Scheme modelled to pay CTS at no more than for a Band D property	<b>£179,526.66</b>	<b>£17,270.46</b>
Model 5.	CTS Scheme modelled to apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	<b>£167,560.55</b>	<b>£16,119.32</b>
Model 6.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000, apply minimum income for self-employed applicants, pay CTS at no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	<b>-£4,954.60 (saving)</b>	<b>-£476.63 (saving)</b>
Model 7.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000 and to apply minimum income for self-employed applicants	<b>£26,353.57</b>	<b>£2,535.21</b>
Model 8.	CTS Scheme modelled apply minimum income for self-employed applicants and pay CTS at a level that would be no more than for a Band D property	<b>£27,542.02</b>	<b>£2,649.54</b>
Model 9.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000, apply minimum income for self-employed applicants and pay CTS at no more than for a Band D property	<b>£8,716.55</b>	<b>£838.53</b>
Model 10.	CTS Scheme modelled to apply minimum income for self-employed applicants, pay CTS at a level that would be no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	<b>£11,779.45</b>	<b>£1,133.18</b>
Model 11.	CTS Scheme modelled to pay CTS at no more than for a Band D property and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	<b>£146,435.55</b>	<b>£14,087.10</b>
Model 12.	CTS Scheme modelled to remove entitlement to applicants with capital over £6,000 and, pay CTS at no more than for a Band D property	<b>£142,101.07</b>	<b>£13,670.12</b>
Model 13.	CTS Scheme modelled to apply minimum income for self-employed applicants and apply an income taper of 65% to applicants with no earnings and an income taper of 20% to those in work	<b>£31,023.20</b>	<b>£2,984.43</b>



## Appendix 4

### Equality Impact Assessment – pro-forma

<b>Responsible person</b>	<b>Heather Tiso</b>	<b>Job Title Revenues &amp; Benefits Service Manager</b>
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy/service	
	Change to Policy/service	
	Budget/Financial decision – MTFP	
	Change to policy or service ✓	As a result of the continuing reductions to the Settlement Funding Assessment, we are considering options to amend our Council Tax Support (CTS) scheme for 2016/17
<b>What are you completing the Equality Impact Assessment on (which, service, MTFP proposal)</b>	<b>Council Tax Support Scheme – Revenues &amp; Benefits Service</b>	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy/decision/service?	<p><b>Background</b></p> <p>From 2013/14 district councils have operated localised Council Tax Support (CTS) schemes to provide assistance to people on low income. CTS replaced the previous Council Tax Benefit scheme that was administered by the council on behalf of the Department for Work and Pensions (DWP). Councils are responsible for the design and implementation of these schemes and need to consider if they are to be revised or replaced on an annual basis. The subsidy reimbursement for CTS reduced nationally by 10% in 2013/14 with councils having the option of funding the shortfall or designing a CTS scheme that is cost neutral. The Government state any CTS scheme must protect pensioners at the existing level of support. That decision means the burden falls disproportionately upon those of Working Age.</p> <p>From 1 April 2014, funding for localised CTS is incorporated in Settlement Funding Assessment (SFA) and not separately identified. The SFA has reduced by 26.1% in cash terms in the two years up to 2015/16. If we reduce the CTS budget by the same amount (26.1%), it will result in a budget of £4,423,358. If there is no change to the existing CTS scheme, we estimate we will award CTS of £5,515,725 in 2016/17. This will mean we have a budget shortfall of £1,092,367, with TDBC's share of that shortfall being £105,086. The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. Taunton Deane's share of the collection fund in 2015/16 is 9.62%.</p>	

### **Taunton Deane's Council Tax Support Scheme**

On 11 December 2012, the Council adopted the Local Council Tax Support scheme for 2013/14. While those of pension age receive support of up to 100% of their Council Tax liability, from 1 April 2013, the maximum support for those of working age was set at 80%.

On 10 December 2013, the Council decided to continue the 2013/14 CTS scheme for 2014/15.

Taunton Deane Borough Council's Local Council Tax Support scheme is designed to retain the majority of features of the CTB scheme. The CTB scheme recognised the additional financial burden of disability through a system of additional allowances/premiums within the means test. The authority's scheme continues to include the allowances/premiums that featured in the CTB scheme and, as such, the scheme positively recognises disability.

The CTB scheme recognised the additional financial burden those with children have, through a system of additional allowances that recognise each child, child care costs and enhanced premiums for Lone parents in the means test. TDBC's CTS scheme continues to include the allowances/premiums that featured in the CTB scheme and, as such, the scheme positively recognises those with caring responsibilities.

In designing our CTS scheme, we considered customers' ability to pay and the collectability of the resultant Council Tax liability. The key changes between our local CTS scheme, for working age claimants, and the former CTB scheme are set out below. Dependent on household circumstances, more than one of these proposals may apply simultaneously to a household.

- Maximum support is 80% of Council Tax - everyone of working age has to pay something;
- Non-dependant deductions will be increased;
- Second adult rebate to cease;
- Child maintenance to be counted as income;
- Earned income are at increased levels than those offered under CTB;
- Exceptional Financial Hardship fund of £35k, through Discretionary Reduction in Council Tax Liability for short-term help (this is a Collection Fund commitment and not fully funded by TDBC).

In December 2014, the Council decided to continue the 2014/15 CTS scheme for 2015/16 with an amendment to no longer treat maintenance received for children as income.

As a result of the continuing reductions to the Settlement Funding Assessment, we have worked in collaboration with the County Council (as the major preceptor) and the other Somerset District billing authorities of West Somerset, Sedgemoor, Mendip and South Somerset to develop options to revise our CTS scheme for working age applicants from 2016/17.

Continuing to allow the same level of CTS in 2016/17 for working age recipients could impact negatively upon the authority's budget and the budget of those that levy a precept to it (TDBC, County Council, Fire, Police Authorities and Parish Councils). An adverse effect on service provision might result in us, and the other major preceptors, having to stop, reduce or seek additional charges for services with a disproportionate effect on the most vulnerable.

On 4 June 2015, the Corporate Scrutiny Committee agreed on the options to take to public consultation for our CTS scheme for 2016/17. Public consultation on proposals to change the CTS scheme in 2016/17 started on 1 July 2015 and ended on 7 September 2015. Every Council Taxpayer had the opportunity to comment on the proposals. The options on which we consulted are as follows:

**Option 1** - No change we would work out CTS in the same way as we do now. Any shortfall in the funding we get and the CTS we pay in 2015/16 would need to be met from other Council budgets.

**Option 2** - Applicants with capital of over £6,000 would not be entitled to CTS (under our current scheme, the capital limit is £16,000).

**Option 3** - We would use a Minimum Income figure for those who are self-employed. This Minimum Income would be in line with the UK minimum wage for 35 hours worked. We would not apply this Minimum Income for a designated start-up period of one year to allow the business to become established. If a self-employed person is limited in the hours they can work by circumstances such as having to provide child care, then we would work out the Minimum Income proportionately. This proposal would align our treatment of income for self-employed people with that used to work out Universal Credit.

**Option 4** - We would change our scheme to pay CTS at a level that would be no more than for a Band C property. This would not disadvantage any applicant that lives in smaller or lesser value property.

**Option 5** - We would apply a taper of 65% to the income of applicants with no earnings and apply a taper of 20% to people in work. This would mean two applicants on similar income levels, but where one is in work, would receive different levels of support. The applicant with no earnings would get less CTS, compared to an applicant with earnings receiving the same weekly income.

In addition to considering the impact of the proposed options, the welfare changes announced in the Summer Budget on 8 July 2015 will also have a significant impact on our CTS scheme. As some of changes will reduce claimant income, they will equivalently increase entitlement to CTS. This is because our scheme provides more help for people on lower incomes. The most significant change affecting our CTS scheme will be the reduction in Tax Credit income. From April 2016, the income a household can earn before the tax credits they receive start to fall, will reduce from £6,420 to £3,850. For every £1 the household earns above that threshold, their tax credits will reduce by 48p, compared to the current rate of 41p. The Institute of Fiscal Studies (IFS) estimate an average loss of £1,000 in Tax Credit income for affected households from April 2016. This will result in increased entitlement to CTS of £200 a year (assuming a taper rate of 20%).

From April 2016, while the Family Premium will be abolished for new HB claims, it will continue to apply for new CTS applications. In addition, HB claims will be backdated for a maximum of 4 weeks, whereas our CTS scheme will allow for backdating for up to six months. The benefit cap restricts the amount in certain benefits that a working age household can receive. Any household receiving more than the cap has their Housing Benefit reduced to bring them back within the limit. The Benefit Cap will be cut from £26,000 to £20,000 for households living in the West Somerset area. This will be phased-in gradually during 2016/17, but we estimate up to 50 households will be affected. This reduction in income may mean Council Tax is more difficult to collect from those households affected.

Our CTS scheme's premiums and personal allowance are linked to the rates set by the DWP. Except for pensioners and the disabled, these rates will be frozen in cash terms for four years. For pensioners, premiums and personal allowance will rise by the higher of price inflation, earnings growth or 2.5%. Disability allowances will rise in line with the CPI.

The National Minimum Wage will be "rebranded" as the National Living Wage and will be increased to £7.20 an hour for those 25 or over from April 2016. It will reach £9.00 an hour by 2020.



<p>Which protected groups are targeted by the policy</p>	<p>Our localised CTS scheme affects <u>all claimants</u> who are of working age (and those of working age currently not in receipt of CTS but who may apply in the future). Limited equality data is held within TDBC's CTS computer system (as the collection of such information has not been necessary for administering CTS) given the caseload can come from all sections of the community it is likely there will be claimants (and their household members) that contain the full range of protected characteristics as defined within the Equalities Act 2010 and include:</p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Disability</li> <li>• Gender</li> <li>• Gender Reassignment</li> <li>• Marriage and Civil Partnership</li> <li>• Pregnancy and Maternity</li> <li>• Race</li> <li>• Religion and belief</li> <li>• Sexual orientation</li> </ul> <p>The Government expects local authorities to establish schemes that minimise the impact on vulnerable groups. The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 include provisions for those of working age but none of those prescribed requirements set out the level of Support to be given.</p>
<p>What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used</p>	<p>We have obtained data relating to people affected from our Council Tax Support processing system. The data available has allowed us to analyse impact on people according to their age, disability, family circumstances and level of income. We have modelled options on scenarios with “live” data based on actual entitlements and CTS recipients at that point in time. We asked general diversity questions as part of the consultation exercise.</p> <p>In addition, we have undertaken debt profiling against the Council Tax Support (CTS) customer base (<a href="#">Appendix 5</a>) and also against those customer groups impacted most by the key elements of our localised scheme.</p>

## **Citizen Engagement**

To raise awareness of our proposals and to encourage participation in the consultation process the following activities took place:

- Dedicated web page created on TDBC website with online survey;
- Consultation document for options and proposals for the CTS scheme for 2016/17 sent to households during July and August 2015;
- Representatives from TDBC Revenues & Benefits Service at Taunton Flower Show and at Farmers' Market to promote consultation and encourage participation
- Met with representatives from RSLs;
- Presentation and discussion on options and proposals for the CTS scheme for 2016/17 at Taunton Deane's Customer Forum;
- Consultation forms in Deane House, Wiveliscome, Wellington, Priorswood and Halcon offices.

The impact of the local Council Tax Support Scheme on each of the protected groups, is considered further below:

### **Equality Impact Assessment (by protected characteristic)**

#### **Age**

The proposed scheme for 2016/17 is subject to some national prescription relating to protecting pensioners' entitlements. Therefore we have no discretion about whether or not to follow this principle. The Government is committed to protecting pensioners on low incomes and therefore have prescribed a scheme for pensioners through legislation. This means that pensioners will not see any reduction in their Council Tax Support in comparison with their former levels of Council Tax Benefit. Pensioners will still be entitled to claim up to 100% of their Council Tax liability through CTS.

The Council's general equality duty is lessened to an extent with regard to older people as Government has prescribed that pensioners are not to be affected by Council Tax Support. However, we have a responsibility to foster good relationships between people who share a protected characteristic and those who do not. There is a risk of harming the relationship between pensioners and working age claimants of CTS as pension age claimants are not affected and working age claimants have a greater reduction to their CTS to cover the shortfall in funding. Implementing Option 5 to apply an income taper of 65% instead of 20% to the excess income of applicants with no earnings, could disproportionately affect older working age recipients who receive an occupational pension. In mitigating such an effect, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy.

The minimum age for receiving Council Tax Support is 18 and so people under the age of 18 will not be impacted directly by the CTS scheme. Indirect impact has been considered as people under the age of 18 are included as part of a claimant's household and the Council has a duty to prevent child poverty as outlined in the Child Poverty Act 2010.

The CTS scheme retains the majority of the former Council Tax Benefit assessment rules, including the use of applicable amount and personal allowances. The personal allowances and applicable amounts used to calculate CTS are the amounts deemed necessary to provide for basic needs based on household composition and disability. These allowances and applicable amounts take the claimant's circumstances into account and mean they are awarded more support if they have children or dependents under the age of 18.

The Council Tax Support scheme for 2016/17 will continue to disregard Child Benefit and maintenance received for children in income calculations meaning that the added income these provide will not reduce the CTS that an applicant receives.

## Disability

Disabled people have a limited ability to work and are likely to have higher level disability related living expenses. This group in particular find it difficult to access and sustain employment and therefore improve on their current financial situation. This group of people is less resilient to the impact of recession and unemployment and are often living in poverty. These further impacts on the individual's mental health. The personal allowances and applicable amounts currently used to calculate CTS, are the amounts deemed necessary to provide for basic needs based on household composition and disability.. These allowances and applicable amounts already take the claimant's circumstances into account and mean that they are awarded more support if they or anyone in their household has a disability than if the household had the same income but contained no-one with a disability.

In common with other working age recipients, people with disabilities will receive less CTS under the localised scheme than they did under CTB. However, the limited changes between CTB and our local CTS scheme are not such as to introduce disproportionately adverse effects on people based on disabled people as a specific group. Outside of CTS, the Council Tax scheme itself recognises disability by exempting those with a severe mental impairment, the CTS scheme will not impact upon that exemption and it will continue to apply where appropriate. Additionally, the Council Tax scheme also recognises disability where a dwelling occupied by a disabled person has a room that is adapted or additional to meet the needs of that resident. In those cases the band attributable to that dwelling for the purposes of Council Tax is reduced in advance of any further reduction under CTS.

Analysis of the effect in implementing Options 2 – 5 do not demonstrate a disproportionate negative impact on this group. The average level of debt for working age CTS recipients in 2014/15 receiving the disability premium is £275.53 - greater than the scheme average of £232.66 for working age claims. However, only 13% of CTS recipients with a disability premium were in arrears with their Council Tax – significantly less than the scheme average of 30%.

**Table 1**

	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Pension Age	4,134	54	1%	£124.56	£6,726
Working Age Employed	2,246	581	26%	£284.12	£165,075
Working Age Other	3,213	1,044	32%	£204.02	£212,999
Total for CTS recipients	9,593	1,679	18%	£229.18	£384,800
<b>Working age</b>	<b>5,459</b>	<b>1,625</b>	<b>30%</b>	<b>£232.66</b>	<b>£378,074</b>

**Table 2**

<b>CTS recipients with disabilities</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	174	23	13%	£270.74	£6,227
Working age (other)	240	30	13%	£279.20	£8,376
<b>Total</b>	<b>414</b>	<b>53</b>	<b>13%</b>	<b>£275.53</b>	<b>£14,603</b>

## Gender

There are a greater number of female recipients of CTS within our caseload (either single, lone parents or part of a couple) than male recipients. Consequently more females will be impacted by changes made to our CTS scheme than males. This is not deliberate but is simply a product of the makeup of our caseload. However, gender will not be a direct factor in any part of the assessment of CTS as it is not considered to be a characteristic that requires a higher applicable amount when assessing support.

The majority of lone parents in receipt of CTS are female. Lone parents in employment are quite often low earners on part time hours. Many in this group have said they would like to be working more hours but are restricted because of difficulty with childcare.

Analysis of the effect in implementing Options 2 - 5 do not demonstrate a disproportionate negative impact on this group.

Analysis of debt carried out in reviewing the implement of our CTS scheme shows the average debt for lone parents is greater than the scheme average of £232.66.

**Table 3**

<b>Lone parents</b>	<b>Number of claims</b>	<b>Cases with debt</b>	<b>% of cases with debt</b>	<b>Average debt for those in arrears</b>	<b>Total debt</b>
Working age (employed)	904	239	26%	£252.18	£60,272
Working age (other)	1,062	303	29%	£249.95	£75,734
<b>Total</b>	<b>1,966</b>	<b>542</b>	<b>28%</b>	<b>£250.93</b>	<b>£136,006</b>

## Gender Reassignment

We hold no data on our Council Tax system to identifying the names or numbers of current CTS applicants who share this protected characteristic. Gender reassignment is not a factor in any part of the assessment of CTS and it is not considered to be a characteristic which requires a higher applicable amount when assessing support. In common with other working age CTS applicants, transgendered people will receive less CTS under the proposals for change in 2016/17. However, these are not such as to introduce disproportionately adverse effects on transgendered people as a specific group.

**Marriage and Civil Partnership**

Marital or civil partnership status is not currently a factor in determining CTS as it is not considered to be a characteristic that requires a higher applicable amount. Our CTS scheme will continue to recognise and retain the treatment rules for those in Polygamous marriages.

Options for changing our CTS scheme for 2016/17 do not introduce disproportionately adverse effects on people based on their marriage or civil partnership status.

**Pregnancy and Maternity**

For the purposes of CTS, pregnancy and maternity must be considered as two separate characteristics as while the applicant is pregnant, her applicable amounts and personal allowances are lower (as for a person without children). Once a child is born, it becomes part of the household composition and increased allowances are applied. Pregnancy alone is not a factor in the current assessment of CTS as it is not considered to be a characteristic that requires a higher applicable amount.

Providing that the child (or children) forms part of the mother's household composition once it is born, the application for CTS will then include the child (or children) as part of the household and the applicable amount will increase which, once other income changes have been taken into account may provide for a more generous assessment of CTS and reduced Council Tax payments.

The CTS scheme will retain the current disregard of Child Benefit in income calculations, meaning the income that Child Benefit provides will not reduce the amount of CTS that a recipient receives as a result of having a baby. We have not identified any disproportionate impact in implementing Options 1-4 of this policy in relation to pregnancy and maternity. Implementing Option 5 to apply an income taper of 65% instead of 20% to the excess income of applicants with no earnings, could disproportionately affect working age recipients receiving maternity allowance.

**Race**

Race is not a factor in the assessment of CTS and it is not considered to be a characteristic that requires a higher applicable amount.

Some people of all races, will receive less CTS under the proposals for change in 2016/17. However, these are not such as to introduce disproportionately adverse effects on people based on their race status.

**Religion and Belief**

We do not gather data on religion or belief as part of the CTS application process; we do not hold full data specific to religion or belief within our caseload.

Religion and belief is not a factor in any part of the assessment of Council Tax Support as it is not considered to be a characteristic which requires a higher applicable amount.

Some working age CTS applicants, people of all or no religion or belief, will receive less CTS under the proposals for change in 2016/17. However, these are not such as to introduce disproportionately adverse effects on people based on their religion or belief status.

**Sexual Orientation**

Sexual orientation is not a factor in any part of the assessment of CTS as it is not considered to be a characteristic which requires a higher applicable amount when assessing support.

Some working age CTS applicants will receive less CTS under the proposals for change in 2016/17. However, these are not such as to introduce disproportionately adverse effects on people based on their sexual orientation.

### Children and duties under the 2010 Child Poverty Act

There are 2,904 working age CTS recipients with children, accounting for 53% of all working age CTS recipients. Of those with children, 31% (903) have debt totalling £217k with these arrears making up 57% of all Council Tax debt for those of working age getting CTS.

**Table 4**

<b>Working age claims <u>with</u> children</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	1,704	432	25%	£299.92	£129,567
Working age (other)	1,200	471	39%	£185.85	£87,534
<b>Total</b>	<b>2,904</b>	<b>903</b>	<b>31%</b>	<b>£240.42</b>	<b>£217,101</b>

### Other Groups (non-statutory)

The number of working age CTS recipients in employment is 2,246, accounting for 41% of all working age recipients. Those CTS recipients without employment are 6% more likely to have Council Tax arrears, although the average value of their debt (£204.02) is less than for those with employment (£284.12).

**Table 5**

	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working Age Employed	2,246	581	26%	£284.12	£165,075.00
Working Age Other	3,213	1,044	32%	£204.02	£212,999.00
<b>Total for working age</b>	<b>5,459</b>	<b>1,625</b>	<b>30%</b>	<b>£232.66</b>	<b>£378,074.00</b>

Couples in employment with responsibility for children, have the greatest average debt at £359.04, while non-working applicants with children, have the lowest average debt of £70.24.

Average debt for those in arrears	Average for all CTS claims	Couples with children	Couples, no children	Single, no children	Lone parent	Disabled
Working Age Employed	£284.12	£359.04	£330.33	£266.60	£252.18	£270.74
Working Age Other	£204.02	£70.24	£342.89	£278.43	£249.95	£279.20
<b>Total for working age</b>	<b>£232.66</b>	<b>£224.64</b>	<b>£336.33</b>	<b>£274.52</b>	<b>£250.93</b>	<b>£275.53</b>

### Carers

Larger families or people with disabilities may be in larger properties to cater for disability needs and so carers are able to stay overnight.

### Armed Forces

Veteran Benefits will continue to be fully disregarded in the means test for Council Tax Support. Our scheme does not appear to have a differential impact but we are aware some ex veterans experience mental health issues and have physical disabilities

**General Conclusion:**

In considering options to change our CTS scheme we have tried hard to balance the reality of a significant cut in Central Government funding to protecting the most vulnerable members of our community as far as practicable.

The proposals acknowledges that recipients of CTS need to contribute more to meet the funding shortfall but also looks to protect people with protected characteristics as much as possible.

<b>I have concluded that there is/should be:</b>	
No major change - no adverse equality impact identified	
Adjust the policy/decision/service ✓	In mitigating any disproportionate effect through implementing any of the proposed options to change our CTS scheme, officers could apply a reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our discretionary policy
Continue with the policy	
Stop and remove the policy/decision/service	
Reasons and documentation to Support conclusions	
<b>Section four – Implementation – timescale for implementation</b>	
<ol style="list-style-type: none"> <li>1. Consult on the proposals during the period 1 July 2015 to 7 September 2015</li> <li>2. Consider responses to the consultation 8 September 2015 to 21 October 2015.</li> <li>3. Present report on proposed scheme and consultation analysis to Corporate Scrutiny Committee on 22 October 2015.</li> <li>4. Present report on proposed scheme and consultation analysis to the Executive on 3 December 2015.</li> <li>5. Make a decision on the scheme at Full Council on 15 December 2015</li> <li>6. Publicise the scheme</li> <li>7. Implement the scheme for Council Tax Billing purposes</li> <li>8. Issue Bills for the financial year 2016/17 (From late Feb/early March 2016).</li> </ol>	
<b>Section Five – Sign off</b>	
Responsible officer <b>Heather Tiso</b> Date 21 October 2015	Management Team Date
<b>Section six – Publication and monitoring</b>	

Published on	
Next review date	Date logged on Covalent

### Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table					
Service area	Revenues & Benefits		Date 21 October 2015		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
Less Support available for low income households, including those with protected characteristics, to meet their Council Tax.	Application of a discretionary reduction in Council Tax liability through exceptional hardship fund	Principal Benefits Officer	On-going	Weekly monitoring of expenditure	To provide short-term help for instances of hardship.
Less support will mean more low income households having to pay Council Tax, including those with protected characteristics. limited means could result in late payment /non-payment	Proactive approach to debt management	Principal Revenues and Corporate Debt Officer	On-going	Bad debt data (caseloads etc)	To attempt to intervene at an early point and avoid additional costs being incurred for late payment wherever possible



Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
Less Support available for low income households, including those with protected characteristics, to meet their Council Tax.	Publicity and promotion of changes being introduced by new scheme	Revenues & Benefits Manager	January to March 2016		To help citizens plan and budget.
Low income households, including those with protected characteristics will be affected by the proposed changes	Monitoring of impacts post April 2016	Revenues & Benefits Manager	Throughout 2016/17	Applications for hardship, complaints, & general correspondence from public.	To identify unexpected impacts of the local CTS scheme with a view to making adjustments to the scheme the following year, if practicable.
Less Support available for low income households, including those with protected characteristics, to meet their Council Tax.	Promotion of other available welfare benefits, discretionary payments and Council Tax discounts	Revenues & Benefits Manager	Throughout 2016/17		To lessen financial impact on citizens through either increasing income or reducing Council Tax.



## Council Tax Support – Debt Profile @ 31 March 2015

### Table 1 – Profile of claims with arrears

	Number of cases	Cases with debt	Percentage of cases with debt	Average arrears cases	Average arrears across scheme	Total arrears
Pension Age	4,134	54	1.31%	£124.56	£1.63	£6,726.00
Working Age Employed	2,246	581	25.87%	£284.12	£73.50	£165,075.00
Working Age Other	3,213	1,044	32.49%	£204.02	£66.29	£212,999.00
Total	9,593	1,679	17.50%	£229.18	£40.11	£384,800.00
<b>Total for working age</b>	<b>5,459</b>	<b>1,625</b>	<b>29.77%</b>	<b>£232.66</b>	<b>£69.26</b>	<b>£378,074.00</b>

### Table 2 – Profile of claims – Claim numbers

	Total claims	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	4,134	2,504	48	523	1,080	5	209
Working Age Employed	2,246	0	1,704	915	421	904	174
Working Age Other	3,213	2,952	1,200	735	929	1,062	240
Total	9,593	5,456	2,952	2,173	2,430	1,971	623
<b>Total for working age</b>	<b>5,459</b>	<b>2,952</b>	<b>2,904</b>	<b>1,650</b>	<b>1,350</b>	<b>1,966</b>	<b>414</b>

### Table 3 – Total arrears

	Total arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£6,726.00	£1,020.00	£311.00	£2,242.00	£3,225.00	£242.00	£250.00
Working Age Employed	£165,075.00	£0.00	£129,567.00	£70,691.00	£33,858.00	£60,272.00	£6,227.00
Working Age Other	£212,999.00	£186,935.00	£87,534.00	£67,206.00	£71,556.00	£75,734.00	£8,376.00
Total	£384,800.00	£187,955.00	£217,412.00	£140,139.00	£108,639.00	£136,248.00	£14,853.00
<b>Total for working age</b>	<b>£378,074.00</b>	<b>£186,935.00</b>	<b>£217,101.00</b>	<b>£137,897.00</b>	<b>£105,414.00</b>	<b>£136,006.00</b>	<b>£14,603.00</b>

### Table 4 – Number of claims with arrears

	Total with arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	54	12	3	16	25	1	3
Working Age Employed	581	0	432	214	127	239	23
Working Age Other	1,044	951	471	196	257	303	30
Total	1,679	963	906	426	409	543	56
<b>Total for working age</b>	<b>1,625</b>	<b>951</b>	<b>903</b>	<b>410</b>	<b>384</b>	<b>542</b>	<b>53</b>

Table 5 –Percentage of claims with arrears

	Total claims	Total with arrears	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	43%	1%	0%	6%	3%	2%	20%	1%
Working Age Employed	23%	26%	0%	25%	23%	30%	26%	13%
Working Age Other	33%	32%	32%	39%	27%	28%	29%	13%
Total	100%	18%	18%	31%	20%	17%	28%	9%
<b>Total for working age</b>	<b>57%</b>	<b>30%</b>	<b>32%</b>	<b>31%</b>	<b>25%</b>	<b>28%</b>	<b>28%</b>	<b>13%</b>

Table 6 – Average arrears per case

	Total	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£124.56	£85.00	£103.67	£140.13	£129.00	£242.00	£83.33
Working Age Employed	£284.12	£0.00	£299.92	£330.33	£266.60	£252.18	£270.74
Working Age Other	£204.02	£196.57	£185.85	£342.89	£278.43	£249.95	£279.20
Total	£229.18	£195.18	£239.97	£328.96	£265.62	£250.92	£265.23
<b>Total for working age</b>	<b>£232.66</b>	<b>£196.57</b>	<b>£240.42</b>	<b>£336.33</b>	<b>£274.52</b>	<b>£250.93</b>	<b>£275.53</b>

Table 7– Average arrears across scheme

	Total	Passported	Children	Couple	Single	Lone parent	Disabled
Pension Age	£1.63	£0.41	£6.48	£4.29	£2.99	£48.40	£1.20
Working Age Employed	£73.50	£0.00	£76.04	£77.26	£80.42	£66.67	£35.79
Working Age Other	£66.29	£63.32	£72.95	£91.44	£77.02	£71.31	£34.90
Total	£40.11	£34.45	£73.65	£64.49	£44.71	£69.13	£23.84
<b>Total for working age</b>	<b>£69.26</b>	<b>£63.32</b>	<b>£74.76</b>	<b>£83.57</b>	<b>£78.08</b>	<b>£69.18</b>	<b>£35.27</b>

Table 8 – Total Arrears by Council Tax Band

	A	B	C	D	E	F	G
Pension Age	£2,309.00	£1,605.00	£1,881.00	£793.00	£58.00	£12.00	£68.00
Working Age Employed	£35,346.00	£82,987.00	£30,586.00	£13,851.00	£234.00	£2,034.00	£37.00
Working Age Other	£80,078.00	£103,030.00	£21,136.00	£6,652.00	£2,411.00	£0.00	£0.00
Total	£117,733.00	£187,622.00	£53,603.00	£21,296.00	£2,703.00	£2,046.00	£105.00
<b>Total for working age</b>	<b>£115,424.00</b>	<b>£186,017.00</b>	<b>£51,722.00</b>	<b>£20,503.00</b>	<b>£2,645.00</b>	<b>£2,034.00</b>	<b>£37.00</b>

**Table 9 Number of cases with arrears by Council Tax Band**

	A	B	C	D	E	F	G
Pension Age	15	20	3	2	2	1	2
Working Age Employed	81	196	56	25	4	4	1
Working Age Other	370	348	72	13	3	0	0
Total	466	564	131	40	9	5	3
<b>Total for working age</b>	<b>451</b>	<b>544</b>	<b>128</b>	<b>38</b>	<b>7</b>	<b>4</b>	<b>1</b>

**Table 10 – Average Arrears by Council Tax Band**

	A	B	C	D	E	F	G
Pension Age	£153.93	£80.25	£627.00	£396.50	£29.00	£12.00	£34.00
Working Age Employed	£436.37	£423.40	£546.18	£554.04	£58.50	£508.50	£37.00
Working Age Other	£216.43	£296.06	£293.56	£511.69	£803.67	£0.00	£0.00
Total	£252.65	£332.66	£409.18	£532.40	£300.33	£409.20	£35.00
<b>Total for working age</b>	<b>£255.93</b>	<b>£341.94</b>	<b>£404.08</b>	<b>£539.55</b>	<b>£377.86</b>	<b>£508.50</b>	<b>£37.00</b>

**Table 11 – Claims with Children – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	48	3	£103.67	£6.48	£311.00
Working Age Employed	1,704	432	£299.92	£76.04	£129,567.00
Working Age Other	1,200	471	£185.85	£72.95	£87,534.00
Total	2,952	906	£239.97	£73.65	£217,412.00
<b>Total for working age</b>	<b>2,904</b>	<b>903</b>	<b>£240.42</b>	<b>£74.76</b>	<b>£217,101.00</b>

**Table 12 – Lone Parent Claims – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	5	1	£242.00	£48.40	£242.00
Working Age Employed	904	239	£252.18	£66.67	£60,272.00
Working Age Other	1,062	303	£249.95	£71.31	£75,734.00
Total	1,971	543	£250.92	£69.13	£136,248.00
<b>Total for working age</b>	<b>1,966</b>	<b>542</b>	<b>£250.93</b>	<b>£69.18</b>	<b>£136,006.00</b>

**Table 13 – Claims with a Disability Premium – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	209	3	£83.33	£1.20	£250.00
Working Age Employed	174	23	£270.74	£35.79	£6,227.00
Working Age Other	240	30	£279.20	£34.90	£8,376.00
Total	623	56	£265.23	£23.84	£14,853.00
<b>Total for working age</b>	<b>414</b>	<b>53</b>	<b>£275.53</b>	<b>£35.27</b>	<b>£14,603.00</b>

**Table 14 – Passported Claims – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	2,504	12	£85.00	£0.41	£1,020.00
Working Age	2,952	951	£196.57	£63.32	£186,935.00
<b>Total</b>	<b>5,456</b>	<b>963</b>	<b>£195.18</b>	<b>£34.45</b>	<b>£187,955.00</b>

**Table 15 – Couples claiming CTS – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	523	16	£140.13	£4.29	£2,242.00
Working Age Employed	915	214	£330.33	£77.26	£70,691.00
Working Age Other	735	196	£342.89	£91.44	£67,206.00
Total	2,173	426	£328.96	£64.49	£140,139.00
<b>Total for working age</b>	<b>1,650</b>	<b>410</b>	<b>£336.33</b>	<b>£83.57</b>	<b>£137,897.00</b>

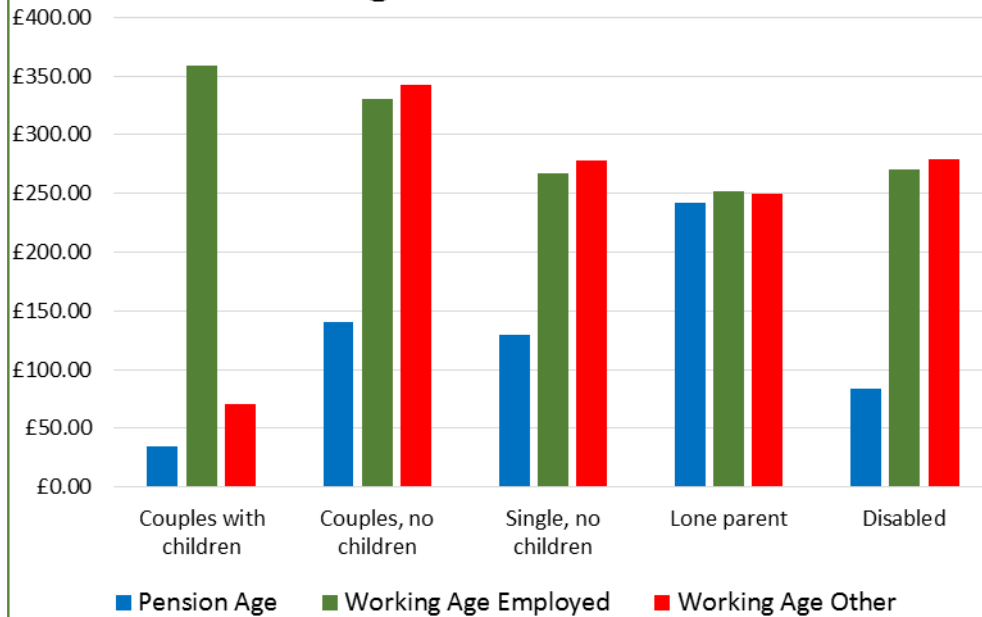
**Table 16 – Single People Claiming CTS – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	1,080	25	£129.00	£2.99	£3,225.00
Working Age Employed	421	127	£266.60	£80.42	£33,858.00
Working Age Other	929	257	£278.43	£77.02	£71,556.00
Total	2,430	409	£265.62	£44.71	£108,639.00
<b>Total for working age</b>	<b>1,350</b>	<b>384</b>	<b>£274.52</b>	<b>£78.08</b>	<b>£105,414.00</b>

**Table 17 – Comparison of Working Age cases – Arrears Analysis**

	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Working age (working)	2,246	581	£284.12	£73.50	£165,075.00
Working age (not working)	3,213	1,044	£204.02	£66.29	£212,999.00
<b>Total for working age</b>	<b>5,459</b>	<b>1,625</b>	<b>£232.66</b>	<b>£69.26</b>	<b>£378,074.00</b>

**Average arrears for CTS recipients @ 31 March 2015**



**Council Tax arrears outstanding for CTS recipients @ 31 March 2015**

