

# Taunton Deane Borough Council

## Executive - 14 November 2012

### Local Council Tax Support Scheme for Taunton Deane

#### Report of the Performance and Client Lead

(This matter is the responsibility of Executive Councillor Resources Vivienne Stock-Williams)

#### 1. Executive Summary

From 1 April 2013 the Government are abolishing Council Tax Benefit (CTB) under the Welfare Reform Act 2012. Instead, all Billing Authorities (District Councils in two-tier areas) have to set up their own local Council Tax Support (CTS) schemes.

The Government are reducing the amount they give local authorities to pay for the scheme by 10%, which will be fixed and will not rise in line with future demand - meaning some tough decisions about how we deal with this shortfall will need to be made locally.

The Portfolio Holder, supported by Corporate Scrutiny, tasked officers to work with the other Somerset Districts with the aim of agreeing a common set of principles around which to design their local schemes, which was to be developed on the principle that the anticipated grant reduction would be fully funded within the local scheme (e.g. be cost neutral).

TDBC officers have designed a draft local scheme, following the brief given. This was reviewed by Corporate Scrutiny on 19th July 2012. We have now consulted with the public on the proposed scheme.

This report provides details of the consultation response and the recommendations in light of that response.

#### 2. Background

- 2.1 In the 2010 Spending Review the Government announced its intention to introduce a localised system for Council Tax support to replace the current national Council Tax Benefit (CTB) scheme.
- 2.2 The Welfare Reform Act 2012 provides for the abolition of Council Tax Benefit, to take effect from 1 April 2013. The Government proposes to replace it with a requirement for each Council Tax Billing Authority (in Taunton Deane this is the District Council) to have its own, locally set, Council Tax Support scheme, effective from the same date.
- 2.3 The necessary primary legislation to introduce the Council Tax Support scheme is included in the Local Government Finance Act 2012, which received royal assent on 1st November 2012. Much of the detail of the scheme is to be contained in regulations. Draft regulations have been published recently but these are subject to change, so

there is still some uncertainty around the scheme which we are being asked to develop.

- 2.4 The Secretary of State will prescribe a “default” scheme, which will take effect if a Billing Authority fails to agree a Council Tax Support Scheme on or before **31 January 2013**. The default scheme broadly reflects the existing Council Tax Benefit scheme and will not therefore deliver any financial saving. If the Council ended up with the default scheme then both this Council and other local authorities – including SCC, Police and Fire would need to identify corresponding savings / funding to cover the reduction in Government grant.
- 2.5 Whilst the Council has discretion concerning the rules of the local scheme as far as they affect people of working age, the Government will prescribe rules for people of pension age (people aged 61 years or older at 1st April 2013). The rules for pensioners will mirror those of the CTB scheme and will therefore not permit a reduction in expenditure for people of pension age.
- 2.6 The Portfolio Holder supported by Corporate Scrutiny, tasked officers to work with the other Somerset Districts with the aim of the Districts agreeing a common set of principles around which to design their local schemes. The schemes should also be developed on the principle that the anticipated grant reduction will be fully funded within the local scheme (e.g. is cost neutral).
- 2.7 **The proposals and recommendations within this report were considered by Corporate Scrutiny on 25th October 2012. No changes were requested. The committee unanimously supported the recommendations made.**
- 2.8 **Please note however that commentary concerning the recently announced Transition Grant was not included within the Corporate Scrutiny report because the Government made the announcement about the Grant after the report had been drafted. However, a verbal update to the Scrutiny committee was given concerning this matter. This report includes information about the Transition Grant, at section 9.**

### **3. Current Benefit Scheme**

- 3.1 Council Tax Benefit (CTB) provides help to people on a low income who have to pay Council Tax.
- 3.2 For working age people however, there is a limit on savings of £16,000 above which no CTB will be awarded, irrespective of income levels.
- 3.3 CTB is awarded in addition to any other Council Tax reductions which might apply, such as the 25% sole occupier discount, and is calculated on the Council Tax payable after such discounts have been applied to the charge.
- 3.4 CTB is currently administered by local authorities (District Councils in two-tier areas) on behalf of the Department for Work and Pensions (DWP) in accordance with a national set of regulations set by Government.
- 3.5 Generally, for every £ which is paid out in CTB by the Council, the Government reimburses us £ for £. Additionally the Government pays the Council a grant to help cover the cost of administering the CTB scheme on its behalf.

- 3.6 The maximum amount of CTB that can be awarded presently is 100% of the Council Tax liability, meaning that some citizens are not required to pay anything toward their Council Tax. Some citizens will not have been required to make any payment toward Council Tax for many years.
- 3.7 For those who claim means-tested out-of-work benefits (Income Support, Jobseeker's Allowance and Employment and Support Allowance) they generally receive full assistance, so that they do not pay Council Tax at all (the only exceptions would be households which contain non-dependants, for which a deduction is made against CTB entitlement).
- 3.8 Those in work can still receive CTB, but are likely to get less than the full amount, so that their Council Tax bill will be reduced but not eliminated.

#### **4. Approach to Designing a Local Scheme**

- 4.1 TDBC officers have been working closely with their colleagues within the other Somerset Districts to look at how local CTS schemes might be designed.
- 4.2 Given the short timescales set by the Government, there is no realistic possibility of designing a new local scheme entirely from scratch for year 1.
- 4.3 Existing Revenues & Benefits software suppliers have expressed their concern at the timescale for implementing changes to the Council Tax system. The clear message is they will be unable to introduce hundreds of widely different schemes for Councils across the Country by 1st April 2013. Instead, they are proposing to offer the current CTB software as the basis for calculating the Council Tax Support Scheme, but make several parameters within the current system customisable so that Councils can elect to give more, the same or less help to applicants in particular circumstances.
- 4.4 Taunton Deane officers, in common with their Somerset counterparts, therefore propose for at least 2013/14, to base the local CTS scheme for working age citizens on the broad principles of the present CTB scheme given that the existing benefit system has been developed to protect a number of disadvantaged groups and carries least risk in terms of software development.
- 4.5 We have independently looked at changing a number of features of the current scheme to see if the changes would deliver the reduction in expenditure necessary to match the likely grant from Government. We have also collectively modelled certain common scenarios to see if they would potentially be suitable to all Somerset authorities.
- 4.6 From these discussions, the key changes which are proposed between our local scheme for working age claimants and the current CTB scheme are:
- Maximum support will be 80% of Council Tax – everyone of working age will have to pay something;
  - Non-dependant deductions will be increased;
  - Second adult rebate to cease;

- Child maintenance to be counted as income;
- Earned income disregards to rise;
- Hardship fund to be established for short term help (this would be a collection fund commitment rather than be fully funded by TDBC).

4.7 **It should be noted that schemes can be changed from year to year and what is put in place for 2013/14 does not have to remain in place for subsequent years, although changes cannot be made to schemes mid-year.**

## 5. Public Consultation

5.1 Following the support of Corporate Scrutiny on 19 July 2012, the draft proposals for Taunton Deane's Local Council Tax Support Scheme went to public consultation.

5.2 The consultation ran over 8 weeks, commencing 6th August and closed on 5th October.

5.3 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;
- Correspondence sent to each working age CTB claimant advising them of the abolition of CTB and advising them how to participate in the consultation for the replacement scheme;
- Half page article in Somerset County Gazette, raising awareness of the change and advising the public how to participate in the consultation;
- Met with representatives from certain equality groups;
- Letter to wide range of welfare and community groups within the borough;
- Posters and paper consultation forms in Deane House, Wiveliscome, Wellington, Priorswood and Halcon offices;
- Posters sent to parish/town Councils to raise awareness.

## 6. Consultation Responses

6.1 At the closing date, a total of 113 responses to TDBC's consultation had been received. Of these, 48% were from people who currently receive CTB.

6.2 Across Somerset as a whole a total of 3,508 responses were made to the consultation of whom 59% were from respondents in receipt of CTB.

6.3 The following parts of this section show the responses TDBC received in respect of the proposals set out in 4.6 above. Details are also provided to show how our responses compared with that of the other Somerset districts.

6.4

**Proposal 1 - Increase Non-Dependant Deductions**

**This change could reduce total expenditure by approx £50k pa**  
 (This is expenditure as a whole rather than just TDBC's share)

- 6.5 For people of working age who currently claim CTB, the new Council Tax Support Scheme proposes to increase the expected contributions to the Council Tax bill made by other adult members of the household.
- 6.6 At present, if the person claiming CTB has any non-dependants who are in work living in their home, a deduction will generally be made from their CTB entitlement. A non-dependant is a person aged 18 or over who is at work and is living with the person claiming benefit but not dependent upon them, and not living in their home as a joint tenant or sub tenant. Non-dependants include an adult son or daughter, a mother or father, or a friend.
- 6.7 These non-dependant adults are assumed to be giving the claimant some money towards their Council Tax, regardless of whether or not they are actually doing so. The assumed contribution is based upon the non-dependant's earnings

The current and proposed levels of weekly deductions are shown in the table below:

<b>Non-dependant Deductions for Council Tax Benefit</b>	<b>Apr-12 (pw)</b>	<b>Proposed (pw)</b>
Receiving IS, JSA(IB), or ESA(IR) or Pension Credits.	Nil	£4.80
<b>Aged 18 or over and in remunerative work</b>		
- gross income less than £183.00	£3.30	£5.80
- gross income £183.00 to £315.99	£6.55	£10.55
- gross income £316.00 to £393.99	£8.25	£13.50
- gross income more than £394.00	£9.90	£16.40
<b>Others aged 18 or over</b>	<b>£3.30</b>	<b>£5.80</b>

**TDBC Consultation Response: 63% in favour.**

Strongly Agree	19%
Agree	42%
Disagree	22%
Strongly Disagree	17%

## Somerset Response (exc TDBC) 72%\* in favour

Strongly Agree	32%
Agree	40%
Disagree	13%
Strongly Disagree	13%

\*Sedgemoor DC provided a 'neither agree nor disagree' response option, hence above table does not total 100%.

## 6.8 Proposal 2 - Additional Support for Exceptional Cases of Hardship

**This measure does not reduce expenditure**

- 6.9 It is impossible to assess the impact of a local scheme in every individual set of circumstances and undoubtedly there will be cases of exceptional hardship arising from the Government's decision to move away from a national benefit scheme. We therefore propose to create a discretionary hardship fund, financed from Council Tax receipts, to provide short-term additional support for vulnerable working-age citizens (the exact quantum of this fund has not yet been agreed but funding in the range of £20k-£30k is being considered).
- 6.10 This fund would provide some extra help for people who qualify for Council Tax support, but are having trouble paying their Council Tax. Officers administering Council Tax would decide who should be given the payments, as with the Discretionary Housing Payment scheme presently in force. Payments would be made as credits against the Council Tax account rather than as cash.
- 6.11 The scheme would work in a similar way to the present Discretionary Housing Payment Scheme. However, the Government have advised us that, from 1st April 2013, Discretionary Housing Payments cannot be used to provide assistance with Council Tax. Consequently, if we were to introduce a discretionary Council Tax Assistance Scheme it will be necessary to have an approved policy in place for its operation. It is felt sensible to do this by revising the present Discretionary Housing Payment policy to incorporate this separate fund for providing hardship support for Council Tax. A draft of this consolidated policy is provided at **Appendix D**.

## TDBC Consultation Response: 78% in favour

Strongly Agree	39%
Agree	39%
Disagree	12%
Strongly Disagree	10%

## Somerset Response (exc TDBC) 79%\* in favour

Strongly Agree	28%
Agree	51%
Disagree	9%
Strongly Disagree	7%

\*Sedgemoor DC provided a 'neither agree nor disagree' response option, hence above table does not total 100%.

### 6.12 **Proposal 3 - Maximum Benefit Limit**

**This change could reduce expenditure by approx £780k pa**  
(This is expenditure as a whole rather than just TDBC's share)

6.13 We propose to limit the maximum support a working age person can receive, from 100% to a lower level between 75% and 80% (final percentage dependant on level of expected Government grant, which is not yet finalised. However, the most likely assumption is that this figure will be 80%). At the moment, some households have all of their Council Tax paid for them and in some cases this has been the case for many years.

6.14 A limit of 80% would mean that everyone (even those who currently receive 100% CTB) would have to pay at least the figures shown in the tables below.

Band	Single Claimant		
	Annual CTax (after sole occ disc)	Min Proposed Annual Contribution	Min Weekly Contribution
<b>A</b>	£703.69	£140.74	£2.71
<b>B</b>	£820.96	£164.19	£3.16
<b>C</b>	£938.25	£187.65	£3.61
<b>D</b>	£1,055.52	£211.10	£4.06
<b>E</b>	£1,290.08	£258.02	£4.96
<b>F</b>	£1,524.64	£304.93	£5.86
<b>G</b>	£1,759.21	£351.84	£6.77
<b>H</b>	£2,111.04	£422.21	£8.12

Band	Claimant Couple		
	Annual CTax	Min Proposed Annual Contribution	Min Weekly Contribution
<b>A</b>	£938.25	£187.65	£3.61
<b>B</b>	£1,094.61	£218.92	£4.21

<b>C</b>	£1,251.00	£250.20	£4.81
<b>D</b>	£1,407.36	£281.47	£5.41
<b>E</b>	£1,720.11	£344.02	£6.62
<b>F</b>	£2,032.85	£406.57	£7.82
<b>G</b>	£2,345.61	£469.12	£9.02
<b>H</b>	£2,814.72	£562.94	£10.83

### **TDBC Consultation Response: 51% in favour**

Strongly Agree	18%
Agree	33%
Disagree	21%
Strongly Disagree	28%

### **Somerset Response (exc TDBC) 62%\* in favour**

Strongly Agree	30%
Agree	32%
Disagree	16%
Strongly Disagree	20%

\*Sedgemoor DC provided a 'neither agree nor disagree' response option, hence above table does not total 100%.

6.15

## **Proposal 4 - Taking Child Maintenance into Account as Income**

**This change could reduce expenditure by £39k pa**  
(This is expenditure as a whole rather than just TDBC's share)

Maintenance received for a child, is currently ignored when we calculate entitlement CTB. Under this proposal, child maintenance received (by those not in receipt of income support, income-related jobseekers' allowance and income-related employment and support allowance), would count as income when calculating Council Tax Support for a household.

### **TDBC Consultation Response: 60% in favour**

Strongly Agree	35%
Agree	25%
Disagree	18%
Strongly Disagree	22%



### Somerset Response (exc TDBC): 62%\* in favour

Strongly Agree	32%
Agree	30%
Disagree	18%
Strongly Disagree	18%

\*Sedgemoor DC provided a 'neither agree nor disagree' response option, hence above table does not total 100%.

#### 6.16 **Proposal 5 - Abolish Second Adult Rebate**

**This change could reduce expenditure by £10k pa**

6.17 Currently a person whose own income is too high to receive Council Tax Benefit is able to receive a reduction of up to 25 per cent if they have other adult(s) on a low income in their household, regardless of how much income and capital the householder has. This is known as the Second Adult Rebate Scheme.

6.18 It is proposed to abolish Second Adult Rebate for working age claimants. It is felt the money spent on second adult rebate could more equitably directed toward those households with more limited means.

### TDBC Consultation Response: 76% in favour

Strongly Agree	41%
Agree	35%
Disagree	14%
Strongly Disagree	10%

### Somerset Response (exc TDBC & Sedgemoor\*) 81% in favour

Strongly Agree	42%
Agree	39%
Disagree	11%
Strongly Disagree	8%

\*Sedgemoor DC did not include this option within their consultation.

#### 6.19 **Proposal 6 - Increase Earned Income Disregard**

**This measure does not reduce expenditure**

6.20 We propose to significantly increase, and in some cases double, the amount of earned income a person can earn before it reduces the level of Council Tax Support they

receive. This is to provide an additional incentive for someone to move into work or to stay in work and allows them to retain more of their earnings before their Council Tax Support starts to reduce. The proposed earned income disregards are shown below:

- a. Single Person– increase from £5 to £10pw
- b. Couple – increase from £10 to £20 pw
- c. Lone parent – increase from £25 to £37.50pw
- d. Disabled or long-term sick from £20 to £30pw

**TDBC Consultation Response: 86% in favour**

Strongly Agree	38%
Agree	48%
Disagree	5%
Strongly Disagree	9%

**Somerset Response (exc TDBC and Sedgemoor\*): 77% in favour**

Strongly Agree	29%
Agree	48%
Disagree	14%
Strongly Disagree	9%

\*Sedgemoor DC did not include this option within their consultation.

**7. Observations**

- 7.1 Although the number of responses levels from the public for TDBC was low, each of the questions we asked were also asked by most, or all, of the other Somerset Districts and this provides a much larger respondent pool against which to compare our responses.
- 7.2 It is clear that our respondents replied in a generally consistent way to those in other districts, certainly in overall terms as to whether or not they supported our proposals.
- 7.3 Each of our proposals received a greater level of support than opposition.
- 7.4 There was a defined difference in how positively a person responded depending whether they were currently in receipt of CTB (and therefore potentially impacted by the proposed scheme) and those who were not in receipt of CTB (and therefore potentially unaffected by the proposals). This was expected.
- 7.5 The free text part of the consultation, where respondents were invited to expand their views on the proposed scheme, were of particular interest as these comments provided an insight to how the changes might impact on people at a household level. These comments are set out in **Appendix A**.
- 7.6 Despite writing to a number of welfare and charitable organisations TDBC received no direct representations from those organisations relating to our proposed scheme.

7.7 There is nothing arising from the consultation response which demonstrates overwhelming opposition to any particular element of the proposed scheme or to the scheme itself.

7.8 It is recognised however that some respondents have clearly highlighted that these proposals are likely to have an appreciable adverse impact on their particular household finances.

## 8. Final Decision Making Process

8.1 Following consideration by the Executive on 14th November 2012 a report will go to Full Council on 11th December 2012, recommending the proposed local scheme.

8.2 We cannot afford to wait until the absolute deadline of 31 January to approve our local CTS scheme. Realistically, we need the new scheme approved in December at the latest. The new scheme impacts on the Council Tax Base.

8.3 The other major preceptors are reliant upon us providing tax base information in December for their own financial planning and budget setting processes. How we operate CTS will play a fundamental part in that.

## 9. Council Tax Support - Transition Grant

9.1 On 16th October 2012, after our public consultation had closed, the Government announced it had found £100m which it plans to allow Councils' (inc major precepting authorities) to apply for, in order to help fund some of the likely funding gap between the grant Councils will receive, to fund their local Council Tax Support schemes from 1st April 2013, and the cost of that support.

9.2 Councils cannot apply for this grant until **after** 31st January 2013, which is **after** they are required to agree their local Council Tax Support schemes.

9.3 There is no guarantee that applications will be successful and this therefore introduces an element of risk.

9.4 This Transition Grant would be for **one year only** (2013/14).

9.5 For the Taunton Deane area the Transition Grant will be £163,051 and be split between the major preceptors as follows;

TDBC	£ 17,032
SCC	£118,192
Police	£ 19,322
Fire	£ 8,505
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	£163,051

9.6 The Transition Grant would go only a little way in closing the £700,000 funding gap caused by the Government reducing expenditure in Council Tax support.

9.7 This new grant however comes with conditions as well as risk and a number of practical obstacles, not least this announcement coming very much at the 11th hour

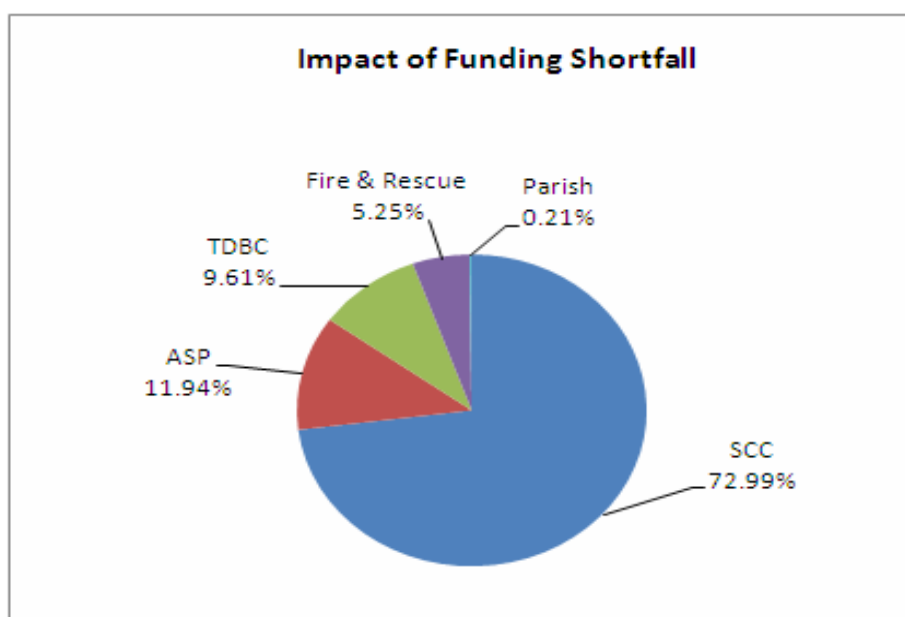
with a number of authorities, including TDBC, having already designed a potential scheme, concluded public consultation and commenced taking their proposed schemes through committee.

- 9.8 The conditions attached to this new grant are that the local Council Tax Support Scheme must ensure that:
- Those who would be on 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their council tax liability;
  - The taper rate (the rate as which benefit is withdrawn for each £1 earned above the living allowance) does not increase above 25%; and
  - There is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award (Councils are not clear exactly what this means).
  - Local authorities do not impose large additional increases in non-dependant deductions (no definition of 'large' provided however).
- 9.9 Our proposed CTB scheme does **not** satisfy these new conditions and therefore the Transition Grant will **not** be available to Taunton Deane (and our preceptors) **unless** we were to amend our proposed scheme.
- 9.10 If we were to modify the scheme, in order to fit the eligibility criteria for the new Transition Grant, a number of features of our propose scheme would have to change and would result in more support being awarded that was proposed.
- 9.11 For example, the main reduction in Council Tax Support spend within our proposed scheme related to restricting the maximum amount of benefit that anyone could receive to 80% of the applicants Council Tax. This would not be acceptable under the conditions for the Transition Grant. Instead we would have to increase the maximum that we could award from the proposed 80% to 91.5%.
- 9.12 If were to take a conservative view, and rule out increasing non-dependant deductions, abolishing second adult rebate and including child maintenance within the means test the likely reduction we could make between current CTB and CTS expenditure would be around £320k. Even if the £163k Transition Grant were added to this there would still be a likely funding shortfall of approximately £217k which the preceptors, including TDBC, would have to absorb. These figures make no allowance for increases in Council Tax Support expenditure caused by Council Tax rises or increased demand which would increase the contribution required by the preceptors.
- 9.13 Having spoken to the Benefit Managers at the other Somerset Districts none are presently planning to alter their proposed schemes in order to chase the Transition Grant, although this cannot be absolutely ruled out.
- 9.14 The lateness of the Government's announcement of this Transition Grant, the possibility of us having to re-consult if the proposed scheme was now altered, the relatively low value of the Transition Grant, the uncertainty around the eligibility criteria and the fact that the funding is for one year only are all factors which, at this late stage, do not lead me to recommend changing the proposed scheme in order to take up this potential short-term funding offer.

## 10. Finance Comments

- 10.1. Whilst we have been advised of the methodology to be used, we have not been told how much Council Tax Support Grant we will receive to support those on low incomes pay their Council Tax. We expect to receive provisional grant allocation details in late December 2012, with final allocations late January/early February 2013.
- 10.2 The Government's financial forecasts are based upon an estimate of subsidised national CTB expenditure for 2013/14 less 10%. The reduced national grant total is then distributed on the basis of shares of previous subsidised CTB expenditure.
- 10.3 The Government published 'indicative' Council Tax Support Grant allocations in May 2012 but these are 'illustrative' only being based upon 2010/11 data. Final allocations will be issued in the autumn following 2011/12 data being made available to the Government.
- 10.4 Because of the calculation and distribution methodology to be adopted it is extremely unlikely that the cut for TDBC will equate to exactly 10% of 2012/13 actual expenditure.
- 10.5 The Council Tax Support Grant will be calculated using a number of assumptions, such as changes in the number of people forecast to be in work, numbers of people in receipt of means-tested benefits (such as Income Support) and changes in pensioner numbers eligible for CTB; any one of which could prove inaccurate.
- 10.6 The Government has indicated that the new Council Tax Support Grant will remain unchanged for at least 2 years.
- 10.7 The level of future funding from government is uncertain, particularly when this is subsumed into formula grant / rate retention from 2014/15 onwards.
- 10.8 The Council, and the major preceptors, are expected to consider and fund themselves any contingency arrangements for unplanned increases in demand and take-up.
- 10.9 In the last full financial year (2011/12), Taunton Deane paid out in excess of £7m in CTB. A 10% reduction in this figure would amount to approximately £700k. Therefore, to achieve a financially neutral position for the Council and the major precepting authorities, the new scheme would need to reduce Support to working age benefit recipients by at least £700k in 2013/14.
- 10.10 This gap in funding will increase if the number of people claiming benefit goes up, which has been the trend in recent years due to the economic downturn. The Government will not give councils extra money if claims rise in the year from 1 April 2013.
- 10.11 Working age claimants are the only ones that can be affected by new rules. In Taunton Deane, approximately 50% of our claimants are pensioners and 50% are working-age. Therefore if a 10% overall cut in funding is to be shared across only our working-age claimants, this will equate to a 20% reduction in funding of support for that group. If we were to exempt certain working age groups from a reduction in support this would mean that for the remaining working age claimants the support reductions would be even greater than 20%.

- 10.12 Currently, households which are in receipt of Council Tax Benefit are included in the calculation of the Council's Tax base (i.e. the number of Band D equivalent properties on which it can levy a Council Tax). The income comes directly from the Government in the form of Benefit Subsidy, rather than from the property occupiers.
- 10.13 Under the new arrangements the Support will be in the form of a **"discount"** under which the charge payable by residents in receipt of Support will be reduced. This change will reduce the level of income received from Council Tax. In turn this will reduce the income into the Collection Fund which is divided amongst all precepting local authorities.
- 10.14 This loss of income to the Collection Fund will be partially compensated by the Government paying a non-ring fenced grant directly to billing and major precepting authorities. However, the grant nationally will be 10% less than that which would be provided as subsidy under the current system and will be a fixed amount in relation to each financial year which will not be adjusted as the demand for support changes.
- 10.15 By operating the system as a "discount" the risk of financing the costs is shared with the other precepting authorities through the Tax base calculation. The initial financial impact is upon the Collection Fund which is used to manage all Council Tax income, before that funding is shared out amongst the various local precepting bodies. Given that this Council share of the Collection Fund – as set out in the chart over the page– is only 9.61%, the major element of the risk falls upon the other precepting local authorities in the proportions shown (special arrangements are currently being consulted upon by the Government in relation to the parish element).



- 10.16 While it is for billing authorities (i.e. TDBC) to determine the local scheme, given that it is the major precepting authorities which are exposed to the majority of the financial risk, there is a duty to consult them on the design of the scheme. Given the impact of these reforms on other local authorities, it is important that in any decision made by TDBC that appropriate consideration is given to the impact of any proposed scheme upon the other bodies that are reliant upon the Collection Fund for at least part of their income.

- 10.17 The consultation which took place with the major precepting authorities by the Somerset Districts gave a very clear steer that the major preceptors wished the Districts to design their schemes to be cost neutral (i.e. to keep Support expenditure within the anticipated Government grant).
- 10.18 Given the reduction in the level of government funding the Council needs to consider its options for financing this shortfall. As set out within this report, **the proposed scheme seeks to address this shortfall by reducing the level of awards made.**
- 10.19 If the scheme were adopted as suggested, without modification, it would reduce expenditure on Council Tax support by approximately £800k, which would offset the anticipated funding shortfall and provide a small contingency towards the risk of increased take-up or enable us to meet the funding shortfall if the government grant is lower than we have anticipated.
- 10.20 It is clearly essential that we do not build in too great a contingency as in effect this is money which could otherwise be directed toward low income households to meet the cost of their Council Tax.
- 10.21 TDBC could however elect not to deal with the funding shortfall in the manner provided by the proposed CTS scheme. In such a case the Council would need to identify, as part of budget setting, how to finance the shortfall.

Options might include:

- Using reserves (not recommended as reserves are one-off balances)
- Increasing Council Tax
- Cutting service budgets
- Raising additional income

In this case (excluding the likely possibility of demand for support increasing from present levels) TDBC would need to fund a gap of at least £70 k in 2013/14. This figure is unlikely to be lower in subsequent years so would represent an ongoing increasing commitment.

- 10.22 If TDBC elected to absorb the funding shortfall, as discussed in 9.21, this would incur the major precepting authorities with additional budget pressures. SCC would face a likely funding shortfall of at least £510k, Devon Fire & Rescue at least £37k and Avon & Somerset Police Authority at least £84k. These figures would rise significantly should one or more of the other Somerset district authorities follow suit.
- 10.23 Given that the Council has been required to make significant financial savings in recent financial years, and faces further major cuts in funding and increasing financial risks over coming financial years it is becoming increasingly difficult to maintain core services to local residents.
- 10.24 Against this background, further reductions in income from Council Tax are not considered to be a recommended way forward. The situation faced by TDBC is mirrored by the other authorities which precept upon the collection fund (County Council, Police, Fire and Parish Councils). The reduction in Council Tax income, which would result in an increase to the Council's budget gap (and increased budget pressures for major preceptors) which would place further pressure on service budgets.

- 10.25 In the 2012 Budget Statement the Government announced the release of initial funding totalling £30m to assist local authorities in preparing for the change to CTS. In April 2012 it was announced that Billing Authorities will receive £84k each and major precepting authorities £27k. To date the Council has spent some £5,000 on software modelling tools with a further £30,000 on the additional costs arising from the consultation /preparation process. It is understood the costs of upgrading existing systems will be in the region of £60,000.
- 10.26 Further as yet unspecified funding is anticipated to help meet addition preparation costs. The date of receipt of which is also presently unknown.

## **11. Legal Comments**

- 11.1 Operating a locally designed Support scheme as opposed to administering a national scheme transfers the risk of legal challenge through Judicial Review from the Government to the Council.
- 11.2 The Council is being asked to consult on a scheme, which will be made under an Act which does not yet exist and commit to protecting people under regulations which have not been made, as the power to make them does not currently exist.
- 11.3 The Council needs to be in a position to have an approved scheme, which has been the subject of consultation by 31 January 2013. This is a challenging timescale.
- 11.4 The Bill does makes it clear that consultation undertaken before the law is made is valid, but this is only of assistance if the final form of the laws say what the Government have currently indicated it will say.

## **12. Links to Corporate Aims**

- 12.1 Tackling Deprivation - with less money available, with which to help our residents meet their Council Tax liabilities there are likely to be some members of the community who currently pay no Council Tax who from April 2013 will be expected to pay something. Some individuals on limited means may be worse off than at present as a result of the Government's decision to abolish the CTB scheme and not fund the replacement Support Scheme to the same level.

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

- 13.1 There are no environmental and community safety implications associated with this report and there are unlikely to be any associated with the final design of the Local Council Tax Support Scheme.

## **14. Equalities Impact**

- 14.1 Very careful consideration has been given to the assessment of equalities implications throughout the design of the proposed new scheme. Officers are fully cognisant of their general equalities duties and have taken all reasonable steps to ensure that



special consideration has been given to mitigate, as far as practicable, any disproportionate adverse impact on citizens with protected characteristics.

- 14.2 The Equalities Impact Assessment relating to the proposed scheme can be found at **Appendix E**. Please note this will be expanded upon prior to Full Council in December being asked to formally adopt a local CTS scheme for TDBC to include further statistical information.
- 14.3 Officers have not identified any clear areas where the design of the scheme needs to alter to mitigate a disproportionate negative impact upon any group which shares a protected characteristic.
- 14.4 It should not be overlooked however, that all working age claimants will receive less Support under the proposed scheme than under CTB. A number of actions have however been identified within the EIA action plan to ensure that practical help and support can be provided to smooth the transition and that the scheme itself is kept under review in order to identify any unanticipated issues or impacts so these can be addressed.
- 14.5 The local CTS scheme can, subject to further consultation, be revised year by year and this offers the opportunity in future years to mitigate any unacceptable negative impacts identified.

## **15. Risk Management**

- 15.1 Welfare and Finance reform is being treated as a defined project within TDBC. Consequently a risk register is in place to identify and mitigate risks associated with these changes.
- 15.2 There are a range of risks associated with the introduction of a Localised Council Tax Support scheme. Central to the scheme is the Government's localism agenda under which powers are transferred from central government to local authorities. With the transfer of powers there is invariably a transfer of risk.
- 15.3 Under existing arrangements Central Government basically funds the cost of the scheme and therefore an increase in the level of demand due to an increase in the number of people reaching retirement age, an increase in the number of people out of work, or an increase in the take up rate in respect of benefits are effectively funded by Central Government. Under the new arrangements these costs will fall upon the local authorities who are funded from the Collection Fund. Given that changes in the number of elderly people in an area, fluctuations in take up level and changes in employment levels are to a large extent outside of the control of local authorities there is relatively little that can be done to mitigate these risks. In addition the localised Council Tax scheme is being introduced at the same time as a more widespread reform of the benefits system. It is possible that reforms to the various strands of current benefit arrangements may have an unforeseen impact upon the circumstances of local residents which may be detrimental to the effective operation of the proposed Council Tax arrangements.
- 15.4 The risk of increased levels take-up for Support is a significant issue as it is anticipated that applications from pensioners will increase once the support becomes a "discount" rather than a "benefit". Likewise, local Council's will be exposed to both national and local trends in employment levels which will have an impact upon the number of working age people claiming benefits.

- 15.5 Modelling and forecasting has been undertaken to mitigate the above risks as far as is possible although the main risks remain that economic conditions will lead to an unexpected rise in successful applications for support and /or that there will be an unexpected increase in take-up (e.g. from those who are entitled to support but who so far, for whatever reason, haven't applied).
- 15.6 There is also a risk that TDBC could be challenged over the design of its CTS scheme, particularly from an equalities perspective. We have sought to mitigate this by carrying out a robust EIA on the scheme, both before design and afterwards, to ensure our equality duties were at the forefront of the decision making process. Additionally officers from the Somerset Equality Officers Group have been consulted on the proposals as have a number of welfare and voluntary organisations.
- 15.7 In moving away from a national set of rules and expecting Council's to write the rules themselves there is a risk that our CTS rules are poorly drafted leaving loopholes which can be exploited to give higher than expected Support awards. We have attempted to mitigate this risk by engaging an external specialists organisation to draft the rules to match the requirements of our scheme. This does not however extinguish the risk entirely.

## **16. Partnership Implications**

- 16.1 The Southwest One partnership is one of the Authority's key partnerships. The new scheme will be administered by officers in Southwest One's Revenues and Benefits Service and they are playing a key role in modelling as part of the scheme design together with the Southwest One Finance Service.
- 16.2 Development of a consistent set of principles on which to base a Council Tax Support scheme for each Somerset district has and will require collaborative working between the districts and the major precepting authorities.

## **17. Recommendations**

- 17.1 That, subject to the Government making the necessary regulations, the Executive recommends to the Full Council at its meeting on 11 December 2012 that from 1st April 2013, the Council:
- adopts the scheme, for providing Council Tax support for working age households on low incomes, as set out within this report;
  - adopts the Discretionary Housing Payment & Council Tax Assistance Policy (Appendix 1) to enable additional short-term assistance to be given in respect of Council Tax for those in hardship.

**Contact:**      Officer Name      Paul Harding  
                    Direct Dial No      01823 356309  
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Question: Please let us know, using the box below, if you have any comments on our proposed scheme.	Question: What is your age?	Question: What is your gender?	Question: Are you currently receiving council tax benefit?
I am a pensioner who is asset rich & income poor. I get no help with my council tax. I resent greatly subsidising other people when I can get no help myself after working & paying tax all my life	35-64	Female	No
How can single unemployed people with no other income possibly pay £258 a year for their council tax? Try living on £71 per week, paying TV licence, water rates, insurance, travel cost, heating bills My son has £4 a day left for food and all other costs. Possibly a family all on £71 a week each could pay but not single people Please be flexible on this	65 +	Female	No
My biggest concern is that homeless/sofa-surfing teenagers, adults and especially vulnerable people, are going to be at a far greater disadvantage due to these government proposals. It is clear that all local Councils have their hands tied to a greater or lesser degree, however, in a civilized Nation, it is vitally important that we do not create thousands of homeless people among our poorest citizens - working on a low income, or unemployed/sick. those with middle class or rich incomes will be totally unaffected by these and all the other cuts & proposals of this rich supporting Government. The impact upon not only mine, but the households of nearly everyone I know throughout Somerset and Devon, and beyond, is that they will have less money for life's essentials - including for their children. Nearly all of these people WORK - on a low income.	35-64	Male	No
I see that yet again, irresponsible young women who see having children and living on benefits as a career choice are to still receive 100% ctb whilst chronically sick and/or disabled people who are UNABLE to work will have to pay 20%. I firmly believe that it should pay to work and anyone who can, should work or actively look for work when unemployed. Becoming chronically sick and disabled and being permanently unable to work ( those in the support group of ESA) IS NOT a lifestyle choice, having children is. This council, along with the govt promise to protect the most vulnerable but both fail to put sick and disabled people into that group. In 2013, the govt intend to remove 20% of disabled people from disability benefits, I can see a lot more chronically sick/disabled people living well below the poverty line in the coming years. There are other ways to save 700k without yet again attacking the poorest and most vulnerable people in society. On the DWP ESA confirmation letters, it states that the MINIMUM amount that the law says is needed to live on is £;x amount, so is it lawful for councils to take some of this for council tax? Go around Tauntons tattoo parlours and see the unmarried mothers spending their benefits on tatoos, smoking cigarettes and going out drinking every Saturday night, it's disgusting. I know for a fact that many of these women`s attitude is, I don`t worry about getting pregnant, the social will pay and I'll get rent free council accommodation. I agree with all the principles but do not think some of your proposals go far enough. Cannot believe that the Second Adult rebate ever existed!	35-64	Male	Yes
	35-64	Female	No

The amount of earnings that you earn before any council tax is paid is very low at the moment and decreasing this amount further will have an impact on many low income families. My present circumstances mean that for the initial 12 months of returning to work after 4 years of claiming Incapacity Benefit I am in a good position financially as I am being paid an extra amount of money for 52 weeks. But at the end of the 12 months my income will drop substantially and I will struggle to pay my household bills including council tax.

35-64 Female No

To maximise income, when planning applications show the property will have additional bedrooms the council tax band alterations, if applicable, should be applied as soon as building is complete and signed off by building regs dept. Any steps like the earned income disregard which prevent penalising working families on low incomes should be implemented.

65 + Female No

As a non-claimant there is zero impact on me or my financial situation. I'm all for making people, parents more inclined to work to make them better off.

18-34 Male No

Non-Dependant deductions seem complicated. Why not have a single rate or maybe two - one for in work and one for out of work. Possibly best to just have the one rate though so as not to penalise households when someone moves into work.

No

These changes will have no impact at all on my household, but as someone who worked for 35 years administering means-tested benefits I am dismayed at the Conservative Party's policy to punish the poorest for the consequences of the greed and stupidity of the better-off. In particular the proposal to take a contribution from non-dependants on means-tested benefits, with no question of a compensating increase in those benefits from central government, bears all the hallmarks of the Poll Tax disaster of the early '90s.  
so far so good

35-64 Male No

65 + Male Yes

The conservative led Swindon council intends to exempt means tested pensioners and disabled people from having their council tax benefit reduced. Whilst i agree that people should be encouraged to work and be better off, being chronically sick and disabled and unable to work ISN`T a lifestyle choice, just as growing old isn`t. May I suggest that TDBC takes the same route so that the sick/disabled, who are already being targeted by the coalition for cuts in their money , will not face further worries about having their incomes cut more.

35-64 Male Yes

Your questionnaire comment box is limited to 1500 characters That equates to around 250 words which is grossly inadequate to explain the impact that your proposals will have on our household!

35-64 Female Yes

I think the council should distinguish between people who don't work due to disability and those with non disability. I think people registered disabled should be 100% exempt

35-64

No

If Government funding is going to be 90% (leaving a budget gap of 10%) then why are all your proposed calculations for reductions more than 10%. This is yet another attack on the unemployed and people on benefits!!

Prefer not to say

Prefer not to say

Yes

Proposal six: council tax deduction for a single person is only 25%, therefore a single person should be able to have the first 75% of a couple's allowance (ie. £15 not £10) discounted from means testing.

Prefer not to say

Prefer not to say

No

Those people in the income related support group have been classed as too ill/disabled to work, so they therefore do not come under the "encouraged to work" criteria. Do you intend to make these people, the most vulnerable people in society pay? They should be the same as pensioners, ie, exempt from paying and still get the 100% CTB. These people do NOT CHOOSE to have a serious illness or disability and therefore do not CHOOSE a life on benefits. . I worked for as long as I could, I now receive income related ESA and am in the support group, I suffer from a chronic, progressively worsening disease, plus two chronic inflammatory conditions of the eyes and bowels and cannot work. I have to pay someone to keep my lawn/garden tidy, I have to pay someone to keep the inside of my council bungalow decorated to a reasonable standard, I have to pay for a Deane helpline. . I get disability living allowance mobility, I use that to pay off a loan for my car which is a necessity, rather than a luxury, Next year, I intend to get one on motability. I also get care allowance, I use that because I don't have anyone from the council to visit and do my housework etc .It is ironic that the amount that i'll have to pay because my CTB is short, will be around £;4.80, this is a similar amount to what my Deane helpline is now! Target those who CAN change their lifestyle, NOT those who cannot!

35-64

Male

Yes

The Problem is, The Government and Local Government are not taking in to consideration that the basic cost of living has increased tremendously, I.e Gas, Water, Electric and food. The increases have increased so much that even at the current system it is so difficult for single and families to survive and the same for those who are working. The new proposal will create further homelessness, child poverty, increase in crime and people starving, especially when the crises loans are also abolished in 2012 , the benefits and the new ones do not even cover the basic standard of living and that is excluding buying clothes. Rents are higher than benefits, Private Landlords should have the rental value capped like in Germany. In addition, if the government wants to save money, stop allowing foreigners to claim benefits straight away, block any benefits until they have paid tax & Ni for a minimum of 5 years, this will also help so the immigration problem. I will end up homeless, I cannot afford to eat as it is.

35-64

Male

Yes

35-64

Male

Yes

I work and have had no pay rise for 3 years. Benefits go up every year. Therefore doesn't seem unreasonable for people on benefits to be expected to 'do there bit' and receive a little less benefit. If they keep the same amount of council tax benefit as now presumably working people will have their Council Tax Benefit cut even more than the 20% proposed, which seems very unfair and would mean some people would be better off not working.

All of your proposals affect groups of people already forced into financial hardship by the Government Cutbacks. You should be making changes to the expenditure of the council to those on middle and higher incomes by increasing paid for services.

Expenditure by counsellors should be considerably reduced with entertainments and receptions being abolished. You have to understand that all of these proposals will cause cutbacks of essential activities of daily living such as food, fuel etc.

The proposals are too generous and will be granted as now on forged documents and lies unless a thorough screening is carried out and supervised assiduously. you have to adopt all these proposals at the very minimum.

35-64 Female Yes

65 + Male Yes

People on very low incomes or working age (ie myself) have no money to spare at the moment so where will we find the contribution.

35-64 Female Yes

Prices are soaring. food all basic necessities cost more and more. unless people are earning more or getting a noticeable increase in their income (benefits) it is morally unjustifiable to try and squeeze more money out of them. cut out flower beds and displays, road sweeping, halve rubbish collections, increase parking charges. my disabled but part time working son has not had a pay increase so how can you charge him more. re proposal 3 my income has not increased, where can i find more money? It is insensitive to say i would be better off working. I am a carer who will soon get a state pension and have no chance of it.

35-64 Female Yes

im so angry i cant put my thoughts into words. For me it would mean poverty. im already struggling to pay rent which housing benefits doesn't cover and when im employed the benefits system is such a minefield (as i will never earn enough to get out of this disgusting "stone the poor, feed the wealth" system.

18-34 Female Yes

Perhaps there ought to be a way of limiting increases in council tax benefit by restricting allowances when somebody has a child (after the second child) as at the moment the more children you have the higher your allowances. This encourages people to have children they can't afford which the rest of us have to finance.

35-64 Male No

The savings required to offset the 10% reduction in government funding should be found by reducing waste and central overheads, not by making the worse off even more worse off as is being proposed. Benefits should be increased in times of austerity not reduced.

35-64 Male No

I cannot accept the principle that the poorest should automatically pay more regardless. The average council tax payer should bear a proportion of the 10% reduction that is being taken off the Council Tax Benefit

Prefer not to say Male No

All of these proposals are complicated and not explained well at all. I do not understand proposal one at all! I think a second consultation with better explanations should be run.

18-34 Male No

Benefits go up by inflation, wages don't. I work and cannot afford to pay more Council Tax to help those who pay nothing who don't work.

I wish to remain anonymous but can tell you that without Council Tax Benefit we would not be able to live in our house or the area I grew up in. consequently, I would have to live 12 miles away from my father who I care for (carer's allowance). On a broader scale, I feel local and national government should be very careful when proposing moves that make real impacts on people's lives. There are many reasons why people claim benefits and only the smallest % are taking advantage of a system is wholly generic and one sided. a 'universal benefit' is a nonsense. 'small' figures like £5 per week actually mean a lot to those who live off less than £12k a year. This is a reality. Perhaps it might help to look at the services council tax actually provides rather than whether the disadvantaged can pay more.

35-64 Female

I think proposal 5 may be a good idea where the householder has a high income and is able to contribute significantly more to the council tax bill of the property than their fellow residents/housemates. proposals 3 and 6 will affect me. While proposal 3 does not involve a large increase in the amount of council tax I pay, in light of the sweeping government cuts to benefits and credits available any additional call on my finances is worrying. paying 10% of my council tax would be more manageable (i.e receiving 90% support). wouldn't affect my household.

18-34 Female Yes

35-64 Male No

If i lose to much benefit i won't be able to keep my home & i'll end up on the streets as i'm all ready struggling to keep a roof over my head I'm stuck on incapacity benefit after an accident at work so only receive incapacity long term housing & council tax benefit

35-64 Female Yes

I seem to agree with most of these proposals

I am in support of schemes which reduces the admin of council tax benefit.

35-64 Female No

re proposal 2. payers will either be suffering hardship or not. extra hardship isnt relative to that! Also when money runs out anyone who then suffers from extra hardship cant be helped anyway so the system would be unfair, similar to the lottery, to anyone suffering extra hardship, probably towards the end of the financial year. proposal 2 should not take effect ie should be deleted from the proposal list. I assume the single persons 25% discount remains and is unaffected? (I am not single but think this should remain unaltered.

35-64 Male No

i do not think lone parent has a reason for an increase from an already generous £;25 over a single person without child (proposal 6)

65 + Male No

re council tax generally TDBC income from Council tax would be increased if building control/householder declared any development on the property that moved into a higher CT band. Currently this only happens when the property is sold and the new owner is charged the increased rate. With the number of homes extending outwards or upwards (ie lofts) surely this would provide a greater income than reducing council tax benefit.

35-64 Female No

proposal 3 - recovery costs in getting everyone to pay will outweigh the extra revenue from this - remember the community charge.

35-64 Female No

Although I agree that people should be better off in work, i don't think this should be done through the benefits system. It should be done through the benefits system. it should be done by ensuring people get a living wage. also i don't agree that earned income disregard should be increased and concessions such as non-dependant deductions decreased.

35-64 Female No

I currently do not receive CTB however I feel the new scheme should incentivise people to work (if they are able) and ensure that the most vulnerable, significant disability, adult children on a low income, carers, lone parents are most protected. I have concerns that collecting / recovering Ct will increase costs considerably.

35-64 Female No

It would be better if high value properties paid a higher portion of the total CT demand.

35-64 Male No

This scheme will not impact my household as we receive no benefits. I am concerned that you seem to be doing more to protect those over the age of 61 and less for those who are disabled or significantly disadvantaged in some way. Could you increase council tax for those living in larger houses to help offset the cuts. Even if they are rich in assets they could potentially rent out a bedroom to help cover the cost and at the same time provide housing which it sounds like we may need.

35-64 Male No

I would find this very hard as every bit of money i get has gone straight away. I never have any money to do nice things with my children as I survive by spending my money on food and bills, when this goes ahead to pay you money I would have to not pay another bill or lose out on a meal for my family, it is the way I live. I hate it now and will struggle even more.

18-34 Female Yes



## CIPFA 'NEAREST NEIGHBOURS' FAMILY GROUP - PROPOSALS

These are authorities which are most similar to TDBC nationally and are often used for benchmarking purposes.

The 'Nearest Neighbours' group also include Mendip and South Somerset. The proposals for these authorities are shown within Appendix B

This table provides information on the proposals which each of these authorities has put forward for consultation. The final schemes will be subject to the outcome of the consultation and ultimately Full Council decision so could differ from that stated.

Neighbour Authorities	Proposals
Stroud	<ul style="list-style-type: none"> <li>No change - Council to fund shortfall for 2013/14 and look at local scheme for 2014/15 onwards.</li> </ul> <a href="http://consultation.stroud.gov.uk/policy-and-review/counciltax/consult_view">http://consultation.stroud.gov.uk/policy-and-review/counciltax/consult_view</a>
St Edmundsbury	<ul style="list-style-type: none"> <li>No Clear proposal. A number of options suggested with recognition that it is likely that there will need to be a mixture of the options, because some will not raise enough on their own.</li> <li>Working age people who receive Council Tax support pay more Council Tax (no indication given of how much). 2nd Adult Rebate to cease.</li> <li>Increase empty Council Tax Charges and 2nd Home Charges</li> </ul> <a href="http://www.stedmundsbury.gov.uk/news/press-releases/PR12080601.cfm">http://www.stedmundsbury.gov.uk/news/press-releases/PR12080601.cfm</a>
Wychavon	Unable to find any published information
Tewkesbury	<ul style="list-style-type: none"> <li>No change - Council to fund shortfall for 2013/14 and look at local scheme for 2014/15 onwards.</li> </ul> <a href="https://www.tewkesbury.gov.uk/media/word/p/l/council_tax_support_info.doc">https://www.tewkesbury.gov.uk/media/word/p/l/council_tax_support_info.doc</a> <ul style="list-style-type: none"> <li>Maximum benefit of 82.5% (Maximum benefit of 95% if disabled)</li> </ul>
Ashford	<a href="http://www.ashford.gov.uk/pdf/Council%20Tax%20Benefit%20Leaflet.pdf">http://www.ashford.gov.uk/pdf/Council%20Tax%20Benefit%20Leaflet.pdf</a>

- Babergh
- Maximum benefit of 90% Bands A to D
  - All other bands restricted to 90% of Band D.
  - Increased non-dependent deductions
  - Cease 2nd Adult Rebate
  - Part fund gap through empty Council Tax Charges and 2nd Home Charges

<http://bdc.onesuffolk.net/council-tax/changes-to-council-tax-benefits-and-discounts/>

- Wyre Forest
- Various options. Not just one.
  - Maximum benefit of 80% to 95%
  - Restrict benefit to Band D equivalent.
  - Part fund gap through empty Council Tax Charges and 2nd Home Charges.
  - No award of benefit worth less than £5pw
  - Create Hardship Fund

<http://www.wyreforestdc.gov.uk/cms/communications/features/council-tax-consultation.aspx>

- South Kesteven
- Maximum benefit of 80%
  - (Maximum benefit of 100% if disabled, carer or war pensioner)
  - Increase earned income disregards
  - Cease 2nd adult rebate

<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=7478&p=0>

- Braintree
- Maximum benefit of 80%
  - Restrict benefit to 80% Band D equivalent.
  - Increase earned income disregards
  - Child Benefit for 2nd and subsequent children treated as income

[https://www.braintree.gov.uk/downloads/file/1210/easy\\_read\\_local\\_council\\_tax\\_support\\_download](https://www.braintree.gov.uk/downloads/file/1210/easy_read_local_council_tax_support_download)

- Stafford
- Claims will be based on a max of 80% Council Tax Liability (unless disabled people who receive a severe disability premium, and both lone parents and families who have a child under five).
  - Properties in bands higher than Band D will be based on 80%

Band D Council Tax

- Second Adult Rebate will not be retained in the Local Scheme
- Claims from anyone not in receipt of a DWP benefit and with capital in excess of £6000 will not be entitled.
- Child benefit will be included in the assessment of the claim
- Maintenance payments will be included in the assessment of the claim
- The first £25 per week of earned income will be disregarded

<http://www.staffordbc.gov.uk/news-articles/counciltaxbenefitchanges-haveyoursay>

- Maximum benefit of 75- 80% or Restrict to band A equivalent.
- Lower savings Limit to £8,000
- Cease 2nd Adult rebate
- Increase non-dependant deductions
- Extend roll-on period from 4 weeks to 6 weeks when someone starts working

Newark & Sherwood

<http://www.newark-sherwooddc.gov.uk/media/newarkandsherwood/imagesandfiles/counciltax/Have%20your%20say.pdf>

- Maximum benefit of 85%
- Cease to allow backdating of claims
- Cease 2nd adult rebate
- Different treatment of self-employed income
- Creation of Hardship Fund

Rugby

[http://www.rugby.gov.uk/site/scripts/documents\\_info.php?documentID=1665&categoryID=200315&pageNumber=2](http://www.rugby.gov.uk/site/scripts/documents_info.php?documentID=1665&categoryID=200315&pageNumber=2)

- Claims to be based on a maximum of 80% of Council Tax liability
- Properties in bands higher than Band D will be based on 80% of Band D Council Tax liability
- Second adult rebate not to be retained
- Capital cut off at £6,000 (non-passported)
- Child benefit and maintenance to be treated as income
- Higher non-dependant deductions
- Changes to earnings disregards (to provide an additional incentive to work)

High Peak

[http://www.highpeak.gov.uk/sites/default/files/meetings/papers/105\\_26.pdf](http://www.highpeak.gov.uk/sites/default/files/meetings/papers/105_26.pdf)

## Somerset Districts - Proposals

Proposals	Mendip District Council	Sedgemoor District Council	South Somerset District Council	Taunton Deane Borough Council	West Somerset District Council
Maximum support that can be awarded	80%	80%	75%-80%	80%	70%
Include income from child maintenance	Yes	Yes	Yes	Yes	Yes
Increase in non-dependant deductions	Yes	Yes	Yes	Yes	Yes
Abolish second adult rebate	Yes	No	Yes	Yes	Yes
Increase earned income disregard	Yes	No	Yes	Yes	Yes
Create a discretionary hardship fund	Yes	Yes	Yes	Yes	Yes
Include income from child benefit within the means test	No	No	Yes	No	Yes
Limit support to a Band C council tax	No	Yes	No	No	No
Minimum weekly award of £1	No	Yes	No	No	No
Include income from sub-tenants and boarders within the means test	Yes	No	Yes	No	Yes



## HOUSING BENEFIT & COUNCIL TAX SUPPORT

# Draft Discretionary Housing Payment & Council Tax Assistance Policy

# Discretionary Housing Payment & Council Tax Assistance Policy

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## Revision history

Version number	Date	Summary of changes	Author
V1.0	26/02/2002	Initial creation of document	Heather Tiso
V1.1	22/09/2005	Refresh of policy	Heather Tiso
V1.2	03/02/2009	Refresh & updating policy	Heather Tiso
V1.3	16/06/2011	Updating policy	Heather Tiso
V1.4	11/09/2012	Inclusion of Council Tax Support provisions	Paul Harding
V1.5	12/09/2012	Further refinement and updating of policy	Heather Tiso

## Approvals

This document has been approved by the following people.

Name	Role
Councillor Terry Hall	Executive Portfolio Holder - Corporate Resources
Councillor Francesca Smith	Executive Portfolio Holder - Corporate Resources
Councillor Terry Hall	Executive Portfolio Holder - Corporate Resources
Councillor Vivienne Stock-Williams	Executive Portfolio Holder - Corporate Resources

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## Policy

### Background

From 2 July 2001, exceptional circumstances and hardship payments were abolished and replaced by the Discretionary Housing Payment (DHP) scheme. This gave Local Authorities new powers to top up Housing and Council Tax Benefit. The legislation governing DHPs can be found in the Discretionary Financial Assistance Regulations 2001 (SI 2001 / 1167).

The DHP scheme provides discretionary support where the claimant has a shortfall between their:

- Housing Benefit and the rent they must pay; and/or
- Council Tax Benefit and their liability to pay Council Tax.

Every claimant who was entitled to the minimum amount of Housing and/or Council Tax Benefit and who has such a shortfall was entitled to make a claim for help.

The overall spending on DHPs is cash-limited by the Secretary of State under a Permitted Totals Order.

The main features of the DHP scheme are:

- the scheme is discretionary - a claimant does not have a statutory right to a payment;
- The Revenues & Benefits Service decides how the scheme is administered;
- the overall outlay on DHPs is cash-limited by the Secretary of State,
- DHPs are not a payment of Housing or Council Tax Benefit. However, the claimant must be entitled to Housing or Council Tax Benefit in the benefit week for which it awards a DHP.

The Department for Work and Pensions provides us with a specified Discretionary Housing Payments allocation that can vary each year as it is partly based upon our previous Discretionary Housing Payments spending. We must return any unspent funding to the Department for Work and Pensions. During the year in question, we can only award Discretionary Housing Payments up to a cash limit of two and a half times this annual allocation. Any spending we make above the allocation and up to the legal limit has to be funded by us from our budget (and so in turn from our Council Tax payers).

Discretionary Housing Payments are not payments of benefit, and we have discretion in how we manage this funding. We can only award Discretionary Housing Payments to people receiving Housing Benefit and / or Council Tax Benefit where it does not meet the full amount of their eligible rent and / or Council Tax..



From 1 April 2013 the Government state that DHP's can no longer be used to provide additional help for Council Tax. This coincides with the abolition of the Council Tax Benefit Scheme and the introduction of a local Council Tax Support (CTS) scheme.

Therefore from 1st April 2013 the Council has decided to introduce a Discretionary Council Tax Assistance (DCTA) scheme to replace DHP's for Council Tax. The provision of DCTA will be reviewed annually. Nothing in this policy affects a customer's right to apply for a Council Tax reduction under section 13A (1) (c) of the Local Government Finance Act 1992 (as amended).

Funding for DCTA will provide be entirely from Council budgets and will be limited to a maximum of £?? in 2013/2014. When the fund is exhausted, there can be no further payments of DCTA. Recipients of DCTA will receive credits on their Council Tax accounts.

## Purpose

The purpose of this policy is to specify how the Revenues & Benefits Service will manage both the DHP and DCTA schemes and to suggest some of the factors we will consider when deciding to award additional help.

We will treat each case strictly on its merits and all eligible customers will receive equal and fair treatment. The Revenues & Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise claims for all available state benefits and will reflect this in running the DHP & DCTA schemes.

The Revenues & Benefits Service is committed to the equitable operation of the DHP & DCTA schemes. Where the evidence provided shows the customer is not claiming another state benefit they may be entitled to, we will advise them to make such a claim and provide details of other agencies in the Borough who may be able to help. Similarly, if a customer is not claiming a Council Tax Discount to which they may be entitled we will advise them to firstly make such a claim.

## Statement of Objectives

The Revenues & Benefits Service will consider awarding a DHP and / or DCTA to all customers who meet the qualifying criteria set out in this policy. We will treat all applications on their individual merits, and will seek through this policy to:

- allow a short period of time for someone to adjust to unforeseen short-term circumstances and by providing a DHP and / or DCTA to enable them to “bridge the gap” during this time;
- help people who live near their jobs because they work unsocial hours/split shifts or where there is inadequate public transport;
- help people who as a consequence of a move have extra travel to work costs;
- sustain tenancies to prevent homelessness
- support vulnerable young people in the transition to adult life;
- encourage Taunton Deane residents to get and keep employment;
- safeguard Taunton Deane residents in their homes;
- help those who are trying to help themselves;
- keep families together;

- assist those with medical or health problems where they need access to medical services or support that would not be available elsewhere
- act as a tool in supporting vulnerable people in the local community;
- help customers through personal crises and difficult events.

This list is not exhaustive and we will consider any other relevant factors or special circumstances that may apply.

The DHP and DCTA schemes should be seen as short-term emergency funds. They are not and should not be considered as a way around any current or future restrictions in Housing Benefit, localised Council Tax Support provisions or Council Tax legislation.

A DHP can help meet shortfalls in areas such as:

- Restrictions in Housing Benefit entitlement because the rent payable is more than the Local Reference Rent (LRR), Shared Room Rate (SRR), size criteria or Local Housing Allowance (LHA).
- Reductions in HB entitlement following changes to LHA rates from April 2011
- Non dependant deduction
- Income tapers
- Increases in essential work related expenditure such as increased fares to work if a customer has had to move because they could not afford to live in proximity to their work following a reduction in their LHA rates.

The DHP scheme allows for payments to be made for rent deposits and rent in advance if the claimant receives Housing Benefit for their present home. However, Taunton Deane Borough Council has a Deposit Guarantee Bond Scheme administered by the Housing Options Team.

We would seek to utilise this facility in the first instance, with the DHP Scheme complimenting this as an alternative option. Any reasons or factors applied by the Housing Options Team in deciding assistance under the Deposit Guarantee Bond Scheme will be taken into consideration in any subsequent DHP request.

A DHP cannot help with the following:

(a) Certain elements of the rent:

- ineligible service charges (as specified in Schedule 1 of the Housing Benefit Regulations);
- water, sewerage and environmental services (as defined and calculated under Housing Benefit provisions);
- increases in rent due to outstanding rent arrears.

(b) Suspensions

- where a person's HB or any other benefit has been suspended, it is not appropriate to pay a DHP. The aim of the suspension provision is to act as a lever to ensure the customer provides necessary information or evidence – paying a DHP could reduce the effectiveness of this lever.

(c) Sanctions

- where a reduction has been applied to Income Support or income-based Jobseeker's Allowance due to a Reduced Benefit Direction for failing to comply with the Child Support Agency, the claim for a DHP should assume such a sanction has not been applied;
- where a reduction has been applied because of absence at a work-focussed interview, the claim for a DHP should assume such a sanction has not been applied.

DCTA can only assist working age Council Tax Support claimants to help meet shortfalls in areas such as:

- Non dependant deductions
- Income tapers
- Shortfalls between maximum Council Tax Support entitlement and Council Tax liability

DCTA cannot help with the following:

(a) Rent or other similar housing costs

(b) Suspensions

- where a person's CTS or any other benefit has been suspended, it is not appropriate to pay an DCTA.

(c) Sanctions

- where a reduction has been applied to Income Support or income-based Jobseeker's Allowance due to a Reduced Benefit Direction for failing to comply with the Child Support Agency, the claim for an DCTA should assume such a sanction has not been applied;
- where a reduction has been applied because of absence at a work-focussed interview, the claim for a DCTA should assume such a sanction has not been applied.

### **DCTA Priority Groups**

Wherever possible DCTA's will be prioritised for customers who are in our opinion, the most vulnerable. This will particularly include, although not be limited to:

- Claimants who have someone who is pregnant within their household
- Young adults who have recently left the care system
- Households containing adults or children with disabilities
- Households with children under 5 years of age
- Claimants who are carers
- People who are fleeing domestic violence
- People accepted as homeless under homelessness legislation of the Housing Act 1996 and placed in temporary accommodation by the Council as described in regulation A13(3), because they are homeless or to prevent homelessness

Being in one or more of the above groups does not guarantee a DCTA award. For those applying for a DCTA on the grounds of exceptional hardship we would expect the customer to demonstrate they have taken steps to try to address their financial difficulties by seeking money / debt advice from the CAB, National Money Advice Helpline or similar organisations or are prepared to do so.

## Fraud

The Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP or DCTA by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspects such a fraud may have occurred, the matter will be investigated and this may lead to the instigation of criminal proceedings.

## Publicity

The Revenues & Benefits Service will publicise the DHP and DCTA schemes and will work with all interested parties to achieve this. A copy of this policy will be made available for inspection and will be posted on the Taunton Deane Borough Council web site. Information about the amount spent will not normally be made available except at the end of the financial year.

## Monitoring of DHP and DCTA expenditure

The Revenues & Benefits Service will extract reports from the DHP and DCTA software on a monthly basis to ensure expenditure is within budget and is correctly profiled to ensure no overspend at the end of the financial year.

## Claiming a DHP or DCTA

A claim for a DHP and / or DCTA must be in writing and signed by the customer. A letter or signed statement received by the Revenues & Benefits Service will be sufficient if the following conditions are met:

- On request the customer supplies any relevant supporting evidence.
- The Revenues & Benefits Service may ask for any (reasonable) evidence in support of an application for a DHP or DCTA. The Revenues & Benefits Service will make such requests in writing. The customer will provide the evidence within one month of our letter, although we will extend this in appropriate circumstances.
- If the customer is unable to or does not provide the evidence, we will still consider the application and take into account any other available evidence including that which we already hold.
- The Revenues & Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

## Period of Award

The Revenues & Benefits Service will decide the length of time to award a DHP or DCTA from the evidence supplied and the facts known.

The start date of an award will normally be:

- the Monday after we get the written claim for a DHP or DCTA; or
- the date HB/CTS starts (providing we get the application for the DHP within one month of the decision on the claim for HB/CTS) whichever is the earlier, or the most appropriate.

We cannot award a DHP or DCTA for any period outside an existing HB/CTS benefit period granted under the HB statutory scheme or local CT scheme.

The minimum award of a DHP or DCTA is one week.

- We will not normally award a DHP or DCTA for a period over 12 months.
- We will consider any reasonable request for backdating an award of a DHP or DCTA but will usually limit such consideration to the current financial year

## Awarding a DHP or DCTA

In deciding whether to award a DHP or DCTA, the Revenues & Benefits Service will consider:

- the shortfall between Housing Benefit and Council Tax Support and the liability;
- any steps taken by the customer to reduce their rental or Council Tax liability;
- the financial and medical circumstances of the customer, their partner and any dependants and any other occupants of the customer's home;
- the income and expenses of the customer, their partner and any dependants or other occupants of the customer's home;
- any savings or capital that might be held by the customer or their family;
- the indebtedness of the customer and their family;
- the exceptional nature of the customer and their family's circumstances;
- the amount available in the DHP and / or DCTA budget at the time of the application;
- the possible impact on the Council of not making such an award, for example the pressure on priority homeless accommodation;
- any other special circumstances brought to the attention of the Revenues & Benefits Service.

The Revenues & Benefits Service will decide how much to award based on all the circumstances. This may be an amount below the difference between the liability and the Housing Benefit or Council Tax Support award. Granting a DHP and / or DCTA does not guarantee or imply a further award even if the customer's circumstances do not change.

## Changes of Circumstances

The Revenues & Benefits Service may need to revise an award of a DHP or DCTA where the customer's circumstances have materially changed. Any revision to the award will take effect from the Monday following the date of change in circumstances.

## Method of Payment

**DHP** - The Revenues & Benefits Service will decide the most suitable person to pay based on the circumstances of each case. This could include paying:

- the customer;
- their partner;
- an appointee;
- their landlord (or an agent of the landlord); or
- any third party to whom it might be most suitable to pay.

The Revenues & Benefits Service will pay a DHP by the most suitable means available in each case. This could include payment:

- By direct credit to a bank or building society account
- by crediting the customer's rent account;

Payment frequency will normally be in line with payments of Housing Benefit .  
**DCTA** - awards of DCTA will always be made by crediting the customer's Council Tax account.

Payment frequency will normally be in line with payments of Council Tax Support.

## Notification

The Revenues & Benefits Service will aim to write to the customer to tell them the outcome of their claim within 14 days of receipt. Where the claim is unsuccessful, we will set out the reasons and explain their appeal rights. Where the claim is successful, the Revenues & Benefits Service will advise:

- the weekly amount of DHP or DCTA;
- if it is paid in advance or in arrears;
- the period of the award;
- how, when and to whom (for DHP only) it will pay the award;
- the need to report a change in circumstances;

## Overpayments

The Revenues & Benefits Service will seek to recover any overpaid DHP or DCTA. For DHP this will normally involve issuing an invoice to the customer or the person to whom the award was paid.

It is most unlikely the Revenues & Benefits Service will seek recovery of any overpayment caused by an "official error". However, where it is reasonable to expect the claimant of a DHP to have realised an overpayment was occurring, we may seek recovery.

Under no circumstances will we make recovery from Housing Benefit (unless the customer seeks this specifically in writing). The overpayment decision letter will set out the right of review.

For DCTA overpayments, these will be recovered through adjusting the Council Tax account for the period to which the overpayment relates. The customer will be required to repay the overpayment as part of that year's Council Tax liability.

## Reviews of Decisions relating to DHPs and DCTAs

### The right to seek a review

DHPs are not payments of Housing Benefit and DCTAs are not payments of Council Tax Support. Therefore they are not subject to the statutory appeals mechanism. The Revenues & Benefits Service will use the following policy for dealing with appeals about a:

- refusal to award a DHP or DCTA; or
- decision to award a reduced amount of DHP or DCTA; or
- decision not to backdate a DHP or DCTA; or
- decision there has been an overpayment of a DHP or DCTA.

A customer (or their appointee or agent) who disagrees with a DHP or DCTA decision may dispute the decision. The Revenues & Benefits Service must receive a request for a review within one month of the issue of the written decision about the DHP or DCTA to the customer. Where this has not already been done, officers from the Revenues & Benefits Service will explain the DHP or DCTA decision to the customer by telephone, at interview or in writing and will seek to resolve the matter.

Where agreement cannot be reached, the Head of Revenues & Benefits will consider the case. The Head of Revenues & Benefits will review all the evidence held and will make a decision within 14 days of referral or as soon as practicable.

Where the Head of Revenues & Benefits decides not to revise the original decision, he/ she will tell the customer in writing, setting out the reasons for their decision.

The Head of Revenues & Benefits' decision is final and binding and may only be challenged through judicial review or by complaint to the Local Government Ombudsman.



**Equality Impact Assessment – pro-forma**

<b>Responsible person</b>	<b>Paul Harding</b>	<b>Job Title Corporate &amp; Client Lead</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	
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which, service, MTFP proposal)</b>	<b>Council Tax Support Scheme</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>S33 of the Welfare Reform Act 2012 abolishes Council Tax Benefit. Unlike most other abolished benefits, Council Tax benefit is to be excluded from Universal Credit and the Government has placed a duty on all local authorities to implement a local Council Tax Support Scheme.</p> <p>Local Council Tax Support schemes are to be devised, promoted, adopted and implemented by Local Authorities within the requirements of s13A and Schedule 1A of the Local Government Finance Act 1992. Councils agree and publish their local scheme by January 2013 ready for implementation in April 2013. Taunton Deane Borough Council's Council Tax Support scheme will focus on delivering a fair and affordable scheme which will not disproportionately disadvantage any groups sharing a protected characteristic as defined by the Equality Act 2010.</p> <p>This scheme does not and cannot make any changes to the scheme of discounts and exemptions available in Council Tax.</p>	

The authority will continue to comply with its statutory duty to award discounts and exemptions in appropriate cases for example (but not limited to): where there is a single occupier; where the charge payer has a severe mental impairment; where a band reduction is appropriate because of disability.

The Government announced at Spending Review 2010 that Support for Council Tax would be localised from 2013/14 and expenditure reduced by 10% from the same date.

The current support system ,“Council Tax Benefit” (CTB), is a national means tested scheme.

Decision making is devolved to Billing Authorities with funding paid by the Department of work and Pension from their Annually Managed Expenditure. In essence this means that the authority is reimbursed for 100% of its spend. In future funding for a localised scheme will be paid by the Department for Communities and Local Government from the Departmental Expenditure Limit budget. This means that each authority will receive a fixed grant regardless of its spend.

Whilst the Government expect to reduce their expenditure by 10% (estimated at £700k, of which TDBC's share would be approx £70k), they also require that authorities do not pass on any of the savings required to those of Pension Age. That decision means that the burden falls disproportionately upon those of Working Age.

Protecting all recipients (pensioners and working age) would 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.

### **Key considerations for local scheme**

In developing local Council Tax reduction scheme, councils should consider

- That vulnerable groups should be protected
- That a scheme should create the right incentives to get people back into work and make work

pay

- Delivering fairness to the taxpayer and those claiming benefit
- The obligations under the Public Sector Equality Duty, the Child Poverty Act and the duty to prevent homelessness

The Government is keen to ensure that claimants of state pension age are not affected by any change and therefore they are protected from inclusion in the new local Council Tax Support Scheme.

### **The Proposed Scheme**

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

The current benefit system recognises 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. The authority's proposed scheme continues to include the allowances/premiums that feature in the existing CTB scheme and, as such, the scheme positively recognises those with caring responsibilities.

The key changes which are proposed between our local scheme, for working age claimants, and the current CTB scheme are set out below. Dependant upon household circumstances, more than one of these proposals may apply simultaneously to a household.

- Maximum support will be 75-80% of Council Tax – everyone of working age will have to pay something;

	<ul style="list-style-type: none"> <li>• Non-dependant deductions will be increased;</li> <li>• Second adult rebate to cease;</li> <li>• Child maintenance to be counted as income;</li> <li>• Earned income disregards to rise;</li> <li>• Hardship fund to be established for short term help.</li> </ul> <p>These areas of difference between from the CTB scheme formed the basis of our public consultation.</p>
<p>Which protected groups are targeted by the policy?</p>	<p>The proposed local scheme affects <u>all CTB claimants</u> who are of working age (and those of working age currently not in receipt of CTB but who may apply for Council Tax Support in the future). Although limited equality data is held within TDBC's CTB computer system (as the collection of such information has not been necessary for administering CTB) given the caseload can come from all sections of the community it is likely that there will be claimants (and their household members) which 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 Reassignment</li> <li>• Marriage and Civil Partnership</li> <li>• Pregnancy and Maternity</li> <li>• Race</li> </ul>

	<ul style="list-style-type: none"> <li>• Religion and belief</li> <li>• Sex</li> <li>• Sexual orientation</li> </ul> <p>The Government expects that local authorities will establish schemes that minimise the impact on vulnerable groups.</p> <p>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 the current Council Tax Benefit processing system. The data available has enabled us to analyse impact on people according to their age, disability, family circumstances and level of income.</p> <p>We started the process by looking at different modelling scenarios which have led to a single preferred model being adopted. Other models which restricted benefit based on Council Tax bands (i.e. the higher your Council Tax band the less help you would receive), gross household income (where everyone in the household would have their income added together with no disregards) and including Child Benefit within the means test were disregarded as they disproportionately affect people with large families, disabled people and other vulnerable people.</p> <p>To model these schemes we purchased a tool from our software companies which enabled us to look at scenarios with “live” data based on actual entitlements and claims at that point in time.</p> <p>We asked general diversity questions as part of the consultation exercise.</p> <p><b>Data Sources</b></p> <ul style="list-style-type: none"> <li>• "The State of Somerset" - Feb 2010</li> <li>• TDBC Council Tax Benefit records</li> </ul>

- TDBC Public Consultation response - 5th August 2012 to 5th October 2012
- Somerset District Council's consultation response
- DWP data Housing Benefit and Council Tax Benefit caseload statistics Aug 2012  
*<http://research.dwp.gov.uk/asd/index.php?page=hbctb>*
- Modelling data from Civica OpenRevenues Forecasting utility

### **Citizen Engagement –**

This is a significant policy change which is being driven by Government to a very aggressive implementation date.

There has been extremely limited publicity by the Government to the public relating to this change in the way Council Tax Support is to be funded and the implications this might have upon claimants.

In order 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;
- Correspondence sent to each working age CTB claimant advising them of the abolition of CTB and advising them how to participate in the consultation for the replacement scheme;
- Half page article in Somerset County Gazette, raising awareness of the change and advising the public how to participate in the consultation;
- Met with representatives from certain equality groups;
- Letter to wide range of welfare and community groups within the borough;
- Posters and paper consultation forms in Deane House, Wiveliscome, Wellington, Priorswood and Halcon offices;
- Posters sent to parish/town Councils in order to raise awareness.

To ensure disadvantaged groups can be fully engaged and represented in the consultation process, we have written to a number of community, welfare and special interest groups to highlight our

proposals in order to ensure all sections of the community, particularly those who are, or could be disadvantaged, are given an opportunity to influence the final design of our local scheme.

### **"The State of Somerset" - Feb 2010**

In January 2010, Somerset County Council commissioned the Local Futures Group to produce a 'State of the County' Audit.

The State of Somerset report is designed to assist the County Council and its partners in identifying key characteristics and trends within the county.

Hyperlink to ["The State Of Somerset"](#)

### **Key Observations - Social Profile:**

#### **Age:**

The average age of Somerset's population is above the national average, with an average age of 41.12 years among residents. The sub-region ranks 5th out of 53 sub-regions in terms of average age score. Its demography reflects an elderly population, with the proportion of the population in age brackets between 0 and 44 comparatively low compared the national average, and the proportion aged 45+ well above the national mean. At a district level, the pattern is very much the same.

#### **Population Change:**

Somerset's population grew rapidly between 1991 and 2008, ranking 7th out of 53 sub-regions. The population in Somerset grew by 12.93% between 1991 and 2008, well above the national growth rate of 6.77% and slightly above the regional growth rate of 11.11%. However, in-migration from outside the UK was well below the national average.

**Ethnicity:**

Somerset's non-white population is very small by national standards, ranking the district 44th out of 47 sub-regions. Somerset has a small proportion of non-white residents – only 3.31% compared to a national average of 11.76%. The proportions of mixed, Asian, Black and Chinese are not too dissimilar from the regional averages but still well below the national average. For Taunton Deane there were 3.51% of non-white residents.

**Household Size:**

Average household size in Somerset is below the national average, ranking the sub-region 39th out of the 53 districts. The average household size in Somerset is 2.37, which is well below the national average of 2.41 but very similar to the South West average (2.36). In terms of household structure, Somerset contains a large number of married couples with no children (15.4% of total households compared to 13% in Great Britain as a whole). The proportion of lone parent households is lower than average (4.62% of total households compared to 7.20% nationally). For Taunton Deane the average household size is 2.33, The proportion of lone parent households is higher than average (8% of total households compared to 7.20% nationally).

**Prosperity:**

On a ranking of prosperity scores, Somerset performs around the national average, coming 29th out of 53 sub-regions. Prosperity is measured by average annual residence based income. Somerset's average annual income was £22,750 in 2006/07 which was below the national average of £25,362. Taunton Deane households had an average income £22,200; lower than the national average.

**Deprivation:**

Deprivation in Somerset is well below the national average, ranking the county 35th out of 47 sub-regions. Somerset's 'deprivation score' of 73.70, is lower than the national average (100) and the regional figure (81.82), indicating that, although clearly significant for the individuals concerned, deprivation within Somerset is not as widespread or as generally severe in Somerset as it is in may



parts of the County. For TDBC the 'deprivation score' is 72.55.

**Health:**

Somerset's health score is well above the national average and it is ranked 5th out of 49 sub-regions. Average life expectancy in Somerset is 81.01 years, which is higher than the national average (79.68 years). On other lifestyle-related health measures, Somerset performs generally well with infant mortality rates and standardised mortality ratio both below the national average. The only aspects where the sub- region underperforms in are the proportion of residents who are obese and the proportion who smoke, which are both above the national average. The state of the sub-region's health is also reflected in the lower than average number of incapacity benefit claimants. At a district level, Taunton Deane had 62.37 claimants of Incapacity benefit per 000 population. This is higher than the Somerset and South West averages but still below the national average of 65.8.

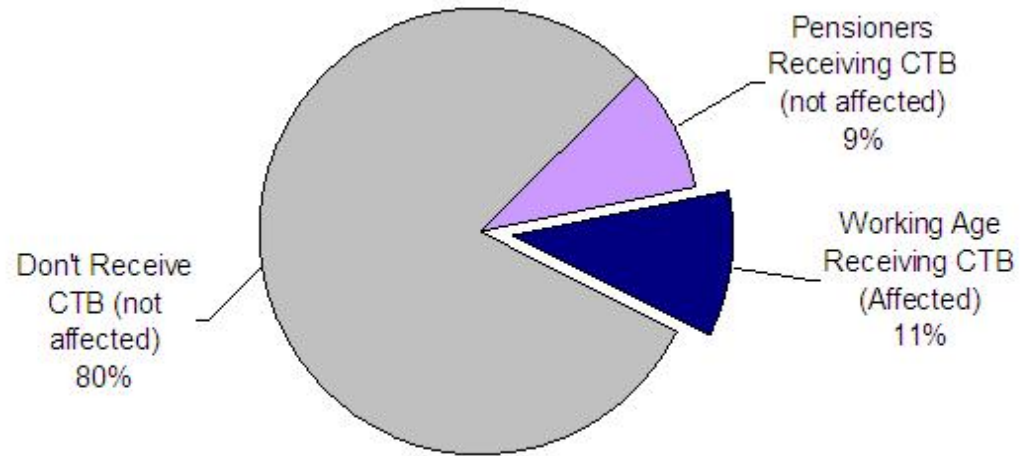
**Council Tax Benefit Caseload Data (April 2012)**

The following caseload data shows that in terms of expenditure there is a similar split between that for pensioner households and working age households.

What this means is that if we were to pass on the likely 10% cut in Government funding , since pensioners are protected, we would have to make the 10% cut across only 50% of our caseload (e.g. the working age claimants). This would lead to a minimum 20% cut in Council Tax Benefit across that group, meaning all would receive less Council Tax Support and consequently would have more Council Tax which they would have to pay themselves.

	<p><b><u>Caseload</u></b></p> <ul style="list-style-type: none"> <li>• Pension Age 4,084 £3.36m</li> <li>• Working Age 4,756 £3.54m</li> </ul> <p style="text-align: right;"><b>8,840 £6.9m</b></p> <p><b><u>Working Age</u></b></p> <table border="0"> <tr> <td>Passported (no TDBC means test)</td> <td style="text-align: right;">2,589</td> <td style="text-align: right;">£2.24m</td> </tr> <tr> <td>Standard (TDBC means test)</td> <td style="text-align: right;">2,187</td> <td style="text-align: right;">£1.30m</td> </tr> </table> <p>TDBC has approx 45,000 properties which are subject to Council Tax. Of these approximately 4,700 households have Council Tax payers who are of working age and who receive Council Tax Benefit. These households, approximately 11% of all households in Taunton Deane are directly affected by our proposed new local Council Tax Support Scheme. These are represented by the navy blue segment in the chart on the next page. Those who do not receive Council Tax Benefit (approx 80% of our total households) are not affected by these proposals. Similarly households where the Council Tax payer is a pensioner and receives Council Tax benefit are also not affected by these proposals due to the 'pensioner protection' rules which the Government will prescribe.</p>	Passported (no TDBC means test)	2,589	£2.24m	Standard (TDBC means test)	2,187	£1.30m
Passported (no TDBC means test)	2,589	£2.24m					
Standard (TDBC means test)	2,187	£1.30m					

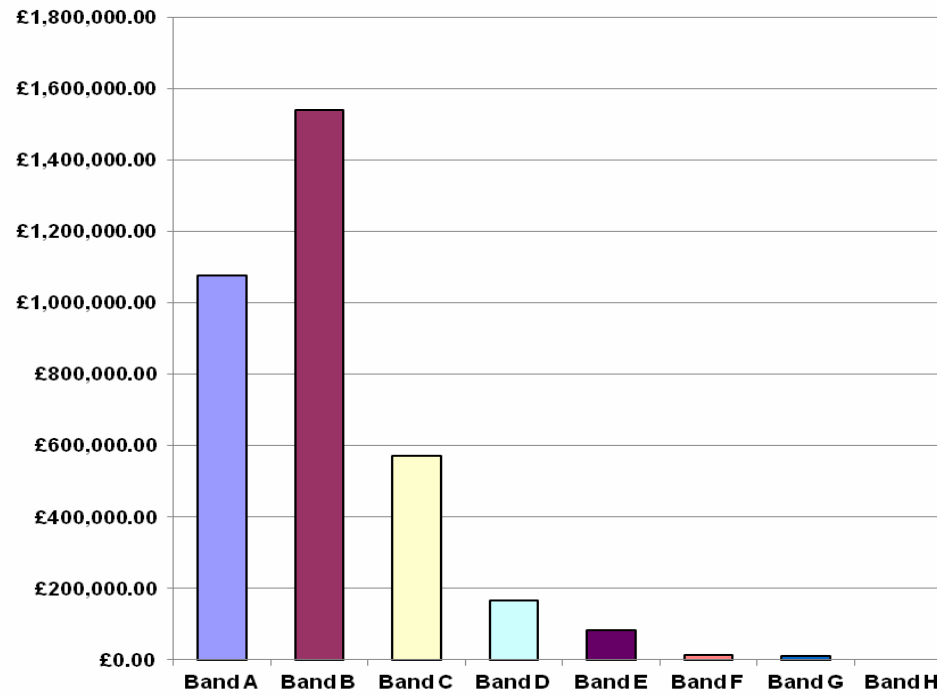
### % of Council Tax Payers Affected by this Change



### Council Tax Benefit by Property Size / Value - TDBC

The following chart shows the spread of Council Tax Benefit awards (by value) between the various Council Tax property bands. This clearly illustrates that most CTB is paid to households in the smaller sized / lower value properties within the borough (bands A, B and C : band A being the lowest value). By contrast very little Council Tax Benefit is awarded to households in the higher value properties.

Value of CTB Awards by Band - 2012



**Section two – Conclusion drawn** about the impact of policy change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

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

### **Age - Pensioner aged 61+:**

The proposed scheme 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 stated in their "Localising Council Tax – EIA" in January 2012 that...

*"The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform".*

The Government is committed to protecting pensioners on low incomes and therefore will prescribe a scheme for pensioners through legislation.

Under the current Council Tax Benefit regulations a person becomes eligible for pensioner-related Council Tax Benefit at the age at which they can qualify for State Pension Credit (the pensionable age for a woman). From April 2013, the qualifying age will be 61. This means that pensioners nationally as well as in Taunton Deane will not see any reduction in their Council Tax Support in comparison with their current levels of Council Tax Benefit. Pensioners will still be entitled to claim up to 100% of their Council Tax liability as a benefit.

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 and there is a risk of harming the relationship between pensioners and working age claimants of Council Tax Support when it is realised that pension age claimants are not affected and that working age claimants will see a greater percentage reduction to their Council Tax Support to cover the shortfall in funding that affects all people who can claim Council Tax Support.

The new scheme will discriminate on grounds of age because of the requirement to protect pensioners. The current CTB system treats pensioners more favourably than people of working age because allowances for pensioners are more generous, and in that sense there is no change, as pensioners will continue to be treated more favourably than those of working age. However, with a proposed cap on maximum benefit for working age people, under the proposed Council Tax Support scheme the differential, in terms of favourable

outcome between pensioners and those of working age will widen.

### **Age – under 18**

The minimum age for receiving Council Tax Support will be 18 (as now) and so people under the age of 18 will not be impacted directly by the proposed Council Tax Support 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 proposed Council Tax Support scheme will retain the majority of the current Council Tax Benefit assessment rules including the use of applicable amount and personal allowances.

The personal allowances and applicable amounts currently used to calculate Council Tax Benefit 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 benefit if they have children or dependents under the age of 18.

For example, a single person aged over 25 is deemed to have weekly needs of £71. This is increased to £218.38 for a lone parent with two children which leads to a more generous assessment of benefit and the lone parent will have to pay less Council Tax than the single person.

The Council Tax Support scheme also intends to retain the current disregard of Child Benefit in income calculations which means that the added income that Child Benefit provides will not reduce the amount of Council Tax Support that a claimant receives.

### **Age - People between 18 and 60**

There will be a financial impact on all Working age claimants as a result of this proposal. It will see a reduction in Council Tax Support in comparison to their current levels of Council Tax Benefit of approximately 20%. The financial modelling process has determined that an equal percentage cut of approximately 20% will allow for the anticipated £700k annual funding shortfall from April 2013. As pension age claimants are not to be affected by the new scheme, the funding shortfall will be passed on to all working age claimants between

18 and 60 (18 is the minimum age for applying for Council Tax Support). Spreading the impact of the funding shortfall over the largest group possible (all working age claimants between 18 and 60) keeps reductions in the level of Support awarded as low as possible at individual household level.

By limiting the maximum benefit to a % of Council Tax payable it preserves, and in fact strengthens, the underlying principle of Council Tax that those occupying the largest homes should pay the most Council Tax.

Some claimants aged 18 and 60 years will potentially be further affected through the proposals to increase the level of non-dependant deductions. We believe it is fair and reasonable to expect adult members of a household (even where they are not the owner or the tenant) to help the owner or tenant meet the costs of their Council Tax, as opposed to Council Tax payers in general subsidising such households.

However, we have resisted the option to dramatically increase non dependant deductions as we are conscious that non-dependant deductions relating to Housing Benefits (over which we have no control) have been significantly increased in each of the last 2 years and will rise again in 2013. We are concerned that the combined effect of increasing Council Tax Support non-dependant deduction at the same time as the Housing benefit deductions are rising significantly could increase the likelihood of grown-up children of claimants being asked to leave households. This could have increased the likelihood of homelessness amongst this group in particular. The majority of our non-dependants are believed to be in the 18-34 years age group.

### **Age – People between 18 and 34**

Changes to Housing Benefit legislation in January 2012 had an impact on claimants of Housing Benefit aged under 35. From January 2012, single claimants without children or a disability who are under the age of 35 are only entitled to the Shared Accommodation Rate of Local Housing Allowance. This used to apply only to claimants under 25 but was changed and claimants between the ages of 25 and 34 saw a reduction in their Housing Benefit of approx £20 per week.

Council Tax Support will impact this group as all claimants of Housing Benefit and Council Tax Support from April 2013, between the ages of 18 and 34, will receive the Shared Accommodation Rate of Local Housing Allowance and will see an increase in their Council Tax bill of approximately 20%. Those currently in receipt of a passported benefit such as Income Support will have to pay approximately 20% of their Council Tax liability, which for some will be for the first time they have had to make any payment themselves toward Council Tax.

This group is potentially the most financially disadvantaged of all the groups identified as they receive the lowest amount of Housing Benefit and do not receive any other state benefits other than Job Seeker's Allowance, Income Support or Employment Support Allowance – and all at the lowest rates.

The Council is committed to preventing homelessness and as part of the Council Tax Support scheme will aim to consult with this group of people through a direct mailshot to all working age CTB claimants as well as local community groups and charities working with single, young people at risk of homelessness.

As a Class of Persons, this group is not defined by the Local Government Finance Bill and it is not expected to be defined by any supplementary regulations, however we have identified this as a group at risk of homelessness and the social exclusion and poverty associated with homelessness.

For this group of people there is however very much a national move by the Government to encourage single working age claimants to live in shared accommodation (such as a room in a house) rather than occupying self contained flats or houses. This is evident from the restrictions imposed by Government on this group relating to Housing Benefit entitlement. Those who move to a house in multiple occupation will generally not be liable for the payment of Council Tax. Therefore, this may be a route open to this group for avoiding additional Council Tax expenditure which would otherwise result from our proposed Council Tax Support Scheme.

### **Disability**

We hold limited data on our Council Tax system to identifying the names or numbers of current CTB claimants who share this protected characteristic.

One of the main considerations when proposing the Council Tax Support scheme has been with regard to additional protections for people with disabilities. As outlined previously under age the new Council Tax Support scheme proposes to retain the current Council Tax Benefit assessment rules on the use of applicable amount and personal allowances.

The personal allowances and applicable amounts currently used to calculate Council Tax Benefit 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 benefit 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.



As an example, a couple without children or disabilities is deemed to have weekly needs of £111.45. If one of them has a disability, depending on the severity of that disability, this can increase to £303.70 which means that a more generous assessment of Council Tax Support will be made and the couple will have to pay less Council Tax than a couple without disability.

In common with all working age CTB claimants, people with disabilities who currently claim CTB will nevertheless receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on disabled people as a specific group.

Outside of our proposals for Council Tax Support, the Council Tax scheme itself recognises disability by exempting those that have a severe mental impairment, the proposed Council Tax Support 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 which 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 this proposed scheme. This feature of Council Tax will also be unaffected by our proposed Council Tax Support scheme.

### **Gender Reassignment**

We hold no data on our Council Tax system to identifying the names or numbers of current CTB claimants who share this protected characteristic.

Gender reassignment will not be a factor in any part of the assessment of Council Tax Support and it is not considered to be a characteristic which requires a higher applicable amount when assessing benefit.

In common with all working age CTB claimants, transgendered people who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on transgendered people as a specific group.

## **Marriage and Civil Partnership**

The Council Tax Support scheme proposes to retain the majority of the assessment criteria used currently in the assessment of Council Tax Benefit which specifies that a 'couple' is:

- A man and woman who are married to each other and are members of the same household
- A man and woman who are not married to each other but are living together as husband and wife
- Two people of the same sex who are civil partners of each other and are members of the same household
- Two people of the same sex who are not civil partners of each other but are living together as if they were civil partners.

Marital or civil partnership status is not currently a factor in determining the amount of Council Tax Benefit a couple receives and will not be a factor when assessing Council Tax Support as it is not considered to be a characteristic which requires a higher applicable amount.

Our proposed scheme recognises and retains the treatment rules for those in Polygamous marriages.

In common with all working age CTB claimants, married, unmarried and those in a civil partnership who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on their marriage or civil partnership status.

## **Pregnancy and Maternity**

For the purposes of Council Tax Support, pregnancy and maternity must be considered as two separate characteristics as while the claimant 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 Council Tax Benefit and will not be a factor in the assessment of Council Tax Support as it is not considered to be a characteristic which requires a higher applicable amount.

Providing that the child (or children) forms part of the mother's household composition once it is born, the claim for Council Tax Support

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 Council Tax Support and reduced Council Tax payments.

The Council Tax Support scheme intends to retain the current disregard of Child Benefit in income calculations which means that the added income that Child Benefit provides will not reduce the amount of Council Tax Support that a claimant receives as a result of having a baby.

In common with all working age CTB claimants, pregnant claimants, who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on their pregnancy status.

## **Race**

We do not gather data on race as part of the Council Tax Benefit claim process. We do not therefore hold full data specific to race within our caseload.

Race is not a factor in the assessment of Council Tax Benefit and will not be a factor in the assessment of Council Tax Support as it is not considered to be a characteristic which requires a higher applicable amount.

In common with all working age CTB claimants, people of all races, who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on their race status.

However, it should be noted that The Local Government Finance Bill will define a 'class of persons' who will be restricted from receiving Council Tax Support nationally and this is expected to include 'persons from abroad'. The Government intends to apply the same restrictions as exist under the Council Tax Benefit system to exclude foreign nationals with limited immigration status and non-economically active EEA individuals who are not exercising EU treaty rights from receiving Council Tax Support. TDBC will have no choice about this.

## **Religion and Belief**

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

Religion and belief will not be 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 when assessing benefit.

In common with all working age CTB claimants, people of all or no religion or belief, who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on their religion or belief status.

## **Sex (gender)**

There are a greater number of female claimants of Council Tax Benefit within our caseload (either single, lone parents or part of a couple) than male claimants.

Consequently more females will be impacted by changes made to the Council Tax Benefit scheme than males This is not deliberate but is simply a product of the makeup of our caseload. In another part of the country the split may be different.

However, Sex (gender) will not be a direct 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 when assessing benefit.

In common with all working age CTB claimants, both men and women, who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the proposal to treat child maintenance as income within the means test (for those not in receipt of Income Support, Income-Related Jobseekers Allowance and income-related Employment and Support Allowance), is likely to affect more women than men as those women, either as part of a family or as lone parents, are the greatest recipients of such an income source.

Women (or men, but most commonly women) in receipt of child maintenance have the potential to experience a greater overall reduction in Support, as a result of this part of our proposal and the proposal to cap maximum liability at 80% of Council Tax payable,

than any other group. The reduction in Support (above the possible 20% for all working age claimants) will be dependant upon the amount of child maintenance received. There will be a direct correlation between income (of which child maintenance will be a part) and Council Tax Support received. In this way our treatment of child maintenance is progressive in so far as the reduction in Council Tax Support increases in line with income levels. For example, a person receiving £25 per week in child maintenance will see their Council Tax Support reduced by £5 per week, a person receiving £50 per week in child maintenance will see their Council Tax Support reduced by £10 per week.

### **Sexual Orientation**

Sexual orientation will not be 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 when assessing benefit.

All working age CTB claimants, people who currently claim CTB will receive less Council Tax Support under the proposed scheme than they do now. However, the limited changes between CTB and our local Council Tax Support scheme are not such as to introduce disproportionately adverse effects on people based on their sexual orientation.

### **General Conclusion:**

During the development of a local 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 scheme that is being proposed acknowledges that recipients of benefits need to contribute more to meet the funding shortfall but also looks to protect people with protected characteristics as much as possible. All citizens will be expected to pay something toward their Council Tax. This will result in approximately 2,500 additional households having to pay something toward their Council Tax which presently they are not expected to do.

We have tried to mirror as much of what currently exists in the national Council Tax Benefit system into the local CTS scheme. Different favourable treatment of income and allowances of disabled people and women with children are carried over into our local scheme so it is our view that, although all working age households will receive less Support under the local scheme than under CTB, this does not introduce a disproportionate adverse impact on any of the groups with protected characteristics.

<b>I have concluded that there is/should be:</b>	
No major change - no adverse equality impact identified	
Adjust the policy/decision/service	
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 9th August 2012 and 5th October 2012.</li> <li>2. Consider responses to the consultation 5th October 2012 to 18th October 2012.</li> <li>3. Present report on proposed scheme and consultation analysis to Corporate Scrutiny committee 25th October 2012.</li> <li>4. Present report on proposed scheme and consultation analysis to the Executive 14th November 2012.</li> <li>5. Make a decision on the scheme at Full Council on 5th December 2012</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 2013/14 (From late Feb/early March 2013).</li> </ol>	
<b>Section Five – Sign off</b>	
Responsible officer <b>Paul Harding</b>	Management Team
Date	Date
<b>Section six – Publication and monitoring</b>	
Published on	

Next review date	Date logged on Covalent
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## Action Planning

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

Actions table					
Service area	Revenues & Benefits		Date	17 October 2012	
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.	Creation of a discretionary hardship fund	Corporate & Client Lead	1st April 2013	Weekly monitoring of expenditure and request by Revenues & Benefits service via spreadsheet or within Civica system.	To provide short-term help for instances of hardship.
Less support will mean more low income	Proactive approach to debt management	Principal Revenues	1st April 2013	Bad debt data (caseloads etc)	To attempt to intervene at an early point and avoid additional costs being incurred for late payment

households having to pay Council Tax, including those with protected characteristics. limited means could result in late payment /non-payment.		Officer			wherever possible
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 2013		To help citizens plan and budget.
Low income households, including those with protected characteristics will be affected by the proposed	Monitoring of impacts post April 2013	Revenues & Benefits Manager	Throughout 2013/14	Applications for hardship, complaints, & general correspondence from public. On-going	To identify unexpected impacts of the local CTS scheme with a view to making adjustments to the scheme the following year, if practicable.



changes.				consultation with groups involved in consultation summer 2012 as well as the Revenues & Benefits Customer Forum.	
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 2013/14		To lessen financial impact on citizens through either increasing income or reducing Council Tax.
Less Support available for low income households, including those with protected characteristics, to meet their	Signposting – particularly from those geographic communities that are most likely to be impacted e.g. making best use of Link / Resource Centres / Wellington Community Office. - possible benefit surgeries.	Revenues & Benefits Manager	Throughout 2013/14		To enable ready access to advice and information on CTS, discounts and assistance available, in order to minimise impact upon citizens.

Council Tax. Approximately 2,500 additional households having to pay Council Tax, some for the first time.					
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## **APPENDIX 1**

### **List of people/groups/organisations contacted during the consultation period**

The groups written to include:

- Taunton CAB
- Shelter
- The Royal British Legion
- Taunton Association for the Homeless
- Age UK Somerset
- Age Concern
- Rethink- Taunton
- Community Council for Somerset
- Taunton Credit Union
- Somerset Older Citizens Alliance
- Compass Disability
- Somerset Sight
- SREC
- Migrants Support Association
- MECA
- Somerset Faith and Belief Forum
- WENS
- THT
- SLN
- QwesT
- SSAFA
- Add1
- Unison (Taunton Deane BC Branch)

Dedicated face to face sessions have also been arranged to talk through our proposals with the Gypsy and Traveller forum, Compass Disability as well as the TDBC Revenues and Benefits Customer Forum.

## APPENDIX 2

### Examples of impact on different benefit recipients

#### Single – (over 25 yrs) - Not working



Council Tax Band	A (Taunton)
Claimant's Household	1 Adult
Claimant's Weekly Income Source's)	Job Seekers Allowance £71.00
Claimant's Total Weekly Income	<b>£71.00</b>
<b>Council Tax Now</b>	Council Tax Payable £938.25 Less 25% sole occupier discount -£234.56 Less Council Tax Benefit - £703.69 <b>Payable £0.00</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £938.25 Less 25% sole occupier discount -£234.56 Less Council Tax Support -£562.95 <b>Payable £140.74</b>
Extra Council Tax to pay	£140.74 per year (£2.71 per week) Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%
Extra to pay - as a % of claimant's total weekly income	<b>3.82%</b>

## Single – (under 25 yrs) Not working



Council Tax Band	A (Taunton)
Claimant's Household	1 Adult
Claimant's Weekly Income Source's)	Job Seekers Allowance £56.25
Claimant's Total Weekly Income	<b>£56.25</b>
<b>Council Tax Now</b>	Council Tax Payable £938.25 Less 25% sole occupier discount -£234.56 Less Council Tax Benefit - £703.69 <b>Payable £0.00</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £938.25 Less 25% sole occupier discount -£234.56 Less Council Tax Support -£562.95 <b>Payable £140.74</b>
Extra Council Tax to pay	<u>£140.74 per year</u> (£2.71 per week) Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%
Extra to pay - as a % of claimant's total weekly income	<b>4.82%</b>

## Single (Disabled) – Not working



Council Tax Band	A (Wellington)
Claimant's Household	1 Adult
Claimant's Weekly Income Source's)	DLA Care & Mobility £105.90 Incapacity Benefit £128.59 War Disablement Pension & Mobility £95.24 Other £17.52
Claimant's Total Weekly Income	<b>£347.25</b>
<b>Council Tax Now</b>	Council Tax Payable £950.70 Less 25% sole occupier discount -£237.68 Less Council Tax Benefit - £713.02 <b>Payable £0.00</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £950.70 Less 25% sole occupier discount -£237.68 Less Council Tax Support -£570.42 <b>Payable £142.60</b>
Extra Council Tax to pay	<u>£142.60 per year</u> (£2.74 per week)  Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%.
Extra to pay - as a % of claimant's total weekly income	<b>0.79%</b>

## Lone Parent – Not working



Council Tax Band	B (Wellington)
Claimant's Household	1 Adult 2 Children (age 11 & 5)
Claimant's Weekly Income Source's)	Child Benefit £33.70 Child tax Credit £109.53 Widowed Parents Allowance £124.61
Claimant's Total Weekly Income	<b>£267.84</b>
<b>Council Tax Now</b>	Council Tax Payable £1109.14 Less 25% sole occupier discount -£277.29 Less Council Tax Benefit - £821.75 <b>Payable £10.10</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £1109.14 Less 25% sole occupier discount -£277.29 Less Council Tax Support -£655.38 <b>Payable £176.05</b>
Extra Council Tax to pay	<u>£165.95 per year</u> (£3.19 per week) Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%
Extra to pay - as a % of claimant's total weekly income	<b>1.19%</b>

## Couple – (over 25 yrs) not working



Council Tax Band	B (Taunton)
Claimant's Household	2 Adults
Claimant's Weekly Income Source's)	Job Seekers Allowance £111.45
Claimant's Total Weekly Income	<b>£111.45</b>
<b>Council Tax Now</b>	Council Tax Payable £1094.60 Less Council Tax Benefit - £1094.60 <b>Payable £0.00</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £1094.60 Less Council Tax Support -£875.68 <b>Payable £218.92</b>
Extra Council Tax to pay	<u>£218.92 per year</u> (£4.21 per week) Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%
Extra to pay - as a % of claimant's total weekly income	<b>3.77%</b>



## Single - with non-dependant - Working



Council Tax Band	B (Taunton)
Claimant's Household	1 adult & 1 non-dependent aged 20 years (both working)
Claimant's Weekly Income Source's)	Earnings £97.61
Claimant's Total Weekly Income	<b>£97.61</b>
<b>Council Tax Now</b>	Council Tax Payable £1094.61 Less Council Tax Benefit - £705.98 <b>Payable £388.63</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £1094.61 Less Council Tax Support -£325.58 <b>Payable £769.03</b>
Extra Council Tax to pay	<u>£380.40 per year</u> (£7.32 per week)  Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100% and an increase in the non-dependant deduction. However, this is partly offset by increase in employed income disregard.
Extra to pay - as a % of claimant's total weekly income	<b>7.5%</b>

## Lone Parent – Working



Council Tax Band	B (Taunton)
Claimant's Household	1 Adult 2 Children (age 10 & 6)
Claimant's Weekly Income Source's)	Earnings £166.12 Child Benefit £33.70 Child Tax Credit £149.39 Working Tax Credit £53.96
Claimant's Total Weekly Income	<b>£403.17</b>
<b>Council Tax Now</b>	Council Tax Payable £1094.60 Less 25% sole occupier discount -£273.65 Less Council Tax Benefit - £518.62 <b>Payable £302.33</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £1094.60 Less 25% sole occupier discount -£273.65 Less Council Tax Support -£484.79 <b>Payable £336.16</b>
Extra Council Tax to pay	<u>£33.83 per year</u> (£0.65 per week)  Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%. However, this is partly offset by increase in employed income disregard.
Extra to pay - as a % of claimant's total weekly income	<b>0.16%</b>

## Couple – Working



Council Tax Band	B (Bishops Lydeard)
Claimant's Household	2 Adults
Claimant's Weekly Income Source's)	Earnings £193.78 Working Tax Credit £37.83
Claimant's Total Weekly Income	<b>£231.61</b>
<b>Council Tax Now</b>	Council Tax Payable £1109.82 Less Council Tax Benefit - £131.34 <b>Payable £978.48</b>
<b>Council Tax From 1 April 2013</b>	Council Tax Payable £1109.82 Less Council Tax Support -£18.95 <b>Payable £1090.87</b>
Extra Council Tax to pay	<u>£112.39 per year</u> (£2.61 per week)  Reduction is due to having entitlement based on 80% of the Council Tax Charge rather than 100%. However, this is partly offset by increase in employed income disregard.
Extra to pay - as a % of claimant's total weekly income	<b>1.12%</b>