

## **Taunton Deane Borough Council**

### **Council Meeting – 15 December 2015**

#### **Part I**

To deal with written questions to, and receive recommendations to the Council, from the Executive.

#### **(i) Councillor John Williams**

##### **(a) Fees and Charges 2016/2017**

The Executive has given consideration to the proposed fees and charges for 2016/2017 for the following services:-

- Cemeteries and Crematorium – It was proposed to increase the main cremation fee by £50 to £700 and make minor increases for other charges within the service. This was likely to increase income by £75,000;
- Waste Services – The Somerset Waste Partnership proposed to increase its charges for the Garden Waste Service Charge from £48 to £53 as well as a modest increase to the cost of garden waste sacks. It was anticipated this would generate additional income of £50,000;
- Housing Services – In accordance with the 30 year Housing Business Plan, it is proposed to increase housing (non-rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2015 (0.8%). The increases were likely to generate £2,800 for the Housing Revenue Account;
- Court Fees - Due to a recent High Court Case Local Authorities are required to review and detail the breakdown of how costs are calculated. The proposal is a single charge added at the point the summonses are issued, where previously a separate Liability Order fee was added at the date of the hearing. The implementation of the new fee of £74.15 would take effect from 16 December 2015 and will generate additional income of £3,500.

No increases to the fees charged by Land Charges, Licensing, Planning, Environmental Health, Promotional 'Rotunda Units', Building Control and Freedom of Information are proposed.

The results of previous public consultation events have clearly indicated that the public prefer to see increases in fees and charges, rather than in Council Tax, as a way for the Council to raise income.

Therefore, where possible, fees have been increased to take these views into

account.

The Corporate Scrutiny Committee also considered this matter at its meeting on 19 November 2015 and its comments have been taken into consideration.

It is therefore **recommended** that the fees and charges for 2016/2017 in respect of Cemeteries and Crematorium, Waste Services, Housing Services, and Court Fees be agreed.

## **(b) New Homes Bonus – Funding towards Growth and Regeneration Priorities**

Growth remains a top priority for the Council. This commitment has been reflected over recent years, by Members' allocation of New Homes Bonus (NHB) funding, primarily for growth and regeneration purposes.

In 2013, Members approved the following list of growth schemes that were intended to have 'first call' on NHB growth funding:-

- Firepool infrastructure and planning (£3.5m);
- Toneway Corridor Transport improvements (£23m);
- Junction 25 Improvements (£9.2m);
- Taunton Strategic Flood Alleviation works (£15m).

Although it was accepted that NHB receipts would not be sufficient to fund these schemes in total, the NHB funding could nevertheless provide an important 'match funding' contribution towards them, with support from other funding partners increasing the likelihood of delivery.

Since 2013, the Council has achieved significant success with partners in taking forward its growth priority. Examples of success include:-

- Joint agreement (with Somerset County Council) of a *Growth Prospectus for Taunton*, establishing a clear vision for Taunton's economic success and a list of key growth projects to accelerate delivery.
- Funding awards for major transport schemes, including Taunton Rail Station enhancement (£4,600,000), Junction 25 improvement (£12,000,000) and dualling of A358 between A303 and J25 (c. £275,000,000).
- Roll-out of Superfast Broadband to at least 90 per cent of properties through phase 1 of the *Connecting Devon and Somerset* programme in a £52m contract by end 2016.
- Development of an alternative and commercially viable proposal for the Firepool site, consistent with the *Taunton Rethink*, which will bring forward

an exciting mixed use scheme.

- Approval of a Delivery Strategy for the redevelopment of the Coal Orchard site, and appointment of consultants to progress the next phase.
- Transformation of the landmark Market House Building, providing a new home for the Taunton Visitor Centre as well as a new high quality restaurant.
- £1.2m funding for Wiveliscombe Enterprise Centre.
- Shared commitment of key partners to delivery of a major new strategic employment site adjacent to Junction 25, providing up to 4000 jobs and stimulating growth in higher value business.
- Government funding for a dedicated delivery team for the Monkton Heathfield Urban Extension, providing 4,500 new homes.

Having made significant progress, it is now appropriate for the Council to renew and refresh its plans for allocation of NHB, so that spending plans are aligned as far as possible with current and emerging growth priorities.

A number of growth spend categories are proposed, reflecting the priorities established in the Taunton Growth Prospectus and aligned with the relevant plans and priorities of key partners. Having such funds allocated will enable the Council to respond quickly to commercial and funding opportunities to support growth, which in turn will facilitate the realisation of Taunton's economic vision and key economic benefits - as defined in the approved Taunton Growth Prospectus.

The following table outlines a number of proposed growth spend categories, the NHB commitment proposed for each category over the period 2016/2017 – 2020/2021 the NHB balance remaining in each of the financial years shown. The current projected closing balance (end 2015/2016) for unallocated NHB is an estimated £1,960,000.

### **Proposed NHB Allocation and Indicative Spend Profile**

<b>Growth project / category</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>Total NHB allocation £</b>
Taunton Strategic Flood Alleviation			1,000,000	1,000,000	1,000,000	<b>3,000,000</b>
Major transport schemes	400,000	800,000	1,000,000	300,000		<b>2,500,000</b>
Town Centre regeneration	500,000	750,000	750,000	500,000		<b>2,500,000</b>

Employment site enabling and innovation to promote Growth		2,000,000	2,000,000			<b>4,000,000</b>
Urban Extensions		1,000,000	1,000,000	1,000,000	1,000,000	<b>4,000,000</b>
Marketing, Promotion and Inward Investment	100,000	100,000	100,000	100,000	100,000	<b>500,000</b>
Preparation of LDOs	50,000	50,000				<b>100,000</b>
<b>Total NHB allocation</b>	<b>1,050,000</b>	<b>4,700,000</b>	<b>5,850,000</b>	<b>2,900,000</b>	<b>2,100,000</b>	<b>16,600,000</b>
<b>Estimated NHB receipt</b>	3,890,106	4,014,306	3,882,741	3,711,974	3,651,974	
<b>Less allocation to annual GF budget</b>	392,000	392,000	392,000	392,000	392,000	
<b>Indicative year end unallocated NHB balance (rounded)</b>	4,410,000	3,330,000	970,000	1,390,000	2,550,000	

The following are proposed as principles that will guide the spending of allocated NHB funds. These have been updated to reflect views expressed by the Corporate Scrutiny Committee on 17 November 2015 where the proposals were generally supported:-

- A Business Case for funding should be provided to the Director and relevant Portfolio Holder, justifying the proposed investment in terms of contribution to growth and regeneration priorities and/or potential for financial return.
- NHB contributions for physical infrastructure projects should normally be used as match funding, or to attract match funding, from other sources as part of a total funding package.
- NHB funding in the above categories can be used to fund specialist expertise and project related costs that will be required to deliver key schemes, as well as costs associated with 'hard infrastructure'.
- The NHB funding allocation and indicative profile will be refreshed annually, to ensure that spending plans remain aligned with an evolving picture of external funding secured, opportunities for new funding and new growth priorities.
- The profile of spending shown is indicative. With approval of the Director and relevant Portfolio Holder, spend may fall outside of the indicative years shown, within the overall sum allocated for the category and subject to sufficient NHB balance being available.

- The principles for NHB spend do not apply to the Community Infrastructure Levy, for which separate governance arrangements have been established.
- Decisions on project spend within allocated budgets will be taken by the Director – Growth and Development, in consultation with the Leader of the Council and the relevant Portfolio Holder.
- The Growth Steering Group will have an overview of all major spending on growth projects and additional monitoring by Councillors will occur through Budget Monitoring reports.
- Any significant single items of expenditure (with a value of more than £250,000) will be published in the Weekly Bulletin and therefore subject to the usual 'call in' process.

The request to support the above prioritisation of NHB will enable these outline plans to be factored into the Medium Term Financial Plan, with initial requests in respect of 2016/2017 being included in the final budget proposals for next year.

The medium term proposals are predicated on the NHB funding regime remaining in its current form. However, the Government's Autumn Statement has thrown some doubt on the long term availability of NHB funding.

It is therefore **recommended** that:-

- (1) The principles of spending be approved;
- (2) The proposed allocation of New Homes Bonus in 2016/2017 budgets (as part of the Budget approval process) be also approved; and
- (3) The growth spend categories and proposed New Homes Bonus commitment for 2017/2018 to 2020/2021 be incorporated within the draft Medium Term Financial Plan and Capital Programme (subject to annual review).

## **(ii) Councillor Terry Beale**

### **Sheltered Housing Service and Charges**

Taunton Deane Borough Council currently owns, manages and provides housing related support services to a total of 880 Sheltered Housing Council Tenants.

The Council's Sheltered Housing is currently comprised of two separate but highly related elements:-

- 'Designated accommodation' – This is a flat or bungalow, which is equipped with an interactive alarm system. The accommodation is paid for by tenants in the form of rent and service charges. Tenants on low incomes can claim

Housing Benefit to assist with both the rent and 'Housing Benefit eligible' service charges; and

- 'Housing related support' – This can include regular and occasional welfare checks that provide reassurance and a minimal level of social contact. The support can also help with basic household tasks too. The housing related support service is paid for by Somerset County Council grant – formerly Supporting People funding.

Over the last few years the Council's contract with Somerset County Council (SCC) to provide housing related support to its Sheltered Housing Tenants has reduced significantly. In 2012/2013 the overall contract value was £244,223.48, reducing to £229,570.07 in 2013/2014.

Following a comprehensive review of commissioned services by SCC throughout 2013/2014 a new contract was entered into by the Council to provide housing related support to its Sheltered Housing Tenants. The overall value of the new contract is £153,046.71 per year for the period October 2014 to October 2018.

In addition, SCC's review has also redefined key elements of its service contract specification, such as:-

- Limiting the provision of support to people with higher level support needs;
- Providing support that is focussed on helping people to develop ways of coping with the things they are finding difficult and will be increased, reduced or stopped according to their needs at any given time; and
- Providing support only where the person has no other means of meeting their needs.

As a direct consequence, Taunton Deane is having to make changes to the housing related support service it currently delivers to its Sheltered Housing Tenants which seeks to promote independence and supports all tenants to achieve economic wellbeing, stay safe, be healthy, enjoy and achieve and make a positive contribution.

The service is generally well regarded by all Sheltered Housing Tenants achieving consistently good levels of satisfaction ratings over many years.

The proposed new sheltered housing service for tenants will continue to respond to the aging population on our Sheltered Housing schemes. The service will have a positive social impact, helping tenants to lead active and independent lives.

Listed below is what a tenant should expect from the proposed new Sheltered Housing service which is a base line service that every tenant will receive:-

(1) Additional housing management – To include:-

- Help on entering the service;
- Preventing tenancy breakdown;
- Help with maintaining security; and

- Help with moving on;
- (2) Community development;
- (3) Tenant involvement and empowerment;
- (4) Housing related support service; and
- (5) Deane Helpline and Emergency Response service.

At present, the amount of weekly service charge a tenant pays for their Sheltered Housing service depends on the type of Sheltered Housing scheme on which they reside.

In the existing service charges, a tenant residing on a 'low level scheme' would receive less regular contact from staff and this would be classed as the baseline service. However, a tenant residing on a more 'standard Sheltered Housing scheme' may require more regular visits and increased contact.

The usual current service charges applied to Sheltered Housing Tenants rent accounts for 2015/2016 are shown below. However some tenants have a tenancy that has 'protected rights' in relation to the sheltered component of their service charge:-

<b>Type of service</b>	<b>Current weekly charge</b>
Sheltered housing	£12.59
Low level sheltered housing	£ 4.47
Current average sheltered service cost	£10.93

In the proposed new service a new single rate service charge will be applied to all sheltered housing tenant rent accounts from April 2016:-

<b>Type of service</b>	<b>Proposed new weekly sheltered housing service charge</b>
Additional housing management; Community Development and Tenant involvement and empowerment.	£10.93

The housing related support element of the proposed new service will continue to be grant funded by SCC and subject to a formal contractual agreement.

The actual cost of providing the Deane Helpline and Emergency Response services to Sheltered Housing Tenants is £4.43 per week at 2015/2016.

It is proposed that this cost should be applied as a charge to all Sheltered Housing Tenants rent accounts (unless they are exempt due to being in receipt of Housing Benefit), with the financial consequences being taken account of as part of the current review of the Housing Revenue Account Business Plan.

This issue was discussed at the meeting of the Community Scrutiny Committee held on 1 December 2015. Although Members supported the recommendations, an amendment was agreed whereby it was proposed that the above £4.43 per week charge would not be available to tenants in receipt of Attendance Allowance, Disability Living Allowance or a Personal Independence Payment.

Subsequently, legal advice had been obtained that, if the amendment was adopted there would be a substantial risk that it would be successfully challenged on the grounds of discrimination under the Equalities Act 2010.

In the circumstances, it is **recommended** that:-

- (1) The proposed new Sheltered Housing Service model be adopted;
- (2) A flat rate Sheltered Service charge of £10.93 / week be approved; and
- (3) The inclusion of a service charge of £4.43 / week for the Deane Helpline Service be also approved with those in receipt of Housing Benefit receiving full subsidy via the Housing Revenue Account.

### **(iii) Councillor Mark Edwards**

#### **Proposed Sale of Land at Greenbrook Terrace, Taunton**

The Executive has previously considered a confidential report, concerning the proposed sale of 0.47 acres of land/buildings at Greenbrook Terrace, Taunton. The Council owns the freehold interest of the land.

The site was put up for sale on the open market from 25 August to 25 September 2015 with a large 'For Sale' sign erected on site for the duration of the marketing period. The site was also marketed within the 'Home Life and Property' section of the Somerset County Gazette for a two week period.

Eight offers were received based on a number of different uses including residential development, mixed use development, garage use and community use. Full details of these bids had been circulated to all Councillors.

A preferred bidder had been identified who had made an unconditional offer for the purchase of the freehold interest of the site.

It was **recommended** that:-

- (1) The proposed sale of land at Greenbrook Terrace, Taunton to the



preferred bidder identified in the confidential report considered by the Executive on 11 November 2015 be approved; and

- (2) If the preferred bidder was to withdraw its bid, the second highest offer as deemed appropriate by the Asset Manager and Portfolio Holder be proceeded with.

## **(iv) Councillor Roger Habgood**

### **(a) North Taunton Framework Plan and Development Brief**

The Executive considered a report concerning the North Taunton Framework Plan and Development Brief at its November meeting.

The Council has been in discussions with the promoters of two major areas of land to the north of Taunton that had been allocated as a 'broad location' for future development in the Council's Core Strategy (adopted in 2011).

Since adoption of the Core Strategy, the Council has included the site for development in Policy TAU2 in the Council's Site Allocations and Development Management Plan (SADMP). The SADMP has reached an advanced stage and was subject to initial hearing sessions scheduled for the 1 and 2 December 2015 which had considered this proposed allocation.

As required by Policy SS6, the promoters had prepared a 'Framework Plan' to co-ordinate the planned development of North Taunton which they wished the Council to endorse as a basis for future development of the area.

A copy of the draft North Taunton Framework Plan and Development Brief had been circulated to all Members for their information.

The Framework Plan had been consulted upon earlier in the year and the latest version included amendments in a number of areas to take account of views expressed by the local community and key stakeholders.

The Executive acknowledged that engagement with the developers needed to continue to ensure the development desired was obtained which included the provision of affordable housing and sufficient mitigation to limit its impact.

The proposed use of Manor Road and Corkscrew Lane as a means of providing access to the new development until the proposed Spine Road was constructed was one particular issue the Executive was unable to support.

In the circumstances, Full Council is **recommended:-**

- (1) To agree the North Taunton Framework Plan and Development Brief as the basis for development with the strong preference for the northern alignment of the Spine Road noted, subject to the detailed alignment changes referred to in the report, and agreement of the precise location and design of the

junction between the Spine Road and Kingston Road; alignment of the Spine Road to be agreed prior to the submission of any planning application; and

(2) To agree that officers write to the site promoters outlining the need for the following matters to be addressed as the site came forward:-

- (i) Proposals should demonstrate how the proposed Spine Road accorded with Policy TAU2 by providing for a future eastward extension to complete an orbital route around North Taunton, and the detailed alignment and design of the Spine Road should be agreed by the Council who had already indicated a strong preference for the northern alignment;
- (ii) The design of the proposed Spine Road to demonstrate conformity with *Manual for Streets 1* and *Manual for Streets 2*, including provision for buses and cyclists;
- (iii) The portion of the West Deane Way within the development should be upgraded for shared use by pedestrians and cyclists, and similar consideration given to other existing rights of way within the development area;
- (iv) The promoters should agree with the Council what the sub-areas or 'neighbourhoods' within the development would be, and how a locally distinctive design treatment would be achieved for each one;
- (v) The promoters/developers be required to prepare detailed layout plans and design codes for each of the agreed sub-areas, and submit these to the Council, prior to the first reserved matters application for residential development;
- (vi) Strong evidence would be required to justify any reduction in the size of the proposed Green Wedge compared with that shown in the Council's Site Allocations and Development Management Plan;
- (vii) The indicative location of the local centre, school and employment areas be agreed, the precise locations to be dependent on the final alignment of the Spine Road and its junction with Kingston Road;
- (viii) Provision should be made within the proposed employment areas for small units suitable for business start-ups;
- (ix) The proposal should demonstrate compliance with Site Allocations and Development Management Plan Policy TAU2 in terms of the scale and mixture of uses in the proposed local centre; and
- (x) The electricity lines across the western part of the site (between the A358 and Whitmore Lane) be required to be placed underground.

**(b) The use of Local Development Orders for development sites in the Taunton area as an alternative to a review of the Town Centre Area Action Plan**

Local Development Orders (LDO's) were introduced as a planning tool by the Labour Government as part of the suite of planning reforms outlined in the Planning and Compulsory Purchase Order Act of 2004. Up until fairly recently however, take up of LDOs has been quite limited across the Country.

An LDO is a means by which of bringing forward land for development without the need for an individual planning permission to be issued. Instead, development which meets the criteria set out in the Order (which would cover matters such as location, development type and design) would automatically be allowed. LDOs therefore represent an important planning tool which can act as a catalyst to bring forward development and investment by providing certainty - particularly useful in the redevelopment of complex brownfield opportunities.

The process for preparing a LDO is rather complex. The Local Planning Authority must undertake informal consultation outlining the policies it proposes to implement, the development permitted and the area to which the Order would relate. It must also set out a 'statement of reasons' that establishes the reasons for making an Order based upon sound evidence.

LDOs cannot be required to provide Section 106 obligations which means that sites covered cannot be obliged to provide affordable housing or other financial contributions in order to make development acceptable in planning terms. However, the Community Infrastructure Levy is still applied.

There is no definitive process for putting an LDO in-place once preparatory work on the Order and public consultation has been carried out. However, many Councils have already resolved to adopt LDOs at Full Council meetings since the Orders are effectively Council policy. It is proposed that Taunton Deane follows the same route following detailed consultations with Members and the public.

It would appear that LDOs are a tool which the Government will increasingly expect Local Planning Authorities to use, particularly in relation to brownfield opportunities. As such, the Executive considered a proposal to use LDOs for some of the brownfield redevelopment sites currently identified in the adopted Taunton Town Centre Area Action Plan (TTCAAP) as well as an alternative to the single issue plan proposed for the Strategic Employment site.

As the TTCAAP is several years old there is a need to review the assumptions made regarding key sites. However, by preparing LDOs for such sites the Council can reduce the amount of work involved when compared to a review of the Plan, whilst at the same time accelerating the redevelopment of key sites.

In addition to those sites in the TTCAAP, The Deane House site is also considered to be a site suitable for an LDO should it become available for redevelopment. With the site being in a single ownership, this will make preparation of an Order simpler and increases certainty of delivery. Further, in the Council's capacity as landowner there would be a desire to see the site brought forward for redevelopment as expediently as possible should it become available and therefore preparation of an LDO seems a logical option for consideration.

The preparation of an LDO for the Strategic Employment site would not only accelerate the process, but would also have the advantage of being a marketing tool for potential occupiers who will have greater certainty over the appropriateness of their use and a quicker and easier process for resolution. The LDO route will still enable the local communities to be involved through consultation and to influence the outcome as would be the case if this site were to be brought forward through the preparation of a development plan as has previously been envisaged.

It is proposed to use the Homes and Community Agency Procurement Framework to procure consultants to undertake further scoping associated with the preparation of LDO's. This will enable the in house resource to concentrate on a review of the Core Strategy, although there will be clearly still be some work involved for the team who will need to client the projects, be involved in consultation and taking them through Council for adoption.

It is therefore proposed to allocate £100,000 of New Homes Bonus towards the cost of preparing a series of Orders.

In the circumstances, it is **recommended** that:-

- (a) A series of Local Development Orders be prepared for a number of town centre sites as an alternative to reviewing the Taunton Town Centre Area Action Plan and to seek specific authority to prepare Local Development Orders for the Strategic Employment site and The Deane House site (should it become available for redevelopment);
- (b) It be agreed that £100,000 of New Homes Bonus be allocated to support the preparation of Local Development Orders; and
- (c) The Portfolio Holder for Planning Policy and Transportation be authorised to approve the programme for the preparation of further Orders for Taunton Town Centre sites.

## **(v) Councillor Richard Parrish**

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

On 1 April 2013 Council Tax Benefit (CTB) was abolished and replaced with a locally designed "CTS" (CTS) Scheme. The Government provided each billing authority with a grant and expected Councils to design a CTS scheme to help those on low incomes to meet their Council Tax liability. Initially, 90% of funding previously granted by the Government for CTB was provided for localised CTS.

Whilst the Council has discretion on the rules for CTS for people of working age, the Government has stipulated that pensioners should be fully protected under the same criteria that previously applied to CTB. The Government has also stipulated that, as far as possible, CTS for vulnerable groups should be protected too.

The Department for Communities and Local Government (DCLG) provides funding through the annual Settlement Funding Assessment (SFA) to help meet the cost of localised CTS schemes. Each of the major precepting authorities in Somerset received the initial funding based on their share of Council Tax receipts.

In Taunton Deane, the initial grant for precepting authorities was £6,110,080, with this Council's share being £587,775 (based on a 9.62% share in 2013/2014). From 1 April 2014, funding for localised CTS was merged into the Revenue Support Grant and Business Rates Funding Baseline and is not separately identified, but the SFA has reduced by 26.1% in cash terms in the two years up to 2015/2016, and is projected to continue to reduce significantly over the next four years.

A reduction of 26.1% will result in an overall budget of £4,423,358. If there is no change to the existing CTS scheme, it is estimated the Council will award CTS of £5,515,725 in 2016/2017. This will mean a budget shortfall of £1,092,367, with Taunton Deane's share of that shortfall being £105,086.

Full Council had adopted the current local CTS Scheme at its meeting on 11 December 2012. For people of working age, the scheme for 2015/2016 had a number of key elements namely:-

- Maximum support was 80% of Council Tax - everyone of working age had to pay something; Increased non-dependant deductions;
- No second adult rebate;
- Earned income disregards are at increased levels than those offered under CTB; and
- Exceptional Financial Hardship fund of £35,000, through Discretionary Reduction in Council Tax Liability for short term help.

On 9 December 2014, Full Council had decided to continue the 2014/2015 CTS scheme for 2015/2016 with an amendment to disregard maintenance received for children.

However, with the reduced level of funding from the Government through the SFA, the Council has worked in collaboration with Somerset County Council and the other Somerset District billing authorities to develop options to revise Taunton Deane's CTS scheme for working age applicants from 2016/2017.

Any local scheme has to be agreed with the major precepting authorities such as the Somerset County Council, Avon and Somerset Police and Devon and Somerset Fire and Rescue Authority by 31 January 2016.

Consultation with the precepting authorities and the public has taken place in respect of the following five options:-

**Option 1** – The Council to work out CTS in the same way as we do now. Any shortfall in the funding we get and the CTS we pay in 2016/2017 would need to be met from other Council budgets. Response – 32% in favour;

**Option 2** - Applicants with capital of over £6,000 would not be entitled to CTS.  
Response – 71% in favour;

**Option 3** – The Council to use a Minimum Income figure for those who are self-employed. This Minimum Income would be in line with the UK minimum wage for 35 hours worked. We would not apply this Minimum Income for a designated start-up period of one year to allow the business to become established. If a self-employed person is limited in the hours they can work by circumstances such as having to provide child care, then we would work out the Minimum Income proportionately. This proposal would align our treatment of income for self-employed people with that used to work out Universal Credit. Response – 67% in favour;

**Option 4** – The Council to change the scheme to pay CTS at a level that would be no more than for a Band D property. This would not disadvantage any applicant that lives in smaller or lesser value property. Response – 69% in favour;

**Option 5** - The Council to apply a taper of 65% to the income of applicants with no earnings and apply a taper of 20% to people in work. This would mean two applicants on similar income levels, but where one is in work, would receive different levels of support. The applicant with no earnings would get less CTS, compared to an applicant with earnings receiving the same weekly income. Response – 53% in favour.

Any of the options to reduce the level of support the Council offer through CTS will have an adverse or positive impact on certain applicants or groups of applicants. If the support offered through the CTS scheme is cut, the Council will need to consider a careful selection of options for our particular demographic. There is no single option or change to the CTS scheme that can deliver sufficient savings to meet the predicted budget gap from the reduced Revenue Support Grant and Business Rates funding in 2016/2017.

The reality is that any revised scheme that reduces the amount of rebate awarded, needs to establish which applicants are more able to pay an increased level of Council Tax with the reduction in their CTS. The decision will be to choose what options are acceptable to the Council bearing in mind the overall level of finance available.

The welfare changes announced in the Summer Budget would have had a significant impact on the Council's CTS scheme. However, the Chancellor has since announced in the Autumn Statement, that proposals on Tax Credits to increase the taper and reduce the threshold will not now go ahead. As a result:-

- the tax credits income threshold (the point at which the taper starts to be applied) will remain at £6,420 from April 2016; and
- the tax credits taper will remain at 41% of gross income.

8,514 people initially moved from the CTB Scheme to the localised CTS Scheme. As at 31 March 2015, this had reduced to 7,749. It is accepted this is primarily due

to the gradual improvement in economic conditions as well as increases in the pension age.

The net collectable amount for Council Tax in 2014/2015 increased by 6.2% in comparison to 2012/2013. The collection of Council Tax in year was at a similar level, with additional income for Taunton Deane of £303,000 based on its preceptor share of 9.66% in 2014/2015.

While it has been possible to maintain in-year collection of Council tax at 98% since the introduction of CTS, this has entailed significant extra work for Revenues Officers. For many customers, having to pay Council Tax has caused them budgeting issues, not least because many were also affected by other welfare reform impacts, such as the removal of the spare room subsidy.

While working age CTS recipients represent 8% of households, the value of their debt is equivalent to 33% of all Council Tax outstanding at 31 March 2015 (£1,137,340).

Although, the collection rate has remained the same as the previous year, it has become clear that the volume of recovery action has again increased to ensure collection levels remain high.

While working age CTS recipients represent 8% of households, the value of their debt accounts for nearly 33% of all Council Tax arrears.

Within the 2013/2014 Local Government Finance Settlement, the Government included funding for CTS that included a proportion relating to parishes and Special Expenses. The Council previously decided to pass on a proportion of this funding to parishes to reflect their reduction in funding as a result of CTS. For 2013/2014, a grant was given to parishes based on the tax base reduction attributable to CTS in each parish multiplied by their 2012/2013 Band D Charge.

Since 2014/2015 the Funding Settlement has not separately identified the proportion of funding for CTS for any preceptors - including Taunton Deane and parishes so the Council has approved the principle of applying the same formula used in the previous year. This has meant each parish's grant for CTS is calculated as CTS Tax Base Adjustment x 2013/2014 Parish Band D Tax rate.

In view of the significant financial pressures the Council needs to make difficult decisions in order to balance the budget and provide a sustainable financial future. It is therefore suggested that careful consideration is given to the level of grant funding that is affordable in 2016/2017 and subsequent years to mitigate CTS impact on parishes, whilst recognising the impact on parish budgets and potential local tax requirement. If funding is reduced parishes will have the opportunity to consider whether to take action to reduce their costs and/or adjust the amount of precept levied on the local tax payer.

The amount of grant funding provided to parishes and the Unparished Area in 2015/2016 totals £45,000. The Council therefore needed to determine the policy

for providing any CTS Grant funding to parishes for 2016/2017. The following options for 2016/2017 existed:-

Option (a) - Use the same formula that was used for 2015/2016, so each parish's grant for CTS would be calculated as:-

CTS Tax Base Adjustment x 2013/2014 Parish Band D Tax rate

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

Option (b) - Use the same formula that was used for 2015/2016 as the baseline, but phase out the funding over two years, so each of the parish grants for CTS would be calculated as:-

- 2016/2017: CTS Tax Base Adjustment x 2013/2014 Parish Band D Tax rate x 66%;
- 2017/2018: CTS Tax Base Adjustment x 2013/2014 Parish Band D Tax rate x 33%;
- 2018/2019: Nil – CTS grant funding ceases.

This would reduce the budget requirement for CTS Parish Grants by approximately £15,300 in 2016/2017, £30,150 in 2017/2018 and by £45,000 in 2018/2019.

It is also recommended that the same funding principle agreed for parishes should be applied to the Council budget for the Unparished Area Fund.

The above proposals and options were considered by the Corporate Scrutiny Committee on 22 October 2015. Members had recommended to amend the current CTS scheme to reduce support offered to working age applicants in 2016/2017 by:-

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

The Committee had also indicated its preference to support Option (a) in terms of providing support to the Parish Councils.

Following careful consideration, the Executive decided at its recent meeting to agree the proposed amendments to the CTS scheme. However, option (b) – set out above – was the preferred option for the continuation of support over the next two years to the parishes.

In the circumstances, it is **recommended** that:-



- (1) Having regard to the consultation responses and the Equality Impact Assessment (a copy of which – notated as Appendix 4 to the report considered by the Executive – is attached), the Council Tax Support scheme be amended to that shown in the separate Appendix 1 – and illustrated in Model 9 – to reduce support for working age applicants in 2016/2017 by:-
  - removing entitlement to applicants with capital over £6,000;
  - applying a Minimum Income for Self-Employed applicants; and
  - paying the Council Tax Support scheme at a level that would be no more than for a Band D property.

(A copy of Appendix 1 has been e-mailed to all Councillors, with a hard copy also available for inspection in the Members' Room);
- (2) It be agreed that Option (b) be used in providing and calculating CTS Grant funding for Parish Councils in 2016/2017; and
- (3) It be noted that the 2016/2017 Council Tax Support Scheme was recommended for 2016/2017 only.

## **(b) Financial Monitoring – Quarter 2 2015/2016**

The Executive has recently considered the Council's financial performance for Quarter 2 of the financial year 2015/2016.

Effective financial management forms an important part of the Council's overall performance management framework.

A summary of the Council's Financial Performance during Quarter 2 is as follows:-

**General Fund (GF) Revenue** - The GF Revenue Outturn position is currently projected as a net underspend of £186,000 which is 1% below budget.

One of the main variances to budget related to Rent Rebates. This service is reporting an underspend on budget of £114,000. This is a demand led service and the underspend represents less than 1% of the annual expenditure. It is proposed that £100,000 is transferred into an earmarked Benefits smoothing reserve to mitigate against the effects of anticipated changes in the funding of the Pathway for Adults (P4A) service in 2016/2017.

The GF reserve balance at the start of the year was £2,109,000. The 2015/2016 Budget includes a one-off transfer of £105,000, and the Council also approved an allocation of £222,000 to the Business Rates Smoothing Reserve through the 2014/2015 Outturn report in July 2015.

The Council also received New Burdens Grant amounting to £81,000 for property searches in November 2015. The Council has already set aside from revenue

£101,000 for the repayment of personal searches and the Government has paid an interim grant to help mitigate the cost. It is proposed to transfer this sum to the GF reserve to offset the sum set aside. This would take the current budgeted balance to £1,863,000 as at 31 March 2016.

If the current outturn forecast remains accurate and the Council takes no corrective action in the year, the potential underspend of £186,000 would also be transferred to this reserve, increasing the projected balance to £2,049,000 at the end of the financial year. This remains above the current minimum balance of £1,500,000 required in the Council's financial strategy.

**General Fund (GF) Capital** - The GF approved Capital Programme is currently £12,543,000. This relates to schemes which will be completed over the next five years. Of this, Budget Holders are projecting that £8,412,000 is planned to be spent during 2015/2016 with £4,126,000 due to be spent in future years. The Council is supporting this investment through the use of Capital Grants and Contributions, Capital Receipts, Revenue Funding and Borrowing.

**Housing Revenue Account (HRA)** - The current forecast outturn for the Council's Housing Revenue Account (HRA) is an overspend of £102,000 (0.4% of budget).

The HRA Reserves ("working balance") at the start of the year were £3,484,000, and the Council approved an allocation of £776,000 for a number of initiatives and investment in services through the 2014/2015 Outturn report in July 2015. This reduces the current budgeted balance to £2,708,000, and is forecast to be £2,606,000 at the end of the current financial year based on current projected outturn. This is above the minimum recommended reserve level of £1,800,000.

As part of the continuing HRA Business Plan Review, a large piece of work is underway to look at the investment needed in our homes over the next 30 years. However, this has identified that further work, in the form of specialist surveys, is needed to update our current stock condition data.

The cost of commissioning these surveys, along with fully updating the Council's stock condition system to ensure that it is fit for purpose, is expected to be in the region of £250,000.

It is therefore proposed that a supplementary estimate is added to the 2015/2016 budget, funded from general reserves.

This will reduce the HRA general reserves balance to £2,458,000 with a forecast of £2,356,000 at the end of the financial year.

**Housing Revenue Account (HRA) Capital** - The approved HRA capital programme is £23,459,000, of which £12,927,000 relates to works on existing dwellings and £10,532,000 for the provision of new housing through development.

**Deane DLO Trading Account** - The DLO is not forecasting an over/underspend/over recovery after contributing £101,000 to the General Fund. Any surplus will be transferred to the DLO trading reserve.

The Trading Account Reserves Position balance brought forward of £679,000 relates to a retained trading surplus of £314,000, plus capital reserves set aside to support investment in the service.

**Deane Helpline Trading Account** - The Deane Helpline is currently underspent on budget, forecasting a year end outturn net deficit of £40,000.

It is **recommended** that:-

- (1) The request to transfer the £81,000 New Burdens Grant income on Property Searches to the General Reserve be approved;
- (2) The request to transfer the £100,000 underspend on Rent Rebates to a Benefits smoothing reserve to cover the potential effects on Housing Benefits of Pathway for Adults (P4A); and
- (3) A supplementary estimate in 2015/2016 of £250,000 be also approved, funded from Housing Revenue Account reserves to commission a survey of the housing stock and the updating of the stock condition database.

## Appendix 4

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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





## **Citizen Engagement**

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

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

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

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

#### **Age**

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

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

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

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

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

## Disability

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

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

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

**Table 1**

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

**Table 2**

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

## Gender

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

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

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

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

**Table 3**

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

## Gender Reassignment

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

**Marriage and Civil Partnership**

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

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

**Pregnancy and Maternity**

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

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

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

**Race**

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

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

**Religion and Belief**

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

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

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

**Sexual Orientation**

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

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

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

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

**Table 4**

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

### Other Groups (non-statutory)

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

**Table 5**

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

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

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

### Carers

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

### Armed Forces

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

### General Conclusion:

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

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

<b>I have concluded that there is/should be:</b>	
No major change - no adverse equality impact identified	
Adjust the policy/decision/service ✓	In mitigating any disproportionate effect through implementing any of the proposed options to change our CTS scheme, officers could apply a reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our discretionary policy
Continue with the policy	
Stop and remove the policy/decision/service	
Reasons and documentation to Support conclusions	
<b>Section four – Implementation – timescale for implementation</b>	
1. Consult on the proposals during the period 1 July 2015 to 7 September 2015 2. Consider responses to the consultation 8 September 2015 to 21 October 2015. 3. Present report on proposed scheme and consultation analysis to Corporate Scrutiny Committee on 22 October 2015. 4. Present report on proposed scheme and consultation analysis to the Executive on 3 December 2015. 5. Make a decision on the scheme at Full Council on 15 December 2015 6. Publicise the scheme 7. Implement the scheme for Council Tax Billing purposes 8. Issue Bills for the financial year 2016/17 (From late Feb/early March 2016).	
<b>Section Five – Sign off</b>	

Responsible officer <b>Heather Tiso</b> Date 21 October 2015	Management Team Date
<b>Section six – Publication and monitoring</b>	
Published on	
Next review date	Date logged on Covalent

## Action Planning

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

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



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