

Taunton Deane Borough Council

Council Meeting – 13 December 2016

Part I

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

(i) Councillor John Williams

Financial Monitoring 2016/2017

The Executive has recently considered the latest Financial Monitoring Report for 2016/2017.

With regard to the General Fund Capital Programme, the Executive was particularly asked to consider approving a supplementary estimate of £1,326,000 for grants to Registered Social Landlords (RSLs) which would be funded by £624,000 from Section 106 Agreements, £572,000 from affordable housing capital receipts and £130,000 from the housing enabling earmarked reserve.

The 'Grant to RSL's' scheme was the capital funding ring-fenced for the provision of new affordable housing. The funds consisted of historic grant funding which had been allocated to schemes currently being developed and also Section 106 Agreement monies/capital receipts collected from developments in lieu of affordable housing on site.

These funds were allocated to specific schemes which needed additional funding to secure the delivery of new affordable housing. On most occasions these funds were paid to Housing Association Partners who also contributed funding through the Homes and Communities Agency and their recycled capital grant funding received through shared ownership and disposals.

Recommended that a capital supplementary estimate of £1,326,000 for Grants to Registered Social Landlords be approved.

(ii) Councillor Richard Parrish

Review of Council Tax Support Scheme for 2017/2018

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.

It is no longer possible to ascertain funding provided for CTS in the SFA. However, the approach taken by many authorities has been to assume the grant is being reduced at the same rate as the SFA. The SFA reduced by 26.1% in cash terms in the two years up to 2015/2016 and by 16.2% from 2016/2017. In applying this methodology, the funding available for Localised CTS has reduced to £3,783,863.

In 2015/16, we paid CTS of £5,476,457. This leaves a funding shortfall of £1,692,594. Based on our precepting share of Council Tax for 2016/17 of 9.63%, the share of this shortfall in funding for Taunton Deane Borough Council equates to £162,997.

Therefore, we need to consider the affordability of our current CTS scheme, and consider the cost of the financial support provided against other service priorities and alternative options to address the overall budget gap.

The Local Government Finance Act 2012 states that before making a scheme we must consult with any major precepting authorities, publish a draft scheme and then consult with other such persons who are likely to have an interest in the operation of such a scheme.

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

Option 1 - No Change. 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 2017/2018 would need to be met from other Council budgets. Response - 41% in favour;

Option 2 - Reduce maximum CTS for working age recipients from 80%. This means working age CTS recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2017/18 to assist in off-setting cuts in the Local Government Finance Settlement. Under our current CTS scheme the minimum contribution is 20%. Response - 41% in favour;

Option 3 - Increase maximum CTS for working age recipients from 80%. This would mean all working age CTS recipients could pay less Council Tax, but there would be an additional cost to the Council and precepting authorities. Increasing the level of support carries a high level of risk to the Council in protecting front line services as resources would be diverted to support the CTS policy. This risk is increased in future years as the Council continues to see the funding available for services reducing. Response - 11% in favour;

Option 4 - Technical Changes. This would mean the Council could chose to align the CTS scheme for 2017/18 with some or all of the changes the Government make to other welfare benefits. The changes known or expected to be implemented by the Government are as follows:-

- The maximum period for which we will backdate CTS for working age recipients would reduce from 6 months to 1 month.
- No longer include a Family Premium in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium.
- No longer include the Work Related Activity component in the applicable amount for new claimants of Employment and Support Allowance (ESA).
- No longer include award an extra allowance in the applicable amount for third and any subsequent children born after 1 April 2017. We would continue to include the amount for first and second children.
- Align our CTS scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016 to reduce the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.
- No longer award CTS to 18-21 year olds who are not in work

Response - 64% in favour.

Any of the options to reduce or increase the level of support we offer through CTS will have an adverse or positive impact on certain applicants or groups of applicants. If we need to cut the support offered through our CTS scheme, we need to consider a careful selection of options for our particular demographic unless additional funding can be raised through other Council initiatives or by cuts in services generally. The reality is that any revised scheme that has less funding, needs to establish which applicants are more able to pay an increased level of Council Tax with the reduction in their CTS.

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 LGFS in 2017/18. The decision will be to choose what options are acceptable to the Council bearing in mind the overall level of finance available.

The above options were considered by the Corporate Scrutiny Committee on 20 October 2016. Members recommended to amend the current CTS scheme for 2017/18 to align it with changes made by the Government to other welfare benefits with the exception that applicants aged 18-21 would continue to be eligible.

Following careful consideration, the Executive decided at its meeting on 9 November 2016 to agree the proposed amendments to the CTS scheme.

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 11 – to align the CTS scheme for 2017/2018 with changes made by the Government to other welfare benefits with the exception that applicants aged 18-21 would continue to be eligible.

(2) The 2017/2018 Council Tax Support Scheme is recommended for 2017/2018 only.

Addendum to COUNCIL TAX SUPPORT SCHEME 2017/2018

Council Tax Support calculations to limit the number of dependants' additions to two for all children born on or after 1 April 2017.

The Council Tax Support (CTS) scheme that was recommended by the Corporate Scrutiny Committee and the Executive had been prepared on information known at the time and contained exemptions from rules applied to working age recipients who had a third or subsequent children born after 1 April 2017 – the “third child rule”.

These exemptions meant we would continue to include £66.90 in the applicable amount used to calculate CTS for third and subsequent children born from a multiple birth, as a consequence of rape or for children placed through social care arrangements. No further exemptions were stipulated.

The Department for Work and Pensions (DWP) have recently issued draft legislation that if approved, will allow for an exemption in the Housing Benefit calculation under the “third child rule” where they have made a claim for Child Tax Credit.

Schedule 1 of Appendix 1 has been amended to state the number of dependants' additions that will be calculated in accordance with the Housing Benefit Regulations as amended. This will ensure that both Housing Benefit and Council Tax Support will continue to be aligned, so avoiding confusion for the claimant and assisting in administration.

Equality Impact Assessment Form and Action Plan

Officer completing EIA Form	Job Title	Team/Service	
Heather Tiso	Revenues & Benefits Service Manager	Revenues & Benefits Service	
Why are you completing the Equality Impact Assessment? Please ✓ as appropriate			
Proposed new policy or service	Change to policy or service	New or change to budget	Service review
	✓		

1 Description of policy, service or decision being impact assessed:

Background

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.

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 and by 16.2% from 2016/17. In applying this methodology, the funding available for Localised CTS has reduced by £2,326,217 to £3,783,863. In 2015/16 we paid CTS of £5,476,457, meaning that if there is no change to the existing CTS scheme, we estimate we will have a funding shortfall of £1,692,594, with TDBC's share of that shortfall being £162,997. 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 2016/17 is 9.63%.

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 were increased;
- Second adult rebate ceased for working age applicants;
- Child maintenance was counted as income until 31 March 2015;
- Disregards for 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.

In developing options for our CTS scheme for 2016/17, we 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. On 15 December 2015 Full Council, having regard to the consultation response and the Equality Impact Assessment, agreed to revise support for working age applicants in 2016/17 by:

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

As a result of the continuing reductions to the Settlement Funding Assessment, continuing to allow the same level of CTS in 2017/18 for working age recipients could impact negatively upon TDBC's budget and the budget of those that levy a precept to it (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. Therefore, on 2 June 2016, the Corporate Scrutiny Committee agreed on options to take to public consultation for our CTS scheme for 2017/18.

Public consultation on proposals to change the CTS scheme in 2017/18 started on 4 July 2016 and ended on 11 September 2016. Every Council Taxpayer had the opportunity to comment on the proposals. The options on which we consulted were 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 2017/18 would need to be met from other Council budgets.

Option 2 - Reduce maximum support offered under our CTS scheme from 80% for working age applicants.

Option 3 - Increase maximum support offered under our CTS scheme from 80% for working age applicants.

Option 4 - Align our CTS scheme for 2017/18 with some or all of the changes made by the Government to other welfare benefits. Currently, the changes known or expected to be implemented by the Government would have the following effect:

- The maximum period for which we will backdate CTS for working age recipients would reduce from 6 months to 1 month. This reduction in backdating has applied to working age Housing Benefit recipients since April 2016.
- From 1 April 2017, we would not include a Family Premium within in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium. The Family Premium has not been included for the same category of Housing Benefit recipients since May 2016.
- When working out CTS, we would not include the Work Related Activity component in the applicable amount for new claimants of Employment and Support Allowance (ESA). New claimants for ESA in the Work-Related Activity Group (WRAG) will receive the same rate of CTS as those claiming Jobseeker's Allowance. The Work Related Activity component will not be included in Universal Credit from April 2017.
- Under our current scheme, we include £66.90 in the applicable amount for every child up to the age of 20. From 1 April 2017, we would remove this amount for third and any subsequent children born after that date to align with revised rules for Housing Benefit, Tax Credits and Universal Credit that are expected to apply in 2017/18. We would continue to include the amount for first and second children. There will be protection for multiple births or women who have a third child as the result of rape or other exceptional circumstances.
- From April 2017, 18-21 year olds who are not in work may no longer be eligible for help through our CTS scheme. We would implement this change to align with new rules expected to apply to Universal Credit applicants. Under Universal Credit, 18-21 year olds will be required to participate in an "*intensive regime of support from day one of their benefit claim*", and after six months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement. There will be a range of exemptions for vulnerable young people, including those in danger of suffering abuse and those receiving disability benefits. People who have been in work for 6 months before making a claim, will continue to be eligible for CTS for up to 6 months while they look for work. Applicants who have previously been in care will not be affected.
- From 1 April 2017 we would align our CTS scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016. This would reduce the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks. Northern Ireland, the Channel Islands and the Isle of Man are not part of Great Britain for Housing Benefit purposes. There are exceptions to the general temporary absence rule that we would similarly apply to CTS recipients, for example absences related to the death of a close relative.

2 People who could be affected, with particular regard to the legally defined protected characteristics¹:

Our localised CTS scheme affects all claimants 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 ¹ as defined within the Equalities Act 2010 and include:

- Age
- Disability
- Gender
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion and belief
- Sexual orientation

The Government expect 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.

3 People and Service Area who are delivering the policy/service/decision:

Council Staff in the Revenues & Benefits Service

4 Evidence used to assess impact: Please attached documents where appropriate.

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.

In addition, we have undertaken debt profiling against the Council Tax Support (CTS) customer base ([Appendix 5](#)) and also against those customer groups impacted most by the key elements of our localised scheme.

We have also considered the following assessments undertaken by the DWP:

- [Equality Analysis](#) to remove the Family Premium and limit backdating for Housing Benefit to one month;
- [Impact Assessment](#) to remove the ESA Work-Related Activity Component
- [Equality Analysis](#) for Housing Benefit (Temporary Absence)(Amendment) Regulations 2015

To raise awareness of our proposals and to encourage participation in the consultation process we requested that every TDBC Members obtain views on the options from constituents within their Wards. We distributed a minimum of 10 consultation questionnaires to each of our 56 Members. Consequently, if every Member obtained the views of one of their constituent each week of the consultation period (4 July 2016 to 11 September 2016 - 10 weeks) we would obtain views of 560 residents across the entirety of the TDBC area. This would provide a confidence level of 95% with a margin of error of 4%. Obtaining only 78 responses increases the margin of error to 11%.

In supplementing Member involvement, we also created a dedicated web page with an online survey, as well as promoting consultation and encouraging participation from customers, staff and external partners.

Should Members decide to align our CTS scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016, this would apply to all customers equally from April 2017 and so will not affect customers differently because of any protected characteristic.

The impact of implementing other changes to our local Council Tax Support Scheme for each of the protected groups,

¹ For protected characteristics, please visit:

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

is considered on the following pages.

Equality Impact Assessment (by protected characteristic)

Age

The proposed scheme for 2017/18 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 have prescribed a scheme for pensioners through legislation. This means pensioners will not see any reduction in their CTS in comparison with their former levels of Council Tax Benefit.

Pensioners are still 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 affected by CTS. 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.

Our CTS scheme's premiums and personal allowance are linked to the rates set by the DWP. The main rates of working age benefits and tax credits are frozen in cash terms for 4 years from April 2016. Pensioner benefits are excluded from the benefit freeze and will be protected by the 'triple lock'. This means that for pensioners, premiums and personal allowance will rise by the higher of price inflation, earnings growth or 2.5%.

	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Pension Age	3,960	42	1%	£212.60	£8,929
Working Age Employed	1,727	540	31%	£338.56	£182,823
Working Age Other	3,528	982	28%	£196.57	£193,034
Total for CTS recipients	9,215	1,564	17%	£246.03	£384,786
Working age	5,255	1,522	29%	£246.95	£375,857

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 CTS scheme for 2017/18 will continue to disregard Child Benefit in income calculations meaning that the added income this provides will not reduce the CTS that an applicant receives.

In conducting consultation for our CTS scheme for 2017/18, Option 4 proposes to align our scheme with some or all of the changes the Government make to other welfare benefits. Under Option 4, from April 2017, 18-21 year olds who are not in work would no longer be eligible for help through our CTS scheme. There will be a range of exemptions for vulnerable young people, including those in danger of suffering abuse and those receiving disability benefits. People who have been in work for 6 months before making a claim, will continue to be eligible for CTS for up to 6 months while they look for work. Applicants who have previously been in care will not be affected. Analysis of our current caseload identified just 2 (two) CTS recipients for the period April - August 2016 that were not working and aged 18-21. In considering to implement this measure, based on current recipients, 23 individuals aged 18-21 would no longer receive any CTS.

In mitigating any of the effects under Option 4, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy.

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.

Disability benefits, the disability-related elements of tax credits and statutory payments including Personal Independence Payment, Attendance Allowance, Disability Living Allowance, Employment and Support Allowance (Support Group only), Maternity Allowance, Statutory Maternity/Paternity Pay and Statutory Sick Pay, are uprated in line with the Consumer Prices Index (CPI). The CPI fell in the year to September 2015 so it meant the benefits mentioned above were not increased from April 2016.

In common with other working age recipients, people with disabilities 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 does 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.

In consultation for our CTS scheme for 2017/18, Option 4 proposes that new claimants for Employment and Support Allowance in the Work Related Activity Group will receive the same rate of CTS as those claiming Jobseeker's Allowance. Analysis of our current CTS caseload has not identified any applicants where we include the Work Related Activity Component within the Applicable Amount and so implementing this measure is unlikely to have a disproportionate negative impact for working age customers with disabilities.

The average level of debt for working age CTS recipients in 2015/16 receiving the disability premium was £222.16 - lower than the scheme average of £246.95 for working age claims, with only 11% of CTS recipients with a disability premium were in arrears with their Council Tax - significantly less than the scheme average of 29%.

Table 2

CTS recipients with disabilities	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	168	22	13%	£258.36	£5,684
Working Age Other	247	23	9%	£187.52	£4,313
Working age	415	45	11%	£222.16	£9,997

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. Under Option 4, aligning the backdating period from six months to one month means the potential entitlement period changes, but there is no actual reduction in CTS to the applicant. This measure would apply to all CTS applicants regardless of any protected characteristic. There is no evidence that reducing the period for which CTS can be backdated for working age applicants would change the gender profile of the caseload.

In reducing the period for which a person can be absent from Great Britain and still receive CTS to 4 weeks, the DWP consider there will be small cases of claimants impacted (mainly women) who leave their homes through fear of violence in that dwelling. Currently those fleeing domestic violence are allowed CTS during a period of temporary absence for up to 52 weeks. Under the changes if they decide to flee to a place of safety outside Great Britain, for example to Northern Ireland, then their CTS will be stopped after 4 weeks. Due to the relatively low numbers likely to be affected officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy.

The average level of debt for working age lone parents in 2015/16 was £279.16 - greater than the scheme average of £246.95. See table 3 detailing debt levels for this group.

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	925	230	25%	£280.62	£64,543
Working Age Other	1,083	278	25%	£277.95	£77,269
Working age	2,008	542	25%	£279.16	£141,812

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 may receive less CTS under the proposals for change in 2017/18. 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 2017/18 do not introduce disproportionately adverse effects on people based on their marriage or civil partnership 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, may receive less CTS under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on people based on their religion or belief status.

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, may receive less CTS under the proposals for change in 2017/18. However, these are not such as to introduce disproportionately adverse effects on people based on their race status.

Pregnancy and Maternity

For the purposes of CTS, pregnancy and maternity must be considered as two separate characteristics as while the applicants 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.

In considering our CTS scheme for 2017/18, Option 4 proposes that we will not include a Family Premium within in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium. This would result in a "notional" weekly loss of CTS of £3.49 (20% of the current Family Premium of £17.45). As this measure only applies to new claims to CTS, or those who have a first child while claiming CTS, this alignment measure does not result in a reduction in actual support paid.

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 may receive less CTS under the proposals for change in 2017/18. 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

The minimum age for receiving CTS 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. There are 2,811 working age CTS recipients with children, accounting for 53% of all working age CTS recipients. Of those with children, 30% (856) have debt totalling £226k with these arrears making up 60% of all Council Tax debt for those of working age getting CTS.

In conducting consultation for our CTS scheme for 2017/18, Option 4 proposes to align our scheme with some or all of the changes the Government make to other welfare benefits. In not including a Family Premium within in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium, this would result in a "notional" weekly loss of CTS of £3.49 (20% of the current Family Premium of £17.45). As this measure only applies to new claims to CTS, or those who have a first child while claiming CTS, this alignment measure does not result in a reduction in actual support paid.

Within the current scheme, applicants who have children are awarded a dependants addition of £66.90 for each child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependants' additions that can be awarded. From April 2017 the Government will limit dependants' additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1 April 2017. This measure only applies to new claims for CTS, or those who have a third child on or after 1 April 2017 and so does not result in a reduction in actual support paid. However, it would result in a "notional" weekly loss of CTS of at least £13.38 (20% of £66.90). We would continue to include the amount for first and second children. There will be protection for multiple births or women who have a third child as the result of rape or other exceptional circumstances.

In mitigating any of the effects under Option 4, officers could apply a discretionary reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our policy. Analysis of debt levels for existing working age applicants with children is shown in Table 4 below

Table 4

Working age claims with children	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	1,693	418	25%	£331.49	£138,564.00
Working Age Other	1,118	438	39%	£199.69	£87,465.00
Total	2,811	856	30%	£264.05	£226,029.00

Other Groups (non-statutory)

Employment

The number of working age CTS recipients in employment is 1,727, accounting for 33% of all working age recipients. Those CTS recipients without employment are 3% more likely to have Council Tax arrears, although the average value of their debt (£196.57) is less than for those with employment (£338.56) - see Table 5.

Table 5

	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total Debt
Working Age Employed	1,727	540	31%	£338.56	£182,823
Working Age Other	3,528	982	28%	£196.57	£193,034
Total for working age	5,255	1,522	29%	£246.95	£375,857

Couples in employment with no responsibility for children have the greatest average debt at £405.42, while non-working applicants with children have the lowest average debt of £63.73 - see Table 6.

Table 6

Average debt for those in arrears	Couples with children	Couples, no children	Single, no children	Lone parent	Disabled
Working Age Employed	£393.73	£405.42	£329.91	£280.62	£258.36
Working Age Other	£63.73	£363.02	£285.10	£277.95	£187.52
Total for working age	£242.00	£386.07	£298.74	£279.16	£222.16

The National Living Wage is currently £7.20 an hour for those 25 or over from April 2016 and will increase to £9.00 an hour by 2020.

For people of working age that are not in employment, the benefit cap restricts the amount in certain benefits that a household can receive. Any household receiving more than the cap will have their Housing Benefit reduced to bring them back within the limit. The Benefit Cap will be cut from £26,000 to £20,000 for households living in the Taunton area and will be phased-in gradually from November 2016. We estimate up to 150 households will be affected. This reduction in income may mean Council Tax is more difficult to collect from those households.

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.

5 Conclusions on impact of proposed decision or new policy/service change:

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.

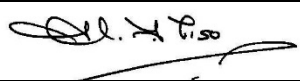
In mitigating any disproportionate effect through implementing any of the proposed options to change our CTS scheme, officers could apply a reduction in Council Tax liability through exceptional hardship as appropriate and in accordance with our discretionary policy.

6 Recommendation based on findings. These need to be outlined in the attached action plan.

Adjust the policy/decision/service.

Equality Impact Assessment Action Plan

Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date
Age	Young people aged 18 to 21 that are not working will receive no help with either their housing costs (rent) or with paying Council Tax. It will be important to work closely with DWP colleagues in ensuring such people receive the “intensive regime of support” stipulated by the Government to increase their skills and confidence in gaining for employment.	Flagging affected individuals as “vulnerable” with Revenue IT systems to ensure collection of debt is appropriately managed	DHP/Welfare Reform Officer	Revenues & Benefits	On-going
Disability	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable
Marriage and Civil Partnership	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable
Pregnancy and Maternity	In not including a Family Premium within in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium, there will be less CTS available to those affected. In addition, limiting dependant additions to a maximum of two children is similarly likely to reduce support.	Provide short-term help for instances of hardship.	DHP/Welfare Reform Officer	Revenues & Benefits	On-going
Race	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable

Gender Re-assignment	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Religion and Belief	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Sex	There are a greater number of female CTS recipients 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 scheme. However, gender is not 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.	Provide short-term help for instances of hardship.	DHP/Welfare Reform Officer	Revenues & Benefits	On-going		
Sexual Orientation	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Rurality	No issues identified that would result in a disproportionate effect through proposed changes.	No issues identified that would result in a disproportionate effect through proposed changes.	Not applicable	Not applicable	Not applicable		
Author's Signature:		Report Title	Review of CTS scheme for 2017/18	Date	20/10/2016	EIA Version	1.1
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