

REPORT TO CABINET

| | | | | |
|--|--------------------------------------|---|---|-------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards NONE | Mandatory | Be entirely within Cabinet's powers to decide | YES | |
| | | Need to be recommendations to Council | NO | |
| | | Is it a Key Decision | YES | |
| Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| | | Other Members consulted: | | |
| Lead Officer: Joanne Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial: 01553 616349 | | Other Officers consulted: Lorraine Gore | | |
| Financial Implications YES | Policy/Personnel Implications YES | Statutory Implications YES | Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment YES | Risk Management Implications YES |

Date of meeting: 9 September 2015

2016/2017 DRAFT COUNCIL TAX SUPPORT SCHEME FOR CONSULTATION

Summary

The Council must review and agree its Council Tax Support scheme each financial year. This process includes consulting with major preceptors, publishing a draft Council Tax Support scheme and then consulting with interested parties before the final Council Tax Support scheme is approved.

This report details a review of the 2015/2016 Council Tax Support scheme, the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner, and the recommended draft 2016/2017 Council Tax Support scheme to go to public consultation.

Recommendations:

Members:

- 1) **Note the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner**
- 2) **Agree a public consultation period running online over a six week period from 18 September 2015 to 30 October 2015**
- 3) **Agree the Council Tax Support scheme for 2015/2016, with the amendments as shown at Appendix C, as the draft Council Tax Support scheme for 2016/2017 to go to public consultation**

- 4) **Note that a further report detailing the proposed final Council Tax Support scheme for 2016/2017 will be presented to Cabinet, for recommendation to Council, before 31 January 2016.**
- 5) **The cost of the CTS scheme and the impact on the taxbase will be monitored and an update report brought back before Members after six months.**

Reason for Decision

To ensure a Council Tax Support scheme for 2016/2017 is agreed by full Council by 31 January 2016

1. Background

- 1.1. Council Tax Benefit (CTB) was abolished on 31 March 2013 and from April 2013 billing authorities have implemented their own local schemes of Council Tax Support (CTS) to assist people on low incomes with their council tax costs.
- 1.2. Funding was moved from central government to local government with a 10 per cent reduction in year one. Funding for CTS schemes is no longer identified separately and is now rolled into formula funding. As CTS is now a discount the cost is reflected in the Taxbase figures in the Financial Plan.
- 1.3. Central government have prescribed some elements of a local CTS scheme:
 - Pension age claimants are excluded from local CTS schemes and receive CTS based on a national, more generous, set of regulations, although the cost is still met by local Councils,
 - Vulnerable groups must be considered for protection from any reduction in support compared to the national CTS scheme, and
 - Work incentives should be promotedOther than this the Council is free to design its own CTS scheme.
- 1.4. The Council must review and approve its CTS scheme each year. Part of this process is to consult with the Council's major preceptors, agree a draft CTS scheme for consultation and then consult with any interested parties.
- 1.5. Norfolk County Council and the Police and Crime Commissioner have been contacted and their views are included in section 4.
- 1.6. This report recommends the draft CTS scheme to go to public consultation. The results of the consultation and the proposed CTS scheme for 2016/2017 will be brought back to Members later in the year.

2. Review of 2015/2016 CTS Scheme

2.1 2015/2016 is the third year of the CTS scheme and the second year a reduced CTS scheme has been agreed to reflect the initial funding reduction. The 2013/2014 CTS scheme was the same as the old CTB scheme as the Council received a Transitional Funding grant from central government. This grant was only available for one year.

2.2 The 2015/2016 CTS scheme includes protections for certain vulnerable groups so their CTS is calculated using the national, more generous, scheme rather than the local CTS scheme. The spend attributed to these protected groups is shown below.

2.3 The scheme allows people in work to keep an additional £10 of their earnings before they are taken into account in the CTS calculation. The cost of this incentive is also shown below.

2.4 The makeup of the 2015/2016 CTS caseload as at 16 July 2015, compared to the same time last year, is shown below:

| Caseload | 2015/2016 | | 2014/2015 | |
|------------------------------|------------------|-------------------|------------------|-------------------|
| | Number of claims | Spend | Number of claims | Spend |
| Total Caseload | 11,806 | £9,337,776 | 12,464 | £9,768,609 |
| Pension Age | 6,370 | £5,249,785 | 6,693 | £5,552,462 |
| Working Age – all | 5,436 | £4,087,991 | 5,771 | £4,216,147 |
| ~Working Age – Protected | 3,735 | £3,182,949 | 3,542 | £3,036,480 |
| ~Working Age – Not Protected | 1,701 | £905,042 | 2,229 | £1,179,667 |

2.5 The spend on protected groups and the costs of the work incentives within the scheme are shown below:

| Protected Groups | 2015/2016 | | 2014/2015 | |
|------------------------------------|------------------|-------------------|------------------|-------------------|
| | Number of claims | Spend | Number of claims | Spend |
| Total | 3,735 | £3,182,949 | 3,542 | £3,044,929 |
| Child < 5 | 1,399 | £1,192,221 | 1,488 | £1,275,630 |
| Disability Premium | 1,689 | £1,439,358 | 1,453 | £1,245,479 |
| Carer's Allowance ¹ | 76 | £64,767 | 601 | £515,371 |
| ESA Support ¹ | 81 | £69,028 | - | - |
| Protection Override ^{1 2} | 362 | £308,495 | - | - |
| Combination of the above | 128 | £109,801 | - | - |

¹ In 2014/2015 these were included under Carer's Allowance but can now be reported individually

² These are cases where the system has not picked up the protected group and includes Disability Premium, Carer's Allowance and Employment and Support Allowance Support Group (where a disability affects a customer's ability to work) claims

| Cost of Incentives | 2015/2016 | | 2014/2015 | |
|--------------------------|------------------|------------|------------------|------------|
| | Number of claims | Extra Cost | Number of claims | Extra Cost |
| Extra Earnings disregard | 779 | £81,239 | 680 | £70,914 |

2.6 A full comparison of the 2014/2015 CTS and 2015/2016 schemes is shown at Appendix B.

2.7 Compared to the same time last year the overall caseload has reduced by 5% and the overall spend by 4%. This is in line with an overall reduction in the Housing Benefit caseload, although this has now started to increase slightly in the past three months.

2.8 Pension age claims still account for the majority of the caseload, although their numbers are lower. The biggest percentage reduction is in the number of working age claims which are not protected. The biggest percentage increase is in the working age claims which are protected on the grounds of disability. There is also a 15% increase in the number of claimants qualifying for the additional earnings disregard.

2.9 As CTS is a council tax discount it impacts on the Council's taxbase and reduces it by the equivalent of 6,159 band D properties. Part of this is offset by Government grant, although this is now rolled into the Council's overall formula funding and not identified separately. Overall growth in the taxbase also offsets part of the cost. The Council's taxbase is growing and as at 1 July 2015 the taxbase is 47,584 compared to 47,284 shown in the Financial Plan 2014/2018.

2.10 As at 1 July 2015 the CTS Discretionary Hardship fund has received 101 applications and has paid £12,819 in additional help. The original £10,000 fund has been increased by a further £20,000.

3. The Welfare Reform Bill 2015 and Universal Credit

3.1. In July 2015 the Chancellor announced a further £12bn of cuts to welfare to take effect from April 2016. The main changes are:

- Significant reductions in Tax Credits,
- A freeze in the levels of most working age benefits, applicable amounts and premiums,
- A reduction in the annual benefit cap from £26,000 to £20,000
- A restriction on backdating claims to four weeks, and
- The Family Premium being abolished for new Housing Benefit claims

3.2. The changes in the Welfare Reform Bill will impact on the cost of the local CTS scheme. As CTS is a means-tested discount, if people are receiving

less income from other benefits they will be entitled to more CTS, increasing the cost to the Council.

- 3.3. The biggest impact from this will be from the reductions to Tax Credits. Over 1,100 CTS claimants receive Tax Credits and the reduction in the amounts they are entitled to will impact on the cost of the CTS scheme.
- 3.4. To mitigate some of the impact, and to keep the CTS scheme in line with the Housing Benefit scheme as far as possible, the proposed CTS scheme reflects some of the changes in the Welfare Reform Bill as below.
- 3.5. CTS is calculated using Applicable Amounts and Premiums. These prescribe the amount of income a claimant can have, based on their individual circumstances, before their CTS is affected. These are normally uprated each year but for 2016/2017 these will not be changed, effectively freezing CTS entitlement at 2015/2016 levels. A table of Applicable Amounts and Premiums and some example calculations are shown at Appendix E. Backdating for new claims will be limited to four weeks.
- 3.6. The Family Premium will be removed for new claims from April 2016, although families with a child under five are protected from this change.
- 3.7. There is no direct impact from the decrease in the Benefit Cap as the reduction is applied by reducing Housing Benefit, which is not taken into account when calculating CTS. However it may cause an increase in applications to the discretionary fund as people have less income to pay their council tax.
- 3.8. The changes to Tax Credits from April 2016 are estimated to add an additional £240,226 to the cost of the 2016/2017 CTS Scheme. Freezing the Applicable Amounts and Premiums saves just under £20,000, removing the family Premium for new claims saves £18,200 and limiting backdating saves approximately £12,500. The net effect of the changes is an additional cost of £189,634 as shown at Appendix D.
- 3.9. King's Lynn JobCentre Plus will go live with Universal Credit on 14 March 2016. Universal Credit, excluding housing costs, will be treated as income for the purposes of the local CTS scheme and is not expected to impact on the cost of the scheme in 2016/2017.
- 3.10. Full details of the proposed 2016/2017 CTS scheme are shown at section 5.
- 3.11. Further Welfare Reforms are due in 2017/2018, including limiting Child Tax Credit and Universal Credit to two children, and requiring those with a child under 3, rather than under 5, to seek work. These changes, and any others announced for 2017/2018, will be reflected in the draft CTS Scheme for 2017/2018.

4. Requirement To Consult

- 4.1. Before agreeing a CTS scheme the regulations require the Council to consult any major precepting authorities, publish its draft scheme and then consult with other interested persons.
- 4.2. Views have been sought from Norfolk County Council and Norfolk's Police and Crime Commissioner and they have responded with the following comments: **Awaiting Response**
- 4.3. The public consultation will detail the proposed scheme for 2016/2017 and will also outline the alternatives that have been considered and the reasons why they have been discounted.
- 4.4. A consultation exercise for the draft 2016/2017 CTS scheme (as shown in Section 5) is proposed for a six week period from 18 September 2015 to 30 October 2015. The consultation will primarily be carried out online with hard copies of the consultation questionnaire available. The consultation will be publicised through the Council's website, press releases, email alerts and social media. Interested parties such as advice agencies and housing associations will be contacted directly for their views.
- 4.5. Feedback from the consultation and any subsequent amendments proposed to the final CTS scheme for 2016/2017 will be brought back to Cabinet before 31 January 2016.
- 4.6. Recommendation 1: Members note the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner**
- 4.7. Recommendation 2: Members agree a public consultation period running online over a six week period from 18 September 2015 to 30 October 2015**

5. Council Tax Support Scheme for 2016/2017

- 5.1. A summary of the proposed draft CTS scheme for 2016/2017 to go to consultation is shown below. This reflects the current CTS Scheme for 2015/2016.

CTS Scheme Principle: An equal cut is made to everyone apart from those in a protected group.

The key points are:

- Working Age people have to pay 25% of their weekly council tax
- Child Benefit and Child Maintenance are included as income
- Second Adult Rebate is removed
- A weekly deduction for each non-dependent of £10 is made regardless of their income
- The maximum amount of Capital allowed is £6,000

- No Tariff Income is assumed for capital under £6,000
- Self Employed people are assumed to have an income of at least the minimum wage

The following are protected groups and the CTS scheme shown above will not apply - they are paid based on the national CTS scheme:

- Those who have reached the qualifying age for State Pension Credit
- Households with at least one child under the age of 5
- Those entitled to the Disability Premium as part of their needs calculation
- Those in receipt of Carer's Allowance
- Those in the ESA Support group

Work incentives remain at an extra £10 and the disregards are:

- | | |
|-----------------------|-----|
| • Single | £15 |
| • Couple | £20 |
| • Disabled or a Carer | £30 |
| • Lone Parent | £35 |

The following local disregards will continue to apply:

- War Pensions will be fully disregarded in the income calculation

5.2 At this stage no major amendments are proposed to the principles of the CTS scheme however technical updates will be made to reflect changes to Housing Benefit legislation during 2015/2016. The impact of the Welfare Reform Bill (as shown in Section 3) will also be incorporated into the scheme.

5.3 A list of the technical changes to the local CTS scheme is included at Appendix C.

5.4 The 2016/2017 CTS scheme is estimated to cost £9,543,901 compared to £9,337,776 for 2015/2016. The cost is split between the preceptors in proportion to their share of the council tax. The increase is attributed to the estimated additional cost due to the reductions to Tax Credits but is still well within the estimates in the Financial Plan. It is also partly offset by the technical changes to the 2016/2017 scheme. A full analysis of the cost of the 2016/2017 CTS scheme is shown at Appendix D.

5.5 The scheme will not contain any transitional provisions however a Discretionary Hardship fund will continue to assist any person in receipt of CTS who is experiencing hardship and having difficulty paying their Council Tax bill. The hardship provisions form part of the Council Tax Discretionary Reliefs policy agreed by Members in 2014. This will be reviewed as part of a separate report to be brought to a future Cabinet meeting.

5.6 Recommendation 3: Members agree the Council Tax Support scheme for 2015/2016, with the amendments as shown at Appendix C, as the draft Council Tax Support scheme for 2016/2017 to go to public consultation.

6. Other Options Considered

- 6.1. The Council is able to adopt any scheme of CTS for its working age claimants. As CTS is now a discount rather than a benefit it reduces the Council Taxbase which impacts on the Council's income. The Council receives a CTS grant as part of its Formula Funding, although the actual amount for CTS is no longer identified separately by Central Government.
- 6.2. The Council could decide to adopt a CTS Scheme that reflects the national, more generous, scheme of CTS for pension age customers. The national scheme is based on the old scheme of CTB with no cuts to support for any group. However this scheme would not fit within the projections in the Financial Plan and would create a shortfall.
- 6.3. Any CTS Scheme that does not meet the Council's projections will impact financially on the Borough Council as well as the County Council, Police and Crime Commissioner and the Parish Councils in proportion to their percentage of the council tax charge.
- 6.4. The cost of a local CTS scheme based on the national CTS scheme is estimated at £10,418,014 with a reduction on the taxbase of 6,872 band D properties. The deficit between this and the proposed CTS scheme is an estimated £874,113.
- 6.5. This would mean a £664,326 deficit for Norfolk County Council, a £122,376 deficit for the Police and Crime Commissioner and a £87,411 deficit for the Borough and Parish Councils.
- 6.6. The impact on individual parish and town councils, through a reduction in council tax base, will vary throughout the Borough according to the distribution of CTS applicants. The Council will continue to distribute a CTS grant to the parishes.
- 6.7. The Council can choose to implement the national scheme, or a different more expensive CTS scheme, and meet the shortfall from elsewhere within service budgets, increasing charges or by raising council tax. For the past two years the Council has chosen to implement a local CTS scheme which reflects the reduced level of funding and fits with the Financial Plan.
- 6.8. Pension age claimants are excluded from the local CTS scheme and are paid based on the more generous national CTS scheme, with the Council meeting this cost. To continue to meet the projections in the Financial Plan a significant reduction in the level of support needs to be continued for working age claimants. There are limited options available to achieve this and there is not scope for any alternative scheme to be significantly different to the CTS scheme agreed for 2015/2016.
- 6.9. The draft CTS scheme for 2016/2017 is designed to protect vulnerable groups and incentivise work whilst meeting the projections in the Financial Plan. The scheme has been subject to a full Consultation exercise and

Equality Impact Assessment, available in the Cabinet Reports of 21 August 2012 and 4 December 2012.

7. Next Steps

- 7.1. Once the consultation period has closed the results will be collated and used to inform any changes recommended to the draft 2016/2017 CTS scheme.
- 7.2. The consultation responses and details of the proposed final CTS scheme for 2016/2017 will be brought back to Members for agreement. Full Council must agree the final CTS scheme by 31 January 2016.
- 7.3. Recommendation 4: Members note that a further report detailing the proposed final Council Tax Support scheme for 2016/2017 will be presented to Cabinet, for recommendation to Council, before 31 January 2016.**

8. Policy Implications

- 8.1. The draft CTS Scheme for 2016/2017 is a continuation of an existing policy.

9. Financial Implications

- 9.1. The funding for the CTS scheme is now rolled into the Council's overall Formula Funding and is no longer identified separately by Central Government.
- 9.2. The taxbase figures in the Financial Plan 2014/2018 assume the CTS scheme, and the corresponding reduction in the taxbase, remains at the same level as 2015/2016 and that the taxbase will grow by 300 band D properties each year.
- 9.3. The modelled figures for the 2016/2017 CTS scheme (as at Appendix D) show the projected cost to be £9,543,901 which equates to a reduction in the taxbase of 6,295 band D properties. Although this is an increase on 2015/2016 the impact on the taxbase is still within the projections in the Financial Plan.
- 9.4. The cost of the CTS scheme and the impact on the taxbase will be monitored and an update report brought back before Members after six months.
- 9.5. The Council will continue to pay a CTS grant to the affected parishes as detailed in the Financial Plan. The grant is paid in proportion to the cost of the CTS scheme for each parish.

10. Personnel Implications

- 10.1. None

11. Statutory Considerations

11.1. The Council is required to agree a CTS Scheme for the 2016/2017 financial year by the 31 January 2016.

12. Equality Impact Assessment (EIA)

12.1. See Appendix A

13. Risk Management Implications

13.1. CTS is funded by a fixed grant paid by Central Government at the start of the year. The amount of the grant was only identified individually in year one of the new CTS scheme in 2013/2014 and represented a 10% cut based on the cost of the old scheme of Council Tax Benefit. The amount of the CTS grant is no longer identified separately by Central Government and is paid as part of the Council's overall grant.

13.2. The CTS scheme for 2016/2017 is designed to meet the taxbase projections as detailed in the Financial Plan. However any increases in demand, changes in the composition of the caseload, for example an increase in the number of pension age claimants, or changes to other welfare benefits during the year could represent a financial risk by increasing the cost of the CTS scheme and reducing the taxbase further. The impact of the CTS scheme is, and will continue to be, reviewed monthly.


14. Declarations of Interest / Dispensations Granted

14.1. None

15. Background Papers

15.1. None

**Appendix A: Pre Screening Equality Impact Assessment
(also see 4 December 2012 Cabinet Report)**

| | | | | | |
|---|--|---|--|---|--|
| <p>Pre-Screening Equality Impact Assessment</p> | | <p>Borough Council of King's Lynn & West Norfolk</p> | |  | |
| <p>Name of policy/service/function</p> | | <p>Local Council Tax Support Scheme</p> | | | |
| <p>Is this a new or existing policy/service/function?</p> | | <p>Continuation of an Existing Policy</p> | | | |
| <p>Brief summary/description of the main aims of Policy being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p> | | <p>Local Council Tax Support (CTS) schemes were introduced from 1 April 2013, replacing the existing national scheme of Council Tax Benefit (CTB) to help those on low incomes with their Council Tax bills.</p> <p>Each council is free to design their own CTS scheme although certain parameters have been set by Government:</p> <ul style="list-style-type: none"> • Pensioners must be protected from any reduction in support • Vulnerable groups must be considered for protection from any reduction in support • Work incentives should be promoted <p>Government have also reducing the funding available for CTS schemes by 10% in 2013/2014. From 2014/2015 the funding is rolled into the council's formula funding and not identified separately. As pensioners are protected from any reduction this becomes nearly a 25% reduction in support for working age people if the Council chooses to continue with the 2015/2016 CTS scheme.</p> <p>The 2015/2016 CTS scheme for the Borough was agreed on 29 January 2015 and includes protection for the following groups:</p> <ul style="list-style-type: none"> • Pensioners • Households with a child under 5 • People entitled to the Disability Premium in CTB • People in receipt of Carer's Allowance • People in the ESA Support group <p>The 2016/2017 CTS scheme is a continuation of the 2015/2016 CTS scheme</p> | | | |
| <p>Question</p> | | <p>Answer</p> | | | |
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of</p> | | | | | |
| | | <p>Positive</p> | | <p>Negative</p> | |
| | | <p>Neutral</p> | | <p>Unsure</p> | |
| <p>Age</p> | | | | <p>√</p> | |

| | | | | | |
|--|----------------------------|--|---|--|---|
| <p>ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | Disability | √ | | | |
| | Gender | | | | √ |
| | Gender Re-assignment | | | | √ |
| | Marriage/civil partnership | | | | √ |
| | Pregnancy & maternity | | | | √ |
| | Race | | | | √ |
| | Religion or belief | | | | √ |
| | Sexual orientation | | | | √ |
| | Other (eg low income) | | √ | | |
| Question | Answer | Comments | | | |
| <p>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p> | Yes | <p>The legislation for local CTS schemes states pensioners must be protected from any reduction in the level of support they receive. As the funding has been reduced this means a bigger cut falls on working age people.</p> <p>The legislation also compels councils to have regard to the impact on vulnerable groups and the promotion of work incentives</p> | | | |
| <p>3. Could this policy/service be perceived as impacting on communities differently?</p> | Yes | See 2 | | | |
| <p>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p> | Yes | <p>Pensioners are protected as they are not expected to return to work to increase their income to pay for any reduction in council tax support.</p> <p>Children under 5 are protected in accordance with Child Poverty.</p> <p>Those entitled to the Disability Premium in CTB are protected to reflect their higher living costs.</p> <p>People receiving Carer's Allowance are protected as it is harder for them to take on work or work extra hours to increase their income</p> <p>People in the ESA Support group are protected as they are deemed unable to work</p> <p>Work Incentives are promoted to encourage people back into work to increase their income. This is in line with the government's welfare reform principles.</p> | | | |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and</p> | No | <p>Actions:</p> <p>A full EIA has been completed as part of the Cabinet Report of 4 December 2012</p> | | | |

| | | |
|---|-------------------------------|---|
| list agreed actions in the comments section | | |
| | | Actions agreed by EWG member: |
| Assessment completed by: | Joanne Stanton | |
| Name | | |
| Job title | Revenues and Benefits Manager | |
| Date | 11 August 2015 | |

Appendix B

Comparison of the 2014/2015 and 2015/2016 CTS caseloads

| Current 2015/2016 CTS Caseload @ 16/07/2015 | | | | |
|--|---------------|--------------------|--------------------|-------------------|
| Caseload | Claims | % of claims | Spend | % of spend |
| Total | 11,806 | | £ 9,337,776 | |
| Pension Age | 6,370 | 54% | £ 5,249,785 | 56% |
| Working Age - All | 5,436 | 46% | £ 4,087,991 | 44% |
| ~Protected | 3,735 | 32% | £ 3,182,949 | 34% |
| ~Not protected | 1,701 | 14% | £ 905,042 | 10% |
| Protected Claims | Claims | | Spend | |
| Total | 3,735 | | £ 3,182,949 | |
| Child < 5 | 1,399 | 37% | £ 1,192,221 | 37% |
| Disability Premium | 1,689 | 45% | £ 1,439,358 | 45% |
| Carer's Allowance | 76 | 2% | £ 64,767 | 2% |
| ESA Support | 81 | 2% | £ 69,028 | 2% |
| Protection Override ¹ | 362 | 10% | £ 308,495 | 10% |
| Multiple Reasons | 128 | 3% | £ 109,081 | 3% |
| Incentives | Claims | | Spend | |
| Earnings Disregard | 779 | | £ 81,239 | |

¹ In 2014/2015 these were included under Carer's Allowance but can now be reported individually

² These are cases where the system has not picked up the protected group and includes Disability Premium, Carer's Allowance and Employment and Support Allowance Support Group (where a disability affects a customer's ability to work) claims

| Caseload 2014/2015 Cabinet Report 10/09/2014 | | | | |
|---|---------------|--------------------|--------------------|-------------------|
| Caseload | Claims | % of claims | Spend | % of spend |
| Total | 12,464 | | £ 9,768,609 | |
| Pension Age | 6,693 | 54% | £ 5,552,462 | 57% |
| Working Age - All | 5,771 | 46% | £ 4,216,147 | 43% |
| ~Protected | 3,542 | 28% | £ 3,036,480 | 31% |
| ~Not protected | 2,229 | 18% | £ 1,179,667 | 12% |
| Protected Claims | Claims | | Spend | |
| Total | 3,542 | | £ 3,044,929 | |
| Child < 5 | 1,488 | 42% | £ 1,275,630 | 42% |
| Disability Premium | 1,453 | 41% | £ 1,245,479 | 41% |
| Carer's Allowance ² | 601 | 17% | £ 515,371 | 17% |
| ESA Support ² | - | 0% | £ - | 0% |
| Protection Override ¹ | - | 0% | £ - | 0% |
| Multiple Reasons | - | 0% | £ - | 0% |
| Incentives | Claims | | Spend | |
| Earnings Disregard | 680 | | £ 70,914 | |

¹ In 2014/2015 these were included under Carer's Allowance but can now be reported individually

² These are cases where the system has not picked up the protected group and includes Disability Premium, Carer's Allowance and Employment and Support Allowance Support Group (where a disability affects a customer's ability to work) claims

| Claims Comparison | 2015/2016 | 2014/2015 | Change | % |
|----------------------------------|------------------|------------------|---------------|------------|
| Total | 11,806 | 12,464 | - 658 | -5% |
| Pension Age | 6,370 | 6,693 | - 323 | -5% |
| Working Age - All | 5,436 | 5,771 | - 335 | -6% |
| ~Protected | 3,735 | 3,542 | 193 | 5% |
| ~Not protected | 1,701 | 2,229 | - 528 | -24% |
| Protected Claims | Claims | Claims | | |
| Total | 3,735 | 3,542 | 193 | 5% |
| Child < 5 | 1,399 | 1,488 | - 89 | -6% |
| Disability Premium | 1,689 | 1,453 | 236 | 16% |
| Carer's Allowance ² | 76 | 601 | 46 | 8% |
| ESA Support | 81 | - | | |
| Protection Override ¹ | 362 | - | | |
| Multiple Reasons | 128 | - | | |
| Incentives | Claims | Claims | | |
| Earnings Disregard | 779 | 680 | 99 | 15% |

¹ In 2014/2015 these were included under Carer's Allowance but can now be reported individually

² These are cases where the system has not picked up the protected group and includes Disability Premium, Carer's Allowance and Employment and Support Allowance Support Group (where a disability affects a customer's ability to work) claims

| Spend Comparison | 2015/2016 | 2014/2015 | Change | % |
|----------------------------------|--------------------|--------------------|-------------------|------------|
| Total | £ 9,337,776 | £ 9,768,609 | -£ 430,833 | -4% |
| Pension age | £ 5,249,785 | £ 5,552,462 | -£ 302,677 | -5% |
| Working Age - All | £ 4,087,991 | £ 4,216,147 | -£ 128,156 | -3% |
| ~Protected | £ 3,182,949 | £ 3,036,480 | £ 146,469 | 5% |
| ~Not protected | £ 905,042 | £ 1,179,667 | -£ 274,625 | -23% |
| Protected Claims | Spend | Spend | | |
| Total | £ 3,182,949 | £ 3,044,929 | £ 138,020 | 5% |
| Child < 5 | £ 1,192,221 | £ 1,275,630 | -£ 83,409 | -7% |
| Disability Premium | £ 1,439,358 | £ 1,245,479 | £ 193,879 | 16% |
| Carer's Allowance ² | £ 64,767 | £ 515,371 | £ 36,000 | 7% |
| ESA Support | £ 69,028 | £ - | | |
| Protection Override ¹ | £ 308,495 | £ - | | |
| Multiple Reasons | £ 109,081 | £ - | | |
| Incentives | Spend | Spend | | |
| Earnings Disregard | £ 81,239 | £ 70,914 | £ 10,325 | 15% |

¹ In 2014/2015 these were included under Carer's Allowance but can now be reported individually

² These are cases where the system has not picked up the protected group and includes Disability Premium, Carer's Allowance and Employment and Support Allowance Support Group (where a disability affects a customer's ability to work) claims

Appendix C

Changes to be incorporated into the 2016/2017 CTS scheme

The Applicable Amounts and Premiums are frozen at the same levels as 2015/2016 (see Appendix D)

Claims will only be allowed to be backdated by 4 weeks

Childminders are treated in the same manner as they are in Housing Benefit and not under the standard self-employed rules

The Family Premium will be removed for new claims to CTS

Appendix D

Analysis of the estimated cost of the draft 2016/2017 CTS Scheme

| Type | Weekly CTS | Annual CTS |
|-----------------|------------------|--------------------|
| Pensioners | £ 100,161 | £ 5,222,680 |
| Protected | £ 61,122 | £ 3,374,439 |
| Working Age | £ 17,144 | £ 946,782 |
| Subtotal | £ 178,427 | £ 9,303,675 |

Included in the above:

| Change | Cases | Weekly CTS | Annual CTS |
|--|-------|-------------------|-----------------|
| Effect of reductions to Tax Credits | 1,118 | £ 4,619.73 | £240,226 |
| Effect of not increasing App Amounts | 922 | -£ 382.53 | -£ 19,892 |
| Effect of limiting backdating to 4 weeks | 126 | -£ 240.38 | -£ 12,500 |
| Effect of removing FP for new claims | 100 | -£ 350.00 | -£ 18,200 |
| Total | | £ 3,646.82 | £189,634 |

Appendix E

Commonly used Applicable Amounts and Premiums

| | Amount 2016/2017 | Amount 2015/2016 | Amount 2014/2015 |
|------------------------|-----------------------------|-----------------------------|-----------------------------|
| Single Person under 25 | £57.90 | £57.90 | £57.35 |
| Single Person over 25 | £73.10 | £73.10 | £72.40 |
| Lone Parent | £73.10 | £73.10 | £72.40 |
| Couple | £114.85 | £114.85 | £113.70 |
| Disability Premium | £32.25 | £32.25 | £31.85 |
| Carer Premium | £34.60 | £34.60 | £34.20 |

Example CTS calculations

Single person aged over 25 receiving Jobseeker's Allowance of £73.10 a week and whose council tax is £15 a week

| | | |
|---|---|--------|
| A | Applicable Amount | £73.10 |
| B | Income | £73.10 |
| C | Excess Income (A-B) | £0.00 |
| D | Maximum Weekly Council Tax Support | £15.00 |
| E | Weekly Council Tax Support due (as has to pay 25%) | £11.25 |