

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards NONE	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	YES	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted: Cabinet		
		Other Members consulted: R&P Panel		
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 NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment YES	Risk Management Implications YES

Date of meeting: 12 January 2016

FINAL COUNCIL TAX SUPPORT SCHEME FOR 2016/2017

Summary

This report should be read in conjunction with the Cabinet Report '2016/2017 Draft Council Tax Support Scheme for Consultation' of 9 September 2015.

This report summarises the results of the Council Tax Support consultation exercise, notes the responses to the consultation and proposes that the Council adopts the draft Council Tax Support scheme, approved on 9 September 2015, as the Council Tax Support scheme for 2016/2017.

The Council must review and agree its Council Tax Support scheme each financial year. The Council must consult with its major preceptors (the County Council and the Police and Crime Commissioner), publish its draft Council Tax Support scheme, consult with interested parties then publish its final Council Tax Support scheme.

The draft Council Tax Support scheme was agreed by Members on 9 September 2015 and published on 18 September 2015. The consultation period concluded on 30 October 2015.

Recommendations:

- 1) Members note the results of the consultation exercise, and**
- 2) The draft Council Tax Support scheme as approved on 9 September 2015 is adopted as the full Council Tax Support scheme for 2016/2017**

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 working age people on low incomes with their council tax costs.
- 1.2. Funding for CTS has moved from demand led funding paid by the DWP to a fixed grant from DCLG. The funding was reduced by 10 per cent in 2013/2014 and since then has been rolled into the Council's formula funding and is no longer identified separately. Projections of the impact on the taxbase have been included in the Council's Financial Plan.
- 1.3. Central Government allows local Councils to design and operate their own CTS scheme within the following parameters:
 - No cuts can be made to the help given to pension age claimants,
 - Consideration is given to protecting vulnerable groups, and
 - Work incentives are promoted

2. Council Tax Support Scheme For 2016/2017

- 2.1 A summary of the proposed CTS scheme for 2016/2017 is shown at Appendix B.
- 2.2 On 9 September 2015 Cabinet agreed the draft 2016/2017 CTS scheme and a six week public consultation was held from 18 September 2015 to 30 October 2015.
- 2.3 The principles of the proposed CTS scheme for 2016/2017 are the same as the CTS scheme for 2015/2016, subject to amendments to keep the scheme broadly in line with the Housing Benefit regulations and to allow the annual uprating of allowances and premiums in line with the national CTS scheme for pension age claimants.
- 2.4 The CTS scheme for 2016/2017 reflects welfare reform changes in 2016/2017 and accounts for the introduction of Universal Credit in this

area from March 2016. These changes do not affect the overall principles of the CTS scheme.

3. Results Of The Public Consultation

- 3.1 The consultation period ran from 18 September 2015 to 30 October 2015. Seven responses were received and are shown at Appendix C.
- 3.2 Only one of the responses was from someone in receipt of Council Tax Support and their household includes a disabled person so they are likely to fall in a protected group.
- 3.3 Three people who responded were in favour of the proposed scheme, two were against, one answered Don't Know and one gave no response. Of the alternatives, only one person favoured increasing council tax, two agreed with cutting services and one said we should charge more for services. No significant issues were raised during the consultation.

4. Other Options Considered

- 4.1. The Council is able to adopt any scheme of CTS for its working age claimants. Due to the impact of the funding arrangements and the statutory requirement to pay a higher level of support for pension age claimants, if the CTS scheme is to meet the projections within the Financial Plan either working age claimants have to continue to pay something towards their council tax, or other options including increasing council tax by more than any already planned increase, cuts to other services or charging more for services have to be considered.
- 4.2. The proposed 2016/2017 CTS scheme continues the principle of working age claimants continuing to make a contribution to their council tax (unless they are in a protected group) rather than a higher than already planned increase in council tax for all residents, increasing other fees and charges or cutting services.

5. Policy Implications

- 5.1. The proposed Council Tax Support Scheme for 2016/2017 is a continuation of an existing policy.

6. Financial Implications

- 6.1 The table from Appendix D of the 9 September 2015 Cabinet Report '2016/2017 Draft Council Tax Support Scheme for Consultation' has been updated following the announcement in the Autumn Statement of the withdrawal of tax credit changes. This reduces the cost of the proposed CTS scheme. The updated table is shown at Appendix D.
- 6.2 The funding for the CTS scheme for 2016/2017 is rolled into the overall Formula Funding for the year and is not separately identifiable.

6.3 The taxbase figures in the Financial Plan 2013/2017 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.

6.4 The modelled figures for the 2016/2017 CTS scheme show a projected impact on the taxbase of 6,137 band D properties. The impact on the taxbase is within the projections in the Financial Plan.

6.5 The Council will continue to pay a CTS grant to the affected parishes in proportion to the cost of the CTS scheme for each parish as detailed in the Financial Plan.

7. Personnel Implications

7.1 None

8. Statutory Considerations

8.1. The Council is required to agree a Council Tax Support Scheme for the forthcoming financial year by the 31 January of the preceding year.

9. Equality Impact Assessment (EIA)

9.1 Please see Appendix A

10. Risk Management Implications

10.1. The CTS scheme for 2016/2017 is designed to meet the taxbase projections as detailed in the Financial Plan. However any increases in demand, increases in Council Tax, for example the 2% increase allowed for County Councils for Social Care, 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.

10.2. The impact of the CTS scheme is, and will continue to be, reviewed monthly and an update report will be brought before Members after six months.

11. Declarations of Interest / Dispensations Granted

11.1. None

12. Background Papers

12.1. 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>New 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.</p> <p>The 2015/2016 CTS scheme for the Borough was agreed on 24 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 <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 ability to access the service?</p>					
		Positive	Negative	Neutral	Unsure
Age			√		
Disability		√			
Gender					√

Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group.	Gender Re-assignment				√
	Marriage/civil partnership				√
	Pregnancy & maternity				√
	Race				√
	Religion or belief				√
	Sexual orientation				√
	Other (eg low income)		√		
Question	Answer	Comments			
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?	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>			
3. Could this policy/service be perceived as impacting on communities differently?	Yes	See 2			
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	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>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>			
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 list agreed actions in the comments section	No	<p>Actions:</p> <p>A full EIA has been completed as part of the Cabinet Report of 4 December 2012</p>			

		Actions agreed by EWG member:
Assessment completed by: Name	Joanne Stanton	
Job title	Revenues and Benefits Manager	
Date	3 November 2015	

Appendix B: Summary of the proposed CTS scheme for 2016/2017

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

The scheme will mirror the old CTB scheme with the following amendments:

- 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 maximum amount of support is 75% of entitlement

The following are protected groups and the changes listed above will not apply:

- Those who have reached the qualify 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

Work incentives are increased by allowing an extra £10 a week earnings disregard so the disregards are:

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

The following local disregards will apply:

- War Pensions will be fully disregarded in the income calculation

The following changes are incorporated into the CTS scheme for 2016/2017:

- The Applicable Amounts and Premiums used to calculate entitlement are frozen at the same levels as 2015/2016
- Claims are only be allowed to be backdated by one month
- 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 and relevant changes in circumstances from 1 May 2016

Appendix C: Consultation Responses

Council Tax Support Consultation

Q1 - Do you agree that the Borough Council of King's Lynn & West Norfolk should implement the above scheme for the next financial year?

Yes	3
No	2
Don't Know	1

Q2 - Please give reasons for your response

This funding should be limited to that which central government provides. If it can't be funded by central government, it shouldn't be affordable through local taxation.

For the self employed, if proper accounts are supplied and accepted for housing benefit, these should be used to calculate CTS otherwise the rules are unfair and ambiguous. If earnings are accepted for one type of benefit how can they be summarily rejected for another?

Not in line with the provision made by other councils in the county. Punitive to those least able to pay.

Q3 - If the Council has a reduction in the Government funding for Council Tax Support, however should the Council find the shortfall?

	Yes	No	Total
Reduce the level of help given to people through CTS	4	2	6
Increase the Council Tax	1	4	5
Cut services provided	2	3	5
Charge more for services	1	4	5

Q4 - If you have any other suggestions as to how the Council can either reduce the amount of Council Tax Support paid or pay for any shortfall in funding of the scheme in a different way, please comment below

Move the thresholds which allow support. This is about funding from central government and if we can't afford it centrally, then any reductions should be made in a proportionate way.

Allocate council funding in a different manner and consult with other borough councils to see why they have made different decisions. As a last resort it may be necessary to increase council tax and thereby spread the load more evenly instead of picking on the most disadvantaged.

Q5 to Q16 are Equality Questions

Q17 - Please add any additional comments if you feel the proposed Council Tax Support scheme changes will affect you more because of your membership of any of the above groups

I don't think any of these questions are relevant to the issue on which you seek consultation and are very intrusive.

The hard workers of this world cannot be expected to keep the worse off. Some workers are worse off financially than people are on benefits. I'm fed up with working myself to illness and keeping others.

Q18 - Do you have any further comments that you wish to make?

No

I don't mind helping people but when I walk around Kings Lynn there are large groups either on drugs or alcohol who don't work. I work and can't afford either drugs or drink so why should I pay more for them to pay less.

Analysis of responses Q5 to Q16

Postcode

PE	1
PE30	3
PE31	2
PE33	1
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	7

On Council Tax Bill?

Yes	7
No	0
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	7

Receive Council Tax Support?

Yes	1
No	6
Don't Know	0
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	7

Household

Family and 1-2 children	0
Family 3+ children	0
Lone parent	0
Carer	0
Working	2
Disabled	2
Single/Couple no children	1
None of the above	2
	<hr/>
	7

Are you?	
<i>Pensioner</i>	3
<i>Student</i>	0
<i>Employed FT</i>	2
<i>Employed PT</i>	0
<i>Unemployed</i>	1
<i>Disabled</i>	1
	<hr/>
	7

Are You?	
<i>Male</i>	3
<i>Female</i>	2
<i>No answer</i>	2
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	7

Age	
<i><18</i>	0
<i>18-24</i>	0
<i>25-34</i>	0
<i>35-44</i>	1
<i>45-54</i>	1
<i>55-60</i>	0
<i>>61</i>	4
<i>Prefer not to say</i>	0
<i>No answer</i>	1
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	7

Illness/Infirmary	
<i>Yes</i>	1
<i>No</i>	5
<i>No answer</i>	1
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Ethnicity	
<i>White British</i>	4
<i>White Other</i>	1
<i>No answer</i>	2
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	7

Religion	
<i>Christianity</i>	3
<i>No religious belief</i>	2
<i>No answer</i>	2
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Orientation	
<i>Heterosexual</i>	5
<i>No answer</i>	2
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	7

Appendix D

Analysis of the estimated cost of the CTS scheme – updated following Autumn Statement announcement on Tax Credits

Type	Weekly CTS	Annual CTS
Pensioners	£ 100,161	£ 5,222,680
Protected	£ 61,122	£ 3,187,063
Working Age	£ 17,144	£ 893,932
Subtotal	£ 178,427	£ 9,303,675

Included in the above:

Change	Cases	Weekly CTS	Annual CTS
Effect of not increasing App Amounts	922	-£ 382.53	-£ 19,892
Effect of limiting backdating to one month weeks	126	-£ 240.38	-£ 12,500
Effect of removing Family Premium for new claims	100	-£ 350.00	-£ 18,200
Total		-£ 972.91	-£ 50,592