


Agenda Item No:	8	
Committee:	Council	
Date:	17 December 2015	
Report Title:	Council Tax Support - 2016-17 scheme	

Purpose / Summary

Each year the Council is required to review its Council Tax Support (CTS) Scheme. This report advises Council about the 2015 review and the resultant proposals for the CTS scheme to take effect from 1 April 2016.

Key issues

- We are currently in the third year of CTS. This is a locally set scheme that replaced the nationally set Council Tax Benefits (CTB) scheme from April 2013.
- In 2013-14 we were able to take advantage of a one-off Government grant that compensated in part for the reduction in Government funding that year. This meant that the maximum CTS awarded was the amount calculated, less 8.5% (Pensioners are protected by legislation and still receive up to 100% CTS).
- In 2014-15, we initially proposed this reduction be increased to 20%. However a reduction in demand meant that we were able to revise this reduction to 14%.
- For 2015-16 we kept the same scheme as 2014-15, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit. This means that customers could have a higher income before losing CTS.
- In 2016-17 we are proposing to keep the same scheme as 2015-16, including uprating premiums in line with state-administered benefits.

Recommendation

It is recommended by Cabinet that Council approve:

The Council Tax Support Scheme to take effect from 1 April 2016 as set out in Section 11.5 and Annex B of this report.

Wards Affected	All
Forward Plan Reference	This report is included in the Forward Plan
Portfolio Holder(s)	Councillor John Clark, Leader of the Council Councillor Chris Seaton, Portfolio for Finance
Report Originator(s)	Geoff Kent, Head of Customer Services Email: gkent@fenland.gov.uk Tel: 01354 622290
Contact Officer(s)	Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer Geoff Kent, Head of Customer Services
Background Paper(s)	N/a

4 Introduction

- 4.1 Before April 2013, Council Tax Benefit (CTB) was a nationally controlled scheme administered by District and Unitary Councils, which give reductions from Council Tax to people on low incomes according to set criteria specified by regulations. The maximum reduction was 100% of a person's Council Tax bill.
- 4.2 CTB was replaced by CTS in April 2013. At the same time, Government funding was reduced and CTS was localised, coming under the control of District and Unitary Councils. Whilst pensioners (defined by regulations in this respect as "people of state pensionable age") were protected and regulations specified that they must still receive up to 100% CTS, this protection did not apply to working age people.
- 4.3 The implementation of CTS left Fenland with a funding gap, which potentially saw working age customers only being entitled to maximum CTS of 80% of their Council Tax liability. This meant that we would calculate their entitlement to CTS, and then reduce the amount awarded by 20%.
- 4.4 However, Members considered the options available to help increase CTS and were able to implement a scheme in 2013-14 that saw working age customers be entitled to up to a maximum 91.5% CTS of their Council Tax liability (meaning that we would calculate their entitlement to CTS, then reduce the amount awarded by 8.5%); in two ways.
- 4.5 Members primarily met the funding shortfall by revising Council Tax exemptions on empty properties, permitted by regulations that changed in 2013. This meant that the Council would no longer give a Council Tax reduction for most empty domestic properties.
- 4.6 The funding shortfall was further closed by a one-off transitional Government grant that applied in 2013-14 only.

- 4.7 In 2014-15 this grant was not available. With demand for CTS not growing as much as was predicted for 2013-14, Members were able to revise the CTS scheme to feature a reduction of 14% CTS for working age customers. This meant that we would calculate their entitlement to CTS, and then reduce the amount awarded by 14%.
- 4.8 For 2015-16 the CTS scheme remained the same as 2014-15 after Members noted a decline in both numbers of customers claiming it, and the amounts awarded overall.
- 4.9 Councils are required to review the operation of their CTS schemes annually. They are required to make any revisions no later than 31 January in the financial year preceding that for which the scheme will be revised (i.e. 31 January 2016 for the 2016-17 scheme).
- 4.10 Regulations state that where authorities revise their CTS scheme, they must consult major precepting authorities (the bodies that it collects Council Tax on behalf of, i.e. the County Council, Police and Crime Commissioner, Fire Authority), publish a draft scheme and also consult other persons likely to have an interest in the scheme.
- 4.11 Note that this is the last scheduled meeting of Council before the statutory deadline of 31 January 2016. Failure to determine a CTS scheme by this deadline would mean that the Council would be required to implement the “default” CTS scheme, with serious financial consequences to both the Council and major precepting authorities.

5 The 2016-17 CTS scheme

- 5.1 The table below shows how the amount of CTS awarded and numbers of customers receiving it have changed in the last three years:-

	CTS awarded - £ millions			CTS - numbers of customers claiming		
	Pensioners	Working Age	Total	Pensioners	Working Age	Total
2013-14	4.16	3.78	7.94	4,698	4,722	9,420
2014-15	4.04	3.59	7.63	4,583	4,683	9,266
2015-16 (at 1/12/15)	3.81	3.49	7.30	4,267	4,455	8,722

- 5.2 The continuing reduction in cases reflects national welfare benefit trends. The data below comes from official DWP statistics for all nationally administered welfare benefits:-

National welfare benefits - £s awarded and numbers of customers claiming (DWP data)				
Year	Total paid £billion	Annual change	Claims millions	Annual change
2012-13	21.802		6.383	
2013-14	21.334	-2%	6.299	-1%
2014-15	20.892	-2%	6.034	-4%
2015-16 estimate	20.215	-3%	5.834	-3%
2016-17 estimate	20.098	-1%	5.677	-3%
2017-18 estimate	19.600	-2%	5.547	-2%
2018-19 estimate	18.938	-3%	5.434	-2%
2019-20 estimate	18.914	0%	5.393	-1%

- 5.3 In its Summer Budget this year, the Government announced changes to Tax Credits. These are nationally - controlled welfare benefits. Although these are controlled by the Government, they could potentially adversely affect the incomes of working age customers. With lower incomes, these customers would be entitled to more CTS.
- 5.4 In his Autumn Statement delivered on 25 November 2015, the Chancellor announced that he would not proceed with the above changes to Tax Credits.
- 5.5 Prior to the above announcement, Officers were recommending that the CTS scheme be unchanged from 2016-17 to take into account the possible effects of Tax Credit changes.
- 5.6 If the Council were to change its CTS scheme, we would need to undertake a public consultation as required by Government regulations. The Government recommends that this should take ten weeks. However, as there is a legal requirement for Council to determine the CTS scheme for 2016-17 by 31 January 2016, it is recommended that the current scheme be retained for next year with a view to looking in depth at options for changing the scheme for the following year (2017-18) to be considered at that time.

6 The Government's review of Council Tax Support

- 6.1 The Government announced on 2 December 2015 that it is reviewing operation of CTS schemes nationally. This does not affect the Council's current or proposed CTS schemes but will give the Council a chance to feedback to the Government its experiences of CTS over the first three years of operation.
- 6.2 The review will focus on themes of effectiveness, efficiency, fairness, and transparency as well as its impact on local autonomy, finance, budgeting and local residents.
- 6.3 In announcing the review, the Government said that it would ensure that CTS nationally is effective, fair and transparent. It also stated that the review would consider how the change had been implemented, what it has meant for people receiving CTS and whether CTS should be part of Universal Credit payments in the future.
- 6.4 Updates will be brought to Members once the outcome of the review is known.

7 Reviewing operation of the current CTS scheme

- 7.1 The Council is required to undertake an annual review of the scheme even if it does not seek to change it for the following year.
- 7.2 We should consider the effectiveness of the scheme and the most relevant way to do this is to examine the effects on Council Tax collection. Whilst we cannot be absolutely certain that changes to CTS have a direct impact on customers' ability to pay and the subsequent recovery notices issued, it can be argued that there is a direct correlation between these matters.
- 7.3 Tables overleaf show changes in recovery notice volumes and values during a period where Council Tax overall increases have been minimal, yet the maximum percentage of CTS awarded (see section 4 above) has reduced from 91.5% to 86% of customer liability.

- 7.4 Note that although more customers are falling behind as is evidenced by higher volumes and values of reminder notices issued; there has been a fall in the numbers and values of court summonses issued which indicates that we have been able to make contact with customers early and renegotiate revised payment plans that avoid referral to Magistrates' Court with the associated additional court costs (currently £75 per case), plus any further fees if the case remains unpaid and it is forwarded to our Enforcement Agents).
- 7.5 If customers do not agree a payment arrangement after their case has been subject to a Liability Order, the matter is then passed to Enforcement Agents (formerly known as "Bailiffs") for further recovery, including additional costs that are set by Government regulations. Prior to 2015, the Council used private contractors to do this work.
- 7.6 Now that the Council is part of the Anglia Revenues Partnership (ARP), an in-house Enforcement Agency known as the Anglia Revenues Partnership Enforcement Agency (ARPEA) has been created. This allows much closer working with the Council than the external providers were able to. We are better able to respond in cases where vulnerable people are involved to help those people who are genuinely having difficulty in paying.
- 7.7 As part of the annual review of CTS we look at the amount of recovery action that has been taken in respect of Council Tax arrears, as set out below.
- 7.8 The first two tables below show Council Tax reminders. These are sent when a customer has missed a single payment and the financial values shown reflect this.

Effect on Council Tax recovery - Reminders issued (numbers)				
Month	2012	2013	2014	2015
Apr	3,002	4,453	4,147	5,603
May	828	2,306	2,007	2,218
Jun	1,413	2,009	2,114	1,779
Jul	194	1,695	1,531	1,248
Aug	1,228	1,714	1,256	1,145
Sep	1,042	1,275	1,271	1,087
Oct	1,109	1,142	1,081	811
Total (Apr-Oct only)	8,816	14,594	13,407	13,891
Change		66%	-8%	4%

Effect on Council Tax recovery - Reminders issued (£millions value)				
Month	2012	2013	2014	2015
Apr	0.319	0.326	0.336	0.571
May	0.026	0.196	0.180	0.216
Jun	0.344	0.345	0.400	0.180
Jul	0.130	0.284	0.275	0.138
Aug	0.248	0.279	0.129	0.123
Sep	0.213	0.150	0.201	0.128
Oct	0.188	0.142	0.174	0.104
Total (Apr-Oct only)	1.468	1.722	1.695	1.460
Change		17%	-2%	-14%

- 7.9 The next two tables shows summons volumes and values that indicate more customers are reaching mutually acceptable payment arrangements much earlier now, reducing court action and associated costs for customers:-

Effect on Council Tax recovery - Summonses issued (numbers)				
Month	2012	2013	2014	2015
Apr	0	0	0	0
May	782	1,726	1,680	1,553
Jun	492	523	455	369
Jul	458	564	525	353
Aug	137	519	385	327
Sep	340	414	258	322
Oct	284	303	273	267
Total (Apr-Oct only)	2,493	4,049	3,576	3,191
Change		62%	-12%	-11%

Effect on Council Tax recovery - Summonses issued (£millions value)				
Month	2012	2013	2014	2015
Apr	0.000	0.000	0.000	0.000
May	0.749	1.100	1.100	1.200
Jun	0.394	0.290	0.264	0.238
Jul	0.300	0.306	0.319	0.213
Aug	0.088	0.264	0.220	0.184
Sep	0.194	0.197	0.138	0.170
Oct	0.132	0.137	0.120	0.126
Total (Apr-Oct only)	1.857	2.294	2.161	2.131
Change		24%	-6%	-1%

- 7.10 Note the higher monetary values of summonses shown in the table above. These are much higher than the comparable table for reminders. When a summons is issued, the balance of the current financial years Council Tax becomes due and payable immediately.
- 7.11 CTS has also affected Council Tax collection rates and the arrears at the end of each financial year, as the table below shows (note that Council Tax Benefit applied to 2012-13, this was awarded for up to 100% of customer liability, please see section 4.1 of this report; and 2013-14 was the first year of CTS).

Council Tax arrears at end of each year and in-year collection rates					
Year	Maximum CTS award this year	Arrears £million	Annual change	Collection rate %	Annual change %
2012-13 (at 31/3/13)	100.0%	0.826		98.0	
2013-14 (at 31/3/14)	91.5%	1.000	21%	97.7	-0.3%
2014-15 (at 31/3/15)	86.0%	1.231	23%	97.3	-0.4%

- 7.12 Note that the above information relates to in-year collection (i.e. arrears at the end of each financial year on 31 March that specifically relate to that year).
- 7.13 After a financial year has ended, work continues to recover arrears from that year. In many cases, customers who are experiencing financial difficulties will have payment arrangements that extend beyond the relevant financial year. This is particularly applicable to customers who may be receiving Income Support (IS), where small amounts (set by regulations) are being deducted at source from IS to pay off the debt, often over an extended period.
- 7.14 This indicates that customers' ability to pay appears to be linked to the maximum they are being asked to pay where they are receiving CTS. This suggests that further reductions in future years could adversely affect collection rates and arrears levels.

8 Consulting for the CTS 2015 scheme

- 8.1 As the CTS scheme is unchanged, a public consultation was not required this year; nor is there a requirement to consult major precepting authorities (the bodies that it collects Council Tax on behalf of, i.e. the County Council, Police and Crime Commissioner, Fire Authority) in this instance as a result.

9 Equalities Impact Assessment

- 9.1 The Equality Act 2010 obliges all public bodies to have "due regard" for the need to:-
- Eliminate unlawful discrimination,
 - Advance equality of opportunity,
 - Foster good relations.
- 9.2 The Act also identifies groups of people who share a common characteristic and must be "protected" under the terms of the Act. The characteristics are:-
- Age,
 - Disability,
 - Gender reassignment,
 - Pregnancy and maternity,
 - Race,
 - Religion or belief,
 - Gender,
 - Sexual orientation,
 - Marriage and civil partnerships.
- 9.3 Other legislation and best practice suggests that we should extend these groups to include these considerations as well:-
- Human Rights,
 - Socio-economic factors.
- 9.4 A full Equalities Impact Assessment for CTS is attached as **Annex A** to this report.

10 Risks

- 10.1 We have looked at the ongoing benefit trends. Although there has been a slight drop in both the value of CTS awarded and the numbers of customers claiming it, we should be cautious about future demand. Department for Work and Pensions (DWP) national state benefits caseload and expenditure (see section 5.2 of this report) shows that the numbers of state benefit cases will continue to decline each year.
- 10.2 It is prudent to keep the CTS reduction at 14% as now whilst cautioning that this may change for 2017-18.

11 Overview and Scrutiny

- 11.1 A report detailing the annual review of CTS and first draft proposals for the 2016 CTS scheme was presented to the Overview and Scrutiny Panel at its meeting on 23 November 2014.
- 11.2 The Panel noted the annual review of Council Tax Support.
- 11.3 With the (then) uncertainty regarding proposed Tax Credit changes at that time, the Overview and Scrutiny Panel noted the proposals to retain CTS at current levels for 2016-17 were appropriate.

12 The final Council Tax Support Scheme for 2016-17

- 12.1 The Council is required under the Local Government Finance 2012 to make a Council Tax reduction scheme each year. The Council will refer to this scheme as a Council Tax Support Scheme.
- 12.2 The scheme for 1 April 2016 onwards for determination by Council is attached as **Annex B** to this report.
- 12.3 If the Council did not set its own scheme by 31 January 2016, the “default scheme” would be imposed upon it by the Government. This is, in effect a CTS scheme that has no reduction for working age people, which would therefore have significant cost to the Council, as well as precepting authorities.
- 12.4 The default scheme also forms the legal basis for pensioners to be protected in that their entitlement to CTS must be assessed in the same way as it was for CTB, meaning that we cannot apply a further cut to their CTS entitlement in the same way that we are proposing to do for working age people.

12.5 Fenland's Council Tax Support scheme for 2016-17 is therefore proposed to be the default Council Tax Reduction scheme with these specific additions:-

- After calculation of the CTS amount, a deduction of 14% of the amount awarded will be made for working age people (as now).
- War Pensioners will have their pension disregarded (as now).

Allowances used in calculation of CTS will be uprated in accordance with the uprating to allowances used for Housing Benefit that will be notified by Circular from the DWP before April 2016 (as now).

ANNEX A

EQUALITIES IMPACT ASSESSMENT FOR COUNCIL TAX SUPPORT SCHEME

INTRODUCTION

The Equality Act 2010 reminded all public authorities of their duty to have ‘due regard’ to the need to:

- **Eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act:
- **Advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- **Foster good relations** between people who share a protected characteristic and people who do not share it.

The protected groups (previously known as equality strands) are as follows:

- Age
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Gender
 - Sexual orientation
 - Marriage and civil partnerships (eliminate unlawful discrimination only)
- Other legislation and practice has determined that we extend this to cover:

- Human Rights
- Socio Economic factors

The duty reminds us of the need to analyse the effect of existing and new policies and practices on equality.

The equality analysis should be proportionate and relevant – not just a tick box exercise. In some cases the written record will be a quick set of bullet points or notes under each heading. Others will need a more detailed explanation.

However, legal case law makes it clear that we must carry out the analysis **before making the relevant policy decision**.

A meaningful equality analysis will help the Council make the best decisions or formulate a policy which best meets our customers’ needs.

Once a Customer Impact Assessment (replacing our existing Equality Impact Assessment) has been completed there is no need to automatically carry out a new assessment each year. A review assessment has been put in place, and can be completed if there has been no change to the original policy, the way it’s implemented and its customer impact.

Assessing Equality – The Equality Act 2010

A SIMPLE GUIDE TO ASSESSING EQUALITY

What is Customer Impact Assessment (CIA)?

- CIA is the act of systematically assessing the likely (or actual) effects of policies or services on people based on the following:
 - Age
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Gender
 - Sexual orientation
 - Marriage and civil partnerships
 - Human Rights
 - Socio Economic factors

This means considering the above, as set out in the table below, in relation to a policy, practice or service, before a decision is made.

	Eliminating unlawful discrimination, harassment and victimisation	Advancing equality of opportunity between different groups	Fostering good relations between different groups
Disability			
Age			
Pregnancy and maternity			
Race			
Religion or belief			
Sex/ Gender			
Gender reassignment			
Sexual orientation			
Human Rights			
Socio Economic Factors			
Marriage and civil partnerships			

Assessing Equality – The Equality Act 2010

- You are looking for opportunities to promote equality, and good relations between all groups as well as removing or mitigating negative or adverse impacts.
- Remember it might not be possible to remove all barriers to service or your policy or practice may have a negative impact on certain groups ... please note anything of this nature

Why is it important?

- Assessing equality issues helps us understand the needs of our customers, ensures our decisions meet those needs, and are also cost effective, and demonstrable.
- As a public authority we also have a **legal** duty to show “*due regard*” for equality in decision making and the way services are provided
- To be able us to show “*due regard*”, we need to show that consideration of [possible impact to the groups mentioned have taken place **prior** to a decision being made; that equality issues were considered, and that this consideration was rigorous, open minded, and involved thinking about the three arms of the Equality Act as part of this process, and that potential adverse impacts were either removed or reduced, and that all our decisions can be defended if challenged.
- Documenting our equality analysis enables the Council show it has had “*due regard*” for equality if decisions are challenged. If “*due regard*” for equality cannot be shown, decisions may be overturned at judicial review. This could result in lost time, money and negative publicity.
- The sooner equality is considered in a process; the more efficiently that process can be carried out.

Assessing Equality – The Equality Act 2010

How can equality be assessed?

1. Gather information This can be consulting with relevant groups, using a previous EqIA as a starting point, consultations carried out by other services, details of the service 'hard to reach groups', customer satisfaction surveys, MOASIC data, consider relevance to equality



2. Assess impact could different groups be affected differently? Is this difference positive or negative? Consider the three arms of the Equality Act in relation to all the protected groups as per the table. NOTE: The quality of the assessment will depend on the quality of the information gathered



3. Take action this could be to reduce negative or increase positive impact. Produce an action plan where appropriate; make actions SMART. Unlawful discrimination **MUST** be actioned immediately



4. Summarise your findings on the EqIA form. Where it is clear from initial information gathering that a policy will not have any effect on equality, this may simply be a sentence recording this; the greater the relevance to equality, the greater the level of detail required. Publish your findings



5. Monitor the on-going effects of the policy on equality. This is usually in the form of the annual review carried out in October of each year, to fit in with the service planning cycle. The Equality Act is a **continuing** duty!

Assessing Equality – The Equality Act 2010

Customer Impact Assessment

Name and brief description of policy being analysed

Briefly summarise the policy including any key information such as aims, context etc.; note timescales and milestones for new policies; use plain language – NO JARGON; refer to other documents if required

This Customer Impact Assessment should be read in conjunction with the report “Council Tax Support - 2016-17 scheme” considered by Cabinet and Council at their respective meetings on 17 December 2015.

Council Tax Support (CTS) was introduced in April 2013, replacing Council Tax Benefit (CTB). For CTB, it was a nationally set scheme that ensured that the maximum entitlement was 100%, so that 3,500 households in Fenland received full CTB and did not have to pay any Council Tax. For CTS, for those of state pensionable age, it is still subject to national rules and up to 100% CTS can be granted. For working age, Councils can reduce the amount of CTS by any percentage they see as appropriate. At the same time, the Government has changed the funding mechanism for CTS. Under CTB it was demand-led, meaning that the Government would fund all CTB granted, including any increase in demand. Under CTS, the Government gives each Council a specific amount annually to fund CTS. This is lower than the actual CTS granted. Councils must decide either to cut budgets, or the amount of CTS awarded to meet this gap. Fenland District Council is choosing to do the latter.

In 2013-14 the Council reduced the amount of CTS awarded for working age customers by 8.5%. The original proposal was to reduce it by 20% but transitional funding from the Government allowed the Council to reduce this planned cut from 20% to 8.5%.

In 2014-15 transitional funding was no longer available. After modelling demand for CTS, a revised scheme was implemented with a 14% cut after looking at the amount awarded in 2013-14, the loss of the above funding and also DWP predictions for demand for nationally administered welfare benefits over the next five years.

For the 2015-16 scheme the reduction remained at 14% after taking into account a slight reduction in demand together with DWP long-term forecasts that indicate demand for welfare benefits after the 2014 Budget indicated that the numbers of state benefit cases will slowly decline over the next five years.

For the 2016-17 the Council is proposing to keep the scheme exactly as the existing 2015-16 scheme, with the 14% reduction retained after undertaking the same modelling exercise as the previous two years.

Assessing Equality – The Equality Act 2010

Information used for customer analysis

Note relevant consultation; who took part and key findings; refer to, or attach other documents if needed; include dates where possible

The Council Tax Support scheme proposed for 2016-17 is the same as the 2015-16 scheme, including the uprating of allowances used to determine entitlement. Allowances are the amount of income that a person can receive before we start reducing their CTS from full entitlement.

State benefits (those administered directly by the Government such as Child Benefit, Jobseekers' Allowance, Employment Support Allowance, etc.) are increased each April, generally in line with inflation (the "CPI" or Customer Price Index is used normally). This affects entitlement to CTS as a person receiving these state benefits will have a higher income and would therefore receive less CTS as a result, as eligibility for CTS is means-tested and dependent upon income as well as savings and household composition.

As no change to the scheme is proposed, a full consultation has not been carried out.

A desktop review of the scheme has been conducted. This looked at the effects of the scheme on the numbers of customers claiming CTS and any change since last year, with reference to caseload information held by the Government in respect of nationally-administered means-tested benefits.

It also looked at the numbers and volumes of recovery notices being issued. These measures allow us to understand the effects of the CTS scheme in that we can use comparative data from previous years that shows how many late payers we have and how many are subject to further recovery action.

The Council now has extended instalment plans that enable customers to spread their Council Tax payments to be monthly over 12 months or weekly over 52 weeks; compared the previous statutory payment scheme that offered only 10 monthly instalments. Data indicates that offering the former two additional options has helped reduce the numbers of customers summoned for non-payment of Council Tax.

Assessing Equality – The Equality Act 2010

	Could particularly benefit	Neutral	May adversely impact	Explanations	Is action possible or required?	Details of actions or explanations if actions are not possible Please note details of any actions to be placed in your Service Plan
Race	N	Y	N	<p>The proposed scheme affects working age customers as those of state pensionable age are protected by regulations.</p> <p>Other groups are not discriminated against specifically for their characteristics.</p>	N	<p>CTS has an adverse effect on working age claimants, who represent 51% of CTS claims (4,455 of 8,722 as at 1/12/15).</p> <p>Working age customers are generally able to increase their income through employment, which is not as achievable for a pensioner.</p> <p>Working age customers in work may be eligible to receive other benefits such as Tax Credits that can help boost their income.</p> <p>No further action is required.</p>
Sex	N	Y	N		N	
Gender reassignment	N	Y	N		N	
Age	N	N	Y		N	
Sexual orientation	N	Y	N		N	
Religion or belief	N	Y	N		N	
Pregnancy & maternity	N	Y	N		N	
Marriage & civil partnership	N	Y	N		N	
Human Rights	N	Y	N	There are no effects.	N	No action required.

Assessing Equality – The Equality Act 2010

	Could particularly benefit	Neutral	May adversely impact	Explanations	Is action possible or required?	Details of actions or explanations if actions are not possible Please note details of any actions to be placed in your Service Plan
Disability	N	N	Y	Disabled people are disadvantaged as they are likely to have fewer opportunities to access to work in order to be able to increase their wage income.	Y	<p>We disregard Disability Living Allowance and Attendance Allowance in CTS calculations.</p> <p>We disregard all Armed Forces compensation income for Veterans and Members of the Armed Forces.</p> <p>We increase premiums for severe disability, enhanced disability and a disabled child rate.</p> <p>Disabled people who are unable to work receive higher levels of state benefits, are likely to have a higher income than other unemployed, working age claimants whose CTS will also be reduced.</p>

Assessing Equality – The Equality Act 2010

	Could particularly benefit	Neutral	May adversely impact	Explanations	Is action possible or required?	Details of actions or explanations if actions are not possible Please note details of any actions to be placed in your Service Plan
Socio Economic and Multiple /cross-cutting	N	N	Y	<p>Working age households may have to pay more Council Tax after CTS is taken into account.</p> <p>This means that they may have less money to spend in the local economy as a result.</p>	Y	<p>As well as the statutory 10 instalments, we now offer 12 monthly and 52 weekly instalments to help customers' better budget to pay their Council Tax. Weekly payments are particularly helpful for social housing tenants who pay their rent weekly.</p> <p>Our Council Tax Discretionary Relief scheme gives potential extra help to customers in exceptional circumstances who cannot pay their Council Tax.</p> <p>By keeping the reduction at 14% for a further year we are helping people budget for their Council Tax payments effectively again.</p>

Assessing Equality – The Equality Act 2010

Outcome(s) of customer analysis

a) Will the policy/~~procedure~~ impact on ~~the whole population of Fenland and/~~ or identified groups within the population; negative neutral positive

No major change needed **N** Adjust the policy **N** Adverse impact but continue **Y** Stop and remove / reconsider policy **N**

Arrangements for future monitoring:

Note when analysis will be reviewed; include any equality indicators and performance against those indicators

This assessment will be regularly reviewed.

Details of any data/ Research used (both FDC & Partners):

Statistical data from the DWP and internal Council systems was issued. This is referred to in the reports to Cabinet and Council for their meetings on 17/12/15 that should be read in conjunction with this updated EIA.

Completed by:

Name: Geoff Kent

Position: Head of Customer Services

Date: 2/12/15

Details of any Committee approved by (if applicable):

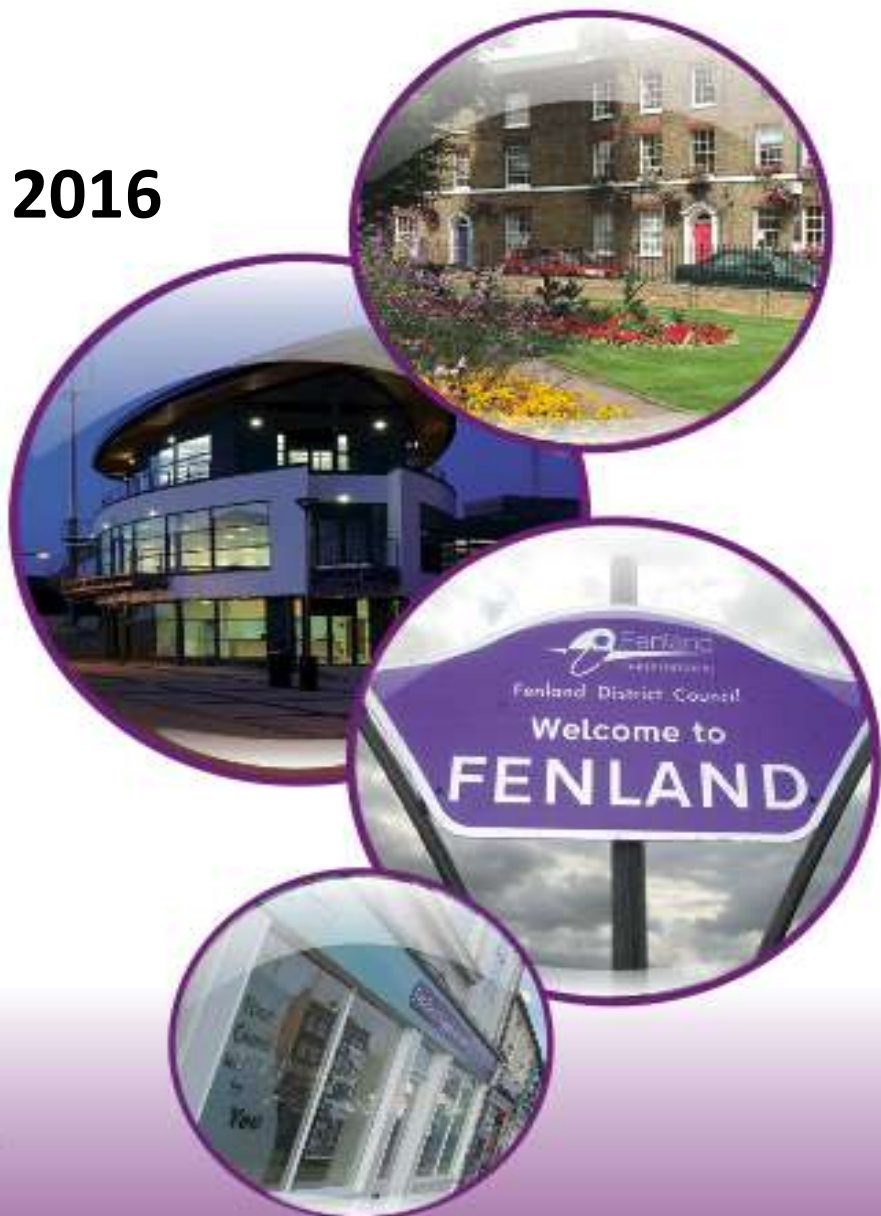
This Customer Impact Assessment should be read in conjunction with the report “Council Tax Support - 2016-17 scheme” considered by Cabinet and Council at their meetings on 17 December 2015.

ANNEX B

Council Tax Support Scheme

Effective 1 April 2016

Determined by Council
at its meeting on
17 December 2015



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Glossary of Terms

Definition of Pensionable Age

When we talk about pensionable age customers we mean someone who:

- Has reached the qualifying age for state pension credit, and
- They, or any partner, do not receive Income Support, Income Based Job Seekers Allowance or Income Related Employment Support Allowance.

Definition of Working Age

When we talk about working age customers we mean someone who:

- Has not yet reached the qualifying age for state pension credit, or
- Has reached the qualifying age for state pension credit but they, or any partner, receive Income Support, Income Based Job Seekers Allowance or Income Related Employment Support Allowance.

Definition of 'partner'

When we talk about a customer's partner we mean a person they are married to or a person they live with as if they were married to them, or a civil partner or a person they live with as if they were civil partners.

Applicable Amounts

When we talk about 'applicable amount' we mean a weekly figure that is used to calculate the basic living needs of a customer based on their household size and accounting for any disabilities or special circumstances. The elements and amounts of the applicable amount are decided by the Government and are made up of:

- personal allowances (for the claimant, partner and any children)
- premiums (based on certain qualifying conditions)

The applicable amount is used in a means tested calculation and compared to a customer's assessed income figure in order to work out how much benefit they may be entitled to.

The applicable amounts and associated premiums that we use will be updated using information published by the Department for Work and Pensions in a Housing Benefit Circular that is published annually before the financial year it relates to starts.

1. Introduction

1.1 From 1 April 2013, the Government abolished the national Council Tax Benefit scheme and required each council to introduce their own local Council Tax Reduction Scheme to replace it. The amount of money the Government now gives councils to fund a local scheme is less than the grant given for Council Tax Benefit. This means Fenland District Council will have less money to help low income households with their Council Tax.

1.2 Although the Council is required to design a local scheme the Government has placed a number of restrictions on what we can do. The council also has to consider how a local scheme would impact on the most vulnerable in society and should specifically consider its statutory duties under the following regulations:-

- The Equality Act 2010,
- The Child Poverty Act 2010,
- The Housing Act 1996,
- The Armed Forces Covenant 2011.

1.3 We have spent considerable time looking at various options and the effects each one would have on residents in Fenland. We believe we have identified a scheme that fairly distributes the funds available whilst protecting the most vulnerable members of our society. We have consulted on our draft proposals, have analysed the responses received and have now produced our Council Tax Support Scheme. We need to have an agreed scheme in place by 31 January 2016 for the financial year starting 1 April 2016.

1.4 People of pensionable age will be protected from the effects of the local scheme and will have any reduction in their Council Tax assessed only in accordance with the legislation referred to in section 2.1 of this Scheme document. They should therefore receive the same amount of reduction as they would have done under Council Tax Benefit had it still existed from 1 April 2016. However, working age households will not be protected as these will be assessed under the local scheme rules and will therefore always need to pay something towards their Council Tax.

1.5 Fenland District Council's scheme is based on the following principles:

- Everyone of working age should pay something towards their Council Tax,
- The scheme should provide protection for the most vulnerable in Society,
- The scheme should incentivise and support people moving into work, and help those in low paid work.

2. The legal basis for this scheme

2.1 This scheme is in accordance with this legislation and any subsequent legislation that amends it:

- Local Government Finance Act 2012
- Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

2.2 The legislation states that Councils must create a Council Tax Reduction Scheme for their area to take effect from 1 April 2016. Fenland District Council's Council Tax Reduction Scheme is known as its 'Council Tax Support' scheme. Any reductions in Council Tax that are granted as a result of it will be called "Council Tax Support" and be shown on literature such as Council Tax Bills in this way.

3. Validity of this scheme

This scheme will apply to the financial year 1 April 2016 to 31 March 2017 inclusive. It will continue to apply thereafter until further notice unless amended by determination of Fenland District Council. Any amendments will apply only from a subsequent 1 April (i.e. if the Council revises the scheme in December 2016, the change will not apply until 1 April 2017).

4. Outline of this Scheme

4.1 Those people entitled to a reduction in their Council Tax under Fenland District Council's Council Tax Support scheme will be as follows:

4.2 People of Pensionable Age

The Government protects pensioners from the impact of Council Tax Support. Therefore, support for people of state pensionable age will be provided through a means tested reduction which will be the same as what they would have been entitled to under the previous Council Tax Benefit system (assuming no other changes in their circumstances). The details for this scheme are set out in the legislation referred to in section 2.1 of this Scheme document.

4.3 People of Working Age

Support for people of working age will apply the rules as set out in the legislation referred to in section 2.1 of this Scheme document except for the provisions mentioned in this document.

4.4 The amount of help working age people will be entitled to will be means tested in a similar way to Council Tax Benefit in that a customer's income will be compared against an 'applicable amount'.

4.5 Fenland District Council's Council Tax Support scheme is based around the three principles as set out in paragraph 1.5 and contains the following features:

4.6 Reductions applied to the amount of Council Tax Support awarded

All working age customers will have their entitlement to Council Tax Support calculated on the applicable Council Tax charge. This award will then be reduced by 14% and applied to their Council Tax account. The actual amount someone has to pay will depend on the makeup of their household, their income, savings and any other discounts that may apply but this means that these customers will have to pay at least 14% of their gross Council Tax bill.

4.7 Applicable amounts

We will use the Applicable amounts as detailed out in the legislation referred to in section 2.1 of this Scheme document , any subsequent Government Regulations that expressly alter the amounts in the above-mentioned regulations and uprated amounts included in information published by the Department for Work and Pensions in the form of a Housing Benefit Circular annually.

4.8 **Incentivising work**

Council Tax Benefit allowed for customers to continue getting help at the level they did for four weeks after they got a full-time job, worked more hours or earned more money for at least five weeks after one of these changes. We will still make this extended payment for four weeks. It will be known as an “extended reduction”.

4.9 **War Pensions**

Under Council Tax Benefit rules, the first £10 of war pension income received each week was not included in the assessment of the customer’s income. However, Fenland District Council has always disregarded the remainder of war pension income under its discretionary powers. We will continue to disregard all war pensions in the assessment of a customer’s income for Council Tax Support.

4.10 **Universal Credit**

The Government has started phased process of merging payments of Income Support, Income Related Job Seekers Allowance, Income Based Employment Support Allowance, Child Tax Credit, Working Tax Credit and Housing Benefit into a single payment called ‘Universal Credit’.

We will treat Universal Credit with regards to our Council Tax Support Scheme in accordance with the legislation referred to in section 2.1 of this Scheme document and any subsequent Government Regulations that expressly alter provision for the treatment of Universal Credit in the above-mentioned regulations.

Note that if a customer applies for Universal Credit they will need to apply for Council Tax Support separately.

5. Vulnerable groups

- 5.1 One of the key principles of Fenland District Council's local Council Tax Support scheme is to provide support for the most vulnerable members of our society.
- 5.2 The Council believes that, by basing its scheme for local support on out in the legislation referred to in section 2.1 of this Scheme document, provision is already made for the most vulnerable customers. This is because the figure used to calculate the basic living needs of a customer (the 'applicable amount') includes extra amounts to cater for disabilities, children or other special circumstances as well as disregarding certain types of income.

6. Who can apply

- 6.1 Eligibility for Council Tax Support is set out in the legislation referred to in section 2.1 of this Scheme document which follows the same rules as set out in previous regulations for Council Tax Benefit. Claimants must be at least 18 years old, liable to pay Council Tax and the property must be their main or sole residence. Current arrangements allowing a person to act on behalf of another (for example, where a person has been granted power of attorney) will continue.
- 6.2 Those not eligible to claim will include those not liable to pay Council Tax, customers with savings of £16,000 or more, most students and persons from abroad who have no recourse to public funds.

7. How to make a claim and supporting evidence

- 7.1 Applications for Council Tax Support should be made by an electronic form which will be available from the council's website or via public access computers at the Council's Fenland @ Your Service Shops in March, Whittlesey and Wisbech as well as the Community Hubs in Chatteris and Whittlesey). Telephone applications are available for those customers who do not have access to complete the electronic version, by contacting the Council's Customer Services team on 01354-654321. The application form will also collect information regarding housing costs for those wishing to apply for Housing Benefit.
- 7.2 Some customers may complete an application form for Housing Benefit via Job Centre Plus and the Pension Service and these will also be acceptable to claim Council Tax Support.

7.3 Customers applying for Council Tax Support will be required to verify their identity, national insurance number, income, and capital. The Council may be able to use other sources to confirm some details but customers will be required to provide documentation to support their application. The Council may ask for further information to support an application as required. The Council may compare this information with other data held to help prevent fraud.

8. Date of claim

8.1 The start date of Council Tax Support for people of working age is set out in the legislation referred to in section 2.1 of this Scheme document which follow the same rules as set out in the previous regulations for Council Tax Benefit. In general, this means entitlement to Council Tax Support will be assessed from the Monday following the date a customer first contacts the Council to make an application, providing an application (using an on-line form or paper form) is received at Fenland District Council's offices within one calendar month of the date the Council were first contacted.

8.2 The scheme allows customers to apply for backdated awards of benefit up to 6 months in the past if they can prove 'good cause' as to why they had not made an application for benefit earlier as out in the legislation referred to in section 2.1 of this Scheme document.

8.3 The date of claim for pension age customers will be assessed under the national rules as set out in out in the legislation referred to in section 2.1 of this Scheme document.

9. Notification of entitlement

9.1 All customers will be notified of the outcome of their application. The notification will also explain their appeal rights if they are unhappy with the decision.

9.2 Where a customer is entitled to Council Tax Support a new bill showing the amount of the reduction awarded and the revised amount to pay will be issued. The reduction awarded will be shown as "COUNCIL TAX SUPPORT" on bills and other documents advising customers of their award of Council Tax Support.

10. Change of Circumstances

- 10.1 Once an application for Council Tax Support has been made customers will have a duty to notify Fenland District Council of changes in their circumstances. The rules for when changes of circumstances will take effect will be set out in out in the legislation referred to in section 2.1 of this Scheme document
- 10.2 Changes of circumstances should be notified as soon as possible in order to prevent overpayments and ensure the correct amount of Council Tax Support is being paid.

11. Overpayments

- 11.1 Council Tax Support will be paid in the form of a reduction against the Council Tax account and calculated up to the end of March in each financial year. However, where a customer's circumstances change in the year or the customer notifies the Council of a change which occurred in the past, an overpayment of Council Tax Support may be created.
- 11.2 Where overpayments do occur these will be posted to the Council Tax account and a new bill will be issued. Overpayments will always be recoverable from the customer.

12. Appeals

- 12.1 Customers will have the right to appeal against decisions made and must do so in writing within one month of notification.
- 12.2 The Council will review the original decision and notify the customer of the outcome. If the customer is still not satisfied with the outcome, or does not receive a reply within two months a further appeal may be made. This further appeal is to an independent body called the 'Valuation Tribunal'.

13. Claim Reviews

- 13.1 From time to time the Council may check the details of a claim for Council Tax Support to see if any of the details held on our records have changed. If we need to do this we may send a form or visit the customer in their home. The Council will review claims to ensure the correct Council Tax Support is being awarded and to protect public funds against fraud and error.

14. Fraud

- 14.1 A customer who makes a false claim for Council Tax Support or fails to tell us about changes in their circumstances when they occur, will not only have to repay any Council Tax Support incorrectly claimed but may also be liable to prosecution (which could potentially attract a custodial sentence if the customer is found guilty of fraud at Court) or a fine.

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