

ADDITIONAL REPORT OF CABINET

28 November 2016

PRESENT:

Councillors Stokes (Chairman), Leigh Hunt, Mrs Parker and Mrs Timms.

Councillors Ms Edwards, Mrs O'Rourke and Sandison were also in attendance.

5. LOCAL COUNCIL TAX REDUCTION SCHEME

Cabinet considered the following report which contains a recommendation to Council.

Background

The Local Government Finance Bill 2012 requires Councils to design and implement a Local Council Tax Reduction scheme for 2017/2018 by 31st January 2017.

The scheme only impacts customers who are of working age. Council Tax Reduction for customers of pensionable age is calculated in accordance with a national scheme and therefore not affected by the proposals contained in this report.

Rugby Borough Council, as the Billing Authority, takes the lead in designing and implementing the local scheme but is required to consult with major precepting authorities (i.e. Warwickshire County Council and Warwickshire Police and Crime Commission).

Review of the existing scheme

The scheme implemented from April 2013 was designed to;

- Meet the reduced funding provided by DCLG.
- To minimise risk of failure by closely resembling the previous Council Tax Benefit scheme.

The scheme has been reviewed to take into account changes to other welfare benefits.

Potential changes have been identified that would replicate these changes in the Local Council Tax Reduction Scheme.

Public Consultation

Consultation was undertaken with customers on the proposed changes. Letters were sent to all existing recipients of Local Council Tax Reduction of Working Age (around 3,000) inviting them to participate in the consultation exercise. Only 22 responses were received.

Due to the very low level of response, it was not possible to draw any conclusions from the consultation exercise.

A copy of the consultation findings is attached at Appendix 4.

Warwickshire County Council and the Office of the Police and Crime Commissioner were consulted on the introduction of the scheme as major preceptors. No responses have been received.

Proposed Scheme changes for 2017/2018

It was proposed to carry forward the scheme for 2016/2017 with the following amendments.

Figures used in the calculation of Council Tax Reduction

The calculation of Council Tax Reduction compares the income of a customer and family with a set of allowances designed to reflect basic living costs. These figures are collectively known as Applicable Amounts. It is proposed that the figures used in the calculation of Council Tax Reduction are increased in line with those used in the calculation of Housing Benefit and the calculation of Council Tax Reduction for those of pensionable age.

The Budget of July 2015 stated that most benefits would be frozen and it is anticipated that this will apply to most of the elements used in the calculation of Council Tax Reduction.

RECOMMENDATION

Cabinet was asked to approve the changes to figures used in the calculation of Council Tax Reduction as detailed above.

The Government intends to restrict the number of Child Premiums included in the calculation of Housing Benefit and Council Tax Reduction for Pensioners to a maximum of two for new claims made on or after 1st April 2017, or where an existing customer has a third child on or after 1st April 2017.

Those customers who already have a third child included in their calculation of Council Tax Reduction will not be affected by this change.

The Government has indicated that some customers will be exempted from this change, e.g. where twins are born. It was proposed that when the details for these exemptions are finalised, they will be incorporated into the Council Tax Reduction Scheme.

RECOMMENDATION

Cabinet was asked to approve the restriction of Child Premiums to a maximum of two unless and to adopt any exemptions as introduced for Housing Benefit customers

Calculation of Council Tax Reduction for customers in receipt of Universal Credit

With the expansion of Universal Credit an anomaly within the current calculation results in those who pay rent for their home receiving more financial help towards their council tax compared to a customer who does not pay rent.

It was proposed to change the calculation to remove this anomaly.

The numbers of customers affected are currently very low and therefore it will not create a significant saving, but it will ensure that the scheme is more equitable as the number of customers in receipt of Universal Credit continues to grow.

RECOMMENDATION

Cabinet was asked to approve the change to the calculation of Council Tax Reduction for those in receipt of Universal Credit

Transitional Protection

When making changes to our Local Council Tax Reduction Scheme, consideration has to be given to the requirement for transitional protection. The aim of transitional protection is to provide additional assistance to those customers in receipt of Council Tax Reduction as at 31 March 2017 and adversely affected by the introduction of a new scheme.

It was proposed that where a calculation of Council Tax Reduction includes more than two Child Premiums on 31st March 2017, the customer would be protected from change in para 4.2 above until there is a break in their claim.

RECOMMENDATION

Cabinet was asked to approve the inclusion of transitional protection in the design of the Local Council Tax Reduction Scheme for 2017/2018.

Financial Impact of the Proposals

The above changes would have no significant impact on the cost of the scheme,

Equality Impact Assessment

An Equality Impact Assessment for the proposed scheme is attached at Appendix 5. Although the proposals identify that families will be affected by these changes, the Council operates a Discretionary Council Tax Reduction Scheme to provide additional support on a case by case basis.

Recommendation of Cabinet

Cabinet decided to recommend to Council that the draft Local Council Tax Reduction Scheme be amended, as detailed in the report, and adopted as the Council's Local Council Tax Reduction Scheme for 2017/2018.

Recommended that – the recommendation of Cabinet be approved.

**COUNCILLOR M STOKES
CHAIRMAN**



**COUNCIL TAX REDUCTION SCHEME
CONSULTATION
2016**

RESULTS

**Produced by:
Performance, Consultation & Insight Unit
Stratford-on-Avon District Council**

October 2016

Rugby Borough Council

Council Tax Reduction Scheme Consultation 2016

1.0 Introduction

Rugby Borough Council introduced a Local Council Tax Reduction Scheme in April 2013 following the abolition of the previous national Council Tax Benefit Scheme. The local scheme was devised by the Council and allowed them to create a scheme for residents of working age.

Rugby Borough Council consulted with their residents, to find out their views on some proposed changes; the way in which it is calculated, limits to the number of children in the calculation and connections with universal credit.

The outcome of the consultation will be reported to Councillors when they consider changing the current scheme at their meeting in December 2016.

2.0 Methodology

The questionnaire was made available on the Rugby Borough Council website for anyone to complete. Paper versions were distributed on request for those not able to or not wanting to complete the survey online.

The survey period was from 3rd October to 23rd October 2016. 22 responses were received in the timeframe allowed, 13 by post and 9 online.

Alongside the questionnaire a summary explaining the changes in more detail was enclosed. All three proposals were explained in more depth to put context on the questions in the survey.

The Stratford-on-Avon District Council Consultation Unit undertook the survey on behalf of Rugby Borough Council.

3.0 Results

Proposal 1 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Currently the calculation for customers with children includes an allowance of £66.90 for each child within the applicable amount. There is no limit to the number of children taken into account in the calculation. The Government has already announced that from April 2017, a maximum of two children will be taken into account for Housing Benefit and other welfare benefits.

This change will affect those customers who have a third or subsequent child born on or after 1st April 2017. There will be exemptions where a customer has twins, etc. or where children are adopted or households merge.

It is proposed that the changes being introduced into Housing Benefit and other national benefits are reflected in our Council Tax Reduction Scheme.

Why is the Council looking to make this change?

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme reflects changes being made to Housing Benefit and other welfare benefits.

Who will be affected?

Customers who have a third or subsequent child on or after 1st April 2017 (unless they fall into an exempt category) may receive less support compared to a customer who had a third child born on or before 31st March 2017.

Q1	Do you agree with this proposed change to the scheme?					
	Yes.....	10 (53%)	No	6 (32%)	Don't know.....	3 (16%)

Q1a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

6 comments in appendix

Proposal 2 – Figures used in the calculation of Council Tax Reduction

The calculation of Council Tax Reduction compares the income of a customer and family with a set of allowances designed to reflect basic living costs. These figures are collectively known as Applicable Amounts.

It is proposed that the figures used in the calculation of Council Tax Reduction are in line with those used in the calculation of Housing Benefit and the calculation of Council Tax Reduction for those of pensionable age.

It has previously been announced that the majority of these allowances will remain frozen at their current values.

Why is the Council looking to make this change?

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme reflects changes being made to Housing Benefit and simplifies administration.

Who will be affected?

All customers of working age will be affected by this change. The proposal will mean that allowances are generally not increased in line with inflation.

Q2	Do you agree with this proposed change to the scheme?					
	Yes.....	5 (25%)	No	7 (35%)	Don't know.....	8 (40%)

Q2a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

9 comments in Appendix

Proposal 3 - Customers in receipt of Universal Credit

The current scheme includes an anomaly whereby customers who pay rent for their home, receive more Council Tax Reduction compared to those who own their own home.

It is intended to remove this anomaly from the scheme.

Why is the Council looking to make this change?

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme treats customers who rent or own their homes on an equal basis.

Who will be affected?

Customers of working age who receive Universal Credit and pay rent for their home may receive less Council Tax Reduction than currently received.

Q3	Do you agree with this proposed change to the scheme?					
	Yes	11 (55%)	No	5 (25%)	Don't know.....	4 (20%)

Q3a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

6 comments in Appendix

Any Other Comments**Q4 Please use this space to make any other comments on the Council Tax Reduction Scheme or other suggestions for changes to the scheme that you would like the Council to consider.**

9 comments in Appendix

Questions About You

Q5	Do you pay Council Tax to Rugby Borough Council?					
	Yes	20 (95%)	No	1 (5%)	Don't know.....	0 (0%)

Q6	Do you or anyone you live with receive Council Tax Reduction?					
	Yes	15 (75%)	No	4 (20%)	Don't know.....	1 (5%)

Q7	Are you...?			
	Male	7 (32%)	Female	15 (68%)

Q8	How old are you?					
	Under 18	0 (0%)	30-44	6 (29%)	60-74	3 (14%)
	18-29.....	0 (0%)	45-59.....	11 (52%)	75+.....	1 (5%)

Q9	Does your household include any children or young people under 19?			
	Yes	9 (45%)	No.....	11 (55%)
	If yes, how many?			
	1	6 (42%)	2 or more.....	3 (58%)

Q10	Do you have a long-standing illness or disability (long-standing means anything that has troubled you over a period of time or that is likely to affect you over a period of time)?			
	Yes	12 (60%)	No	8 (40%)

Q11	How would you describe your ethnic origin?			
	White.....	18 (95%)	Mixed.....	1 (5%)
	Asian or Asian British.....	0 (0%)	Chinese.....	0 (0%)
	Black of Black British.....	0 (0%)	Any other ethnic group	0 (0%)

APPENDIX

Q1a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

6 comments

I don't agree even know I'm not pregnant or planning to be but the government can managed to spend money on stupid things like building a load of new shops on Elliott field and elsewhere when they are also closing half the shops down in town, but yet can't help families that need it to help support them
Not fair on large families, on low incomes
It seems reasonable that children will need a room of their own at some point, and this impacts the family costs greatly. Many people do not 'choose' to have additional children, and a reduction will not prevent people from having children, it will simply impact a family's ability to support their children. Child poverty is increasing greatly in our country, and we must not continue to make cuts that add to this.
The limit of 2 children is unfair for a working family. I think it should be a limit of 3 children as this reflects a more average UK working family.
We do not have children Mr & Mrs xxx
I think Council Tax reduction should be frozen and stay exactly the way it is now. Everything is getting more and more expensive and none of us can afford to be paying out more money

Q2a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

9 comments

Customers with disabilities never have their contribution towards care taken into account when calculating a final cost. The basic income figures you work off are not a true reflection of affordability in these cases.
It is unclear from this explanation what the outcome/consequence of doing so would be upon people. However, I do know that the applicable amounts applied to housing benefit seem to continually change and cause a mountain of paperwork to be sent out to customers/clients that is overwhelming and confusing.
I would say yes if the council tax was also frozen. I think the inflation in the council tax should be in line with the figures used for applicable amounts
the whole system seems to be crushing the finances of the lowest earners and as most people who are working and have children who are on a low income, the cuts affect the children the most, which is unfair
xxx don't work as he got T.B. I am working part time in two schools I hope it don't go up as I can only pay the amount I pay in 2017. If it goes up I might have problems to pay my bills as only me xxx working and xxx do not get any signing on or no help from the Council to help pay my bills as are married 20.12 xxx name is on the Council Tax Bill
Not sure as I am not aware of the formula being used to assess me!
UK is coming out of the EU so most things will go up in price but the govt won't put up more money in benefits to pay you
Surely all allowances should have an annual increase in order to reflect inflation, otherwise, families will fall behind the cost of living and maybe into poverty/child poverty
The general public are paying enough on everything in life now. We do not need more expense on top. It should be frozen

Q3a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.

6 comments

Because people that own their own house are more than likely able to afford there council tax and are in work, people on benefits can't afford to buy their own home there for need the help with rent and council tax. I still think that people that do own their own house but are single parents should get help towards cost of there home though
People in rented accommodation need more help, because they cannot afford their own home.
This makes sense, and appears to be applying a fair concept across the board.
I don't think anyone should necessarily receive less, but reductions should be fair
because if you own your own home, surely you are in a more fortunate position anyway to someone who has to continually move from rental property to rental property.
I don't mind as long our Council Tax do not go up as there only one person working me in this house and I do not want to go into debt as I cannot pay more Council Tax

Q4 Please use this space to make any other comments on the Council Tax Reduction Scheme or other suggestions for changes to the scheme that you would like the Council to consider.

9 comments

There isn't a lot you can do but help is truly appreciated from myself. Although at working age and would dearly love to work, I cannot due to a disability.
I receive differing amounts of wages, throughout the year, so then I get differing Council Tax bills throughout the year. I think a better way, is to take my P60, each year and then work out one Council Tax bill each year.
Because it's hard to fathom if I have a future at work because of being a post-operative cancer patient, it is very hard to work out future income. Those who have the "security" of regular employment are in a better position to calculate income but those who lack security need further, careful consideration.
Why can't PIP be included as a benefit? Just feels that you can get help with everything if you have the appropriate Benefit. I am struggling because I was wrongly accused of trying to defraud the council or housing benefit system and was taken to court without any notification from yourselves. A total injustice. I have never caught up with my accounts because you take so much off me a month I was issued with a termination of tenancy yesterday because there had been insufficient funds in my account so rent not taken. I have lived in this property since May 1976. I have been fighting this since day 1 but no one will accept this error might have been one of your employees taking a message over a phone and I ended up with a CCI. I have an illness which causes me a problem trying to deal with financial matters but I think any help you can offer reducing council tax would be a bonus. I know how important it is to be on top of your council tax which is why I would have liked my pip to be classed as a benefit. I am an OAP had to give up work following the deaths of my husband and son who lived with me up to the tragic accident when they were killed outright by a twice failed asylum seeker who had no licence insurance etc etc.....I returned to work as an Assistant General Manager for the NHS as I had for 27 years but became ill 12 months later and retired in 2012 as I had to have several surgeries. I lost everything but this overpayment when I was told I qualified for help has ruined me mentally and financially. I worked for my pensions which amount to very little but it appears too much, I wonder then why I am struggling so much you take £158 plus 60 per month off me. It should have been £100 per month according to your officers and ccj. I have no comforts but have now got to cancel sky my only pleasure. I know people who do qualify for

hour benefits and reductions who spend their money on bingo, drugs, cigs, booze etc. So wrong.
The council tax reduction system is very confusing, and currently makes it difficult for people to make changes to living arrangements. For example I am a disabled single parent. I have a spare room, but cannot use it for a carer, because I will then lose my single person discount, which will more than double my care-costs. It also prevents people from helping each other. For example I know an elderly lady who it would benefit to live with someone for her physical safety, and myself that needs emotional support. In theory she could move in with me, care for me, and I for her, but the system makes this too complicated for two disabled people to face. And we would both lose council tax reductions in doing so, even though our finances would not be linked. It would be good if there were a system in place to support people in supporting each other, and overall the council would save money anyway, without charging us further fees.
I honestly think the cuts are already enough and will crush more lives in terms of relationships, finances and mental health if more cuts and hardship are enforced. I understand that council budgets are tight but there surely has to be another way of saving money in the budget as it is too much for the low income working family to bear the burden.
Think of the families and one parents who don't have any money to pay the bill and think of the married couple who only have one member of the family working trying to keep things going
I do not agree with any of the proposals outlined as customers are being asked to make a choice between those who will receive financial assistance and those who will not. I was extremely worried when I was asked to find £14 a month from my benefit. The choice that I was left with was eat less or use less fuel. My income falls within the bottom 2% of all income and therefore, I should not be asked to find further savings. There is nothing left in my economy!!! I 'am asking the Council to seriously consider reinstating full Council Tax benefit to those that need it most. The harsh reality is eating less or not heating my home. These are desperate times and I hope that the Council recognises this
People on benefits how can they pay more? Simply put you cannot get blood from a stone. Defaults will increase

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Council Tax Reduction Scheme 2016



Equality Impact Assessment

Service Area	Resources
Policy/Service being assessed	Council Tax Reduction Scheme
Is this is a new or existing policy/service?	Revised scheme to be introduced from April 2017
If existing policy/service please state date of last assessment	November 2015
EqlA Review team – List of members	David Wortley
Date of this assessment	27 October 2016
Signature of responsible officer (to be signed after the EqlA has been completed)	

A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Corporate Equality & Diversity Advisor.

If you require help, advice and support to complete the forms, please contact Minakshee Patel, Corporate Equality & Diversity Advisor via email: minakshee.patel@rugby.gov.uk or 01788 533509.



Form A1

INITIAL SCREENING FOR STRATEGIES/POLICIES/FUNCTIONS FOR EQUALITIES RELEVANCE TO ELIMINATE DISCRIMINATION, PROMOTE EQUALITY AND FOSTER GOOD RELATIONS



High relevance/priority



Medium relevance/priority



Low or no relevance/ priority

Note:

1. Tick coloured boxes appropriately, and depending on degree of relevance to each of the equality strands
2. Summaries of the legislation/guidance should be used to assist this screening process

Business Unit/Services:	Relevance/Risk to Equalities																										
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)		
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Council Tax Reduction Scheme			X			X		X				X			X		X				X	X					
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? If yes please explain how. The new scheme will see a change in the calculation of Council Tax Reduction for those customers who have a third child after the introduction of the new scheme, or where a customer with three or more children make a new claim for Council Tax Reduction . This is due to the fact that one of the components used in the calculation, known as the child premium, is being restricted to a maximum of two children. This means that these customers will receive less help towards their Council Tax. This change will mirror changes being made to Housing Benefit, certain circumstances e.g. birth of twins will exempt customers from																											
YES																											

this change. A discretionary fund is also available to provide additional support on a case by case basis.	
Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes please explain how. Income from disability living allowance, personal independence payments, war disablement pensions or war widow's pensions will also be disregarded, however support may be required to assist customers who will face paying larger Council tax bills than previously. A discretionary hardship fund will be available to provide additional support in appropriate cases.	YES

Form A2 – Details of Plan/ Strategy/ Service/ Policy

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	The scheme is designed to assist customers pay their Council Tax with effect from April 2017.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	It is a statutory duty for the Council to provide a Local Council Tax Reduction Scheme.
(3) What are the expected outcomes?	The Council needs to develop a scheme of support that will be based on a fixed grant basis rather than being demand led.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	All customers will be able to apply for assistance with the payment of Council Tax. This will be based on the income received by the household compared to the basic cost of living calculated by the Council for each applicant.
<u>Stage 2 - Information Gathering</u>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	Council Tax Reduction caseload data for 2016/2017. This has enabled the impact of the new scheme to be modelled for individual customers.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Public consultation has been undertaken during September and October 2016.
(3) Which of the groups with protected characteristics have you consulted with?	The consultation was open to all.

Stage 3 – Analysis of impact			
<p>(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	<p>RACE No</p>	<p>DISABILITY No. Income from disability living allowance and personal independence payments will be disregarded when calculating entitlement</p>	<p>GENDER No</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP No</p>	<p>AGE Yes – only working age claimants will be affected</p>	<p>GENDER REASSIGNMENT No</p>
	<p>RELIGION/BELIEF No</p>	<p>PREGNANCY MATERNITY Yes Customers who have their third child in the new financial year or have a break in claim will receive less support compared to a similar customer already in receipt of benefit who will be protected from the changes within the scheme.</p>	<p>SEXUAL ORIENTATION No</p>
<p>(2) If there is an adverse impact, can this be justified?</p>	<p>The changes are in line with changes being introduced within Housing Benefit</p>		

(3)What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	A discretionary fund will be available to provide additional support in exceptional circumstances. This will be dealt with on a case by case basis.
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	N/A
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	N/A
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

Stage 4 – Action Planning, Review & Monitoring

If No Further Action is required then go to – Review & Monitoring

(1)Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.

EqIA Action Plan

Action	Lead Officer	Date for completion	Resource requirements	Comments

(2) Review and Monitoring
State how and when you will monitor policy
and Action Plan

The Council Tax Reduction Scheme is subject to annual review