
LOCAL COUNCIL TAX SUPPORT SCHEME 2017/18

1 PURPOSE OF REPORT

- 1.1 This report provides details of the proposed Local Council Tax Support (LCTS) scheme for 2017/18 and is seeking Members' approval for the scheme to be implemented with effect from 1 April 2017.
- 1.2 Approval is also being requested for the revised Discretionary Reduction in Council Tax Liability Policy to be adopted.

2 INTRODUCTION

- 2.1 LCTS replaced Council Tax Benefit (CTB) with effect from 1 April 2013.
- 2.2 Pensioners are protected from the impacts of an LCTS scheme. Consequently, eligible pensioners receive a discount on their Council Tax bill equivalent to the same amount they would have received under the CTB scheme.
- 2.3 LCTS for working-age people is provided through a means-tested discount. It is calculated using similar criteria to the CTB scheme but, because pensioners are protected, the level of support we can provide to working-age claimants is less than they would have received under the CTB scheme. This is necessary to keep our LCTS scheme cost neutral.
- 2.4 To aid in its administration the current scheme has been designed to broadly align with other major benefits such as Housing Benefit and Universal Credit and previous years' schemes have been amended to reflect changes to these.

3 CONSULTATION

- 3.1 The Council is required to carry out a consultation annually on its proposed LCTS scheme. This was carried out for the four weeks between 10 October and 7 November 2016. Views were sought on various proposed changes to the current scheme.
- 3.2 66 people considered the document: only 14 completed responses were received.
- 3.3 Appendix 1 provides a full summary of the responses.

4 PROPOSED CHANGES FOR 2017/18

- 4.1 To ensure that the LCTS scheme for 2017/18 continues to align with other major means tested benefits the following changes are proposed.
- 4.2 That the awarding of the Family Premium for all new claims made by working-age applicants be removed.

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- 4.3 That the maximum period a claim for LCTS can be backdated be reduced to one month from the time the request is made.
 - 4.4 That the maximum period that someone can be absent from Great Britain and still receive LCTS be reduced to four weeks.
 - 4.5 That the Work Related Activity Component be removed from the calculation of LCTS for new claims made by people in receipt of Employment and Support Allowance.

Other options considered

- 4.6 It was also intended to consult on removing entitlement to the Severe Disability Premium in the calculation of LCTS for claimants where someone else received the Carers element for looking after them as part of their Universal Credit entitlement. Unfortunately, this question was missed from the final consultation paper that was published.
- 4.7 This change was intended to mirror the existing rule that stops entitlement to this premium where someone receives Carers Allowance for looking after the claimant.
- 4.8 Not adopting it will potentially increase an individual's entitlement to LCTS by up to £643 per year. However, there are currently no claimants who will be affected by it. Universal Credit is also not being rolled out to households in the District with more complicated needs, such as carers, and it is not scheduled to until May 2018.
- 4.9 Limiting the number of dependant children allowed in the calculation of LCTS to two was also considered but is not recommended. This change was included in the consultation as there is a proposal for this to take effect in the calculation of housing benefit and tax credits from 1 April 2017; however the proposal has not been confirmed.
- 4.10 The change is estimated to be cost neutral to the Council; however, if adopted, individual families who will be affected by it will receive up to £695.76 less in LCTS.
- 4.11 It will have an impact on families that will already be affected by the Benefit Cap, which restricts the amount of housing benefit that can be awarded, potentially leading to increased child poverty in the District and increased demand on the Discretionary Reduction scheme.

5 DISCRETIONARY REDUCTION IN COUNCIL TAX LIABILITY POLICY

- 5.1 Under Section 13(A)(1)(c) of The Local Government Finance Act 1992 the Council is empowered with additional discretionary powers to reduce Council Tax liability where statutory discounts, exemptions and reductions do not apply.

5.2 The Discretionary Reduction in Council Tax Liability Policy is attached as Appendix 2.

5.3 Specific provision has been made under this policy for people in receipt of LCTS who cannot afford their Council Tax liability. Funding of £8,959 has been set aside for these.

6 RESOURCE IMPLICATIONS

6.1 The level total amount of hardship payments were £4,899 in 2015/16, and have been forecast to rise in 2016/17 due to the potential impact of the Benefit Cap changes by Central Government. The total level of these payments will be monitored closely for any additional impact of these proposed changes for the rest of this year and into future years, although currently the £8,959 is estimated to be sufficient.

7 LEGAL IMPLICATIONS

7.1 The Council is required under a statutory duty to review its LCTS scheme annually and consult with various groups and interested parties and to consider whether to revise its LCTS scheme or to replace it with another one.

7.2 The Authority must make any revision to its scheme, or any replacement scheme, no later than 31 January of the financial year preceding that for which the revision of the replacement scheme is to have effect.

7.3 The Local Government Finance Act 1992, as amended, states that a billing authority must have a policy in place to consider applications for a Council Tax reduction in exceptional circumstances.

8 EQUALITY AND DIVERSITY IMPLICATIONS

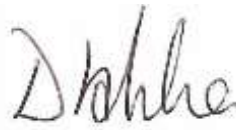
8.1 A full equality and diversity impact assessment has been carried out and is attached as Appendix 3.

9 RECOMMENDATION

9.1 It is proposed that Council **RESOLVES**

(1) That the changes to the LCTS scheme be approved and come into effect from 1 April 2017.

(2) That the revised Discretionary Reduction in Council Tax Liability Policy, appended to the report, be adopted.



Dawn Tribe

Assistant Director, Customer, Revenues & Benefits Services

Background Papers:-

None.

For further information please contact Simon Hayward, Principal Officer (Benefits), on:-

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If you would like this report in large print, Braille or another language please contact 01702 318111.

Outcome of Consultation**Option 1 – Removing the family premium for all new working age applicants**

	Response Total	Response %
Yes	10	71%
No	1	7%
Don't know	3	21%
Total Responses	14	100%

Comments in answer to: if you disagree what alternative would you propose?

- The status quo

Option 2 – Reducing Backdating to 1 month

	Response Total	Response %
Yes	10	71%
No	1	7%
Don't know	3	21%
Total Responses	14	100%

Comments in answer to: if you disagree what alternative would you propose?

- Will discretion be permitted to backdate further if resident can show good reason – circumstances beyond their control

Option 3 – Do you agree with the change to the temporary absence rule?

	Response Total	Response %
Yes	11	79%
No	2	14%
Don't know	1	7%
Total Responses	14	100%

Comments in answer to: if you disagree what alternative would you propose?

- I think it would be fairer to have a good reason for someone spending extended time overseas. The death of a close relative isn't always a

very valid reason to be away for so long. If a family member is very ill, or there has been a tragedy involving a claimant's close family then it would be very wrong for them to lose their home because they offered support. I think we, as a community need to be fair and compassionate about what constitutes an absence and try to have an option for compassionate leave of some sort.

- I think a fairer cut off would be 6 weeks rather than the 4 suggested.

Option 4 – To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.

	Response Total	Response %
Yes	10	71%
No	0	0%
Don't know	4	29%
Total Responses	14	100%

Comments in answer to if you disagree what alternative would you propose?
NONE

Option 5 – To limit the number of dependant children with the calculation for LCTS to a maximum of two.

	Response Total	Response %
Yes	8	57%
No	3	21%
Don't know	3	21%
Total Responses	14	100%

Comments in answer to if you disagree what alternative would you propose?

- That the cut off date be widely circulated and known about. If someone is pregnant now, the baby would be born after April 1st 2017. This is already discriminating in itself. Make the cut off date widely known and advertised in the district. A simple notice at the local GPs and chemist would be useful. Make the cut off date 1st December 2017
- Although special attention and consideration needs to be taken into account in those cases of multiple birth, eg twins etc.

Option 6 – To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them,

	Response Total	Response %
Yes		
No		
Don't know		
Total Responses		

Comments in answer to if you disagree what alternative would you propose?

If You have any further comments or questions to make regarding the Council Tax Reduction scheme that you haven't had the opportunity to raise elsewhere –

- It is noted that many of the proposed changes bring the scheme in line with Housing Benefit rules. Households already suffering hardship due to limited income will have reductions in both Housing benefit and rent at the same time. Households in such circumstances frequently have limited options for increasing income or reducing expenditure yet further. Will the Exceptional Hardship budget be increased to meet the additional burden in those exceptional cases of which we see a number? We understand the need to increase income into the LA. Getting the balance - ensuring that residents can still pay their essential bills of rent, food and energy whilst adding additional liability is difficult. Evidence has shown that a high proportion of working age people do not have a funds available for the 'rainy day' through no fault of their own. Someone newly unemployed, for whatever reason, will find difficulty in meeting the liability.
- I think that what is being put forward falls in line with Central Government plans and as such should be implemented.
- This is a very difficult topic. I do not wish the infirmed and those who genuinely need help.

Are you, or someone in your household, getting a Council Tax Reduction at this time?

	Response Total	Response %
Yes	0	0%
No	11	100%
Don't know	0	0%
Total Responses	11	100%

What is your sex?

	Response Total	Response %
Male	4	36%
Female	6	55%
Prefer not to say	1	9%
Total Responses	11	100%

Age

	Response total	Response %
18 – 24	0	0%
25 -34	0	0%
35 – 44	3	25%
45 -54	2	17%
55 – 64	1	8%
65 – 74	4	33%
75 – 84	1	8%
85+	0	0%
Prefer not to say	1	8%
Response Total	12	100%

Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

	Response Total	Response %
Yes	0	0%
No	10	83%
Prefer not to say	2	17%
Response total	12	100%

Ethnic Origin: What is your ethnic group?

	Response Total	Response %
Prefer not to say	1	9%
White British	10	91%
White Irish	0	0
Gypsy or Irish Traveller	0	0
Any other White background	0	0
Mixed/Multiple ethnic groups	0	0
White & Black African	0	0
White & Black Caribbean	0	0
White & Asian	0	0
Any	0	0
Asian or Asian British	0	0
Pakistani	0	0
Indian	0	0
Bangladeshi	0	0
Chinese	0	0
Any other Asian background	0	0
Black/African/Caribbean/Black British	0	0
African	0	0
Caribbean	0	0
Any other Black background	0	0
Arab	0	0
Other, please specify	0	0
Total Respondents	11	100%

Discretionary Reduction in Council Tax Liability Policy

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1 Introduction

1.1 Section 13A (1)(c) of the Local Government Finance Act 1992, provides the Council with additional discretionary powers to enable it to reduce the Council Tax liability where statutory discounts, exemptions and reductions do not apply.

1.2 These discretionary awards can be given to:

- Individual Council Tax payers;
- Groups of Council Tax payers defined by a common set of circumstances;
- Council Tax payers within a defined area: or
- To all Council Tax payers within the Council's area.

1.3 Section 13A (1)(c) states:

in any case, may be reduced to such extent (or, if the amount has been reduced under S13A (1) (a) (Council Tax Reduction Scheme) such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.....

1.4 This provision allows the Council the discretion to provide assistance to tax payers where either the existing legislation does not provide a discount, exemption or reduction or, in such circumstances, where the Council feels that the level of discount; exemption or reduction is insufficient given the circumstances.

1.5 When deciding on whether to grant a discretionary award, the Council will consider each application on its own merits. Principles of reasonableness will apply in all cases with the Council deciding each case on all material and relevant factors.

1.6 Any decision made will be made without reference to any budgetary considerations.

1.7 Likewise, any reduced liability will be considered in conjunction with the circumstances of the Council Tax payer. The circumstances of the Council Tax payer will be reviewed on a periodic basis to ensure that the reduction in liability remains justified.

1.8 For the purposes of administration, the decision to grant any reduction in liability will be considered within the categories detailed below.

2 Exceptional Financial Hardship

2.1 In accordance with Section 13A (1)(a) of the Local Government Finance Act 1992, the Council has a Council Tax Reduction Scheme which provides support, through a discount, to those deemed to be in financial need. The Scheme has been designed to take into account the specific and financial circumstances of individuals through the use of applicable amounts, premiums and various income disregards.

2.2 Applications will be accepted under this Section 13A(1)(c) policy from people who have qualified for support under the Council Tax Reduction Scheme but who are still experiencing severe financial hardship. Other tax payers may also make an application for assistance; however, the Council would normally expect the Council Tax payer to apply for financial help through the Council Tax Reduction Scheme in the first instance.

2.3 As part of the process for applying for additional financial support, all applicants must be willing to abide by **all** of the following:

- a. Make a separate application for assistance;
- b. Provide full details of their income and expenditure;
- c. Able to satisfy the Council that they are not able to meet their full Council Tax liability or any part of their liability;
- d. Accept assistance from either the Council or third parties, such as the Citizen Advice Bureau or similar organisations, to enable them to review their finances and, if possible, help them to manage their money more effectively, including the termination of any items that are considered to be non-essential expenditure;
- e. Identify potential changes in payment methods and arrangements to assist the applicant;
- f. Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- g. Able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability, including applications for employment or additional employment, alternative lines of credit, etc.;
- h. Able to confirm that there is no access to any assets that could be realised and used to pay the Council Tax
- i. That every effort has been made to maximise their income through, if entitled, applications for other welfare benefits, cancellation of non-essential contracts and outgoings, and identifying the most economical tariffs for the supply of utilities and services generally.

2.4 The Council will be responsible for assessing applications and the following factors will be taken into consideration when applying this policy:

- a. Current household composition and specific circumstances, including disability or caring responsibilities;
- b. Current financial circumstances;
- c. Determine what action(s) the applicant has taken to alleviate the situation;
- d. Consider alternative means of support that may be available to the applicant by:
 - i. re-profiling council tax debts or other debts;
 - ii. where applicable, encouraging an application for a Discretionary Housing Payment for Housing Benefit;

iii. where applicable, maximising entitlement to other welfare benefits; and
iv. determining whether the spending priorities of the applicant should be re-arranged.

3 Crisis – Flood, Fire, etc.

3.1 The Council will consider requests for assistance from Council Tax payers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable e.g. due to fire or flooding, where they remain liable to pay the Council Tax and for which they have no recourse to financial compensation or to any statutory discounts or exemptions.

3.2 All such requests must be made in writing detailing the exact circumstances as to why a reduction in liability is required and specifying when the situation is expected to be resolved.

3.3 The Council will consider applications on a case-by-case basis, in consultation with other organisations where appropriate. A reduction will be applied where the Council Tax payer remains liable to pay the Council Tax and where they have no recourse to financial compensation or to any statutory discounts or exemptions or where the crisis or event is not covered by any insurance policy. The Council will not consider requests from Council Tax payers where government guidance or policy provides for a 100% reduction in liability in specific circumstances e.g. flood relief schemes.

4 Other circumstances

4.1 The Council will also consider requests from Council Tax payers for a reduction in their Council Tax liability based on other circumstances not specifically mentioned within this policy. Any application received will be considered on a case-by-case basis.

4.2 No reduction in liability will be granted where any statutory exemption or discount could be granted to cover the liability in full.

5 Changes in circumstances

5.1 The Council may revise any discretionary reduction in liability where the applicant's financial circumstances or situation changes.

5.2 The Council Tax payer agrees that they must inform the Council immediately, either by phone or in writing, about any changes in their financial circumstances which might affect their claim for financial assistance under this policy. Failure to do so may result in the financial award being withdrawn and a requirement for the

applicant to repay any overpayment back to the Council.

5.3 All changes in circumstances should be notified within 21 days, in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended).

6 Decision Making Process

6.1 Revenues & Benefits Principal Officers will assess and determine all exceptional financial hardship applications from individuals.

6.2 Decisions on all other matters related to this policy will be taken by the Assistant Director for Customer, Revenues & Benefits and Portfolio Holder for Governance.

7 Duties of the applicant

7.1 A person claiming any discretionary reduction in liability must:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with any other relevant information as it may require in connection with their claim.

8 Start date, award and duration

8.1 The start date, award and duration of any payment will be made as part of the decision making process and this will be done on the basis of the circumstances and the evidence supplied.

8.2 In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

9 Payment

9.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Tax payer, thereby reducing the amount of Council Tax payable

10 Notification of decision

10.1 The Council will notify the applicant in writing within 14 days of making a decision. The notification will include the reason for the decision and it will also advise the applicant of their right of appeal if they disagree with the decision.

11 Appeals

11.1 If an applicant is dissatisfied with the decision, an appeal may be made in accordance with Section 16 of the Local Government Finance Act 1992.

11.2 The Council Tax payer must, in the first instance, write to the Council outlining the reason for their appeal. Once received, the Council will reconsider its decision and notify the Council Tax payer accordingly.

11.3 Where the Council Tax payer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

12 Fraud

12.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully entitled to them.

12.2 An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

12.3 Where the Council suspects that such a fraud may have been committed, the matter will be investigated and may lead to criminal proceedings being instigated.

13 Complaints

13.1 The Council's 'Comments, Compliments and Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this policy.

14 Equalities Statement

14.1 The Council is committed to equality and fairness. Equality is about ensuring people are treated fairly and given fair changes. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation and/or disability.

15 Policy Review

15.1 This policy will be reviewed annually and updated as appropriate to ensure it remains fit for purpose. A review may take place sooner should there be any significant changes in legislation.

Equality Impact Assessment – Local Council Tax Support Scheme 2017/18

Stage	Title	Purpose
1	Preliminary Assessment	Initial assessment to determine if there will be any adverse impact. If there is no impact at all on any group of users or the community, then only this Stage needs completing.
2	Equality Risk Assessment	Scoring to assess the level of risk.
3	Equality Impact Assessment – Identifying Adverse Impact	Level of detail depends on risk assessment scoring but any removal or reduction in service must go through Stage 3.
4	Sign Off	Approval and decision making details
5	Implementation	Action Plan to implement and minimise impact.

Stage 1 – Preliminary Assessment

Question	Response/Consideration
1.1 Policy or Service being assessed	<p>Local Council Tax Support Scheme 2017/18</p> <ul style="list-style-type: none"> • Remove the family premium for all new Working Age applicants • Reduce backdating to 1 month • Reduce the period for which a person can be absent from Great Britain and still receive LCTS • Remove the element of a Work Related Activity Component in the calculation of LCTS

Question	Response/Consideration
	<p>for new Employment and Support applicants</p> <ul style="list-style-type: none"> Remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (carers element) to look after them
1.2 Lead Officer	Simon Hayward – Principal Officer (Benefits)
1.3 What are the aims or function of the policy or service?	To provide Council Tax Support to Working Age people within the district.
1.4 Which policies relate to the delivery of this service?	Local Council Tax Support Scheme 2017/18
1.5 Will removing or reducing this service lead to members of the community being treated less favourably and so contribute to inequality?	No

Stage 2 – Equality Risk Assessment

(1 = Low Impact, 2 = Medium Impact, 3 = High Impact)

(Total Score: 1 - 9 = Low Adverse Impact, 10 - 19 = Medium Adverse Impact, 20+ = High Adverse Impact)

2.1 Assess the Equality Risk

Policy/Practice	Age	Disability	Gender	Race	Sexuality	Religion	Gender Reassignment	Marriage/Civil Partnerships	Pregnancy/Maternity	Total Points	Impact H/M/L
Score	1	1	1	1	1	1	1	1	1	9	L

If a policy/practice has a score of 20 (High Adverse Impact) or over, please complete the full Equality Impact Assessment

2.2 Conclusion

The change being made to the Council's LCTS scheme will have limited or no impact on any particular area.

Stage 3 – Equality Impact Assessment – Identifying Adverse Impact

Question	Response/Consideration
3.1 What is the reason for the proposed change?	"[Add Reasons]"
3.2 What consultation activity has been undertaken during the last two years? Include details of any consultation as part of this proposal and what were their views?	"[Add details - refer to budget survey if appropriate]"
3.3 Service Users – What methods are used to monitor the characteristics of service-users? Who are the users of this service?	"[Add details of users (number/type/frequency etc)]"
3.4 What sectors of the community are likely to be affected by this change? What are the likely impacts?	"[Add details]"
3.5 What can be done to lessen the impact of the removal/reduction of this service on the particular community groups?	"[Add details]" <i>This could include, for example, signposting alternative service providers, acting as facilitator and communicating the changes</i>

<p>3.6 Will the reduction/removal of the service lead to missed opportunities to promote equality of opportunity?</p>	<p>"[Yes or No - if Yes, include explanation]"</p>
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3.7 What course of outcome does this Assessment suggest we take? Select one option and action to be taken

Option	Outcome	Tick Selected Option	Explanation
1	Continue with proposed changes No discrimination or adverse impact identified	<input type="checkbox"/>	"[Enter text]"
2	Continue with proposed changes Suitable adjustments to lessen the impact identified	<input type="checkbox"/>	"[Enter text]"
3	Continue despite adverse impact or missed opportunities to promote equality	<input type="checkbox"/>	<p>"[Enter text]"</p> <p>Justification must be included and consideration of the plans in place to reduce the impact</p>
4	Stop and rethink Actual or potential discrimination identified	<input type="checkbox"/>	"[Enter text]"

<p>What plans are in place to monitor the actual impact of the proposal?</p>	<p>"[Add detail]"</p>
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Stage 4 – Sign-off

	Details
<p>Director/Assistant Director approved by:</p>	<p>"[D/AD - Name]"</p>

	Details
Date:	"[Date of D/AD agreement]"
Member Approval (Date and Title of Committee):	"[Executive/Council/PFH title and Date]"
Committee Decision:	"[Executive/Council/PFH decision/resolution wording]"

Stage 5 – Implementation

5.1 Referring to **Stages 1 (preliminary assessment)**, **Stage 2 (equality risk assessment)** and **Stage 3 (equality impact assessment)** please list what tasks/actions you will take to minimise the impact of this change and continue to mainstream diversity in your service area.

Task	Outcome	Lead	Resources	Deadline
"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"
"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"
"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"
"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"	"[Enter text]"

Service Divisional Plan Updated? If not, explain why	"[Yes & Date OR No & reasons]"
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