



Clerk: Kate Spencer
Telephone: 01803 207013
E-mail address: governance.support@torbay.gov.uk
Date: Monday, 28 November 2016

Governance Support
Town Hall
Castle Circus
Torquay
TQ1 3DR

Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 30 NOVEMBER 2016

I am now able to enclose, for consideration at the Wednesday, 30 November 2016 meeting of the Overview and Scrutiny Board, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
7.	Localised Council Tax Support Scheme 2017/18	(Pages 85 - 175)

Yours sincerely

Kate Spencer
Clerk



Meeting: Overview & Scrutiny Board

Date: 30 November 2016

Meeting: Council

Date: 8 December 2016

Wards Affected: All Wards

Report Title: Revision of Council Tax Support Scheme

Is the decision a key decision? Yes

When does the decision need to be implemented? 1 April 2017

Executive Lead Contact Details: Cllr Mark King, Executive Customer Services, mark.king@torbay.gov.uk

Supporting Officer Contact Details: Bob Clark, Executive Head Community and Customer Services, 01803 207420, bob.clark@torbay.gov.uk

1. Purpose and Introduction

- 1.1 Council Tax Support is a means tested discount to help low income households with the cost of Council Tax payments. This financial year the Council has awarded £11.8 million to around 15,000 households in Torbay.
- 1.2 Since the Government announced that Council Tax Benefit was to be localised from April 2013 every council has had the responsibility for designing its own Council Tax Support scheme. In localising support, the Department for Communities and Local Government also cut funding by 10 per cent in 2013/14.
- 1.3 In the first year of the scheme Torbay's funding was identified separately as £11.9m in the Council's financial settlement from Central Government. However, from 2014/15 funding was no longer separately identified and formed part of the Overall Settlement Funding Assessment (which includes the Revenue Support Grant) and subject to the same level of grant reductions.
- 1.4 The settlement grant has reduced by 23% since 2013/14, so it can be assumed that the amount of Council Tax Support funding has been cut to £9.2m for 2016/17, in line with the overall reduction.
- 1.5 When comparing the estimated cost of the scheme in 2016/17 to the level of funding received through the settlement grant there will be a deficit that will increase as the Councils Revenue and Support Grant is cut from £27m in 2015/16 to £6m in 2019/20.
- 1.6 The continued reduction in the grant resulted in a number of proposed changes to the current scheme to make it more affordable in relation to the competing demand of other services.

- 1.7 The Council is also proposing changes to bring the Council Tax Support scheme in line with the changes made by Central Government in Housing Benefit and Universal Credit. Government changes to both Housing Benefit and Universal Credit are to encourage work and reduce the levels of benefit available to some. This will be reflected in the Council Tax Support scheme if the proposed changes are made.
- 1.8 The changes should make it easier for applicants to understand the scheme, as there will be similar criteria in Housing Benefit, and Universal Credit. Additionally, using the same criteria in the Council Tax Support scheme should make it more efficient and less costly to run.
- 1.9 These changes have been undertaken in liaison with all Devon authorities, in order that there remains a common approach.

2. Reason for Proposal

- 2.1 The Local Government Finance Act 2012 requires that the Council Tax Support scheme is reviewed annually and where a council proposes changes to its scheme it must consult on the changes.
- 2.2 A draft scheme and public consultation was agreed by the Mayor's Executive on 26 July 2016 and ran for twelve weeks, from 8 August 2016 to 31 October 2016.
- 2.3 Following the consultation the scheme must be agreed by a full council meeting before 31st January in the year the changes take effect.
- 2.4 The final proposed scheme changes are based on the outcome of the consultation responses alongside the equality impact assessment.

3. Recommendation(s) / Proposed Decision

- 3.1 That, having considered the outcomes of the full consultation results and having due regard to the matters under the Public Sector Equality Duty (as set out in the Equality Impact Assessment) and the potential impacts on people with disabilities, carers, women and working age groups the proposed changes to the reviewed Council Tax Support Scheme as set out in section 11 to Appendix 1 to the submitted report be approved.
- 3.2 That Personal Allowances and Premiums for Council Tax Support are uprated from 1 April 2017 in line with the prescribed pensioner scheme and national working-age benefits, which are both set by the Government.
- 3.3 That the Discretionary Awards (Exceptional Hardship) fund of £80,000, which is used to top up Council Tax Support awards in appropriate cases, be continued.
- 3.4 That it be noted that the discretionary Awards (Exceptional Hardship) policy and fund will be reviewed during the new financial year, 2017/18.
- 3.5 That the Head of Finance, in consultation with the Executive Lead Member for Customer Services, be authorised to make final detailed changes to the Council Tax Support Scheme and to implement the scheme from April 2017.

Appendices

Appendix 1: Supporting Information

Appendix 2: Consultation Survey Results

Appendix 3: Equalities Impact Assessment

Appendix 4: Proposed Scheme Changes

Appendix 5: 2016/17 Council Tax Support schemes in Devon

Service / Policy:		Final Proposed Council Tax Support Scheme Changes	
Executive Lead:		Cllr Mark King, Executive Customer Services, dave.morris@torbay.gov.uk	
Director / Assistant Director:		Bob Clark, Executive Head Community and Customer Services, 01803 207420, bob.clark@torbay.gov.uk	
Version:	1.3	Date:	30 November 2016
		Author:	Kevin Michell

Section 1: Background Information

1. What is the proposal / issue?

The Council is required to review its Council Tax Support scheme annually and consider both the application of the scheme itself and to take into account the financial implications of its administration.

Based on forecasting that the Council's grant settlement will be reduced by over £20 million by 2020 it is considered reasonable that the Council look to review its spending in all areas. This includes a review of the Council's spending on the Council Tax Support scheme and designing a scheme that is more affordable.

Council Tax Support is a discount, affecting the taxbase in the same way as any other Council Tax discount. The taxbase forms part of the Financial Plan, so Council Tax Support must meet the required budgetary constraints.

There are also a number of other changes required to bring the scheme in line with the Housing Benefit changes announced in 2015 Summer Budget and Universal Credit legislation.

2. What is the current situation?

Background

In March 2012, the Welfare Reform Bill received Royal Assent and contained provisions for the abolition of Council Tax Benefit. In October 2012, the Local Government Finance Act became law and included the framework for localised Council Tax Reduction schemes which is known as the Council Tax Support scheme.

Statutorily, Local Authorities were required to develop and adopt a Localised Council Tax Support scheme by 31 January 2013 with implementation on 1 April 2013. To an extent, Councils had been given autonomy to develop schemes that met the needs of their local area but were also prescribed a framework, where pensioners are protected. However, Local Authorities would only receive 90% of the funding received in the previous year (2012/13). It was up to Local Authorities to decide whether to absorb the ten per cent cut in funding or pass this onto Council Tax Support recipients.

To enable this activity to be taken forward, the Government provided Local Authorities with a statutory framework that included the following:

- Local Authorities must have their new schemes agreed by 31st January 2013;
- Financial help with Council Tax will now be seen as a discount and not a benefit;
- There will be no change to the amount of help pension age claimants receive;
- Councils can decide the rules for their new schemes within a prescribed framework, but should consider the impact on the most vulnerable when designing their schemes;
- Guidance was given to encourage local authorities to ensure local schemes do not act as a disincentive to working.

The Government required that all pensioners are protected under the new scheme and the cut in funding should not apply to them. Working age households would therefore bear the full reduction in grant to cover future Council Tax Support scheme expenditure.

Torbay's Current Council Tax Support Scheme

Torbay's scheme was prepared as part of a Devon wide approach, where the overarching principle was to develop a cost neutral scheme. However, it was unlikely that each authority's scheme would be identical, or produce the same end result for residents across the county, because of the different local demographics and the constraints placed on the design of local schemes by the government.

Following a public consultation the current scheme was approved by members at full council on 6th December 2012.

For people of working age, the scheme has retained the characteristics of the old Council Tax Benefit scheme with the following changes:

- All awards are based on 75% of the Council Tax charge for the property, leaving households to pay a minimum of 25% of the Council Tax due;
- Second Adult Rebate for working age claimants is not available;
- No entitlement if working age claimants have savings over £6,000;
- Additional support for exceptional financial hardship is available through a hardship fund, that's funded by the Council.

The current scheme has remained unchanged since its introduction in 2013/14 apart from an additional clause to uprate personal allowances and non dependant deductions, on an annual basis.

Proposed Changes to Current Scheme

Following the changes to Housing Benefit regulations, announced in 2015 Summer Budget and Autumn Statement, Devon authorities agreed to review their schemes to align with these changes and Universal Credit legislation.

The review was undertaken by Devon's Revenue and Benefits managers during April

	<p>and May 2016, where eight changes to the current scheme were identified. Seven of these changes were taken forward as part of the Council’s proposed scheme changes.</p> <p>The change involving the removal of the additional earnings disregard, which is an alignment to Universal Credit, was not considered due to the potential impact on work incentives as the scheme should support people into work.</p> <p>On 21 June 2016 a meeting was held with senior managers to discuss the alignment and other potential changes to the Council Tax Support scheme.</p> <p>A report detailing the proposed changes to the current scheme and draft impact assessment was considered by the Mayor’s Executive on 26 July 2016.</p> <p>It was agreed that the public should be consulted on ten proposed changes to the current scheme.</p> <p>Following approval a draft scheme was published based on the proposed changes and the consultation commenced on 8 August 2016.</p> <p>The proposed changes that were consulted on are set out below;</p> <ol style="list-style-type: none"> 1. Limit maximum level of support to 55% of the Council Tax liability. 2. Restrict maximum level of support to a band C charge. 3. Savings limit cut to £3,000 from £6,000. 4. Remove Family Premium for all new working age applicants. 5. Restrict backdating to one month. 6. Minimum set income for self-employed after one year’s trading. 7. Reduce temporary absence from Great Britain to four weeks. 8. Remove the work related activity component in the calculation of entitlement for new Employment and Support Allowance applicants. 9. Limit Council Tax Support calculation to a maximum of two children. 10. Remove Severe Disability Premium where another person is paid Universal Credit (Carers Element). <p>The potential savings that could be realised through each proposal can be found at Appendix 3 (Equality Impact Assessment, paragraph 5).</p> <p>The Council’s consultation commenced on 8 August 2016 and ran for twelve weeks, until 31 October 2016.</p> <p>Following a consultation the scheme must be agreed by a full council meeting before 31st January in the year the changes take effect.</p>
<p>3.</p>	<p>Summary of Options</p> <p>Option One – No Change</p> <p>This would mean continuing with the current 2016/17 scheme, where working age households pay a minimum of 25% of the bill. It would not include any of the other proposed changes that would bring the scheme in line with the Housing Benefit changes or Universal Credit legislation.</p> <p>Personal Allowances and Premiums that are used to calculate Council Tax Support would continue to be updated, from 1 April 2017 in line with the prescribed pensioner</p>

	<p>scheme and national working age benefits, which are both set by the Government.</p> <p>Option Two – Scheme Change</p> <p>As the Council faces £20m cut in grant funding by 2020 there is a need for the Council to consider all options available in relation to delivering these savings.</p> <p>The Council has already considered alternative and innovative ways of delivering services to reduce the overall cost, without reducing the level of service. The level of savings being achieved in this area is limited and therefore a revised Council Tax Support scheme must be considered.</p> <p>The proposed alignment changes should also make it easier for applicants to understand the scheme, as there will be similar criteria in Housing Benefit and Universal Credit. Additionally, using the same criteria in the Council Tax Support scheme should make it more efficient and less costly to run.</p> <p>In light of the consultation responses and impact assessment the changes initially proposed have since been reviewed, for full details see section 11.</p>
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>The council's Corporate Plan for 2015-2019 sets the direction and priorities for the years ahead. It is based on the following principles:</p> <ul style="list-style-type: none"> • Use reducing resources to best effect • Reduce demand through prevention and innovation • Integrated and joined up approach <p>Aligning the scheme with the Housing Benefit changes and Universal Credit legislation ensures the scheme remains efficient and will not become overly complex for applicants.</p> <p>The scheme continues to support work incentives and avoids disincentives for those moving into work.</p> <p>Torbay's most vulnerable groups will continue to be protected as the proposed scheme will retain the current scheme characteristics.</p> <p>The continuation of the hardship scheme will also help cushion the effect of the changes and should mitigate any adverse impacts where possible.</p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>The continuation of the hardship scheme will also help cushion the effect of the changes and should mitigate any adverse impacts where possible.</p> <p>The Council has a duty to consult on its Council Tax Support scheme and required by law to:</p> <ul style="list-style-type: none"> • consult any major precepting authority which has power to issue a precept to it; • publish a draft scheme in such manner as it thinks fit; • consult such other persons as it considers are likely to have an interest in the operation of the scheme.

	<p>In line with the statutory requirements, the major preceptors, Police and Fire authorities, have been fully engaged through the monthly Devon Revenue and Benefits manager group meetings.</p> <p>The draft scheme was placed on the Council's website and referred to as part of the full consultation.</p>
<p>6.</p>	<p>Consultation</p> <p>The consultation approach aimed to ensure all residents in Torbay, including voluntary and representative groups, had the opportunity to have their say about the proposed scheme changes.</p> <p>All other Devon authorities consulted on the alignment to the Housing Benefit changes and Universal Credit between June 2016 and September 2016.</p> <p>The Council's consultation commenced on 8 August 2016 and ran for twelve weeks, until 31 October 2016 and included the following:</p> <ul style="list-style-type: none"> • An on-line questionnaire was available on the Council's website from 8 August 2016 until 31 October 2016, for a period of twelve weeks. The website also included the draft scheme, detailing the proposed changes and a list frequently asked questions, which was updated on a regular basis. • Paper versions of the questionnaire were also available at the Council's public access points. • Individual letters, outlining the proposed changes and guidance on how to take part in the consultation were sent 8,387 working age households receiving Council Tax Support as on 16 August 2016. • The same number was also sent to randomly selected households that were not receiving Council Tax Support. • Over 15,000 leaflets informing households of the consultation and how to take part were enclosed with all Council Tax bills and Benefit notification letters printed from 1 September 2016 to 21 October 2016. • A press statement was issued by our Communications team on 8 August 2016. • Social media feeds were introduced to maintain general awareness of the consultation and to encourage people to take part. • Three public events were held across the bay, which was initially promoted by a press release, issued on 14 September. • A total of 48 stakeholders were informed of the consultation and invited by email to attend the events being held - these events were held during September and October. • The Barton and Watcombe Community Partnership were informed of the proposed changes at an evening event held in October. • A briefing session was also held at the Town Hall for members on 28

September, which was very well attended.

- Social landlords were informed of the consultation and the proposed scheme changes.

Consultation Results

At the close of the consultation, on 31 October 2016, the Council had received 1,667 paper responses and 288 on-line responses (1,961 in total).

Due to the complex nature of the welfare system a number of questions were quite technical, which could have discouraged people from completing the questionnaire. However, the number of completed questionnaires exceeded expectations and the results have provided sufficient information to inform the outcome of this process.

Headlines from the Consultation

Based on responses from households that receive and do not receive Council Tax Support;

- The majority of responses agreed to proposals 2-9.
- Responses were divided for Proposal 1, limit maximum of support to 55% from 75%.
- Only proposal 10 saw a majority of responses against the proposed change.
- The highest level of support was in agreement to the proposal 7, restrict the period a person can be absent from Great Britain and continue to receive Council Tax Support to four weeks.
- Apart from proposals 1 and 10, the lowest level of support was proposal 4, removal of the Family Premium for all new applicants.
- In terms of disability, 34% of respondents were disabled.
- In terms of gender, 57% of respondents were female.
- In terms of age, 69% of respondents were of working age (16-64).

The results of the survey can be found at Appendix 2.

Section 2: Implications

7. What are the financial and legal implications?

Financial Implications

As mentioned earlier in this report, funding for Council Tax Support was reduced by 10% in 2013/14. Subsequently the Settlement Funding Assessment has reduced by 23% in cash terms in the three years up to 2016/17.

The Council has been required to make significant financial savings in recent years and faces further cuts in funding and increasing financial risks over the coming years.

The proposed changes may also impact on the demand for the Council Tax Discretionary Exceptional Hardship Fund from April 2018. Currently there is £80,000 in this fund to assist households facing exceptional hardship.

Collection Rates

Reducing the amount of Council Tax Support that is paid results in the poorest residents having to pay more Council Tax at a time when other welfare changes are also impacting on their income levels. Increasing the amount to pay increases the risks to collection levels and may mean that some of the Council Tax that is raised is not collected promptly.

The collection rate for 2015/16 for all Council Tax payers was 96% and for those in receipt of Council Tax Support 67%.

At the time the draft scheme was developed it was forecast that the Council Tax collection rate for those in receipt of Council Tax Support would be 60%.

The collection rate for those in receipt of Council Tax Support is currently up by 0.50% when compared to the same period last year (42.59% 07/11/16 and 42.08% 09/11/15).

Legal Implications

The legislative framework for Council Tax Support schemes is contained within the Local Government Finance Act 2012.

The 2012 Act amends the 1992 Act by adding a new section 13A to state that Council Tax will be reduced to the extent set out in an authority's Council Tax Support scheme and to such further extent as the authority sees fit (new s13A(1)(c) replicating the existing provision for authorities to adopt specified additional classes).

Local authorities must make a Council Tax Support scheme setting out the reductions which are to apply in its area by persons or persons in classes consisting of persons whom the authority considers to be in financial need.

Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the Council Tax Support scheme is to be revised or replaced. Where the scheme is to be revised or replaced the procedural requirements in paragraph 3 of that schedule apply. Any revision/replacement must be determined by 31st of January in the preceding year to the year which the changes

	<p>are to apply.</p> <p>The council must therefore consider whether the scheme requires revision or replacement and if so, consult with precepting authorities (Devon and Cornwall Police and Devon and Somerset Fire and Rescue Authority), publish a draft scheme and then consult with such persons as are likely to have an interest in the operation of that scheme prior to determining the scheme before 31st January. If any proposed revision is to reduce or remove a reduction to which a class of person is entitled, the revision must include such transitional provision as the Council sees fit.</p> <p>Case-law has determined the guiding principles for fair consultation, which we have followed. Regard was made to the rules around consultation laid out through the Supreme Court Ruling in the case of R (on the application of Moseley) v London Borough of Haringey (2014) and in particular, the need to set out alternative choices within the consultation.</p>
<p>8.</p>	<p>What are the risks?</p> <p>Failure to agree a scheme by 31 January 2017.</p> <p>The scheme could be open to challenge if it were considered that that we had not consulted properly with those who have an interest in the operation of the scheme.</p> <p>The continuing financial risk of further reductions in the overall settlement grant affecting the level of funding available when compared to expenditure.</p> <p>The majority of the options consulted upon are intended to align the scheme with the administration of Housing Benefit. Currently, the proposed change to limit Council Tax Support calculation to a maximum of two children has yet to be made within the Housing Benefit scheme.</p> <p>The changes could also create increased demand on the Discretionary Awards (Exceptional Hardship) fund, which is currently £80,000.</p>
<p>9.</p>	<p>Public Services Value (Social Value) Act 2012</p> <p>The procurement of services or provision of services is not relevant for this report.</p>
<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>There are now 259 (of 326) English authorities that require everyone to pay at least some Council Tax, regardless of income. The type of schemes differ greatly due to a number of different factors, that include; the local authorities' ability to afford or absorb the grant reduction, property values (numbers in various bands) and demographic information including benefits caseload data and the working/pension age caseload split.</p> <p>In general terms, the higher the pensioner caseload the greater the financial impact in the loss of grant on the remaining working age caseload.</p> <p>Across the country the current situation is as follows:</p>

	<ul style="list-style-type: none"> • Around 2.2 million households have been adversely affected by the change from the old Council Tax Benefit scheme. They will be required to pay an average £169 additional council tax in 2016/17 in comparison to what they would have received under Council Tax Benefit. This is up from £145 in the first year of Council Tax Support. • The total number of households affected has slightly reduced as the number claiming Council Tax Support overall has fallen, largely as a result of changing circumstances, particularly falling unemployment, although in some cases former claimants will have become ineligible due to local changes, such as the introduction of a minimum Council Tax Support award or a change in the savings limit. • Around 340,000 low income households will see their council tax payments increase substantially because they live in one of the 39 areas where a minimum payment is being increased or introduced. 70,000 of these live in the areas where they were introduced for the first time and will pay on average £171 more council tax in 2016/17 than they would if Council Tax Benefit was still in place. • The most common financial impact of Council Tax Support changes on households in 2013/14 was an additional £50 to £100 per year to pay in council tax than they would have under Council Tax Benefit. In 2016/17 it's around £150 to £200. <p>Appendix 5 provides details of the 2016/17 schemes in Devon.</p> <p>All Devon authorities have consulted on changes that will align their Council Tax Support schemes to the Housing Benefit changes and Universal Credit legislation.</p>
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>The Council has throughout its consideration of its options looked at the equalities impacts of any proposals that could be put forward. The Council's current scheme is designed to minimise as much as possible the impact on particular groups. Likewise, regard has been made to wider decisions across the authority that may also impact on similar groups of service users for example, to assess any cumulative impact which should be taken into account in reaching the decision.</p> <p>Following the conclusion of the consultation the comments received in respect of each proposal were collated and analysed. The overall impact of the proposed changes was considered. This analysis was then used to form a view on whether the existing proposal should proceed as described, be varied in the light of the consultation feedback and impacts or withdrawn.</p> <p>Please refer to the consultation results (Appendix 2) and Equality Impact Assessment (Appendix 3).</p> <p>In light of the consultation responses and impact assessment the proposed scheme changes for working age households have been reviewed and are now as follows;</p>

Proposal One – Limit maximum level of support to 55% from 75% of the Council Tax liability.

This change would result in over 8,000 working age households having a reduction in the amount awarded, with 400 no longer entitled.

The amount households occupying bands A to C would have to pay would increase by around £5 a week, impacting on all low income households.

This proposal has been changed to limit support by 5% and implemented over two financial years (2.5% per year).

From 1 April 2017

Limit maximum level of support to 72.5% from 75%

From 1 April 2018

Limit maximum level of support to 70% from 72.5%

The amount households occupying bands A to C would have to pay would increase by around £0.60 a week from April 17 and an increase by a similar amount from April 18.

This revised proposal has the potential to save £197,500 (2.5%) in 2017/18 and £395,000 (5%) from 2018/19.

Proposal Two - Restrict maximum level of support to a band C charge.

This change would affect 496 working age households, with the majority occupying band D (358) and E (107).

The amount households occupying bands D to E would have to pay would increase by an average of £1 a week.

It would have a disproportionate impact on lone parents and couples with children.

This proposal has been changed to restrict to a band D and deferred until 1 April 2018.

This change would affect 138 households. The amount households occupying bands E would have to pay would increase by £0.67 a week.

This revised proposal has the potential to save £38,000 from 2018/19

Proposal Three - Savings limit cut to £3,000 from £6,000.

This change would remove entitlement from 97 households that have over £3,000 in savings.

Removed from the proposed scheme changes

Proposal Four – Remove Family Premium for all new working age applicants.

This proposal will bring the Council Tax Support scheme in line with Housing Benefit and the Council Tax Support Prescribed scheme for pension aged households, which took effect from May 2016.

Remains in the proposed scheme changes

Proposal Five – Restrict backdating to one month

This proposal will bring the Council Tax Support scheme in line with Housing Benefit and the Council Tax Support Prescribed scheme for pension aged households, which took effect from April 2016.

Remains in the proposed scheme changes

Proposal Six – Minimum set income for self-employed after one year's trading

This proposal will bring the Council Tax Support scheme in line with Universal Credit legislation.

This change would affect 450 households with 67% either lone parents or couples with children. Nearly 75% of households with self-employed income earn less than £100 a week, which will increase to £252 a week after one year's trading.

This change will have a significant financial impact on these households.

Further information on self-employed households receiving Council Tax Support can be found at Appendix 3, pages 45 to 47.

Remains in the proposed scheme changes

Proposal Seven – Restrict period that a person can be absent from Great Britain and continue to receive support to four weeks.

This proposal will bring the Council Tax Support scheme in line with Housing Benefit.

Remains in the proposed scheme changes

Proposal Eight – Remove the Work Related Activity Component in the calculation of entitlement for new Employment and Support Allowance applicants.

This proposal will bring the Council Tax Support scheme in line with the proposed Housing Benefit changes, when approved by Central Government.

This change will affect 14 households that have a disability.

Removed from the proposed scheme changes

	<p>Proposal Nine – Limit the calculation to a maximum of two children.</p> <p>This proposal will bring the Council Tax Support scheme in line with the proposed Housing Benefit changes and Tax Credit legislation, when approved by Central Government.</p> <p>Remains in the proposed scheme changes</p> <hr/> <p>Proposal Ten – Remove entitlement to Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.</p> <p>This proposal will bring the Council Tax Support scheme in line with Universal Credit legislation.</p> <p>Based on current data there are no households that could be affected by this proposal. However, it has the potential to impact on some carer's and disabled households.</p> <p>Removed from the proposed scheme changes</p> <p>In summary the final proposed changes are;</p> <p>From 1 April 2017:</p> <ul style="list-style-type: none"> • Reduction in the maximum level of support to 72.5% from 75% • Removal of the Family Premium for all new working age claims • Reduction of the period a claim can be backdated to one month • Minimum set income for self-employed earners after one year's trading • Reduction of the period a person can be absent from Great Britain to four weeks • Limit the calculation to a maximum of two dependant children – this would only be introduced if the change goes ahead in the Housing Benefit scheme. <p>From 1 April 2018:</p> <ul style="list-style-type: none"> • Reduction in the maximum level of support to 70% from 72.5%; • Restrict the maximum level of Council Tax Support payable to equivalent of an average Band D property charge <p>Further information on the final proposed changes can be found at Appendix 4.</p>
<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>The council's Vulnerability Policy and Discretionary Reductions (Exceptional Hardship) Policy are mitigating features of the current Council Tax Support scheme, developed to manage any potential negative impacts mentioned in this report.</p>

	<p>These policies and fund will remain unchanged in 2017/18.</p>
--	--

	<p>During the financial year 2017/18 both policies and the fund will be reviewed and any changes, if appropriate, will be introduced from 1 April 2018.</p>
--	---



Council Tax Support Survey Preliminary Results

November 2016

Method	Number of questionnaires returned
Online	288
Paper - Valid	1117
Other Submissions	6
Paper - Invalid	50
Total Valid Responses	1961

This survey was open between 8th August and 31st October 2016



Council Tax Support Survey 2016

1. Introduction

The survey was conducted to receive the views of the public in respect of ten proposed changes to the Council's existing Council Tax Support Scheme. The Council Tax Support Scheme is reviewed on an annual basis and this survey outlined proposed changes to the scheme which included changes to bring the scheme in line with changes which are happening across Housing Benefit and Universal Credit. These proposed changes were set out in the context of the Local Authority needing to fill an estimated funding gap of £18.5 million between the present and 2019/20.

Explicitly stated was that the proposed changes would not affect pension age claimants.

2. Methodology

The survey was conducted in two simultaneous ways between 8 August 2016 and 31 October 2016. Firstly by means of an online questionnaire and secondly by printed booklets containing the same details from which the answers were then manually entered into the database.

The questionnaire booklets were sent out to all customers currently receiving Council Tax Support (8,387 people) and to a matching number of non-recipients chosen at random.

Views were sought on the level of agreement or disagreement with the proposals, whether respondents would be affected and, if so, in what manner.

All responses were anonymous with the only respondent specific information being a coded serial number on the questionnaire booklets which indicated whether the recipient household currently received Council Tax Support according to the records held by the Council.

In a number of cases the coded serial numbers had been deliberately removed or redacted and there were also questionnaire booklets that were passed out by Councillors which bore no serial number at all. To split these appropriately the respondents answer to whether they received Council Tax Support was used where the coding was absent or illegible

4. Preliminary Results – Summary

The level of agreement or disagreement is set out by each proposal and the results have been broken down between those respondents receiving Council Tax Support and those who do not. In each case the figures for Strongly Agree and Agree have been added together as have those for Strongly disagree and Disagree.

To obtain the percentages the denominator has been taken throughout as the total number of responses (1961). The numerator however varies according to the number of responses received in respect of each of the particular questions. It should be noted that, where questions contained more than one part, the number of responses to the individual parts was not always the same.

Q1a. For those receiving CTS 6.8% of respondents were in agreement compared with 31.5% that disagreed. For those NOT receiving CTS 40.1% were in agreement compared with 10.8% that disagreed.

Q1b. For those receiving CTS 6.5% of respondents were in agreement compared with 31.7% that disagreed. For those NOT receiving CTS 37.9% were in agreement compared with 12.3% that disagreed.

Q2a. For those receiving CTS 16.4% of respondents were in agreement compared with 18.6% that disagreed. For those NOT receiving CTS 40.5% were in agreement compared with 8.7% that disagreed.

Q2b. For those receiving CTS 12.8% of respondents were in agreement compared with 31.5% that disagreed. For those NOT receiving CTS 33.8% were in agreement compared with 13.4% that disagreed.

Q3a. For those receiving CTS 14.7% of respondents were in agreement compared with 19.8% that disagreed. For those NOT receiving CTS 31.1% were in agreement compared with 17.1% that disagreed.

Q4a. For those receiving CTS 8.5% of respondents were in agreement compared with 20.8% that disagreed. For those NOT receiving CTS 28.8% were in agreement compared with 14.1% that disagreed.

Q5a. For those receiving CTS 15.4% of respondents were in agreement compared with 17.7% that disagreed. For those NOT receiving CTS 40.1% were in agreement compared with 7.1% that disagreed.

Q6a. For those receiving CTS 15.7% of respondents were in agreement compared with 9.6% that disagreed. For those NOT receiving CTS 38.0% were in agreement compared with 5.7% that disagreed.

Q7a. For those receiving CTS 29.2% of respondents were in agreement compared with 6.1% that disagreed. For those NOT receiving CTS 49.6% were in agreement compared with 3.1% that disagreed.

Q8a. For those receiving CTS 6.5% of respondents were in agreement compared with 13.3% that disagreed. For those NOT receiving CTS 29.6% were in agreement compared with 5.8% that disagreed.

Q9a. For those receiving CTS 19.6% of respondents were in agreement compared with 19.4% that disagreed. For those NOT receiving CTS 43.5% were in agreement compared with 7.5% that disagreed.

Q10a. For those receiving CTS 7.1% of respondents were in agreement compared with 23.5% that disagreed. For those NOT receiving CTS 22.0% were in agreement compared with 17.5% that disagreed.

5. Full Data Tables – Numbers and Percentages

Proposal One: Changes to council Tax Liability – all claimants pay more towards their council tax

Q1a. How strongly do you agree or disagree that all working age claimants should pay more towards their Council Tax?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	44	2.2%	423	21.6%
Agree	89	4.5%	364	18.6%
Total Strongly agree or agree	133	6.8%	787	40.1%
Neither agree nor disagree	80	4.1%	86	4.4%
Disagree	201	10.2%	103	5.3%
Strongly disagree	416	21.2%	108	5.5%
Total Disagree or strongly disagree	617	31.5%	211	10.8%
Total	830	42.3%	1084	55.3%

Q1b. How strongly do you agree or disagree that all working age people should pay at least 45% of their Council Tax bill?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	44	2.2%	409	20.9%
Agree	84	4.3%	334	17.0%
Total Strongly agree or agree	128	6.5%	743	37.9%
Neither agree nor disagree	74	3.8%	98	5.0%
Disagree	177	9.0%	120	6.1%
Strongly disagree	445	22.7%	122	6.2%
Total Disagree or strongly disagree	622	31.7%	242	12.3%
Total	824	42.0%	1083	55.2%

Q1c. Would this proposal have an effect on your household?

	Number	%
Yes	716	36.5%
No	1180	60.2%
Total	1896	96.7%

Proposal Two: Restrict the amount of Council Tax Support for working age claimants to the equivalent of a Band C property charge

Q2a. How strongly do you agree or disagree that all working age claimants living in properties with a higher Council Tax charge should pay more?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	128	6.5%	415	21.2%
Agree	194	9.9%	380	19.4%
Total Strongly agree or agree	322	16.4%	795	40.5%
Neither agree nor disagree	164	8.4%	118	6.0%
Disagree	143	7.3%	97	4.9%
Strongly disagree	185	9.4%	73	3.7%
Total Disagree or strongly disagree	328	16.7%	170	8.7%
Total	814	41.5%	1083	55.2%

Q2b. How strongly do you agree or disagree that we should limit the amount of Council Tax Support to a Band C property charge?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	83	4.2%	341	17.4%
Agree	168	8.6%	322	16.4%
Total Strongly agree or agree	251	12.8%	663	33.8%
Neither agree nor disagree	192	9.8%	145	7.4%
Disagree	162	8.3%	148	7.5%
Strongly disagree	203	10.4%	114	5.8%
Total Disagree or strongly disagree	365	18.6%	262	13.4%
Total	808	41.2%	1070	54.6%

Q2c. Would this proposal have an effect on your household?

	Number	%
Yes	251	12.8%
No	1576	80.4%
Total	1827	93.2%

Proposal Three: Reducing the savings limit from £6,000 to £3,000 for working age people

Q3a. How strongly do you agree or disagree that Council Tax Support should not be paid to working age claimants who have more than £3,000 in savings and / or investments?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	123	6.3%	332	16.9%
Agree	166	8.5%	277	14.1%
Total Strongly agree or agree	289	14.7%	609	31.1%
Neither agree nor disagree	137	7.0%	134	6.8%
Disagree	156	8.0%	200	10.2%
Strongly disagree	233	11.9%	136	6.9%
Total Disagree or strongly disagree	389	19.8%	336	17.1%
Total	815	41.6%	1079	55.0%

Q3b. Would this proposal have an effect on your household?

	Number	%
Yes	115	5.9%
No	1755	89.4%
Total	1870	95.3%

Proposal Four: Removing the Family Premium for all new working age claimants

Q4a. How strongly do you agree or disagree with the proposal to remove the Family Premium when assessing a client's needs?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	60	3.1%	274	14.0%
Agree	107	5.5%	291	14.8%
Total Strongly agree or agree	167	8.5%	565	28.8%
Neither agree nor disagree	238	12.1%	244	12.4%
Disagree	148	7.5%	160	8.2%
Strongly disagree	259	13.2%	116	5.9%
Total Disagree or strongly disagree	407	20.8%	276	14.1%
Total	812	41.4%	1085	55.3%

Q4b. Would this proposal have an effect on your household?

	Number	%
Yes	189	9.6%
No	1665	84.9%
Total	1854	94.5%

Proposal Five: Restrict backdating to one month

Q5a. How strongly do you agree or disagree with the proposal to restrict backdating claims to one month?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	104	5.3%	396	20.2%
Agree	198	10.1%	391	19.9%
Total Strongly agree or agree	302	15.4%	787	40.1%
Neither agree nor disagree	169	8.6%	143	7.3%
Disagree	148	7.5%	73	3.7%
Strongly disagree	200	10.2%	66	3.4%
Total Disagree or strongly disagree	348	17.7%	139	7.1%
Total	819	41.8%	1069	54.5%

Q5b. Would this proposal have an effect on your household?

	Number	%
Yes	103	5.3%
No	1727	88.1%
Total	1830	93.4%

Proposal Six: Self-employed minimum hourly rate for claimants after one year

Q6a. How strongly do you agree or disagree with the proposal to use a set minimum income level for those claimants who are self employed?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	90	4.6%	312	15.9%
Agree	217	11.1%	433	22.1%
Total Strongly agree or agree	307	15.7%	745	38.0%
Neither agree nor disagree	309	15.8%	228	11.6%
Disagree	80	4.1%	63	3.2%
Strongly disagree	108	5.5%	48	2.4%
Total Disagree or strongly disagree	188	9.6%	111	5.7%
Total	804	41.0%	1084	55.3%

Q6b. Would this proposal have an effect on your household?

	Number	%
Yes	71	3.6%
No	1749	84.6%
Total	1820	89.2%

Proposal Seven: Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to four weeks

Q7a. How strongly do you agree or disagree with the proposal to restrict the period for which a person can be out of Great Britain and still receive Council Tax Support to four weeks?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	344	17.5%	681	34.7%
Agree	229	11.7%	291	14.8%
Total Strongly agree or agree	573	29.2%	972	49.6%
Neither agree nor disagree	131	6.7%	54	2.8%
Disagree	43	2.2%	26	1.3%
Strongly disagree	77	3.9%	34	1.7%
Total Disagree or strongly disagree	120	6.1%	60	3.1%
Total	824	42.0%	1086	55.4%

Q7b. Would this proposal have an effect on your household?

	Number	%
Yes	32	1.6%
No	1823	91.2%
Total	1855	92.8%

Proposal Eight: Remove the work related activity component in the calculation of the current scheme for new Employment and Support Allowance Applicants

Q8a. How strongly do you agree or disagree with the proposal to remove the work related activity component from the calculation for Council Tax Support?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	54	2.8%	280	14.3%
Agree	74	3.8%	300	15.3%
Total Strongly agree or agree	128	6.5%	580	29.6%
Neither agree nor disagree	293	14.9%	366	18.7%
Disagree	159	8.1%	59	3.0%
Strongly disagree	221	11.3%	54	2.8%
Total Disagree or strongly disagree	380	19.4%	113	5.8%
Total	801	40.8%	1059	54.0%

Q8b. Would this proposal have an effect on your household?

	Number	%
Yes	107	5.5%
No	1640	83.6%
Total	1747	89.1%

Proposal Nine: limit the calculation to a maximum of two dependent children

Q9a. How strongly do you agree or disagree with the proposal to limit the calculation of award to a maximum of two dependent children?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	183	9.3%	508	25.9%
Agree	202	10.3%	345	17.6%
Total Strongly agree or agree	385	19.6%	853	43.5%
Neither agree nor disagree	171	8.7%	81	4.1%
Disagree	95	4.8%	81	4.1%
Strongly disagree	166	8.5%	67	3.4%
Total Disagree or strongly disagree	261	13.3%	148	7.5%
Total	817	41.7%	1082	55.2%

Q9b. Would this proposal have an effect on your household?

	Number	%
Yes	45	2.3%
No	1785	91.0%
Total	1830	93.3%

Proposal Ten: Removing the entitlement within the Council Tax Support calculation for the Severe Disability Premium where another person is paid Universal Credit (Carer's Element) to look after them

Q10a. How strongly do you agree or disagree with the proposal that Severe Disability Premium will no longer be included when calculating Council Tax Support where another person is paid Universal Credit (Carer's Element)?

	Those who receive support		Not receiving support	
	Number	%	Number	%
Strongly agree	45	2.3%	211	10.8%
Agree	94	4.8%	221	11.3%
Total Strongly agree or agree	139	7.1%	432	22.0%
Neither agree nor disagree	200	10.2%	292	14.9%
Disagree	151	7.7%	202	10.3%
Strongly disagree	310	15.8%	142	7.2%
Total Disagree or strongly disagree	461	23.5%	344	17.5%
Total	800	40.8%	1068	54.5%

Q10b. Would this proposal have an effect on your household?

	Number	%
Yes	126	6.4%
No	1640	83.6%
Total	1766	90.0%

6. Demographics – Summary

The demographics of the respondents have been broken down in two ways. Firstly, overall which covers the responses given by each of the respondents and secondly by whether they are in receipt of Council Tax Support or not.

Overall Demographics

Gender

	Number	%
Male	811	41.4%
Female	1088	55.5%
Total	1766	96.9%

Disability

	Number	%
Yes	625	31.9%
No	1197	61.0%
Total	1822	92.9%

Age Groups

	Number	%
0 to 15	0	0.0%
16 to 24	26	1.3%
25 to 34	127	6.5%
35 to 44	228	11.6%
45 to 54	407	20.8%
55 to 64	505	25.8%
64 to 75	358	18.3%
75 +	218	11.1%
Total	1869	95.3%

Demographics broken down by Receiving / Not Receiving CTS Support

Gender

	Those who receive support		Not receiving support	
	Number	%	Number	%
Male	341	17.5%	470	24.1%
Female	480	24.6%	608	31.2%
Total	821	42.1%	1078	55.3%

Disability

	Those who receive support		Not receiving support	
	Number	%	Number	%
Disabled	443	22.7%	182	9.3%
Non-disabled	330	16.9%	867	44.4%
Total	773	39.6%	1049	53.7%

Age Groups

	Those who receive support		Not receiving support	
	Number	%	Number	%
0 to 15	0	0.0%	0	0.0%
16 to 24	19	1.0%	7	0.4%
25 to 34	83	4.3%	44	2.3%
35 to 44	150	7.7%	78	4.0%
45 to 54	237	12.1%	170	8.7%
55 to 64	260	13.3%	245	12.6%
64 to 75	31	1.6%	327	16.8%
75+	24	1.2%	194	9.9%
Total	804	41.2%	1065	54.6%

Text Responses

In addition to the scaled responses on a five point level from “Strongly agree” to “Strongly disagree” respondents had the opportunity to provide text responses to outline what impact they felt the proposals would have on their household.

There was a final provision for any further comments about the proposed changes and for other any suggestions on how Torbay Council could save money at the end of the survey.

The response level to these text options was significant in both number and length. To initially examine their content counts have been made of the numbers of times selected key words have appeared in the text responses to the different proposals and to Question 11, in overall comments. These are tabulated below followed by brief descriptions of the general sense and direction of the comments given by those in receipt of CTS and those who are not.

Q1d		Q1e		Q2d		Q2e	
strugg (le or ling)	121	poor	107	strugg (le or ling)	38	property	124
disabl (e or ed)	85	strugg (le or ling)	89	disabl (e or ed)	18	can afford	58
food	84	hard	65	food	16	pay more	54
hard	78	pay more	65	hard	11	mean	48
struggle	78	struggling	49	struggle	10	poor	28
pay more	77	low income	49	pay more	10	hard	27
struggling	43	disabil (ity or ities)	46	struggling	9	unfair	26
mean	42	struggle	40	mean	8	penalis (e or ing)	19
low income	37	mean	38	low income	8	circumstance	18
disabil (ity or ities)	35	pension	38	disabil (ity or ities)	7	low income	16
difficult (y or ies)	31	vulnerable	34	difficult	6	disabl (e or ed)	13
health	31	debt	28	health	5	reason	13
carer	25	unfair	28	carer	5	good	13
less money	22	circumstance	25	less money	5	strugg (le or ling)	12
hardship	21	tree	24	hardship	4	choose	12
limited	21	can afford	24	limited	4	not afford	11
not afford	20	food	22	not afford	4	means test	10
pension	19	difficult	21	pension	3	struggling	9
debt	18	homeless	20	debt	3	choice	9
heat	17	target	20	heat	3	difficult	8

Q3c		Q3d		Q4c		Q4d	
strugg (le or ling)	13	penalis (e or ing)	63	poor	12	poor	26
struggle	12	hard	37	strugg (le or ling)	11	penalis (e or ing)	24
hard	9	funeral	34	pay more	8	hard	21
mean	6	encourage	32	struggling	7	strugg (le or ling)	20
pay more	5	can afford	27	penalis (e or ing)	7	poverty	16
penalis (e or ing)	5	Emergenc (y or ies)	27	disabl (e or ed)	6	food	15
punish	5	poor	25	mean	6	choice	15
pension	4	mean	24	impact	5	responsib	15
repair	4	unfair	19	struggle	4	struggling	14
Emergenc (y or ies)	4	pension	18	worse off	4	low income	13
funeral	4	repair	17	low income	3	unfair	12
low income	3	reason	15	food	2	mean	11
poor	3	property	14	hard	2	punish	10
retire	3	good	14	less money	2	not afford	9
reason	3	strugg (le or ling)	13	pressure	2	can afford	9
food	2	punish	12	household income	2	small amount	9
limited	2	small amount	12	unfair	2	understand	9
property	2	pay more	11	choice	2	vulnerable	8
unfair	2	rainy	11	tree	2	line	8
can afford	2	retire	10	not sure	2	choose	8

Q5c		Q5d		Q6c		Q6d	
reason	7	reason	38	disabl (e or ed)	5	understand	24
homeless	6	circumstance	27	mean	4	hard	18
property	4	line	15	circumstance	4	unfair	12
strugg (le or ling)	3	entitled	14	understand	4	reason	12
health	3	difficult	13	pay more	3	mean	11
debt	3	unfair	12	low income	3	good	9
poor	3	good	12	disabil (ity or ities)	3	penalis (e or ing)	9
line	3	genuine	12	unfair	3	strugg (le or ling)	6
entitled	3	poor	11	hard	2	difficult	6
hard	2	penalis (e or ing)	11	impact	2	struggling	5
struggle	2	hard	10	burden	2	pension	5
difficult	2	debt	9	not sure	2	poor	5
not afford	2	exceptional	9	fluctuat	2	ridiculous	4
circumstance	2	vulnerable	8	strugg (le or ling)	1	encourage	4
good	2	mean	6	food	1	low income	3
understand	2	illness	6	struggling	1	debt	3
not our fault	2	understand	5	health	1	impact	3
disabl (e or ed)	1	disabil (ity or ities)	4	carer	1	line	3
food	1	no fault	4	hardship	1	circumstance	3
pay more	1	ridiculous	4	survive	1	punish	3

Q7c		Q7d		Q8c		Q8d	
reason	4	can afford	135	disabl (e or ed)	8	understand	67
mean	2	out of the	78	less money	6	disabl (e or ed)	20
line	2	reason	31	poor	6	hard	16
out of the	2	circumstance	28	not sure	5	mean	16
can afford	2	good	12	strugg (le or ling)	4	poor	14
pay more	1	illness	11	health	4	strugg (le or ling)	11
health	1	entitled	11	survive	4	difficult	10
limited	1	mean	9	hard	3	penalis (e or ing)	10
heat	1	pension	9	struggling	3	do not know	9
impact	1	health	8	mean	3	illness	8
retire	1	not living	8	disabil (ity or ities)	3	line	8
court	1	property	7	don't know	3	struggling	7
property	1	choose	7	retire	3	don't know	7
unfair	1	not afford	6	understand	3	homeless	7
circumstance	1	exceptional	6	pay more	2	low income	6
good	1	pay more	5	difficult	2	health	6
not sure	1	penalis (e or ing)	5	debt	2	reason	6
break	1	ridiculous	5	worse off	2	not sure	6
penalis (e or ing)	1	understand	4	homeless	2	no idea	6
Emergenc (y or ies)	1	Emergenc (y or ies)	4	unfair	2	food	5

Q9c		Q9d		Q10c		Q10d	
hard	1	responsib	24	disabl (e or ed)	42	disabl (e or ed)	130
pay more	1	can afford	20	carer	30	carer	106
disabil (ity or ities)	1	not afford	17	disabil (ity or ities)	10	disabil (ity or ities)	61
limited	1	choice	17	hard	8	understand	22
don't know	1	penalis (e or ing)	17	strugg (le or ling)	6	vulnerable	21
pressure	1	poor	15	struggle	5	mean	19
poverty	1	hard	14	difficult	5	unfair	18
unfair	1	unfair	14	not sure	5	hard	15
good	1	reason	13	health	4	all the help	14
not sure	1	good	13	mean	3	penalis (e or ing)	14
discriminat	1	poverty	11	less money	3	genuine	14
strugg (le or ling)	0	punish	10	survive	3	difficult	12
disabl (e or ed)	0	strugg (le or ling)	9	penalis (e or ing)	3	choice	11
food	0	mean	8	pay more	2	target	11
struggle	0	line	8	low income	2	punish	11
struggling	0	choose	8	impact	2	strugg (le or ling)	10
mean	0	circumstance	6	poor	2	discriminat	8
low income	0	disabl (e or ed)	5	don't know	2	shame	8
difficult	0	food	5	unfair	2	worse off	7
health	0	struggling	5	Can afford	2	line	7

Q11	
poor	77
tree	60
hard	58
disabl (e or ed)	48
palm	37
strugg (le or ling)	36
pension	35
vulnerable	35
pay more	34
mean	34
good	31
mayor	28
food	26
can afford	25
air show	22
parking	21
health	20
target	20
penalis (e or ing)	20
low income	19

As would be expected the context in which the words are used is of importance. For example “can afford” is used by respondents in the majority of cases to indicate that a different group to their own “can afford” to pay either more of what is needed to meet the shortfall or instead of themselves. Among those in receipt of CTS this generally refers to pensioners whilst for those who are pensioners it generally refers to people of working age. By contrast “not afford” is generally used by all groups to indicate that they themselves can “not afford” any additional payments.

More often than not text responses have been from those in receipt of CTS detailing that they are already in difficult circumstances and the reasons why they would struggle to find the money needed to pay any more.

Exceptions to this

Proposal 3 (Reducing the savings or investment limit) where both groups frequently commented that the £3,000 proposed was not enough to cover the cost of a funeral, property repairs or household emergencies. Also noted was that the government had consistently encouraged saving to fund old age and retirement. Those in receipt of CTS additionally stated that funds were needed for those purposes and also for deposits and fees if they were to move or try to purchase a property.

Proposal 5 (Restricting backdating) where those not in receipt of CTS stated that there was no perceivable reason for such a long period as at present. Those in receipt commented that the longer period was needed to deal with the length of time the council took to process claims.

Proposal 6 (Minimum hourly rate for self-employed). Both groups had divided opinions on this. On the one side was the judgement that the self-employed earned far more than was declared and could easily afford more. The opposing view held that self-employment did not guarantee even the minimum wage on a permanent basis. Both suggested that it would be hard to assess the level of income without strict checks and some advanced the suggestion of means testing.

Proposal 7 (Length of absence from GB). This was one of the few proposals on which both groups were in general agreement citing their opinions that lengthy periods of absence equated to having the capacity to pay more or all of the council tax due. Combined with this were comments that cases would need to be decided on their own merits as there were some acceptable reasons for being out of GB for extended periods – family illnesses overseas being the main one.

Proposal 9 (Limiting allowance to maximum of two children). This was another where both groups tended to agree that having children was a personal choice and that the responsibility for funding them rested with the parents rather than the council or state. A lesser number on both sides pointed out that having a greater number of children could precede the “hard times” which made claiming CTS necessary in which case the restriction could be unfair. Among those not in receipt of CTS was a widely held view of benefit claimants having more babies in order to claim extra benefits or better housing.

Proposal 10 (Removal of Severe Disability Premium). The majority of comments made by both groups were along the lines that those who were (genuinely) severely disabled needed all the help that they could get and that removing this was not a choice that they agreed with.

The further comments (Q11) noted several areas where it was felt more had already been “wasted”. These included palm trees, the Air Show and the continued office of Mayor. Others suggested that the overall thrust of the proposals would “penalise” the poor, vulnerable and disabled the hardest and for that reason they were not in favour of them.

Given the number and size of the text responses the above analysis can only be a very brief synopsis of the nature of their content.

Equality Impact Assessment

Directorate: Community and Customer Services

Service Area: Revenue and Benefits

Name of policy being assessed: Council Tax Support Scheme

Draft Version: 14 July 2016

Final Version: 14 November 2016

Signed off by: Bob Clark – Executive Head Customer Services

Date Signed Off: 21 November 2016

1. Overview

Although the law does not require public service providers to assess the likely impact of policy decisions on particular groups, the courts still place significant weight on the existence of some form of documentary evidence of compliance with the **Public Sector Equality Duty** when determining judicial review cases. This method helps us to make our decisions fairly, taking into account any equality implications.

The Public Sector Equality Duty is part of the Equality Act 2010 and this Duty requires us as a public body to have “**due regard**” to eliminating discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act. It requires us to advance equality of opportunity and foster good relations between people who share a “**relevant protected characteristic**” and people who do not.

Having “due regard” means:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are:

- age
- disability
- women or men
- race
- religion or belief
- sexual orientation
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity

In addition, this report also focuses on the impact of the proposed Council Tax Support scheme changes on employed and self-employed households.

2. How is the decision relevant to the three aims of the Public Sector Equality Duty?

The proposals for the new Council Tax Support scheme have been assessed to ensure that due regard has been given to the Public Sector Equality Duty as enshrined in the Equality Act 2010 using the process set out in the Corporate Plan 2015-19.

We have identified households who are most likely to be affected by the introduction of the proposed scheme changes and compared those to the make-up of our overall customer base to identify any equality groups that may be disproportionately affected.

3. Background

The Government administers welfare support through two different Departments; the Department for Work and Pensions (DWP), and the Department for Communities and Local Government (DCLG). The DCLG have driven the programme for the reform of Council Tax Benefit.

Under DCLG proposals, Council Tax Benefit (CTB) was abolished from April 2013, and by that time each Council needed to have in place a local scheme for the administration of Council Tax Support, as the replacement scheme is known.

Funding for Council Tax Benefit was designed to match actual expenditure and was claimed at the end of the year. In the first year of the new scheme funding was 10% less than the Council Tax Benefit scheme. However, from 2014/15 this was no longer separately identified within the grants given to the Council.

4. Current Scheme

During the summer of 2012, the Council used the impact analysis process to complete a series of models and to reach interim conclusions of the most appropriate approach for the Local Scheme. The Council's final proposed scheme was adopted for formal consultation on 6th August 2012.

Following the consultation process the current scheme was approved by members at Full Council on 6th December 2012 and formally adopted on 31st January 2013.

All working age claimants, including those with protected characteristics, have received a reduction in their entitlement since the current scheme was introduced in April 2013. Pension age claimants, who also have protected characteristics, have not received a reduction as they are protected from any changes by Central Government.

5. Proposed Changes to Current Scheme from 1 April 2017

The Council has a legal requirement to review its scheme each year. The following changes are being proposed to the scheme for the 2017/18 financial year.

As pension age claims are protected by legislation, these changes will only affect claims from those of working age:

Proposal 1 – Limit the maximum level of support to 55% of the Council Tax liability. The council currently assists working age households to pay up to 75% of their Council Tax. Under this proposal all working age households would have to pay 45% of their Council Tax bill.
This proposal, based on current data, has the potential to save approximately £1.6 million.

Proposal 2 – Restrict the maximum level of support to a property band C charge. There is currently no restriction to Council Tax band charges. Under this proposal all working age households currently receiving Council Tax Support and occupying a band D, E, F, G or H property would be restricted to a maximum band C charge.
This proposal, based on current data, has the potential to save approximately £90,000.

Proposal 3 – Reduce the capital/savings limit from £6,000 to £3,000. In the current scheme working age households that have £6,000 or more are not entitled to Council Tax Support. Under this proposal this will be reduced to £3,000 and households that have above this amount will not be entitled to Council Tax Support.
This proposal, based on current data, has the potential to save approximately £60,000.

Proposal 4 – Remove Family Premium for all new working age applicants (This change was introduced by Government for pension age claimants from May 2016). In the current scheme the Family Premium is awarded to households that have children. Under this proposal all new working age households would not be entitled to this premium.

This proposal would align the scheme with current Housing Benefit legislation and based on current data, has the potential to save approximately £26,000.

Proposal 5 – Restrict backdating to one month. In the current scheme claims from working age households can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Under this proposal this would be reduced to one month.

This proposal would align the scheme with current Housing Benefit legislation and based on current data, has the potential to save approximately £7,000.

Proposal 6 – Minimum set income for self-employed after one year's trading. In the current scheme a minimum income level is not applied after one year's trading. Under this proposal the minimum income level would be based on the equivalent 35 hours per week at the national minimum wage for the age group.

This proposal would align the scheme with the Universal Credit scheme and based on current data, has the potential to save approximately £255,000.

Proposal 7 – Restrict the period that person can be absent from Great Britain and continue to receive Council Tax Support to four weeks. In the current scheme applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Support. Under this proposal if an applicant is absent from Great Britain for a period of four weeks or more Council Tax Support will cease.

This proposal would align the scheme with current Housing Benefit legislation and based on current data, has the potential to save less than £5,000.

Proposal 8 – Remove the Work Related Activity Component in the calculation of the entitlement for new Employment and Support Allowance applicants. In the current scheme all working age households that fall into the Work Related Activity Group for Employment Support Allowance, receives the work related activity component in the calculation of Council Tax Support. Under this proposal all new working age households would not be entitled to this component.

This proposal would align the scheme with the proposed Housing Benefit legislation when approved by Central Government and based on current data, has the potential to save less than £5,000.

Proposal 9 – Limit the calculation to a maximum of two dependant children. In the current scheme households that have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs. Under this proposal all new working age households would be limited to a maximum of two children.

This proposal would align the scheme with the proposed Housing Benefit and Tax Credits legislation when approved by Central Government and based on current data, has the potential to save approximately less than £10,000.

Proposal 10 – remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them. In the current scheme when another person is paid carers Allowance to look after someone receiving Council Tax Support the Severe Disability Premium is not included when working out their needs. Under this proposal this will be withdrawn so that it avoids paying for the same care twice.

This proposal would align the scheme with the Universal Credit scheme and based on current data, has the potential to save less than £5,000.

The potential impact of each of the consultation options on the protected characteristics, identified from claimant data and other considerations, is provided where available in section two of this report. All options could impact on working age claimants with one or more of the protected characteristics of disability, age or sex to varying degrees.

6. Reason for Proposed Scheme Changes

The Council's requirement to review its Council Tax Support scheme annually must consider both the application of the scheme itself and to take into account the financial implications of its administration.

Based on forecasting that the Council's grant settlement will be reduced by over £20 million by 2020 it is considered reasonable that the Council look to review its spending in all areas. This includes a review of the Council's spending on the Council Tax Support scheme and designing a scheme that is affordable.

Council Tax Support is a discount, affecting the taxbase in the same way as any other Council Tax discount. The taxbase forms part of the Financial Plan, so Council Tax Support must meet the required budgetary constraints.

There are also a number of other changes required to bring the scheme in line with the Housing Benefit changes announced in 2015 Summer Budget and the Universal Credit legislation.

3. Identify the potential positive and negative impacts on specific groups

The summary of impacts shown in this section is underpinned by data from the Council Tax Support processing system (Civica Open Revenues). The data from this system has enabled us to analyse household type by age, sex and disability for households currently receiving Council Tax Support.

Data regarding ethnicity, sexual orientation and religious beliefs is minimal as these characteristics are not relevant when assessing entitlement. Respondents to the consultation were given the option to provide ethnicity, age and disability in addition to their answers.

Case studies have been provided to illustrate how some of the proposed changes could affect households, at Appendix A.

There is also a report on working age employed and self-employed households receiving Council Tax Support, at Appendix B.

Protected Characteristic: Age																																																													
Pension Age – No Impact																																																													
Number of Cases: 6,699 Women: 5,420 Men: 3,574	<p>Pension Credit age claimants will continue to be protected from any change under a nationally prescribed scheme.</p> <p>It is the Governments view low income pensioners would not be expected to work in order to increase their income and will be protected from any reduction in support.</p> <p>In Torbay pensioners represent 26.6% of the population (Census 2011).</p> <p>Pension age households represent just over 44% of the current Council Tax Support caseload and 55% of the total scheme expenditure.</p>																																																												
Working Age – Negative Impact																																																													
Number of Cases: 8,084 Women: 5,625 Men: 3,955	<p>All working age households will be affected by the proposed scheme changes.</p> <p>As the government has protected pensioners, the impact will fall on working age groups. Within the working age group the calculation of Council Tax Support is not directly related to a person's age. It is therefore difficult to mitigate any potential adverse impacts on the basis of age alone. Any differences in entitlement will probably be the result of other factors, such as disability, a carer or children in the household.</p> <p>The biggest financial impact will be on single people with no children that do not fall into any protected characteristic.</p> <p>To mitigate the increased impact the Government's welfare reforms is intended to make working age people better off in work than in receipt of benefits. Accordingly, anyone affected by the additional contribution they have to make will be encouraged to seek employment to maximise their income wherever possible. Support to do this is available through the DWP's Job Centre Plus and Job Coaches.</p> <p>Resources will continue to be available to support the most vulnerable and this would be met through the Discretionary Reductions (Exceptional Hardship) scheme.</p> <p>Working Age Households Receiving Council Tax Support</p> <table border="1"> <thead> <tr> <th>Property Band</th> <th>Single</th> <th>Couples</th> <th>Lone Parent</th> <th>Couples with Children</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>2,638</td> <td>201</td> <td>634</td> <td>174</td> <td>3,647</td> </tr> <tr> <td>B</td> <td>851</td> <td>165</td> <td>1,143</td> <td>493</td> <td>2,652</td> </tr> <tr> <td>C</td> <td>318</td> <td>91</td> <td>577</td> <td>303</td> <td>1,289</td> </tr> <tr> <td>D</td> <td>76</td> <td>27</td> <td>148</td> <td>107</td> <td>358</td> </tr> <tr> <td>E</td> <td>27</td> <td>17</td> <td>37</td> <td>26</td> <td>107</td> </tr> <tr> <td>F</td> <td>12</td> <td>1</td> <td>4</td> <td>8</td> <td>25</td> </tr> <tr> <td>G</td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> <td>6</td> </tr> <tr> <td>H</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3,923</td> <td>504</td> <td>2,544</td> <td>1,113</td> <td>8,084</td> </tr> </tbody> </table> <p>Source: Revenue & Benefits Administration System</p> <p>Around 48% of all working age households receiving Council Tax Support are single people, with 31% lone parents, 14% couples with children and just over 6% are couples with no children.</p>	Property Band	Single	Couples	Lone Parent	Couples with Children	Total	A	2,638	201	634	174	3,647	B	851	165	1,143	493	2,652	C	318	91	577	303	1,289	D	76	27	148	107	358	E	27	17	37	26	107	F	12	1	4	8	25	G	1	2	1	2	6	H	0	0	0	0	0	Total	3,923	504	2,544	1,113	8,084
Property Band	Single	Couples	Lone Parent	Couples with Children	Total																																																								
A	2,638	201	634	174	3,647																																																								
B	851	165	1,143	493	2,652																																																								
C	318	91	577	303	1,289																																																								
D	76	27	148	107	358																																																								
E	27	17	37	26	107																																																								
F	12	1	4	8	25																																																								
G	1	2	1	2	6																																																								
H	0	0	0	0	0																																																								
Total	3,923	504	2,544	1,113	8,084																																																								

	<p>The highest proportion of households receiving Council Tax Support occupy band A at around 45%, with 33% in band B and 16% in band C. Just over 6% occupy bands D to G and none in H.</p> <p>72% of working age households occupying band A and receiving Council Tax Support are single people, with 17% lone parents, 5% couples with no children and 5% are couples with children.</p> <p>For band B the highest proportion are lone parents at around 43%, with around 32% single people, just over 18% couples with children and 6% are couples with no children.</p> <p>There is a similar trend for band C, where lone parents are around 45%, with around 24% single people, 23% couples with children and 7% are couples with no children.</p> <p>It is a similar trend for band D, where 41% are lone parents, with around 30% couples with children, 21% single people and 7% are couples with no children.</p> <p>For bands E to G, just over 56% are either lone parents or couples with children.</p>
	<p>Single People – No Children</p> <p>There are 3,923 single people receiving Council Tax Support, which represents 48.5% of all working age households.</p> <p>Women: 1,689 Men: 2,234 Disability: 2,847 Carers: 25 Owner/Occupiers: 501 Renting: 3,422</p>
	<p>Couples – No Children</p> <p>There are 504 couples receiving Council Tax Support, which represents 6% of all working age households.</p> <p>Disability: 393 Carers: 17 Owner/Occupiers 108 Renting: 396</p>
	<p>Lone Parents</p> <p>There are 2,544 lone parents receiving Council Tax Support, which represents 31.5% of all working age households.</p> <p>2,345 or 92% of lone parent households are women.</p> <p>Disability: 512 Disabled Child: 54 One Child: 1,271 Two Children: 763 Three Children: 364 Four Children: 104 Five Children or more: 42</p>

	<p>Carers: 57 Owner/Occupiers: 147 Renting: 2,397</p>																																								
	<p>Couples – With Children</p> <p>There are 1,113 couples with children receiving Council Tax Support, which represents 14% of all working age households.</p> <p>Disability: 387 Disabled Child: 64 One Child: 376 Two Children: 352 Three Children: 211 Four Children: 105 Five Children or more: 69 Carers: 44 Owner/Occupiers: 95 Renting: 1,018</p>																																								
Proposed Scheme Changes	<p>Proposal One - Limit maximum level of support to 55% of the Council Tax liability</p> <p>Currently the maximum level of support is 75% of the Council Tax liability.</p> <p>The overall impact of this proposal will affect 8,084 households. Like the current scheme, this shares the burden amongst <u>all</u> working age households that receive financial help with their Council Tax. The extra amount that each person has to pay depends on the Council Tax band that their property is in and any extra discounts they receive, with those in higher band properties paying more.</p> <p>The table below shows the minimum weekly increase in Council Tax payments if the level of support is reduced from 75% to 55% for Torquay and Paignton households.</p> <table border="1"> <thead> <tr> <th colspan="2">Based on Single Adult Occupancy</th> <th colspan="2">Based on at Least Two Adults</th> </tr> <tr> <th>Band</th> <th>Weekly Amount</th> <th>Band</th> <th>Weekly Amount</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>£3.00</td> <td>A</td> <td>£4.00</td> </tr> <tr> <td>B</td> <td>£3.50</td> <td>B</td> <td>£4.67</td> </tr> <tr> <td>C</td> <td>£4.00</td> <td>C</td> <td>£5.33</td> </tr> <tr> <td>D</td> <td>£4.50</td> <td>D</td> <td>£6.00</td> </tr> <tr> <td>E</td> <td>£5.50</td> <td>E</td> <td>£7.33</td> </tr> <tr> <td>F</td> <td>£6.50</td> <td>F</td> <td>£8.67</td> </tr> <tr> <td>G</td> <td>£7.50</td> <td>G</td> <td>£10.00</td> </tr> <tr> <td>H</td> <td>£9.00</td> <td>H</td> <td>£12.00</td> </tr> </tbody> </table> <p>For households that have entitlement above these amounts Council Tax Support would remain in payment, but at the respective, reduced lower rate – not taking into account any further reductions in entitlement from the other proposed changes.</p> <p>There are currently 405 households receiving less entitlement than these amounts and as a result would no longer be entitled to Council Tax Support. The highest proportion affected would be lone parent households at 58% (237), with couples with children at 19% (77), single people 18% (71) and couples with no children 5% (20).</p>	Based on Single Adult Occupancy		Based on at Least Two Adults		Band	Weekly Amount	Band	Weekly Amount	A	£3.00	A	£4.00	B	£3.50	B	£4.67	C	£4.00	C	£5.33	D	£4.50	D	£6.00	E	£5.50	E	£7.33	F	£6.50	F	£8.67	G	£7.50	G	£10.00	H	£9.00	H	£12.00
Based on Single Adult Occupancy		Based on at Least Two Adults																																							
Band	Weekly Amount	Band	Weekly Amount																																						
A	£3.00	A	£4.00																																						
B	£3.50	B	£4.67																																						
C	£4.00	C	£5.33																																						
D	£4.50	D	£6.00																																						
E	£5.50	E	£7.33																																						
F	£6.50	F	£8.67																																						
G	£7.50	G	£10.00																																						
H	£9.00	H	£12.00																																						

Proposal Two – Restrict the maximum level of support to a property band C charge

Currently there are no property band restrictions on Council Tax Support entitlement.

496 (6%) of all working age households receiving Council Tax Support would be affected by this proposal.

Band	Number
D	358
E	107
F	25
G	6
H	0

38% of working age households that occupy a band D property or above and receiving Council Tax Support are lone parents, with 29% couples with children, 23% single people and 10% couples with no children.

When analysed, households that occupy a band D or above consists of the following;

Disability: 185
Disabled Child: 23
One Child: 59
Two Children: 105
Three Children: 80
Four Children: 38
Five Children or more: 23
Carers: 12
Owner/Occupiers: 170
Renting: 326

Lone parents and couples with children will be affected more than any other group. The loss in residual income would be relative to the property band charge, plus any other further reductions in entitlement from the other proposed changes.

Proposal Three - Reduce the savings (capital) limit from £6,000 to £3,000

Currently, for working age, capital below £6,000 is not taken into account and if above this amount there is no entitlement to Council Tax Support.

Working Age Households with Savings (Capital)

Savings Amount (£)	Single	Couples	Lone Parent	Couples with Children	Total
0	3,644	462	2,401	995	7,502
1 to 500	163	19	88	62	332
501 to 999	21	5	18	14	58
1,000 to 1,499	9	0	4	11	24
1,500 to 2,000	11	2	5	4	22
2,000 to 2,999	20	6	13	10	49

3,000 to 3,999	13	2	4	5	24
4,000 to 4,999	17	2	4	4	27
5,000 to 5,999	25	6	7	8	46
Total	3,923	504	2,544	1,113	8,084

Source: Revenue & Benefits Administration System

Around 93% of all working age households receiving Council Tax Support do not have any savings or capital, with 4% up to £500 and around 3% between £500 and £5,999.

The highest proportion of households that have savings up to £5,999 are single people at around 48%, 24% are lone parents, 20% couples with children and 7% couples with no children.

This trend continues for households that have savings up to £2,999, where 46% are single people, 26% are lone parents, 21% couples with children and 7% couples with no children.

For households with savings between £3,000 and £5,999 around 57% are single people, 18% couples with children, 15% are lone parents and 10% couples with no children.

This change has a sharp cliff edge, as it will remove entitlement from 97 households that have over £3,000 in savings. 57% of households that have savings over £3,000 are single people.

It could be viewed that this proposal could also discourage people from saving or disclosing their savings.

Proposal Four – Remove Family Premium for all new working age applicants

This proposal will bring the Council Tax scheme in line with Housing Benefit and the Council Tax Support prescribed scheme for pension aged claimants, which took effect from 1 May 2016.

The Family Premium is one of the components awarded to people that have children. If removed potential entitlement would be, notionally, £3.49 per week lower when compared to those receiving the Family Premium.

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data 580 new applications were received from working age households in the past year where the Family Premium was awarded.

Lone parent women and couples with children are more likely to be affected, as over 95% of those currently eligible for the Family Premium are in those groups.

It will not affect households receiving “passport” Council Tax Support.

Proposal Five – Restrict backdating to one month

This proposal will bring the Council Tax Support scheme in line with Housing Benefit, which took effect from 1 April 2016.

Currently claims for Council Tax Support can be backdated for up to six months where an applicant shows they could not claim from an earlier date (good cause).

Based on current data 109 households during the past year were entitled to backdating, for periods varying between one and six months.

Analysis showed that older working age households and disabled are more likely to be affected by this proposal.

Proposal Six – Minimum weekly set income for self-employed after one year's trading

This proposal would bring the Council Tax Support scheme in line with Universal Credit.

It is calculated by taking the National Minimum Wage for the age group and multiplied by 35 hours. It also includes a notional deduction for tax and national insurance.

To help new businesses there would be a twelve month start up period where the minimum income limit would not apply.

This minimum weekly income would be used to calculate Council Tax Support if the income from self-employment is less than this amount.

Working Age Households in Full and Part-Time Self-Employment

Property Band	Single	Couples	Lone Parent	Couples with Children	Total
A	66	11	24	17	118
B	18	12	62	57	149
C	17	8	40	52	117
D	7	1	16	24	48
E	4	3	2	5	14
F	1	0	0	2	3
G	0	0	0	1	1
H	0	0	0	0	0
Total	113	35	144	158	450

Source: Revenue & Benefits Administration System

5.5% of working age households receiving Council Tax Support are in self-employment.

There are 56 households in self-employment and have a disability, of which 26 have children and 30 with no children.

There are 5 households that are in self-employment, have a disability and have at least one disabled child.

There are 39 households that are in self-employment and receive a

carer's allowance.

98% of all households in self-employment are aged 25 and above and earn less than £252 per week (calculated by multiplying the National Minimum Wage rate (£7.20) by 35 hours) – for further information see Appendix B.

Introducing a minimum set income after 12 months of self-employment would remove entitlement to Council Tax Support from 334 households that earn less than £100 per week.

This combined with the proposed limit to 55% of the Council Tax charge would remove entitlement to nearly all households that are in self-employment.

It will not affect households receiving “passported” Council Tax Support.

Proposal Seven – Restrict the period that a person can be absent from Great Britain and continue to receive support to four weeks

This proposal will bring the Council Tax Support scheme in line with Housing Benefit legislation.

Currently, a household can be temporarily absent from their home for 13 weeks (or 52 weeks in certain cases) without it affecting Council Tax Support entitlement.

Introducing this proposal would remove entitlement after four weeks absence from Great Britain.

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data this would affect households visiting relatives abroad for an extended period or those that would normally winter abroad.

Proposal Eight – Remove the Work Related Activity Component in the calculation of entitlement for new Employment and Support Allowance applicants

This proposal will bring the Council Tax Support scheme in line with proposed Housing Benefit legislation when approved by Central Government.

Currently, households receiving Employment and Support Allowance (ESA) who fall within the Work Related Activity Group receive an additional income disregard within the calculation of their Council Tax Support.

This proposal would affect all new applicants of ESA who fall within the Work-Related Activity Group. It applies to people that have a disability or health condition that limits their ability to work and assistance is provided to improve this. This involves attending a series of work-focused interviews and possibly taking part in a “work related activity”.

Generally, depending on the type of work, income up to £20 would no longer be disregarded but taken into account in the Council Tax Support calculation.

Proposal Nine – Limit the calculation to a maximum of two children

This proposal will bring the Council Tax Support scheme in line with proposed Housing Benefit and Tax Credits legislation when approved by Central Government.

Currently, households that have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded.

The Government has proposed to limit dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. There will be exceptions where; there are multiple births and the household is not already at the maximum of two dependants, adopted children or households merge.

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data, in the past year 68 children were born into working age households receiving Council Tax Support, where the dependants addition for two or more children was already awarded.

Limiting the dependant's addition to two children for households that have a third child after this proposal is introduced will have a negative impact on households that already have two children and not receiving "passported" Council Tax Support.

Proposal Ten – Remove entitlement to Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.

This proposal would bring the Council Tax Support scheme in line with Universal Credit.

This would apply when another person is paid Carers Element in their Universal Credit to look after someone receiving Council Tax Support. The Severe Disability Premium, which is currently £61.15, would be removed from the Council Tax Support calculation.

Based on current data there are no households affected by this proposal.

It will not affect households receiving "passported" (Income Related Employment and Support Allowance).

Protected Characteristic: Disability	
<p>People with caring Responsibilities</p> <p>Number of Cases:4,139 This consists of; Income Related Employment & Support Allowance (passport) cases 3,619 and Disability premium cases 520</p>	<p>The Council is required to consider the needs of disabled people within its proposed scheme. Under Government guidance, disabled people will face greater challenges to join the working population.</p> <p>In all cases the assessment and qualification of the disabled person for the qualifying benefit is completed by the DWP, not the Council.</p> <p>Relevant disability benefits will continue to be disregarded in the calculation of Council Tax Support, thereby protecting those with specific long term conditions who fall within this group. People with disabilities will continue to receive additional premiums as part of the calculation.</p> <p>To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.</p>
	<p>Single People – No Children</p> <p>There are 2,847 single people with a disability receiving Council Tax Support, which represents 35% of all working age households.</p> <p>1,588 or 38% of households that have a disability are single men with no children.</p>
	<p>Couples – No Children</p> <p>There are 393 couples with no children and with a disability receiving Council Tax Support, which represents 5% of all working age households.</p>
	<p>Lone Parents</p> <p>There are 512 lone parents with a disability receiving Council Tax Support, which represents 6% of all working age households.</p> <p>457 or 11% of households that have a disability are lone parent women.</p>
	<p>Couples – With Children</p> <p>There are 387 couples with children and with a disability receiving Council Tax Support, which represents 5% of all working age households.</p>
<p>Proposed Scheme Changes</p>	<p>Proposal One - Limit maximum level of support to 55% of the Council Tax liability</p> <p>This proposal will affect all working age households with a disability (4,139). Like the current scheme, this shares the burden amongst <u>all</u> working age households that receive financial help with their Council Tax.</p> <p>It will also affect 118 households that have a disabled child and 143 households that have a carer.</p> <p>Proposal Two – Restrict the maximum level of support to a property band C charge</p> <p>496 (6%) of all working age households receiving Council Tax Support would be affected by this proposal.</p>

It will affect 185 working age households with a disability, with 127 occupying band D, 43 in band E, 12 in band F and 3 in band G.

It will also affect 23 households that have a disabled child and 12 households that have a carer.

Proposal Three - Reduce the savings (capital) limit from £6,000 to £3,000

97 (1%) of all working age households receiving Council Tax Support would be affected by this proposal.

This proposal will affect 49 working age households with a disability.

It will also affect 2 households that have a disabled child and 0 households that have a carer.

Proposal Four – Remove Family Premium for all new working age households

The Family Premium is one of the components awarded to people that have children. If removed potential entitlement would be, notionally, £3.49 per week lower when compared to those receiving the Family Premium.

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data 580 new applications were received from working age households in the past year where the Family Premium was awarded.

It is estimated that 14% of those potentially affected by this proposal are disabled. This is because households with a disability are more likely to be on “passported” Council Tax Support than households without a disabled person.

It will not affect households receiving “passported” (Income Related Employment and Support Allowance).

Proposal Five – Restrict backdating to one month

Based on current data 109 households during the past year were entitled to backdating, for periods varying between one and six months.

This proposal would have a negative impact on households that request backdating for more than one month.

Analysis showed that older working age households and disabled are more likely to be affected by this proposal.

Proposal Six – Minimum set income for self-employed after one year’s trading

5.5% of working age households receiving Council Tax Support are in self-employment.

There are 56 households in self-employment and have a disability, of which 26 have children and 30 with no children.

There are 5 households that are in self-employment, have a disability and have at least one disabled child.

There are 39 households that are in self-employment and receive a carer’s allowance.

It will not affect households receiving “passported” (Income Related Employment and Support Allowance).

Proposal Seven – Restrict the period that a person can be absent from Great Britain and continue to receive support to four weeks

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data this would affect households visiting relatives abroad for an extended period or those that would normally winter abroad.

Proposal Eight – Remove the Work Related Activity Component in the calculation of entitlement for new Employment and Support Allowance applicants

Currently, households receiving Employment and Support Allowance (ESA) who fall within the Work Related Activity Group receive an additional income disregard within the calculation of their Council Tax Support.

This proposal would affect all new applicants of ESA who fall within the Work-Related Activity Group. It applies to people that have a disability or health condition that limits their ability to work and assistance is provided to improve this. This involves attending a series of work-focused interviews and possibly taking part in a “work related activity”.

Based on current data 14 households receive ESA and fall within the Work-Related Activity Group.

Generally, depending on the type of work, income up to £20 would no longer be disregarded but taken into account in the Council Tax Support calculation.

It will not affect households receiving “passported” (Income Related Employment and Support Allowance).

	<p>Proposal Nine – Limit the calculation to a maximum of two children</p> <p>Currently, households that have children are awarded a dependant’s addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant’s additions that can be awarded.</p> <p>The Government has proposed to limit dependant’s additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. There will be exceptions where; there are multiple births and the household is not already at the maximum of two dependants, adopted children or households merge.</p> <p>Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.</p> <p>Based on current data, in the past year 68 children were born into working age households receiving Council Tax Support, where the dependants addition for two or more children was already awarded. As 6.4% of working age households receive the Disability Premium it can be estimated that 4 households will be affected in this category.</p> <p>It will not affect households that have a third child after this proposal is introduced and receiving “passport” Council Tax Support.</p> <p>Proposal Ten – Remove entitlement to Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.</p> <p>This would apply when another person is paid Carers Element in their Universal Credit to look after someone receiving Council Tax Support. The Severe Disability Premium, which is currently £61.15, would be removed from the Council Tax Support calculation.</p> <p>Based on current data there are no households affected by this proposal.</p> <p>It will not affect households receiving “passport” (Income Related Employment and Support Allowance).</p>
--	--

Protected Characteristic: Women or Men	
Number of Cases: 8,084 Women: 5,625 Men: 3,955	<p>The Council Tax Support scheme will not treat people of different genders any differently.</p> <p>Based on current data there is a higher percentage of working age women claiming Council Tax Support 4,034 (63%) when compared to their representation in the Torbay population (51.75%).</p> <p>Furthermore, 2,345 (93%) of working age lone parents are women compared to 199 men.</p> <p>Due to the higher proportion of women claimants the proposed scheme changes will have a greater impact on women.</p> <p>To mitigate the increased impact the Government’s welfare reforms is</p>

	<p>intended to make working age people better off in work than in receipt of benefits. Accordingly, anyone affected by the additional contribution they have to make will be encouraged to seek employment to maximise their income wherever possible. Support to do this is available through the DWP's Job Centre Plus and Job Coaches.</p> <p>Resources will continue to be available to support the most vulnerable and this would be met through the Discretionary Reductions (Exceptional Hardship) scheme.</p>
	<p>Single People – No Children</p> <p>There are 1,689 single women receiving Council Tax Support, which represents 21% of all working age households</p> <p>2,234 single men receive Council Tax Support, which represents 28% of all working age households.</p>
	<p>Couples – No Children</p> <p>There are 504 couples with no children receiving Council Tax Support, which represents 6% of all working age households.</p>
	<p>Lone Parents</p> <p>There are 2,544 lone parent households receiving Council Tax Support and the majority (2,345) are women, which represents 29% of all working age households.</p> <p>199 are lone parents are men, which represents 2% of all working age households.</p>
	<p>Couples – With Children</p> <p>There are 1,113 couples with children receiving Council Tax Support, which represents 14% of all working age households.</p>
Proposed Scheme Changes	<p>Proposal One - Limit maximum level of support to 55% of the Council Tax liability</p> <p>This proposal will affect all working age women and men households (8,084). Like the current scheme, this shares the burden amongst <u>all</u> working age households that receive financial help with their Council Tax.</p> <p>Proposal Two – Restrict the maximum level of support to a property band C charge</p> <p>This proposal will affect 64 single women, 52 single men, 177 lone parent women, 13 lone parent men and 190 couples.</p> <p>Proposal Three - Reduce the savings (capital) limit from £6,000 to £3,000</p> <p>This proposal will affect 24 single women, 31 single men, 14 lone parent women, 1 lone parent man and 27 couples.</p>

Proposal Four – Remove Family Premium for all new working age households

Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.

Based on current data 580 new applications were received from working age households in the past year where the Family Premium was awarded.

Lone parent women and couples with children are more likely to be affected, as over 95% of those currently eligible for the Family Premium are in those groups.

It will not affect households receiving “passport” Council Tax Support.

Proposal Five – Restrict backdating to one month

This proposal notionally affects all working age households regardless of gender. However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

Proposal Six – Minimum set income for self-employed after one year’s trading

This proposal affects all working age self-employed households regardless of gender. However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

It will not affect households receiving “passport” Council Tax Support.

Proposal Seven – Restrict the period that a person can be absent from Great Britain and continue to receive support to four weeks

Based on current data this would affect households visiting relatives abroad for an extended period or those that would normally winter abroad.

As there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

Proposal Eight – Remove the Work Related Activity Component in the calculation of entitlement for new Employment and Support Allowance applicants

This proposal will affect those that fall within the Work-Related Activity Group, regardless of gender. It applies to people that have a disability or health condition that limits their ability to work and assistance is provided to improve this.

As there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

	<p>Proposal Nine – Limit the calculation to a maximum of two children</p> <p>Information on the protected characteristics of the precise group of households affected by this proposal in future is not available.</p> <p>Based on current data, in the past year 68 children were born into working age households receiving Council Tax Support, where the dependants addition for two or more children was already awarded.</p> <p>Limiting the dependant’s addition to two children for households <u>that have a third child after this proposal is introduced</u> will have a negative impact on households that already have two children and not receiving “passported” Council Tax Support.</p> <p>However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.</p> <p>Proposal Ten – Remove entitlement to Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them.</p> <p>This would apply when another person is paid Carers Element in their Universal Credit to look after someone receiving Council Tax Support. The Severe Disability Premium, which is currently £61.15, would be removed from the Council Tax Support calculation.</p> <p>Based on current data there are no households affected by this proposal.</p> <p>However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.</p>
--	--

Protected Characteristic: Pregnancy and Maternity	
<p>Women who are pregnant/on maternity leave</p>	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on pregnant women, those on maternity leave or having given birth within the last 26 weeks.</p> <p>The only information which is held relates to income from statutory maternity pay that is in payment at the point an application is made as this forms part of the income assessment for the means tested Council Tax Support.</p> <p>People who are in advanced stages of pregnancy or receiving maternity allowance are affected for a temporary period because they will have a finite income and will be unable to increase this by working.</p> <p>The proposal to limit the calculation of Council Tax Support to a maximum of two children would affect any female claimants who are pregnant before it’s introduced.</p> <p>To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council’s Discretionary Reductions (Exceptional Hardship) scheme.</p>

Protected Characteristic: Race		
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)	Negative Impact & Mitigating Actions	Neutral Impact
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>The eligibility criteria is neutral in relation to race, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of race.</p>

Protected Characteristic: Religion or Belief (including lack of belief)		
	Negative Impact & Mitigating Actions	Neutral Impact
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on any religion or belief.</p> <p>The eligibility criteria is neutral in relation to religion or belief, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of religion or belief.</p>

Protected Characteristic: Sexual Orientation		
People who are lesbian, gay or bisexual	Negative Impact & Mitigating Actions	Neutral Impact
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on sexual orientation.</p> <p>The eligibility criteria is neutral in relation to religion or belief, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of sexual orientation.</p>

Protected Characteristic: Gender Reassignment		
People who are transgendered	Negative Impact & Mitigating Actions	Neutral Impact
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on gender reassignment.</p> <p>The eligibility criteria is neutral in relation to religion or belief, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of gender reassignment.</p>

Protected Characteristic: Marriage and Civil Partnership		
People who are in a marriage or civil partnership	Negative Impact & Mitigating Actions	Neutral Impact
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on marriage or civil partnership.</p> <p>The eligibility criteria is neutral in relation to religion or belief, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of marriage or civil partnership.</p>

Socio-economic impacts (Including impact on child poverty issues and deprivation)	<p>The proposed changes will affect around 8,000 working age households, who are already liable to pay at least 25% of their Council Tax following the introduction of the current scheme in April 2013. This proposal will effectively reduce the amount awarded in Council Tax Support by a further 20%, resulting in an average increase in the amount to pay for working age households occupying property bands A to C by around £5 per week.</p> <p>Wards with the highest proportion of lone parents receiving Council Tax Support are Clifton with Maidenway, Shiphay with the Willows, Watcombe and Blatchcombe. The same also applies for couples with children. Conversely, Roundham with Hyde and Wellswood have the lowest proportion of lone parent households and couples with children.</p>
---	---

	<p>Wards with the highest proportion of single people receiving Council Tax Support are Roundham with Hyde, Tormohun, Wellswood and Ellacombe.</p> <p>Other welfare reforms are affecting some groups such as large families, low income families, lone parents and disabled people combined with the increases in the cost of living will have a cumulative impact on people's income.</p> <p>It is acknowledged that even small changes in contributions could affect people's ability to pay their Council Tax. Therefore, the three options that have been proposed to offset the scheme deficit are considered to have a significant negative impact on groups with the protected characteristics.</p> <p>Some households will also be affected by more than one of the options presented for consultation. The greatest impact will be on households where the property band restriction applies and the self-employed. The impact will be disproportionate when combined with the limit on the maximum level of support, affecting around 60 households.</p> <p>To mitigate the impact affected by the proposed changes an easement in the Discretionary Reductions (Exceptional Hardship) policy will be recommended and by increasing the fund accordingly.</p>
<p>Public Health impacts (How will your proposal impact on the general health of the population of Torbay)</p>	<p>There are links between unemployment and poorer mental health, such as stigma, isolation, loss of self-worth and the material consequences of a reduced income.</p> <p>Unemployed individuals, particularly the long-term unemployed, have a higher risk of poor mental health compared with those in employment.</p>
<p>Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>The current scheme is well established and any changes are likely to give rise to more enquiries.</p> <p>The following departments may be affected:</p> <ul style="list-style-type: none"> • Customer Services and Revenue and Benefits Service <ul style="list-style-type: none"> - Increase in volume of customer enquiries - Dealing with more customers with financial difficulties - Increase in Council Tax debt recovery work • Housing Services <ul style="list-style-type: none"> - Increase in customers unable to afford their housing costs as they have to pay more Council Tax - Combined effect of the new scheme with other welfare reforms affecting people's ability to pay their housing costs

	<ul style="list-style-type: none"> • Children’s Services <ul style="list-style-type: none"> - Increase in referrals due to deprivation and poverty • Finance <ul style="list-style-type: none"> - Reduction in collection rates and income to the Council affecting cash flow
<p>Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>Any scheme change will affect the Major Precepting Authorities and will impact on Fire and Police by altering their taxbase, which may result in a reduction in income.</p>
<p>Equality Impact Main Conclusion</p> <p>All proposals will result in working age households, including those with protected characteristics, paying more towards their Council Tax from 2016-17. Pension age households, who also have protected characteristics, will not be affected as they are protected from any changes by Central Government.</p> <p>Some working age households will be affected by more than one of the proposals. This should be taken into account when deciding which proposals to take forward. Some proposals will affect existing households and others will affect new claimants from 2017.</p> <p>When deciding which proposal to take forward, the potential severity of impacts on households with protected characteristics needs to be weighed up against any potential financial savings to the Council. Proposals resulting in higher savings are likely to impact on more households or result in some households paying more towards their Council Tax bill.</p>	

Case Study 1 - Limit Maximum Level of Support to 55%

Working Age – Employed Single Person

Claimant aged 58 and lives alone. They are currently employed and earning £86.40 net per week.

There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Earned income	£86.40	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit entitlement	£100.96	Rent	£114.23
Council Tax Support after 25% and a reduction due to earned income	£13.34		
Total	£200.70	Total	£134.23
Income for living expenses (food, bills, clothing and shortfall in CTS.....)			£66.47

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Earned Income	£86.40	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit entitlement	£100.96	Rent	£114.23
Council Tax Support after 45% and a reduction due to earned income	£9.34		
Total	£196.70	Total	£134.23
Income for living expenses (food, bills, clothing and shortfall in CTS.....)			£62.47

£4 per week worse off (6%)

Case Study 2 - Limit Maximum Level of Support to 55%

Working Age – Unemployed Single Person with Disability

Claimant aged 59 and lives alone. They are currently unemployed and receiving £105.35 per week Job seekers Allowance, £43.60 for DLA lower care and DLA lower mobility.

There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£148.95	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit	£106.35	Rent	£110.77
Council Tax Support after 25%	£15.00		
Total	£270.30	Total	£130.82
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£139.48

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£148.95	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit	£106.35	Rent	£110.77
Council Tax Support after 45%	£11.00		
Total	£266.30	Total	£130.82
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£135.48

£4 per week worse off (6%)

Case Study 3 - Limit Maximum Level of Support to 55%

Working Age – Couple Employed with Disability and No Children

Claimant aged 49 and partner 56, they have no children. They do not pay rent and occupy a Band C property.

They currently work 9 hours per week earning £58.50. They also receive a Carer's Allowance at £62.10 per week, DLA Mobility at £57.45, DLA Middle Care at £55.10, ESA at £73.10 per week and ESA at £36.20 a week.

There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£342.45	Weekly Council Tax charge (Band C)	£26.74
Council Tax Support after 25% and a reduction due to income	£17.10		
Total	£359.55	Total	£26.74
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£332.81

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£342.45	Weekly Council Tax charge (Band C)	£26.74
Council Tax Support after 45% and a reduction due to income	£11.77		
Total	£354.22	Total	£26.74
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£327.48

£5.33 per week worse off (1.6%)

Case Study 4 - Limit Maximum Level of Support to 55%

Working Age – Unemployed Couple with No Children

Claimant aged 58 and partner 57, they have no children. They do not pay rent and occupy a Band C property.

The claimant is currently unemployed and receives £107.34 per week Job Seekers Allowance and £21.80 Mobility Supplement.

There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£129.14	Weekly Council Tax charge (Band C)	£26.74
Council Tax Support after 25%	£20.00		
Total	£149.14	Total	£26.74
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£122.40

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£129.14	Weekly Council Tax charge (Band C)	£26.74
Council Tax Support after 45%	£14.67		
Total	£143.81	Total	£26.74
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£117.07

£5.33 per week worse off (1.6%)

Case Study 5 - Limit Maximum Level of Support to 55%

Working Age – Employed Lone Parent

Claimant aged 29 and lives with two children aged 8 and 4.

Claimant works 16 per week at £9.29 per hour (£144.51 per week net). They also receive child benefit of £34.40, working tax credit £65.47 and child tax credit £106.61 per week.

There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£351	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit entitlement	£95.60	Rent	£168.46
Council Tax Support after 25% and a reduction due to combined income	£4.97		
Total	£451.57	Total	£188.46
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£262.54

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£351	Weekly Council Tax charge (Band C) with single persons discount	£20.00
Housing Benefit Entitlement	£95.60	Rent	£168.46
Council Tax Support after 45% and a reduction due to earned income	£0		
Total	£447.57	Total	£188.46
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£259.11

£4.00 per week worse off (1.31%)

Case Study 6 - Limit Maximum Level of Support to 55%

Working Age – Employed Couple with Children

Claimant aged 33 and Partner aged 40 live with three children aged 13, 11 and 7.

Claimant works 25 hours per week at £8.57 per hour (£201.42 per week net). They also receive child benefit of £48.10, working tax credit £42.48 and child tax credit £165.94 per week. There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£457.94	Weekly Council Tax charge (Band C)	£26.74
Housing Benefit	£120.69	Rent	£156.92
Council Tax Support after 25% and a reduction due to earned income	£10.05		
Total	£588.68	Total	£183.66
Income for living expenses (food, bills, clothing , rent top up and shortfall in CTS.....)			£405.02

April 2017: 55%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£457.94	Weekly Council Tax charge (Band C)	£26.74
Housing Benefit	£120.69	Rent	£156.92
Council Tax Support after 45% and a reduction due to earned income	£4.72		
Total	£583.35	Total	£183.66
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£399.69

£5.33 per week worse off (1.32%)

Case Study 7 - Band C Restriction and Limit Maximum Level of Support to 55%

Working Age – Couple Unemployed

Claimant aged 57 lives with partner aged 56, they have no children. The property is owned by the claimant.

The claimant is unemployed and receives Employment Support Allowance of £114.85 per week.

.August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£114.85	Weekly Council Tax charge (Band E)	£36.76
Council Tax Support after 25%	£27.50		
Total	£142.35	Total	£36.76
Income for living expenses (food, bills, clothing shortfall in CTS/mortgage.....)			£105.59

April 2017: 55% and Band C Restriction

Household Weekly Income		Household Weekly Outgoings	
Total Income	£114.85	Weekly Council Tax charge (Band E)	£36.76
Council Tax Support (Based on band C £1,390.50) and 45% reduction	£14.67		
Total	£129.55	Total	£36.76
Income for living expenses (food, bills, clothing, shortfall in CTS/mortgage.....)			£97.79

£12.79 per week worse off (12.11%)

Case Study 8 - Band C Restriction and Limit Maximum Level of Support to 55%

Working Age – Lone Parent Employed

Claimant age 41 lives with their 11 year old child. The property is owned by the claimant.

They work 21 hours per week and earn £172.88 per week. They receive £20.70 Child Benefit, £46.61 Working Tax Credit and £157.17 Child Tax Credit.

They have no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£397.36	Weekly Council Tax charge (Band F) with single persons discount	£32.50
Council Tax Support after 25% reduction and deduction for excess income	£5.85		
Total	£403.21	Total	£32.50
Income for living expenses (food, bills, clothing, mortgage and shortfall in CTS.....)			£370.71

April 2017: 55% and Band C Restriction

Household Weekly Income		Household Weekly Outgoings	
Total Income	£397.36	Weekly Council Tax charge (Band F) with single persons discount	£32.50
Council Tax Support (Based on band C £1042.87 with SPD) and 45% reduction	£0.00		
Total	£397.36	Total	£32.50
Income for living expenses (food, bills, clothing, mortgage and shortfall in CTS.....)			£364.86

£5.85 per week worse off (1.58%)

Case Study 9 - Reduce Upper Savings Limit from £6,000 to £3,000

Working Age – Single Person Employed

Claimant aged 62 and lives alone. They are an owner occupier and live in Paignton.

The claimant is currently unemployed and receives £73.10 a week from Employment Support Allowance.

They have £4,752 in savings.

August 2016: £6,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£73.10	Weekly Council Tax charge (Band B) with single persons discount	£17.55
Council Tax Support	£13.13		
Total	£86.23	Total	£17.55
Income for living expenses (food, bills, clothing and shortfall in CTS/mortgage.....)			£68.68

April 2017: Capital Limit £3,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£73.10	Weekly Council Tax charge (Band B) with single persons discount	£17.55
Council Tax Support	£0		
Total Weekly Income	£73.10	Total Weekly Outgoings	£17.55
Income for living expenses (food, bills, clothing, and Council tax /mortgage			£55.55

£13.13 per week worse off (19%)

Case Study 10 - Reduce Upper Savings Limit from £6,000 to £3,000

Working Age – Couple Unemployed

Claimant aged 59 and partner aged 59, with no children. They do not pay rent.

The claimant is unemployed and receives £82.67 per week from an occupational pension.

They have £5,077 in savings.

August 2016: £6,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£82.67	Weekly Council Tax charge (Band A)	£20.03
Council Tax Support	£15.00		
Total	£97.67	Total	£20.03
Income for living expenses (food, bills, clothing and shortfall in CTS/mortgage.....)			£77.64

April 2017: Capital Limit £3,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£82.67	Weekly Council Tax charge (Band A)	£20.03
Council Tax Support	£0		
Total Weekly Income	£82.67	Total Weekly Outgoings	£20.03
Income for living expenses (food, bills, clothing, and Council tax /mortgage			£62.64

£15.00 per week worse off (19%)

Case Study 11 - Reduce Upper Savings Limit from £6,000 to £3,000

Working Age – Lone Parent Employed

Claimant aged 43 and lives with one child aged seven. They pay rent.

The claimant works 15 hours per week, earning £115.65. Also receives Child Benefit at £20.70, maintenance at £70.00 per week, Working Tax Credit at £76.32 per week and Child Tax Credit at £64.00 per week.

They have £5,894 in savings.

August 2016: £6,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£346.67	Weekly Council Tax charge (Band C) with single persons discount	£20.05
Council Tax Support	£0.30		
Housing Benefit entitlement	£80.41	Rent	£144.23
Total	£427.38	Total	£164.28
Income for living expenses (food, bills, clothing and shortfall in CTS/mortgage.....)			£263.10

April 2017: Capital Limit £3,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£346.67	Weekly Council Tax charge (Band C) with single persons discount	£20.05
Council Tax Support	£0		
Housing Benefit entitlement	£80.41	Rent	£144.23
Total Weekly Income	£427.08	Total Weekly Outgoings	£164.28
Income for living expenses (food, bills, clothing, and Council tax /mortgage			£262.80

£0.30 per week worse off (0.11%)

Case Study 11 - Reduce Upper Savings Limit from £6,000 to £3,000

Working Age – Couple with children

Claimant aged 31 and Ptnr aged 35 live with 2 children aged 1.

Claimant is unemployed and receives child benefit of £34.40, working tax credit £46.37 and child tax credit £112.82 per week. The partner is self employed working 35 per week at £5.57 per hour (£194.97 per week net).

They have £5,988.96 in savings.

August 2016: £6,000

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£388.56	Weekly Council Tax charge (Band A)	£20.05
Housing Benefit entitlement	£58.65	Rent	£109.62
Council Tax Support after 25% and a reduction due to combined income	£2.81		
Total	£450.02	Total	£129.67
Income for living expenses (food, bills, clothing, rent top up and shortfall in CTS.....)			£320.35

April 2017: Capital Limit £3,000:

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£388.56	Weekly Council Tax charge (Band A)	£20.05
Housing Benefit entitlement	£58.65	Rent	£109.62
Council Tax Support	£0		
Total	£447.21	Total	£129.67
Income for living expenses (food, bills, clothing, rent top up and Council Tax.....)			£317.54

£2.81 per week worse off (0.87%)

**Case Study 12 – Minimum Set Income for Self-Employed and
Limit Maximum Level of Support to 55%**

Working Age – Working Single Person

Claimant aged 59 and lives alone. They are currently self employed working 40hrs per week and earns £0.01 net per week. They also receive £51.73 working tax credit per week. There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings	
Total Income	£51.74	Weekly Council Tax charge (Band A) with single persons discount	£15.04
Housing Benefit entitlement	£95.00	Rent	£95.00
Council Tax Support after 25%	£11.25		
Total	£157.99	Total	£110.04
Income for living expenses (food, bills, clothing, and shortfall in CTS.....)			£47.95

April 2017: 55% and Minimum Set Income

Household Weekly Income		Household Weekly Outgoings	
Total Income	£51.74	Weekly Council Tax charge (Band A) with single persons discount	£15.04
Housing Benefit entitlement (unchanged as no wage restriction in HB regulations)	£95.00	Rent	£95.00
Council Tax Support (S/E based on £7.20ph x 40hrs = £257.79)	£0.00		
Total	£146.74	Total	£110.04
Income for living expenses (food, bills, clothing, and shortfall in CTS.....)			£36.70

£11.25 per week worse off (23.5%)

**Case Study 13 – Minimum Set Income for Self-Employed and
Limit Maximum Level of Support to 55%**

Working Age – Working Lone Parent

Claimant aged 44 lives with three children aged 7,10 and 18 in education. The property is owned by the claimant.

The claimant is currently self employed working 44hrs per week and earns £0.01 net per week. Also receives £48.10 child benefit, £146.44 disabled tax credit, £114.87 child tax credit, £55.10 PIP daily living and £21.80 PIP mobility per week. There are no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£386.32	Weekly Council Tax charge (Band B) with single persons discount	£17.55
Council Tax Support after 25% and a reduction due to income	£13.13		
Total	£399.45	Total	£17.55
Income for living expenses (food, bills, clothing , and shortfall in CTS.....)			£381.90

April 2017: 55% and Minimum Set Income

Household Weekly Income		Household Weekly Outgoings before living expenses	
Total Income	£386.32	Weekly Council Tax charge (Band B) with single persons discount	£17.55
Council Tax Support after 45% and a reduction due to income (S/E based on £7.20ph x 44hrs = £278.24)	£0.00		
Total Weekly Income	£386.32	Total Weekly Outgoings	£17.55
Income for living expenses (food, bills, clothing, and shortfall in CTS.....)			£368.88

£13.135 per week worse off (3.54%)

**Case Study 14 – Removal of Family Premium and
Limit Maximum Level of Support to 55%**

Working Age – Lone Parent

Claimant aged 22 lives with his son aged 12. The property is in Torquay and is rented at £158.08 per week.

The claimant works 16 hours a week and receives Child Benefit and Tax Credits. His weekly income is £251.31.

The customer has no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings	
Total Income	£251.31	Weekly Council Tax (Band C with 25% SPD applied)	£20.00
Housing Benefit	£108.00	Rent	£158.08
Council Tax Support	£8.79		
Total	£368.10	Total	£178.08
Income for living expenses (food, bills, clothing, and shortfall in rent/ CTS.....)			£190.02

April 2017: 55% and Family Premium Removed (New Claim)

Household Weekly Income		Household Weekly Outgoings	
Total Income	£251.31	Council Tax £1,911.93	£20.00
Housing Benefit	£108.00	Rent	£158.08
Council Tax Support (with family premium removed from applicable amount)	£1.15		
Total	£360.46	Total	£178.08
Income for living expenses (food, bills, clothing, and shortfall in rent CTS.....)			£182.38

£7.64 per week worse off (4.02%)

**Case Study 15 – Removal of Family Premium and
Limit Maximum Level of Support to 55%**

Working Age – Lone Parent

Claimant aged 22 lives with her son aged 7. The property is in Torquay and is rented at £158.08 per week.

The claimant works 16 hours a week and receives Child Benefit and Tax Credits. Her weekly income is £253.77.

The customer has no savings.

August 2016: 75%

Household Weekly Income		Household Weekly Outgoings	
Total Income	£253.77	Weekly Council Tax (Band C with 25% SPD applied)	£17.50
Housing Benefit	£106.41	Rent	£148.45
Council Tax Support	£6.42		
Total	£364.14	Total	£165.95
Income for living expenses (food, bills, clothing, and shortfall in rent/ CTS.....)			£198.19

April 2017: 55% and Family Premium Removed (New Claim)

Household Weekly Income		Household Weekly Outgoings	
Total Income	£251.31	Weekly Council Tax (Band C with 25% SPD applied)	£17.50
Housing Benefit	£106.41	Rent	£148.45
Council Tax Support (with family premium removed from applicable amount)	£0.00		
Total	£357.72	Total	£165.95
Income for living expenses (food, bills, clothing, and shortfall in rent/ CTS.....)			£191.77

£6.42 per week worse off (3.24%)

Working Age Population in Torbay

The following statistics provide an overview of the working age population in Torbay:

- In 2015/16, the number of working age residents aged between 16 and 64 was 76,800¹, which is 57.6% of Torbay's total population.
- During this period 58,700 residents were in employment, 3,300 unemployed and 14,800 economically inactive.

The table below shows employment by occupation during 2015/16.

	Torbay (Numbers)	Torbay (%)	South West (%)	Great Britain (%)
Soc 2010 Major Group 1-3	20,200	34.6	45.1	44.6
1 Managers, Directors and Senior Officials	6,000	10.2	11.4	10.4
2 Professional Occupations	8,000	13.6	19.4	19.9
3 Associate Professional & Technical	6,300	10.7	14.2	14.1
Soc 2010 Major Group 4-5	13,600	23.3	22.0	21.3
4 Administrative & Secretarial	4,700	8.1	9.9	10.6
5 Skilled Trades Occupations	8,900	15.1	12.0	10.5
Soc 2010 Major Groups 6-7	13,500	23.1	17.0	16.9
6 Caring, Leisure and Other Service Occupations	8,100	13.8	9.6	9.2
7 Sales and Customer Service Occupations	5,400	9.2	7.3	7.6
Soc 2010 Major Groups 8-9	11,100	19.0	16.0	17.2
8 Process Plant & Machine Operatives	4,100	6.9	5.5	6.4
9 Elementary Occupations	7,000	11.9	10.4	10.8

Source: ONS annual population survey

The table below shows the level of earnings during 2015/16.

	Torbay (Pounds)	South West (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	421.6	498.8	529.6
Men	426.2	539.6	570.4
Women	414.1	440.1	471.6
Hourly Pay – Excluding Overtime			
Full-Time Workers	10.10	12.57	13.33
Men	10.04	13.24	13.93
Women	10.11	11.57	12.57

Source: ONS annual population survey of hours and earnings – resident analysis

¹ Source: ONS annual population survey

Working Age receiving Council Tax Support

This analysis focuses on working age people receiving Council Tax Support. The total count is broken down by household type and in some circumstances by age group.

It does not take into account households receiving DWP passported benefits that work under 16 hours a week, for this purpose these households will be treated as unemployed.

For classification reasons people that work 37 hours or more are treated as full time employees and less than 37 hours part time employees.

The figures are based on a database extract run in September 2016, showing a snapshot of claimants as on that date.

9,570 working age residents (8,084 households) receiving Council Tax Support, of which 1,866 (19.24%) were employed or in self-employment.

234 residents were contracted to work 37 hours or more per week (full time) and 1,632 less than 37 hours per week (part time).

From this the average weekly earnings for residents in full time employment was £160.59 and part time £114.89.

There are 157 households that are employed and have a disability, of which 85 have children and 72 with no children.

There are 14 households that are employed, have a disability and have at least one disabled child.

There are 74 households that are employed and receive a carer's allowance.

The table below shows the number of working age households receiving Council Tax Support in full and part time employment.

Property Band	Single	Couples	Lone Parent	Couples with Children	Total
A	203	29	123	70	425
B	80	29	339	233	681
C	46	20	237	166	469
D	9	6	77	74	166
E	4	4	17	16	41
F	3	0	1	7	11
G	0	0	0	1	1
H	0	0	0	0	0
Total	345	88	794	567	1,794

Source: Revenue & Benefits Administration System

Around 76% of working age households receiving Council Tax Support and in full or part time employment are lone parents or couples with children.

The highest proportion of working age households in full or part time employment occupy band B at around 38%, with 26% in band C and 24% in band A. 12% occupy bands D to G and none in H.

The table below shows the number of full and part time jobs working age households have that receive Council Tax Support.

Number of Jobs	Single	Couples	Lone Parent	Couples with Children	Total
1	334	77	754	484	1,649
2	11	10	37	81	139
3	0	1	3	2	6
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
Total	345	88	794	567	1,794

Source: Revenue & Benefits Administration System

This shows that lone parents and couples with children are more likely to have more than one job, which consists of 84% of all second and third jobs.

The table below shows the weekly average number of hours worked in full and part time employment for working age households receiving Council Tax Support.

Hours Worked	Single	Couples	Lone Parent	Couples with Children	Total
Below 16	113	11	111	40	275
16 to 19	122	18	475	60	675
20 to 25	26	17	118	137	298
26 to 29	3	3	14	38	58
30 to 36	53	19	52	121	245
37 plus	28	20	24	171	243
Total					1,794

Source: Revenue & Benefits Administration System

The highest proportion of working age households in full or part time employment and receiving Council Tax Support, work between 16 and 19 hours. From this around 70% are lone parents. The majority of single people also tend to work between 16 and 19 hours (68%).

However, around 60% of households that work 30 hours or more are couples with children.

The table below shows the number of working age households receiving Council Tax Support in full and part time employment and receiving Tax Credits.

Hours Worked	Single	Couples	Lone Parent	Couples with Children	Total
Below 16	4	1	106	38	149
16 to 19	8	1	460	58	527
20 to 25	3	0	112	133	248
26 to 29	0	0	12	36	48
30 to 36	31	6	48	117	202
37 plus	15	9	19	151	194
Total					1,368

Source: Revenue & Benefits Administration System

The highest proportion of working age households in employment, receiving Council Tax Support and Tax Credits, work between 16 and 19 hours. From this around 87% are lone parents.

Just over 95% of all working age lone parents receiving Council Tax Support, in full or part time employment, also receive Tax Credits.

It is also a similar trend for working age couples with children, in full or part time employment, as 94% also receive Tax Credits.

However, just 17% of single people and 19% of couples in full and part time employment receive Tax Credits.

The table below shows the claimant age by band for working age households receiving Council Tax Support.

Age	Single	Couples	Lone Parent	Couples with Children	Total
18 to 20	64	2	52	16	134
21 to 25	152	34	377	99	662
26 to 34	317	38	802	367	1,524
35 to 49	1,260	119	1,068	506	2,953
50 plus	2,130	311	245	125	2,811
Total	3,923	504	2,544	1,113	8,084

Source: Revenue & Benefits Administration System

This shows the majority of working age claimants receiving Council Tax Support are aged between 35 and pension age (90%). From this nearly half (48%) are single people and around 31% lone parents.

The table below shows the claimant age by band for working age households receiving Council Tax Support in full and part time employment.

Age	Single	Couples	Lone Parent	Couples with Children	Total
18 to 20	3	0	2	2	7
21 to 25	6	8	65	45	124
26 to 34	32	7	254	214	507
35 to 49	113	21	395	258	787
50 plus	191	52	78	48	369
Total					1,794

Source: Revenue & Benefits Administration System

This shows the highest proportion of working age people receiving Council Tax Support in full or part time employment are lone parents and couples with children aged between 26 and 49 (62%).

Around 24% of all single people and couples without children are in full or part time employment.

However, the majority of people aged between 16 and 20 are not in full or part time employment (95%). It can be assumed that a high proportion of this group will be receiving a DWP passported benefit and in part time employment.

The table below shows the number of working age households receiving Council Tax Support in full and part time employment with savings (capital).

Savings Amount (£)	Single	Couples	Lone Parent	Couples with Children	Total
0	274	70	685	461	1,490
1 to 500	45	8	66	57	176
501 to 999	9	3	13	13	38
1,000 to 1,499	2	0	4	8	14
1,500 to 2,000	3	2	4	3	12
2,000 to 2,999	3	1	12	10	26
3,000 to 3,999	3	0	4	5	12
4,000 to 4,999	4	1	2	4	11
5,000 to 5,999	2	3	4	6	15
Total					1,794

Source: Revenue & Benefits Administration System

Around 83% of working age households receiving Council Tax Support and in full or part time employment do not have any savings or capital and 17% have savings up to £5,999.

For households with savings, around 58% have savings up to £500 and 42% between £500 and £5,999.

The majority of households in this category that have savings are lone parents and couples with children at around 71%. From this 88% have savings up to £2,999 and 12% have savings between £3,000 and £5,999.

Self Employed

450 working age households receiving Council Tax Support are in self-employment.

There are 56 households that are in self-employment and have a disability, of which 26 have children and 30 with no children.

There are 5 households that are in self-employment, have a disability and have at least one disabled child.

There are 39 households that are in self-employment and receive a carer's allowance.

The table below shows the number of working age households receiving Council Tax Support in full and part-time self-employment.

Property Band	Single	Couples	Lone Parent	Couples with Children	Total
A	66	11	24	17	118
B	18	12	62	57	149
C	17	8	40	52	117
D	7	1	16	24	48
E	4	3	2	5	14
F	1	0	0	2	3
G	0	0	0	1	1
H	0	0	0	0	0
Total	113	35	144	158	450

Source: Revenue & Benefits Administration System

Around 67% of working age households receiving Council Tax Support and in full or part time self-employment are lone parents or couples with children.

The highest proportion of working age households in full or part time employment occupy band B at around 33%, with 26% in band A and 26% in band C. Around 15% occupy bands D to G and none in H.

The table below shows the average weekly earnings through self-employment for working age households receiving Council Tax Support.

Weekly Income	Single	Couples	Lone Parent	Couples with Children	Total
0.01 to 4.99	20	10	32	24	86
5.00 to 19.99	16	3	18	4	41
20.00 to 29.99	4	2	13	7	26
30.00 to 49.99	22	4	24	15	65
50.00 to 69.99	13	5	14	8	40
70.00 to 99.99	27	2	23	24	76
100.00 to 129.99	10	4	16	25	55
130.00 to 149.99	1	4	2	7	14
150.00 and above	0	1	2	44	47
Total	113	35	144	158	450

Source: Revenue & Benefits Administration System

Around 48% of self-employed working age households earn less than £50 per week, with 26% between £50 and £100 per week and 26% above £100 per week.

18% of single people and couples with no children and 30% of lone parents and couples with children earn less than £50 per week.

10% of single people and couples with no children and 15% of lone parents and couples with children earn between £50 and £100 per week.

4% of single people and couples with no children and 21% of lone parents and couples with children earn above £100 per week.

The highest proportion of working age households earning more than £100 per week are couples with children at 17%.

The table below shows the average weekly earnings through self-employment for working age households receiving Council Tax Support aged between 21 and 24.

Weekly Income	Single	Couples	Lone Parent	Couples with Children	Total
0.01 to 4.99	0	0	0	1	1
5.00 to 19.99	1	1	0	0	2
20.00 to 29.99	0	0	0	0	0
30.00 to 49.99	0	0	0	0	0
50.00 to 99.99	0	0	1	1	2
100.00 to 149.99	1	1	0	0	2
150.00 to 234.49	0	0	0	1	1
234.50 and above	0	0	0	0	0
Total	2	2	1	3	8

Source: Revenue & Benefits Administration System

There are no working age households in self-employment under 21 years of age.

2% of working age households in self-employment are aged between 21 and 24.

None earn above the set minimum income level of £234.50 for this age group (National Minimum Wage: £6.70 x 35 hours).

The table below shows the average weekly earnings through self-employment for working age households receiving Council Tax Support aged 25 above.

Weekly Income	Single	Couples	Lone Parent	Couples with Children	Total
0.01 to 4.99	20	10	32	23	85
5.00 to 19.99	15	2	18	4	39
20.00 to 29.99	4	2	13	7	26
30.00 to 49.99	22	4	24	15	65
50.00 to 99.99	40	7	36	31	114
100.00 to 149.99	10	7	18	32	67
150.00 to 251.99	0	0	2	37	39
252.00 and above	0	1	0	6	7
Total	111	33	143	155	442

Source: Revenue & Benefits Administration System

98% of working age households in self-employment are aged 25 and above.

Around 2% (7) earn above the set minimum income level of £252.00 for this age group (National Minimum Wage: £7.20 x 35 hours).

Final Proposed Scheme Changes

The proposed scheme from April 2017 onwards will be the scheme currently in place (2016/17) with the changes outlined below.

1 April 2017 - reducing the maximum level of support for working age customers from 75% to 72.5%

1 April 2018 - reducing the maximum level of support for working age customers from 72.5% to 70%

2016/17 Council Tax Reduction scheme, section 57, paragraph 57.1.

Torbay Council currently requires all working age recipients of Council Tax Support to make a minimum payment of 25% towards their Council Tax.

This would increase to 27.5% from 01/04/17 and 30% from 1 April 18.

1 April 2017 - Removing the Family Premium for all new working age applicants

2016/17 Council Tax Reduction scheme Schedule 1 Paragraph 3.

The removal of family premium from 1st April 2017 for new claims will bring the Council's Council Tax Support scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them. Removing the family premium will mean that when we assess a claimant's needs we would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

1 April 2017 - Reducing Backdating to 1 month

2016/17 Council Tax Reduction scheme, section 69.9.

Currently claims for Council Tax Support from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to one month. It is proposed that the Council's Council Tax Support Scheme be aligned with the changes for Housing Benefit.

1 April 2017- Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks

2016/17 Council Tax Reduction scheme, section 8.0.

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting Council Tax Support. This replicates the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease. It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces. The 4 weeks can be extended to 8 weeks in special circumstances.

1 April 2017 - Minimum set income for self-employed earners after one year's trading

2016/17 Council Tax Reduction scheme, section 20.

In order to align Council Tax Support with Universal Credit, the Council proposes to use a minimum level of income (minimum income floor) for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

For full details on this change see pages 3 to 7.

1 April 2017 - Limiting the number of dependant children within the calculation for Council Tax Support to a maximum of two

2016/17 Council Tax Reduction scheme, schedule 1 paragraph 2.

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits.

In the unlikely event that this proposed change is not effected by Central Government by 1st April 2017, the scheme will not be amended for 2017 but will be amended from 2018.

1 April 2018 - Restrict the level of support to a maximum of Council Tax band D

2016/17 Council Tax Reduction scheme, section 57, paragraph 57.1.

The current Council Tax Support Scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then Council Tax Support will be calculated on the basis of a Band D charge.

Self Employed Minimum Set Income (Regulation Changes)

Regulations 27.0 to 29.6A would be applied

27.0 Earnings of self-employed earners

27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

27.3 This paragraph applies to—

- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- b. any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by

- (a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus
- (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment,

less–

- i. an amount in respect of income tax and of social security contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- ii. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
 - (i) income tax, and
 - (ii) social security contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.

28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of–

- a. any capital expenditure;
- b. the depreciation of any capital asset;
- c. any sum employed or intended to be employed in the setting up or expansion of the employment;
- d. any loss incurred before the beginning of the assessment period;
- e. the repayment of capital on any loan taken out for the purposes of the employment;
- f. any expenses incurred in providing business entertainment, and
- g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.

28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for–

- a. the replacement in the course of business of equipment or machinery; and
- b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a. or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

28.8 For the avoidance of doubt–

- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
- b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - iii. any payment of interest on a loan taken out for the purposes of the employment

28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of

- a. income tax; and
- b. social security contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph 28.11 in respect of any qualifying contribution

28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined

- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act

1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

29.2 The amount to be deducted in respect of social security contributions under paragraphs 28.1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of–

- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means–

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment

29 A.1 Where no start up period (as defined within 29A.2) applies to the applicant and the income from self employment of the applicant or partner as calculated by reference to parts 27 to 29 of this scheme is less than an amount to be determined as appropriate for the employment market that the claimant or partner is operating in, the income used by the Council in the calculation of their award will be substituted to that appropriate amount. This amount shall not be less than 35 x the hourly minimum wage for an ordinarily employed worker, or where higher the number of hours declared by the applicant multiplied by the minimum wage for an ordinary employed worker. From that the Council will deduct only an estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made), as if estimating the income of an ordinarily employed worker.

29 A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the claimant or partner. This will normally be one year from the date of claim, or one year from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.

29 A.3 Where a claimant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.

29 A.4 Ordinarily, no start-up period may be applied in relation to a claimant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Relief or where one would have been applied, if not for the operation of Council Tax Benefit. The Council may allow a subsequent employment to qualify for a start up period based on the previous history of the claimant and an assessment of such evidence that would support a decision to allow for a subsequent start up period.

29 A.5 In order to establish whether to award a start up period, or at its discretion a subsequent start up period, the claimant must satisfy the Council that the employment is

- Genuine and effective. The Council must be satisfied that the employment activity is being conducted.
- Taking up at least 35 hours per week
- Being conducted with the intention of increasing the income received to the level that would be conducive with that form of employment.

29 A.6 For the purposes of determining whether a claimant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the claimant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start up period are met.

Council Tax Support Schemes in Devon (2016/17)

All schemes are based on the Council Tax Benefit rules but with the changes shown below.

Name of Authority	Limit Liability	Second Adult Rebate	Band Restriction	Capital Limit	Hardship Fund
East Devon District Council	80%	Withdrawn	Band D	£8,000	Yes
Exeter City Council	80%	Withdrawn	No restriction	£6,000	Yes
Mid Devon District Council	80%	Withdrawn	Band D	£8,000	Yes
North Devon District Council	75%	Withdrawn	Band D	£6,000	Yes
South Hams District Council	80%	Withdrawn	Band D	£16,000	Yes
Teignbridge District Council	100%	Withdrawn	Band D	£6,000	No
Torrige District Council	75%	Withdrawn	Band D	£6,000	Yes
West Devon District Council	80%	Withdrawn	Band D	£16,000	Yes
Torbay Council	75%	Withdrawn	No restriction	£6,000	Yes
Plymouth City Council	80%	Withdrawn	Band E	£6,000	Yes