

Supporting Information and Impact Assessment

Service / Policy:	Council Tax Support Scheme 2016/17
Executive Lead:	Mayor Oliver
Director / Assistant Director:	Fran Hughes

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Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>1.1 The current Council Tax Support scheme was approved by members at Full Council in December 2012.</p> <p>1.2 Any entitlement to a reduction is based on a means test, by taking into consideration a person’s income and comparing this with any personal allowances, premiums and disregards to which they may be entitled.</p> <p>1.3 For each financial year, the Council must consider whether to revise its scheme or to replace it with a replacement scheme. It must make any revision to its scheme, or any replacement scheme, no later than 31 January for the subsequent financial year.</p> <p>1.4 In order to maintain the balance between the Council Tax Support scheme and the allowances to which claimants are entitled the Council has amended the original scheme for 2014/15 and 2015/16, so that it is uprated on an annual basis in line with national changes.</p>
2.	<p>What is the current situation?</p> <p>2.1 Entitlement to a reduction is based on a means test, by taking into consideration a customer’s income and comparing this with any personal allowances, premiums and disregards to which they may be entitled.</p> <p>2.2 Pensioners are protected in accordance with regulations set by Central Government and are able to claim support at up to 100% of their Council Tax liability. Mandatory protection of pension credit claimants applies to existing and new claimants that reach pensionable age.</p> <p>2.3 For people of working age, the scheme has the following key elements:</p> <ul style="list-style-type: none"> • All awards are based on 75% of the Council Tax charge for the property. This means that the maximum a working age household can receive is 75% of the Council Tax due. All working age households have to pay a minimum of 25% of the Council Tax due; • Second Adult Rebate for working age claimants is not available;

	<ul style="list-style-type: none"> • 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. <p>2.4 The components used to calculate Council Tax Support consist of the following:</p> <ul style="list-style-type: none"> • Personal Allowances - the basic amounts of money the government says a claimant needs to live on. The level depends on the claimant's age and whether they are part of a couple. There are additional allowances for dependant children. • Premiums - additional amounts added to the personal allowance because of claimant's personal circumstances. The government recognises that it is more expensive to live with a family or if someone has a disability or caring responsibilities. Extra amounts are added to income based benefits to account for this. • Disregards - the amount of earnings not taken into account when calculating entitlement to benefits. There are standard earnings disregards for singles, couples and lone parents. People in certain groups, such as carers and people with disabilities are eligible for a higher disregard. • Non Dependant Deductions - the amount that is deducted for other people who are 18 or over and live in the household. The deduction rates for non-dependants are set according to their income, as it is assumed that they can make a financial contribution to the household. <p>2.5 Under the current scheme pensioners are protected and the level of entitlement for them must remain. Protection will be achieved by keeping in place the existing national rules, with eligibility and rates defined in Regulations broadly similar to those that already exist. This is known as the Prescribed pensioners scheme.</p>
3.	<p>What options have been considered?</p> <p>3.1 None for the purpose of this report.</p>
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>4.1 This proposal supports the Corporate Plan ambitions and targeted actions, particularly protecting the vulnerable and work towards achieving a more prosperous Torbay.</p>
5.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>5.1 This proposal will affect all households receiving Council Tax Support from 1 April 2016 to 31 March 2017.</p> <p>5.2 There are no requirements to undertake public consultation as the scheme</p>

	remains unchanged.
6.	How will you propose to consult? 6.1 Not applicable for this proposal.

Section 2: Implications and Impact Assessment	
7.	<p>What are the financial and legal implications?</p> <p>5.3 Schedule 1A of the Local Government Finance Act 2012 requires local authorities to consider whether to revise or to replace its scheme each year. Any revisions or a replacement scheme must have been considered and agreed no later than the 31st January 2016 for operation by 1st April 2016.</p> <p>5.4 For this proposal there are no requirements to undertake public consultation.</p>
8.	<p>What are the risks?</p> <p>8.1 The council continues to face the financial risk of receiving less Council Tax income than budgeted due to:</p> <ul style="list-style-type: none"> • Any significant increase in caseload during the year, not provided for when the Council Tax taxbase is set; • A greater than anticipated impact of the wider welfare reform changes on the level of Council Tax Support awarded; • A reduction in the level of Council Tax collection, not provided for when the Council Tax taxbase is set. <p>8.2 By maintaining existing levels of support it is not anticipated that there will be any legal challenge to the council's scheme.</p>
9.	<p>Public Services Value (Social Value) Act 2012</p> <p>9.1 The procurement of services or provision of services is not relevant for this report.</p>
10.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>10.1 Prior to April 2013 the national Council Tax Benefit scheme was available to taxpayers on low incomes to assist them with their Council Tax.</p> <p>10.2 The Government announced the abolition of Council Tax Benefit as part of the Spending Review 2010, with the intention to replace it with a localised support scheme from 1 April 2013.</p> <p>10.3 The new arrangements had financial implications for both billing and major precepting authorities, as expenditure allocated to the localised scheme would be reduced by approximately ten per cent, at a cost of £1.6m to the Council when compared to the funding given for the previous Council Tax Benefit scheme.</p> <p>10.4 Torbay's scheme was prepared as part of a Devon wide approach, where the</p>

	<p>over arching 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.</p> <p>10.5 Torbay's draft scheme was published in July 2012 to form the basis of the public consultation, which ran from 6 August to 1 October 2012 as part of a co-ordinated, Devon wide approach.</p> <p>10.6 Following the consultation process the new scheme was approved by members at Full Council in December 2012.</p> <p>10.7 The schemes adopted for 2014/15 and 2015/16 have been reviewed and remained unchanged with the additional clause to uprate personal allowances, premiums and non dependant deductions.</p> <p>10.8 Appendix 2 and 3 provides details of the current and proposed 2016/17 schemes in Devon.</p> <p>2015 Summer Budget</p> <p>10.9 A number of the welfare changes set out in the Chancellor's Summer Budget will have implications for the future costs of the Councils Council Tax Support scheme.</p> <p>10.10 The proposed change to the Tax Credit system would have reduced household income if introduced resulting in a potential increase in Council Tax Support expenditure. Conversely, the freeze to working age benefits combined with a freeze in welfare personal allowances, an increase in Personal Tax Allowances and introduction of the National Living Wage will have the opposite effect and reduce expenditure.</p> <p>10.11 Appendix 4 provides details of the welfare changes announced in the 2015 Summer Budget.</p>
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>11.1 Not applicable for this proposal.</p>
<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>12.1 Not applicable for this proposal.</p>

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups There are no equality/community issues arising from this report as the local scheme criteria for 2016/17 remains the same as the 2013/14 scheme, which was subject to extensive consultation and supported by a full Equality impact Assessment at the time.			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	If Personal Allowances and Premiums were not uprated in line with the prescribed pensioner scheme and national working-age benefits residents would effectively have a cut in their entitlement should their income increase.		
	People with caring Responsibilities			Protection for those receiving a carers allowance is in line with the old Council Tax Benefit scheme.
	People with a disability			Protection for disabled people is in line with the old Council Tax Benefit scheme. Disability benefits, such as Disability Living Allowance, will continue to be fully disregarded as well as the associated personal allowances and premiums that are currently awarded to people with disabilities.
	Women or men			Although this information is recorded, there is no adverse impact on the grounds of gender. Torbay's scheme is open to applications from persons of any gender and there are no aspects of the scheme which impact in any way on the availability of support

			to claimants based solely on gender.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact
Religion or belief (including lack of belief)			This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.
People who are lesbian, gay or bisexual			This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.
People who are transgendered			This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and

			operation and administration of the Torbay Council Tax Support Scheme.
People who are in a marriage or civil partnership			This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.
Women who are pregnant / on maternity leave			There is no differential impact
Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact

14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.