

## Report of the Strategic Director Corporate Services to the meeting of Executive to be held on 9 January 2018

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**AN**

### **Subject:**

A Council Tax Reduction scheme for 2018/19

### **Summary statement:**

The Revenue Support Grant, which includes funding for Council Tax Reduction (CTR), has been subject to year on year reductions; and is expected to reduce further so that by 2020/21 it will cease entirely

The expanded scope of Universal Credit will significantly increase the administrative burden of the current CTR scheme for the Council and will create council tax collection difficulties

Following the decision of Executive (10 October 2017), public consultation on proposed changes to the CTR scheme to reduce cost and mitigate the administrative burden has been undertaken

This report sets out the results of that consultation; and makes recommendations to revise the CTR scheme for 2018/19 and that transitional support is put in place to help those that see a significant reduction in their CTR as a consequence of those proposed changes

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**Overview & Scrutiny Area:**  
**Corporate**

## **1. SUMMARY**

- 1.1. The Revenue Support Grant, which includes funding for Council Tax Reduction (CTR), has been subject to year on year reductions; and is expected to reduce further so that by 2020/21 it will cease entirely.
- 1.2. The expanded scope of Universal Credit will significantly increase the administrative burden of the current CTR scheme for the Council and will create council tax collection difficulties. UC claimants are assessed monthly by the DWP, and the Council is notified of changes that may affect CTR entitlement. All notifications will need to be checked, and if an adjustment to CTR is required, no matter how small, a new Council Tax bill is issued together with revised payment arrangements.
- 1.3. Following the decision of Executive (10 October 2017), public consultation on proposed changes to the CTR scheme to reduce cost and mitigate the administrative burden has been undertaken.
- 1.4. This report sets out the results of that consultation; and makes recommendations to revise the CTR scheme for 2018/19 and that transitional support is put in place to help those that see a significant reduction in their CTR as a consequence of those proposed changes.

## **2. BACKGROUND**

- 2.1. The Council has been operating a locally defined Council Tax Reduction (CTR) scheme, for working age council tax payers, since April 2013. In the first year of the scheme, Government funding for council tax support, £29.8m, was added to the Revenue Support Grant (RSG), bringing it up to around £183m in 2013/14. The eventual cost to Bradford in that first year was £27.8m, or 15.2% of RSG.
- 2.2. Since then, the removal of Government grant has seen the RSG reduce to £63m in the current financial year, and CTR accounted for 46% of it. In 18/19, when RSG drops to £48.5m, it will account for over 63% of the funding. It is expected that the RSG will continue to be reduced so that by 2020/21 it will cease entirely. The cost of the current CTR scheme is forecast to be £30.7m in 2018/19.
- 2.3. Universal Credit (UC) for newly unemployed single working age claimants was introduced across the Bradford District in November 2015. UC will be expanded across the District to include all working age households. For new benefit claimants, housing costs will be met through UC. Existing working age Housing Benefit claimants will gradually migrate to UC in 2022. The Council will continue to provide Housing Benefit for Pension age claimants.
- 2.4. DWP will assess claimants' UC entitlement monthly. This will significantly increase the administrative burden of the CTR scheme for the Council. In addition, Council's that have already moved to UC report collection difficulties as a result of continual revisions of liability that monthly UC assessment creates.
- 2.5. A report to Executive (10 October 2017) detailed the challenges, both financial and operational, for the current working age CTR scheme. The scheme for pension age

claimants is prescribed nationally and cannot be amended by the Council.

- 2.6. The report also set out a number of proposals to reduce the cost of the scheme, ease the administrative burden, and provide support for those in severe financial need as a consequence of proposed changes to the scheme. The Major Preceptors (Fire and Police Services) were consulted on the proposal to make changes to the CTR scheme, but both Services declined to express a view.
- 2.7. The key proposals to amend the CTR scheme were intended to reduce the cost of the scheme and to reflect the move to UC, as follows;
- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
  - Limit entitlement of CTR to those that qualify for £4.00 or more per week
  - Remove the Second Adult Rebate
  - Introduce a £1 Minimum Change threshold
  - Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter
- 2.8. Executive instructed that the proposed amendments to the scheme be subject to public consultation to inform a decision on a CTR scheme for 2018/19; and that options are developed for a scheme to help those in severe financial need as a consequence of the proposed changes to the scheme.

### **3. OTHER CONSIDERATIONS**

- 3.1. Changes to Universal Credit (UC) were announced during the November Budget statement. As a consequence the planned expansion of UC across the district in March has been rescheduled to June 2018; the exact date still to be confirmed.
- 3.2. The key changes to UC announced are to remove the one week 'waiting time' for a claim to start, better access to advance payments, a two week 'carry-over' of housing benefit after the start of a UC claim, and allowing claimants to continue having their rent paid directly to private sector landlords.
- 3.3. The Government's considers that introducing these changes will reduce the financial pressure on UC claimants and, to a certain extent, increase private sector landlords' confidence in renting to UC claimants. The changes announced do not affect this Council's proposed changes to the CTR scheme; or otherwise directly impact on the CTR scheme.

#### Proposed Changes to the CTR scheme for 2018/19

- 3.4. Consultation on the proposed changes to the CTR scheme, and the need for a subsequent support scheme, was undertaken and widely promoted; including through the press, social media, partners, advice services and the Council's website. Analysis of the responses is provided in Appendix 1.
- 3.5. In total, 246 people have responded to the consultation: 25% of respondents are in

receipt of CTR, 11% are in receipt of the severe or enhanced disability premium, and 6% are in receipt of Carers allowance.

- There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed with the proposal
- Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed
- Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against
- Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal
- 39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

3.6. The proposed changes and how they will be treated for assessment purposes within the CTR scheme are explained in more detail in Appendix 2.

3.7. There were a number of comments about the impact on those currently eligible for a reduction of up to 100% of their Council Tax liability, and in particular, that disabled claimants should not have to pay Council Tax from the disability related benefits they receive.

3.8. It should be noted that the CTR scheme expressly takes into account the various disregards to disability income and the premiums awarded (and likewise with the Carers premium) when calculating entitlement. This is considered in more detail in the Equality Impact Assessment in Appendix 3 (para. 2.3)

3.9. A scheme that exempted all those considered to be very disabled would not necessarily support those in the greatest financial hardship. Where budgets are tight it is appropriate to ensure that the greatest help is given to those who most need it. Household budgets and resources may vary in circumstances that can only be assessed on an individual examination of the budget.

#### Support for those in financial need

3.10. If some or all of the proposed changes are accepted, some claimants could see a large increase in the amount of Council Tax they will have to pay. When asked about the need for support to help those affected by the changes;

- 78% of respondents thought that those affected by changes to the CTR scheme should receive some support

- 68% agreed that support should be means tested
  - 47% thought that 1 year was sufficient time to allow people to adjust to the changes, but 42% thought it was not long enough
- 3.11. The 10 October Executive report identified two principle options to support claimants affected by the proposed CTR scheme changes;
1. A scheme that protects entitlement to a set level, thereby limiting the loss in CTR entitlement in each year the scheme is in place. Protections would be applied to all eligible claimants irrespective of financial need or ability to pay
  2. A discretionary (means tested) scheme that provides support based on the financial need of claimants and their individual circumstances.
- 3.12. A key consideration for the introduction of some of the proposed changes is to reduce the cost of CTR. It is, therefore, difficult to reconcile providing protection to claimants that can meet an increase in their council tax liability, as would be the case with option 1 above.
- 3.13. A means tested scheme (option 2 above) would make awards based on the financial need of the claimants. The principle of means testing was also strongly supported (68%) by those responding to the consultation.
- 3.14. If Council is minded to put support arrangements in place to help those affected by the proposed changes, it is suggested that support is provided via a means tested scheme. Such a scheme, the Discretionary CTR support scheme, is provided for consideration in Appendix 4. The key points of the proposed scheme are;
- The scheme is only open to claimants who were eligible for CTR on 31 March 2018 and;
    - have had an increase in the amount they have to pay because of changes to the CTR scheme, and;
    - find themselves in severe financial difficulties as a consequence of the increase
  - The scheme is means tested and will only provide support up to a maximum of the support the individual received under the 2017 CTR scheme. This means that;
    - no claimant will receive more overall entitlement (from both the support scheme and the revised 2018 CTR scheme) than they do under the current 2017/18 CTR scheme rules
    - individual financial circumstances and the claimants' ability to pay will determine the level of support available to each claimant, not the reduction in CTR
    - not all claimants will receive the maximum support available and others may receive no support at all through the scheme
  - new CTR claims made after 31 March 2018 will not be eligible for support from this scheme

### **Other Matters**

- 3.15. There was general concern expressed through the consultation about the financial

impact of the proposed changes and the likelihood of increased indebtedness amongst claimants. There was also concern that one year was insufficient time to allow claimants to adjust their household budgets.

- 3.16. In making changes to the CTR scheme, the Council is required to put in place such transitional provision as the authority thinks fit to help those adversely affected by the changes.
- 3.17. Analysis shows that over a third of households will lose less than £1 per week, and over two thirds would lose less than £5 per week. Conversely, some claimants in higher banded property could lose a significantly greater amount of CTR.
- 3.18. It is proposed, therefore, that transitional provision is put in place to help those that see a significant reduction in their CTR as a consequence of the changes to the scheme;
  - Introducing a means tested support scheme for claimants that lose more than £5 per week (Appendix 4)
  - limiting the amount of CTR that households could lose to £15 per week
- 3.19. If approved, a report will be brought before Executive in 2018 detailing the operation and impact (including on protected characteristics) of the proposed changes to the CTR scheme and any transitional arrangements; and will seek Executive Decision on the continuation, or otherwise, of these arrangements beyond 2018/19.
- 3.20. To better prepare claimants for the increase in the amount they have to pay, a letter will be sent to all current CTR claimants to make them aware of any changes to the CTR scheme.

#### **4. FINANCIAL & RESOURCE APPRAISAL**

- 4.1. The Council's projected loss of Council Tax income in 2017/18 due to Council Tax Reduction is £29.2m. This figure does not include the Council Tax foregone by the Preceptors. As a general rule, 85% of Council Tax billed is the Council's and 15% goes to the Preceptors.
- 4.2. If the recommended changes to the CTR scheme are adopted in full, the Council Tax base will (net of the related bad debt allowance) increase by 3,180 Band D equivalents. This would see Bradford's share of Council Tax receipts increase by approximately £4m. This figure is based on an analysis of the impact of the changes on the current CTR caseload.
- 4.3. The cost of the proposed support scheme, and the limiting of CTR loss, will reduce the projected increase in Council Tax receipts. The actual cost of the support scheme will be determined by the demands placed upon it, but it is estimated the demand for these measures will be in the order of £500K per year. This will have the effect of limiting the Council Tax receipts increase to approximately £3.5m.
- 4.4. Resource in the amount of £100K per year will also be required to administer the CTR support scheme.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1. The resources and infrastructure required for the effective operation of the CTR support scheme must be in place for 1 April 2018.
- 5.2. The operation of the CTR support scheme will require the gathering of information about individuals' personal expenditure, information not currently captured as part of the CTR assessment process. This information will be handled and safeguarded under the privacy and data protection compliance processes and procedures that prevail in relation to the operation of the current CTR scheme.

## **6. LEGAL APPRAISAL**

- 6.1. A Council tax reduction scheme is made under section 13A(2) Local Government Finance Act (LGFA) 1992 and applies to (a) Persons whom the authority considers to be in financial need, or (b) Persons in classes consisting of persons whom the authority considers to be, in general, in financial need.
- 6.2. Before making a decision to implement a new or revised Council Tax Reduction Scheme the Council must publish a draft of any amended or new scheme and then consult with persons who it considers are likely to have an interest in the operation of the scheme in accordance with schedule 1A para 3 and 5 LGFA 1992.
- 6.3. Any change made to the existing (2017/18) CTR scheme will constitute a new Council Tax Reduction scheme, with effect from 1 April 2018. Any such revised scheme must be adopted by Full Council by 31 January 2018.
- 6.4. The Equality Act 2010, Section 149 Public Sector Equality Duty provides as follows –
  - (1) A public authority must, in the exercise of its functions, have due regard to the need to-
    - a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality 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.
  - ..
  - (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need –
    - d) to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - e) to take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (4) The steps involved in meetings the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities".

6.5. An Equality Impact Assessment is provided in Appendix 3.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

Equality impacts are considered within the Equality Impact Assessment attached to this report at Appendix 2.

### **7.2 SUSTAINABILITY IMPLICATIONS**

There are no sustainability implications

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no greenhouse gas emissions impacts

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

There are no community safety implications

### **7.5 HUMAN RIGHTS ACT**

There are no human rights implications.

### **7.6 TRADE UNION**

Trade Unions will be consulted on the implementation of staffing arrangements for the administration of any new scheme to help those in severe financial need as a consequence of changes to the Council Tax Reduction scheme.

### **7.7 WARD IMPLICATIONS**

There are no Ward or area implications.

### **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

N/A

## **8. NOT FOR PUBLICATION DOCUMENTS**

None

## **9. OPTIONS**

**Option 1:** Adopt none, or some, of the following proposed changes to the current CTR scheme to create a CTR scheme for 2018/19 (and to limit to £15 maximum loss of entitlement, if applicable)

Proposed changes

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12



months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

### Pros

- The current scheme is well understood and embedded
- The fewer changes made to the current scheme the less of a financial impact it will have on claimants
- The fewer changes made to the current scheme, the lower the demand on a support scheme

### Cons

- The projected financial savings will not be achieved
- The impact of Universal Credit may not be fully mitigated

**Option 2a:** Adopt all of the proposed changes (set out below) to the current CTR scheme to create a CTR scheme for 2018/19; with loss of individual entitlement not to exceed £15 per week

### Proposed changes

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

### Pros

- There is a projected financial saving of £4m
- The adverse impact of Universal Credit on the administration of CTR will be mitigated
- Collection difficulties as a result of continual revisions of liability that monthly UC assessment creates will be mitigated

### Cons

- Some claimants may require support to meet their new council tax liability
- There will be a marginal increase in the cost of collecting council tax from those who have difficulty paying their Council Tax bill

**Option 2b:** Introduce a discretionary support scheme (as set out in Appendix 4) to help those that have a significant reduction in entitlement as a consequence of the implementation of some or all of the proposed changes to the CTR scheme

### Pros

- This will support claimants who have difficulty paying their new council tax bill for up to two years
- Will mitigate the increase in council tax collection costs

## Cons

- The cost of the scheme will reduce the overall savings forecast from implementing the proposed changes to the CTR scheme
- There will be a administrative cost to operate the support scheme

## **10. RECOMMENDATIONS**

That Executive consider and agree the following recommendations to Council –

10.1 That the outcome of the public consultation as set out in appendix 1 is considered and noted

10.2 That members have due regard to their responsibilities under the Public Sector Equality Duty and consider the potential impacts of the proposed changes on working age claimants as set out in the Equality Impact Assessment at appendix 3

10.3 That the following amendments to the current CTR scheme are adopted and take effect from 1 April 2018

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

10.4 That the CTR discretionary support scheme as set out in Appendix 4 is adopted from 1 April 2018

## **11. APPENDICES**

- Appendix 1: Consultation Report
- Appendix 2: Proposed CTR Changes – Explanatory Notes
- Appendix 3: Equality Impact Assessment
- Appendix 4: CTR Discretionary Support Scheme

## **12. BACKGROUND DOCUMENTS**

- Local Government Finance Act 2012
- CBMDC Council Tax Reduction scheme
- CBMDC Medium Term Financial Strategy
- Executive Report: A CTR scheme for 2018/19 - 10 Oct 2017
- The Equality Act 2010

## Consultation Report

### Introduction

This report summarises the results of the responses to the consultation questionnaire about the proposed changes to the Council Tax Reduction scheme for 2018/19, carried out by Bradford Council's Revenues and Benefits Service.

### Methodology

The survey was undertaken via an on-line survey which was widely publicised through;

- Press releases
- Social media
- Gov. Delivery – the Council's communication tool
- Council's internet and intranet pages
- Cascaded to advice services via the lead contractors for the Council's commissioned advice services
- Bradford Community Advice Network (CAN) newsletter which is sent to numerous organisations across the district (some will overlap with the commissioned services above)
- Incommunities' social media
- Manningham Housing website
- Information screens in Customer Services

The aims of the consultation were to find out if people agree or disagree with the proposals to;

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater

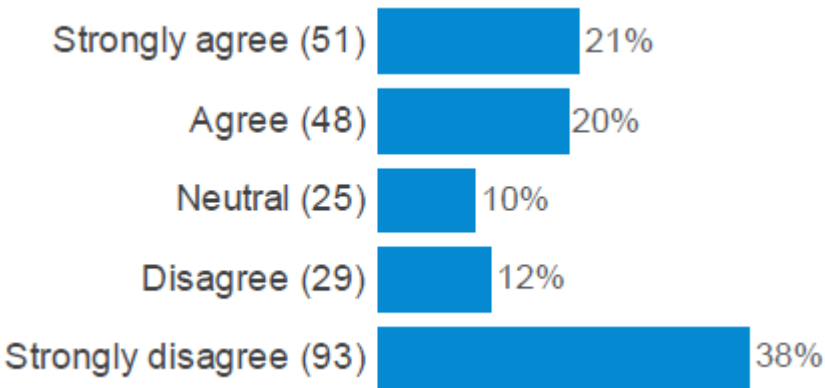
The consultation also sought views on the requirement for a support scheme to help those in severe financial need as a consequence of changes to the scheme

### Response Analysis

There were 246 responses to the survey

- 87% of respondents were of working age
- 48% of respondents identified themselves as Female and 43% identified themselves as Male
- 25% of respondents are in receipt of Council Tax Reduction
- 11% of respondents are in receipt of the severe or enhanced disability premium
- 6% of respondents are in receipt of Carers allowance

**Q1: Do you agree or disagree with the proposal to reduce the maximum amount of Council Tax Reduction a working age claimant can receive by calculating Council Tax Reduction based on Band A property with a maximum entitlement of 70% for all claimants?**

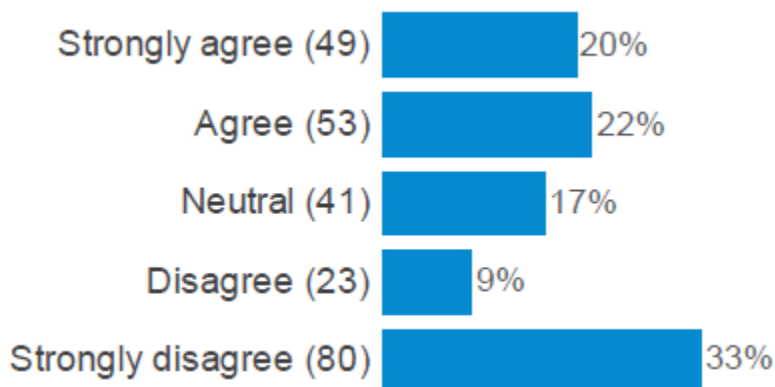


**Comments received**

- happy to have CTR set to 70% of Band A only however I think this is targeting the disabled and vulnerable in the community by applying this to those who previously received 100% CTR. the vulnerable groups should be set at up to 100% of Band A
- As a carer I think it's disgraceful that you are targeting people who save you millions and millions of pounds a year providing free care that you're responsible for. If I were forced to pay council tax I would be forced into working , I would then be entitled to an increased care package to accommodate this
- Our only income is fostering allowance and tax credits and carers the boys get DLA. We get 50% reduction. We may struggle if this is removed
- No changes for disabled and their carers
- Claimants in the Bradford Vulnerable scheme living in larger households would lose the most. 1) these are the most vulnerable people in the city and 2) they have relatively little control on the size of the house they live in. We can't expect vulnerable people to move homes
- The percentage reduction should apply to the property band that the claimant resides in and not just to band A. It's misleading to call it a 70% reduction and unfair to apply it this way
- I don't understand the idea of treating all properties as band A if a person is on benefits and live in a larger property they will probably be struggling to meet other bills so increasing council tax on top of that wont help
- I disagree with the wholesale removal of 100% relief for disabled households and their carers. I would ask you consider keeping some discretion for relief in households with disabled children under 18, or the physically disabled. By definition, they tend to need larger houses and as such face higher bands/bills
- I find it completely outrageous that you can find the money for people who claim a higher rate of benefits to have a 100% reduction on Council Tax, yet continue to try and squeeze as much as you can from those who claim the barest minimum allowance, who still have to find money to heat their homes, feed themselves and pay water charges in addition to trying to fulfil the obligations set down by the job centre - which for some will now mean increased travel.expenses due to closure of smaller Job Centre offices
- poorer people would end up pay more, in real and relative terms, when compared with this living in band b properties

- People in the higher band council tax brackets have higher valued property & have contributed higher rates, poll tax, Council tax as applicable. Why then should they not receive the current level of discount? It's not a fair proposal
- I think the most vulnerable should still be entitled to 100% reduction if receiving enhanced Mobility and/or Care or High Rate DLA. however those who are of working age and on Work benefits e.g JSA or Non Support Group ESA benefits (not in receipt of DLA/PIP Enhanced or equivalent) then reduce their entitlement to 70% plus 1 other proposal
- Reduce the maximum amount of Council Tax Reduction a working age claimant can receive by calculating Council Tax Reduction based on EXISTING PROPERTY BAND with a maximum entitlement of 70% for all claimants
- 100% should remain 100% for carers, those in support group etc
- An assumption has been made that claimants in higher band properties, despite means testing of income, should receive less reduction. Many families are asset rich (if bands b to d can be called that) and cash poor

**Q2: Do you agree or disagree with the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week?**

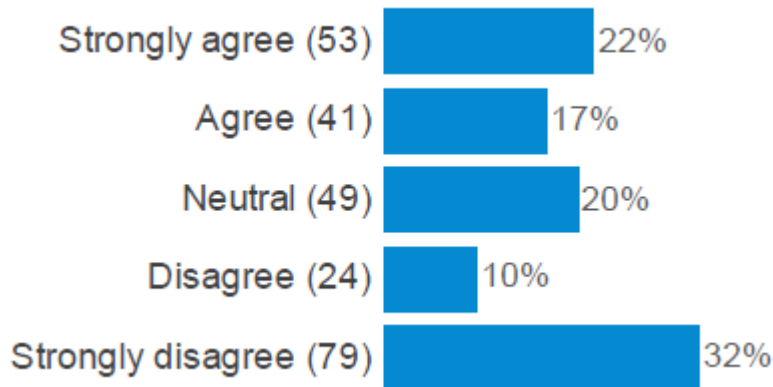


**Comments received**

- a minimum entitlement of £4.00 per week on top of proposals to reduce eligible Council Tax to 70% Band A would be a double financial blow which many people would struggle to manage. if a minimum level of CTR has to be set I would propose to start this in year 1 at £1.00 then perhaps increase this over a 2-3 year period to reduce the impact
- The minimum entitlement of £4 per week could see already hard pressed residents lose over £200 per year at a time when welfare reform austerity still has to fully play out
- It is my concern that by removing the £4 entitlement will punish working families on low incomes. In Bradford East rates of child poverty are nearly 40% in some areas. I have real concerns about these proposals and the number of families that may fall into poverty as a result
- Minimum Council tax reduction set too high at £4 per week
- The proposal to introduce a minimum CTR entitlement of £4 per week will have a serious impact on people with a low income. £4 per week can amount to a meal for a family of four and several meals for a single person. This measure will severely affect the amount of food or heating a family can purchase. It is 5.5% of the total income for a person on JSA of £73.10 per week.

- I believe the proposal to introduce a minimum £4 per week minimum entitlement of £4 per week is a dreadful proposal. This could easily equate to two meals for a single person - or a meal for a family of 4
- strongly disagree with £4 minimum entitlement as even 'little' help can go a long way for people in most desperate situations
- £4 minimum is ridiculous! £12 p/m makes a huge difference to those on very low income, can mean a week of meeting basic necessity such as £12 for gas/electric top-up, £12 more for food
- Introduce a minimum Council Tax Reduction entitlement of £2 PER WEEK

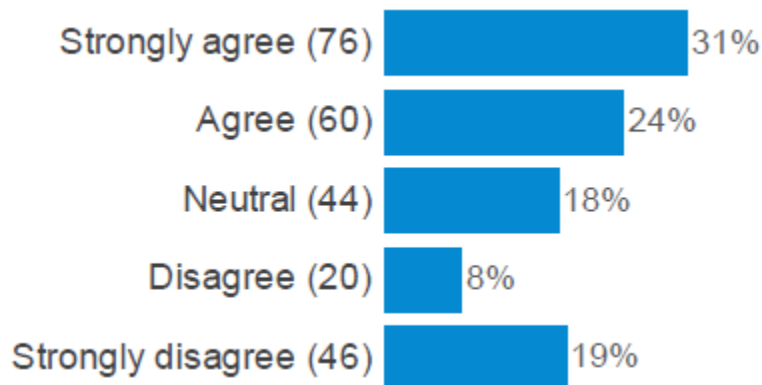
**Q3: Do you agree or disagree with the proposal to remove the Second Adult Rebate?**



Comments received

- there are not many people on second adult rebate so its best to remove the scheme
- sensible, both in terms of administrative simplicity and a reduction in disruption/uncertainty for claimants

**Q4: Do you agree or disagree with the proposal to only apply a change of circumstance if it will affect the claimant's entitlement by £1 or more per week?**

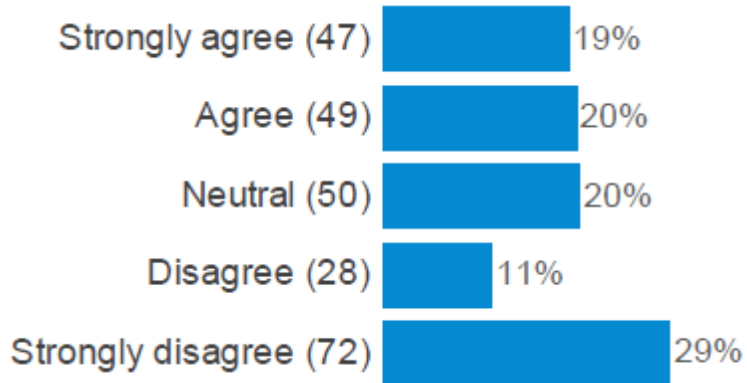


Comments received

- The change in circumstance minimum entitlement change of £1 per week could reduce entitlement by over £50 a year in some cases. Could more automation of the change process be the answer as this one is about reducing direct costs of running the scheme

- I am broadly in agreement
- Only apply a change of circumstance if it will affect the claimant's entitlement by £1 or more per week

**Q5: Do you agree or disagree with the proposal to assume a minimum level of income for self-employed people when they claim Universal Credit?**

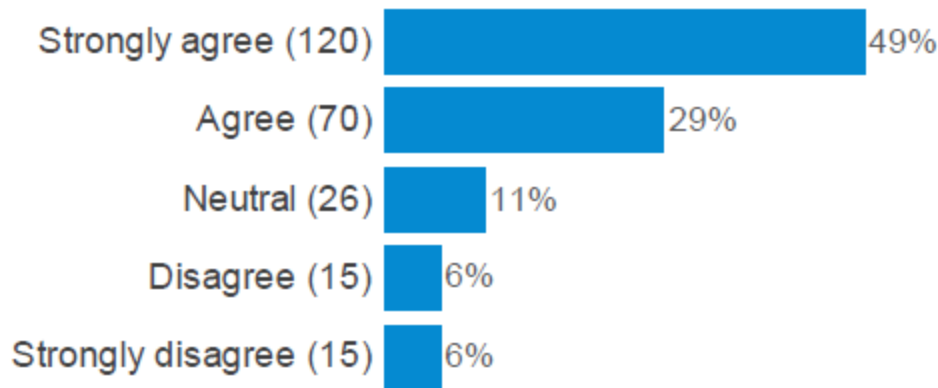


Comments received

- Assuming a minimum level will greatly penalise those who are trying to set themselves up as self-employed and whose businesses are only in their infancy (and so not bringing in much money). In my experience this will particularly impact single mothers who are trying to secure a source of income for themselves and work round their family commitments
- For self employed make sure that the maximum number of hours of work assumed doesn't exceed 37. There are people who hold down more than one job one of which might be self employed so the hours worked for the non-self employed one should be adjusted accordingly
- The self employed people, either earn enough to pay their bills, or find a job that pays
- Disagree with self employed income being disregarded for first twelve months of self employment. This is unfair upon paid employees and an obvious opportunity for abuse of the scheme
- Yes I am self employed and my wage depends on people's ability to pay. If you give them less. I too get less. Which means I cant pay you either. Think about the knock on effect of your decisions
- I don't understand the logic of assuming minimum earnings of living wage x 35 hpw if this is greater than a self employed claimants actual earnings. A significant difference between the two would result in grossly unfair treatment of self employed applicants compared to those who are employed. Actual earnings should be considered
- Assuming minimum of income for people does not calculate correct information, this will just cause more problems and the same problems as assume calculations now. Also band a property for people who work wouldn't be fair if they live in a band d property
- very regressive step and is likely to lead to claimants giving up their self-employment and returning to job seeking. This is contrary to the Government's stated intention to improve work incentives
- deeming an income for a self employed person at minimum wage is beyond stupid. People in self employment often exist below minimum wage for extended periods of

far greater than a year, by the simple fact that minimum wage doesn't apply to self employment

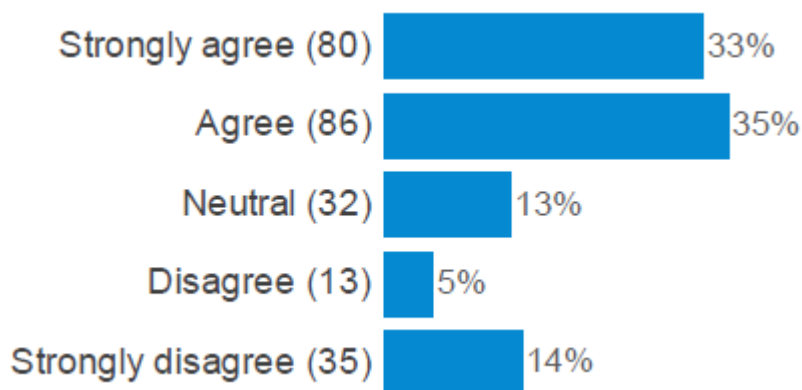
**Q6: Do you agree that the council should provide some support to those affected by changes to the scheme?**



Comments received

- I would say it is unnecessary both in cost and time to set up a new scheme to assist those in hardship. more forms, assessment time. reduce the impact on all vulnerable groups rather than create a separate hardship scheme
- There should also be safeguards to ensure that no person is driven into poverty due to these changes.
- Yes without a doubt
- provide some ready reckoners and phase in the reductions incrementally
- By having a support scheme it appears that it is being admitted that some of the proposals are unfair and unfit from the outset
- if the claimants circumstances don't change and they can't afford to pay it now, they won't be able to pay it in a years time either
- Keep the Bradford Vulnerable Scheme and restrict to 95% this year, then 90% next year and so on.
- keep it simple. do not have a hardship fund. this is just another complication and is unnecessary

**Q7: Do you think support should be means tested?**

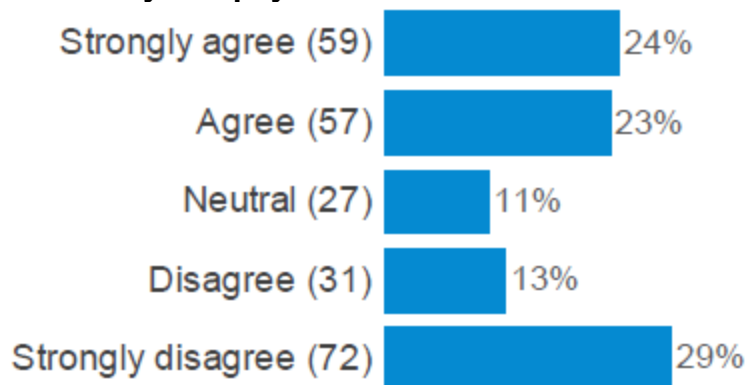


Comments received



- definitely means tested and household members tested
- Means testing ok but bear in mind disabled people get enhanced disability premium/severe disability premium and the support component of ESA, and PIP care and mobility because they have to pay for expensive disabled equipment and lots of other things that are essentials for daily living. you should ignore this income in your means testing.
- How many forms of means testing does an individual have to go through
- Means testing should apply as people that can afford to pay for services should pay and not claim support if they don't need it leaving more money available for people that do need it

**Q8: Do you agree that 1 year allows sufficient time for people to adjust their budget so that they can pay the increase in their Council Tax bill?**



**Comments received**

- people can adjust their budgets but still wont be able to afford the big increase in their council tax those people on benefits who are currently getting council tax reduction are already in arrears with their council tax and other bills and if they have to pay up to £4000 per year with also cuts to child tax credits for 2 children wont have the money there to pay the increase
- Do you think we will have more money in one year ?
- One year is not sufficient time for people to adjust their budgets - they simply do not have enough money to eat and heat their homes
- the transitional period should be nil. Instead the changes should be publicised in advance of them coming into effect
- an extended period to adjust budgets should be considered to vulnerable groups
- Many people have insufficient leeway within their limited budgets and no length of time will be sufficient for them to adjust
- people with long term illnesses or disablement need longer that 1 year sometimes to adjust their budgets especially if losing their jobs and have homes to pay for, mortgages etc
- not if people are genuinely not able to increase their income
- given that benefits are being frozen and prices generally going up there is no way people can adjust their budget for paying significantly more council tax
- With the notice period of 12 months i feel it is fair and transparent to all

## Additional comments submitted

A number of comments were also received in relation to the proposed changes and are summarised below as general comments and comments about how the Council could save money or increase income.

### General comments

- The amount of single hard working parents this would effect would be massive, further increasing child poverty in the Bradford district
- These proposal will lead to financial hardship for customers you currently class as being 'Vulnerable', and will also impact more greatly upon larger families in higher band properties
- No suggestions other than you know this will push people into further debt and poverty
- If I have read this right, you are expecting people who have no, or very little income to pay, or pay a higher proportion towards Council Tax. This is not fair, and will not work, as people in our circumstances do not possess this money. We all struggle enough to eat, (food banks is not living !! ) so there will be people, if it goes ahead, in debt again to Bradford Council
- I strongly believe that everybody should contribute to the council tax we all benefit from the council/central government services
- Based on my experience people on low incomes already struggle to pay 75 so 70 (which based on your calculations is about £3 a week) percent is far too high. Everything except income is increasing
- whatever cuts are made, those who are poorest, disabled or extremely vulnerable in other ways must be protected. Council tax is a charge where non payment can ultimately end up with a person having a criminal record. THIS is not an area where what amounts to cuts should be made. The council should share more publicly with the community the pressures being faced and consult more widely on what the mass of people is prepared to accept losing or diminishing with cost-cutting.
- The areas you chose to ignore and strip of facilities should get a reduction in council tax. Queensbury are getting stripped of all its facilities and is a hot spot for crime with being ignored. Disguting having to pay money for a poor service
- I feel that persons on benefits who claim a minimum income of 74 pound per week really struggle
- Why aren't they doing more for the vulnerable and poverty stricken? Why must we suffer?
- As funds are already given by central government to councils for just this very thing. Then any alterations are illegal
- I think MPs in London should take a paycut. The banks have cause this mess, they should pay the public.
- The people that are going to suffer, are people who are already struggling
- I know I cannot afford even £5 a month. If I have to pay I won't have any money for food at all and I will have to not put on my heating
- I think people should have to have some form of contribution to pay regardless of income
- Look into a reduction for foster carers, taking into account the recent cuts
- You should promote discounts to those who keeps the property clean and in good condition it is a shame to see some neighborhood in a such bad conditions
- all these changes will confuse the people who are vulnerable

- those who are on benefits are already struggling to pay 25% towards the bill, and with all other changes (benefit cap etc) they won't be able to pay up to £400.00 year
- Council tax should take everything into consideration e.g single parents, elderly who have members who take care of them by sharing the care but have to work, and those that work part time and don't earn much. Please don't punish the above struggling as it is
- Whilst your budget is being reduced, unfortunately, so are benefit entitlements. As someone on long term sick because of severe health issues, I've not had an increase for inflation since ESA came in. We are all living on much less money, and you are demanding that even those on severe disablement, who haven't the option of working to improve cash flow should suddenly find 30% of their council tax, more if they live in a nicer house
- People are struggling enough, losing homes having to use food banks can't afford heating etc. MPs don't have to worry about where their next 50p is coming from. I work 20 a week as well as Care for family members so they can either work or due to illness, I find it very difficult to survive on the money I have. When I've paid rent council tax ( even with some reductions ) I can't afford new foot wear or warm clothes for winter etc I don't even have £5 a week spare. Everyone is being pushed in to poverty, no body should be living in poverty in this day and age
- A considerable amount of research has been undertaken since local CT schemes were introduced in 2013 (see NPI research for 2016, for e.g.) and have shown a significant increase in CT arrears. Clearly, further reductions in entitlement are likely to lead to increased indebtedness for our clients and more pressure on an already very busy service
- It is morally wrong to expect the poorest people to contribute more. Govt policy is already pushing these people into poverty. Our local authority shouldn't add to this
- The poorest people in Bradford should always have the maximum discounts applied. Disabled and carers should have no Council Taxes at all applied. This section of society save Councils thousands of pounds of care costs by staying at home and caring for their families.
- The amount payable should be calculated upon what you receive for it. The amounts payable should be proportionate to the services received.
- Council tax reduction should not be changed. People are already struggling to make ends meet due to government austerity, this proposal will only worsen the situation and drive more people into poverty.
- I find this amendment to council tax payments to be completely in conflict with requirements of the local economy and find the fact that this change is not taking in to account the amendments created by universal credit. As the amendment to the council tax subsidies will mean that individuals have less to spend and therefore businesses in the city will suffer and therefore further increase the risk of unemployment or low income families
- Promote discounts to those who care about the properties
- I think whether people work or don't work should pay the same amount of Council Tax. People who work are penalised and people that don't work should be made to pay full Council Tax
- I feel that council tax owed should automatically be repaid at 4 pound per week out of benefits instead of court orders which cause poverty
- something needs to be put in place. appoint an officer to coordinate support with other voluntary agencies and local community schemes

- Those that recycle to the max should be considered for help, those that volunteer in the community should be given help or not charged extra tax
- If implemented will all Labour councillors and employees be asked to claim only 70% of any expenses and allowances due as an recognition of the belt tightening necessary in CBMDC?
- broaden 100% reduction to include all rates of disability benefit
- I would protect the disability and reduce for those who choose not to work who are able bodied
- I am disabled and strongly do agree that we should pay at some as we are the most likely to abuse a council service ie adult support services and waste more rubbish due being at home more often
- The proposed changes appear to be fair and measured
- The people who benefit are the most vulnerable and poor in society and they need to be helped financially not further forced into poverty Particularly disabled and their carers who have no choices in their situation. Carers save the council a massive amount of money, spend the savings making their lives easier not harder
- Why not Scrap the scheme all together. If we are going to charge those with low incomes anything then why not charge them the full amount. If the person then struggles to pay your could do the means test and decide if they can afford to pay
- I don't agree that Bradford residents should assume they do not have to contribute towards paying Council Tax
- work with the advice sector to make the claim process seamless from claiming CTS. Use trusted partner status
- Introduce a living wage in Bradford
- Support with finding alternative properties with cheaper council tax bandings. There are sometimes people living in very big properties which they don't need to be in. They can't be forced to move but should be supported with info if they want this. Promote things like taking in a lodger - I believe there are some tax perks to this. It also helps with our single people struggling to find a decent affordable place to live.
- Stop taking them to court and adding the costs onto their bills
- I fully endorse your proposals as a council tax payer of over 30 years
- when any one takes stuff for recycling the money from the recycling should be taken off their council tax
- maximum of 4 pounds pw out of benefits or reduce it to 2 pound pw as court orders are causing expense and more poverty court orders cause people debt and make situation worse
- Lots of the just managing find full rates a struggle and therefore going without essentials

#### Comments about how the Council could make other savings or increase income

- 10% charge for students
- Why not ask single adult households to voluntarily pay more. Wealthier ones might choose not to have their 25 p.c. rebate to protect services
- Increase the CT in the higher band properties instead of kicking the poor, we are already seeing many people in desperation with the changes to support for mortgage interest
- Please look at alternatives to collect the money !! Parking, Passport to Leisure, and other ways the money can be collected

- The newly purchased car park should be sold to fill the gap in funding, the quality of life for disabled people and their careers is more important than buying assets the city clearly can not afford
- invest time in educating people to better manage their finances will benefit all in the long run
- Further example of chipping away at benefits which will mean more of the poor and or disabled will fall below the poverty line. I would prefer if the Council could object strongly to central government to retain the Revenue Support Grant at existing levels
- households with large occupancy should pay more - there are sometimes 3 or 4 working in one household and yet they still pay the same as other households with just 1 or 2 working, nowadays families are living together so council tax should be based on amount of working people in house
- Maybe money could be created by means testing cold weather as loads of well off people said they'd be happy with that, and maybe means test child allowance and reduce it to 2 kids
- Sack some council staff
- empty properties shouldn't have to pay council tax
- support should be through education and advice and not financial
- Why don't you look at more paid parking areas? Ilkley, were I live would bring in a good revenue
- Collect unpaid taxes from corporations
- Leave them alone and look at cutting councilors and their expenses instead
- I really think a scheme of 'Pay What You Can' should be brought in to force
- working along side advice agencies, schools/colleges to educate and advise people on how they can best manage their finances. giving people money rather than the methods and knowledge to manage going forwards does not solve issues on a longer term basis
- Reduce the amount paid to councilors in allowances by at least 30%. Cap allowable expenses
- if someone is working in the household on a good wage dont give disabled discount to the household, make the wageowner pay something
- Local sales tax. A fee to pay monthly
- increase non dep charges
- By not filling the post of Director for Corporate Services the money saved can be used towards supporting the most vulnerable. The council already has far too many layers of managers
- Please put up Council tax up for those in higher brackets
- you could help everyone, not just those least able to pay, by reducing the bills by scraping the parish council fees from the council tax bills
- Try making developers pay per house for planning permission rather than same fee as someone building a private extension. Costs to the council are huge, public are sick of watching councils being kicked all round the place by powerful developers
- Increase council tax on empty properties
- Why not charge £1 more on all rents paid to you
- Quadruple the CT bill for empty houses after a short buffer
- The scheme to me is correct - and as a council I would be pressing the government to produce a white paper so we can change the council tax regulations law to charge full time students 10/20% council tax

- Get tough on people that don't pay their justified share! Many people think non payers 'get away with it' and that's not right for honest households that pay extra for these people that don't think they have to pay
- Any changes should not be asking poor people that cannot afford to pay more to contribute monies they don't have. Better off folks should pay more, add another Council Tax band (or bands) if need be
- I suggest changes to the single person discount scheme too. You can live in a 3 bedroomed house alone and get 25% reduction
- The Mayor must go why have a mayor this is expense and should be out got rid off
- More effort into investigating false claims
- Sell the £4m car park purchased that made this shortfall
- Sell some assets
- Dismantle BMDC into three smaller councils which will save over 35% of the current overall costs
- more on the spot fines for fly tipping and littering
- Better support from central government resources derived from our taxes etc.
- Increase the cost of Council Tax on higher property bands, allowing jobseekers to volunteer for the Council and so increasing the amount of reduction they can get
- Why not increase council tax by 10% and give the full support to all those who need it
- dimmer street lighting with better sensors so lights aren't on needlessly
- keep building social housing that as a council we can get an income from
- I would first cut the amount of councillor's down by 50%
- Tourism, Tourism, Tourism. Every month a theme within our town of Keighley. 50s, 60s, 70s themes. Different organisations doing their stuff
- how about selling off or renting out some of the 4000 plus pieces of art we currently have literally wasted in storage bringing no joy nor money to the council or it's constituents
- charge admin fee of £5 for Metro pass and increase the blue badge to £15  
Increasing the price of Leisure Pass also

## **Conclusions**

There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed, with 38% strongly disagreeing

Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed

Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against

Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal

39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

The results of the consultation show that there is concern that the proposals in conjunction with other cuts to benefits will increase hardship and debt in the district.

There was also concern about non-payment of Council Tax by those who will now struggle to pay and that this should be taken in to account when looking at the recovery of council tax.

There was overwhelming support for introducing a scheme to help those who find themselves in severe financial need as a consequence of any changes to the CTR scheme.

### Proposed CTR Changes – Explanatory Notes

#### **1. Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants**

The maximum amount of CTR for all claims will be 70% of the appropriate Band A charge. Account will be taken of any single person discount, for example the maximum for a claimant who is a single occupier would be 70% of the Band A charge less the 25% single person discount.

Account will be taken of local precepts, meaning someone claiming in an area with a parish or town council precept will have their claim based on the Band A charge plus the relevant local Band A precept charge less any relevant discounts that may already have been applied, such as single person discount or a disability band reduction.

#### **2. Limit entitlement of CTR to those that qualify for £4.00 or more per week**

Should weekly CTR be calculated at less than £4.00 per week then the claimant would be treated as having nil entitlement.

#### **3. Remove the Second Adult Rebate**

The removal of Second Adult rebate would apply to those claimants of working age only, it would still be available to those of pension age under prescribed legislation.

Entitlement to a second adult rebate is based on the income of the second adult, not on the income, or ability to pay, of the person with the Council Tax liability.

Removal of the second adult rebate would not prevent a claimant on a low income from applying, or being eligible, for CTR as with any other low income household..

#### **4. Introduce a £1 Minimum Change threshold**

A change in circumstances that results in a change in entitlement of less than £1.00 per week the award will remain unchanged. When changes, individually or cumulatively, result in a change of entitlement greater than £1.00 per week, the award will be changed.

This means that small changes in entitlement are not ignored, but are only applied to the account when the award changes by more than £1.00 per week.

#### **5. Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater**

The minimum level of income for the self employed would only apply when the claimant moves onto Universal Credit. It would not be applied for the first year the business is in operation/self employment.

This Minimum Income Floor (MIF) is an assumed level of earnings for a self-employed claimant and/or their partner that matches their work expectations. DWP will determine the work expectations through the UC assessment process. The MIF is calculated by multiplying the number of expected hours by the National Minimum Wage for the claimant's or their partner's age group and deducting the relevant income tax and national insurance



## Equality Impact Assessment



### Section 1: What is being assessed?

#### 1.1 Name of proposal to be assessed:

A Council Tax Reduction scheme for financial year 2018/19

#### 1.2 Describe the proposal under assessment and what change it would result in if implemented:

The intention is to reduce the cost of the working-age Council Tax Reduction (CTR) scheme, and to mitigate the adverse impact of Universal Credit on the administration of Council Tax Reduction.

These objectives will be achieved by changing, adding to, or removing certain elements of the 2017/18 CTR scheme to create a revised CTR scheme for implementation in 2018/19. It is proposed to;

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater

All claimants of working age would be affected. Those claimants of pension age would not be affected as they come under a prescribed national scheme which the Local Authority cannot alter.

### Section 2: What the impact of the proposal is likely to be

The Equality Act 2010 requires the Council to have due regard to the need to-

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

#### 2.1 Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.

No

**2.2 Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.**

No

**2.3 Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.**

Yes

Council Tax Reduction schemes are part of the national Council Tax regime as defined in the Local Government Finance Act 1992 (Section 13A). The CTR scheme for pension age claimants is prescribed nationally and cannot be amended by the Council.

The CTR scheme for working age council tax payers (the scheme under consideration) is locally defined. Assessment of entitlement is based on financial need and is, therefore, neutral in regard to the protected characteristics.

Age, disability and gender are the only data collection requirements necessary for the assessment of Council Tax Reduction. Data in relation to other protected characteristics is not routinely collected, or not collected. E.g. claimants can self-identify ethnicity, but are not required to do so; data on religion is not collected.

#### Age

The CTR scheme for pension age claimants provides for greater protections than the Council's CTR scheme for working age claimants. The scheme for pension-age claimants is prescribed nationally, while the discretion afforded to billing authorities is restricted to people of working age.

Protections for pension-age claimants are secured through legislation, and are, therefore, statutorily excluded from the Council's CTR scheme. Conversely, the prohibition on discrimination does not mean that there is a requirement that the Council, as the billing authority, must always exercise its discretion to treat those subject to the working-age scheme in the same way as those who are statutorily excluded from it.

#### Disability

If the proposals to amend the scheme are approved, claimants in receipt of the severe or enhanced disability premium could lose proportionally more CTR than the working age cohort as a whole (with the exception of Carers); and are, in addition, disproportionately represented amongst working age claimants.

The general cohort could see their maximum entitlement reduced from a maximum 75% to 70% and capped at Band A property, whereas those in receipt of the Severe or Enhanced disability premium (or Carers Premium) could have a reduction from a maximum 100% of their Council Tax liability to 70%, capped at Band A.

CTR is a means tested scheme in which entitlement is assessed on income and household composition. In the case of disabled claimants, the income from disability related benefits (with the exception of employee support allowance) is ignored. This places the assessment of disabled claimants on the same footing as non-disabled claimants in terms of income.

It should also be noted that there are measures in place in the Council Tax liability scheme that seek to provide additional support to disabled claimants;

- by exempting from paying Council Tax those that have a severe mental impairment (which will not be affected by the changes to the CTR scheme)
- where a disabled person has a room which is adapted or additional to meet the needs of that resident, the Council Tax Band attributable to that property is reduced before calculation of CTR entitlement is made

### Gender

There is a disparity in the number of male and female CTR working age claimants overall. The CTR caseload is made up of (11,527) 39% male and (18,029) 61% female claimants. The impact of the proposed changes to CTR, are, therefore, more likely to affect a greater number of female claimants than male claimants.

### Ethnicity

The table below provides an overview of the current CTR caseload by ethnicity. It is not yet possible to evaluate the extent of the impact of the proposed changes to CTR scheme based on ethnicity.

| <b>Ethnic Background</b>                | <b>Total</b> | <b>% Caseload</b> |
|---|--------------|-------------------|
| Arab                                    | 30           | 0.1%              |
| Asian or Asian British: Bangladeshi     | 656          | 2.2%              |
| Asian or Asian British: Indian          | 384          | 1.3%              |
| Asian or Asian British: Pakistani       | 5367         | 18.2%             |
| Asian or British : Any other Background | 426          | 1.4%              |
| Black-Black British: African            | 227          | 0.8%              |
| Black-Black British: Caribbean          | 275          | 0.9%              |
| Black-Black British: Other              | 45           | 0.2%              |
| Chinese                                 | 12           | 0.0%              |
| KASHMIRI                                | 150          | 0.5%              |
| Mixed :Any other mixed background       | 88           | 0.3%              |
| Mixed: White and Asian                  | 204          | 0.7%              |
| Mixed: White and Black African          | 37           | 0.1%              |
| Mixed: White and Black Caribbean        | 200          | 0.7%              |
| NOT KNOWN                               | 4142         | 13.9%             |
| White: Any other White background       | 1078         | 3.6%              |
| White: British                          | 16009        | 54.2%             |
| White: Irish                            | 223          | 0.8%              |

### Low Income/Low Wage

The CTR scheme is in place specifically to help those on a low income and with a council tax liability. Any reduction in entitlement to CTR will have an adverse financial impact on low wage/income claimants.

## **2.4 Please indicate the level of negative impact on each of the protected characteristics?**

(Please indicate high (H), medium (M), low (L), no effect (N) for each)

| <b>Protected Characteristics:</b> | <b>Impact<br/>(H, M, L, N)</b> |
|-----------------------------------|--------------------------------|
| Age                               | N                              |
| Disability                        | M                              |
| Gender reassignment               | N                              |
| Race                              | N                              |
| Religion/Belief                   | N                              |
| Pregnancy and maternity           | N                              |
| Sexual Orientation                | N                              |
| Sex                               | M                              |
| Marriage and civil partnership    | N                              |
| <b>Additional Consideration:</b>  |                                |
| Low income/low wage               | M                              |

## **2.5 How could the disproportionate negative impacts be mitigated or eliminated?**

A discretionary scheme could be introduced to help those recipients affected significantly by the changes to the scheme. This would be based on assessing the claimant's ability to pay any increase in council tax arising from the scheme changes; with individual awards based on the circumstances of the applicant.

A limit or cap on the maximum amount of CTR an individual claimant could lose would help mitigate the impact of the changes, particularly for those currently in receipt of 100% CTR and living in higher Band properties.

## **Section 3: What evidence you have used?**

### **3.1 What evidence do you hold to back up this assessment?**

Information on claimants is held on the Council Tax Reduction database, which includes information on age and disability. It should be noted that the information held is in regard to the claimant with a council tax liability. Information on other occupants in the household is not routinely collected (except in the case of someone in receipt of the Carers Premium or where it would affect the calculation of eligibility).

### **3.2 Do you need further evidence?**

No.

## **Section 4: Consultation Feedback**

### **4.1 Results from any previous consultations**

N/A

## **4.2 Feedback from current consultation**

A six week public consultation on the proposed changes has been undertaken.

The key outcomes were;

- There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed, with 38% strongly disagreeing
- Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed
- Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against
- Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal
- 39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

When asked about the need for support to help those affected by the changes;

- 78% of respondents thought that those affected by changes to the CTR scheme should receive some support
- 68% agreed that support should be means tested
- 47% thought that 1 year was sufficient time to allow people to adjust to the changes, but 42% thought it was not long enough

## **4.3 Your departmental response to this feedback – include any changes made to the proposal as a result of the feedback**

It is proposed to recommend to Executive that a means tested support scheme is established.

It is proposed to set a limit on the maximum loss of CTR that a claimant will have, to a maximum of £15 per week. This will not prevent claimants applying to the new proposed support scheme if further financial assistance is needed.

The impact changes to the CTR scheme on protected characteristics will be monitored to see if any adjustments should be made going forwards.

## **The CBMDC CTR Discretionary Support Scheme (CTRDSS)**

### **Principles of the scheme**

Available to those in receipt of working age Council Tax Reduction (CTR) at 31/3/18 who are adversely affected by changes to the scheme introduced from 1/4/18.

It is to allow a period of time for people to adjust their budgets to reflect the changes to the CTR scheme.

There will be no entitlement under the CTRDSS for those whose reduction in CTR is less than £5.00 per week.

Any award will not exceed what would have been awarded under the CTR scheme prior to any changes being implemented

### **Summary**

Awards under the scheme will be available to those who are suffering exceptional financial hardship resulting in an inability to pay the additional Council Tax liability arising from a reduction in their CTR due wholly to changes in the scheme. It is a requirement that the claimant must have been entitled to CTR at 31/3/18.

The start date of the scheme will be 1/4/18

Any award will be for the financial year in which the claim is made.

Those of Pension age are excluded from this scheme as they are not affected by the changes because they are subject to a nationally prescribed CTR scheme.

### **Application Process**

There will be no automatic award under this scheme; people will be required to make an application. Applications will be accepted at any stage after the liable person has received their annual Council Tax bill.

### **Financial considerations**

When making a decision if there is exceptional financial hardship, account will be taken of household income and expenditure in order to determine if there is surplus income with which to pay the shortfall due to the reduction in CTR.

- income, including universal credit and child benefit will be considered
- savings will be taken into account
- the income of other adults living in the household will be considered
- specific allowances will be made in respect of actual expenses incurred by the claimant and their partner to cover extra health-related expenses for example

Other factors that may be taken into account include;

- Does the claimant have other debts? Have they sought advice on how to clear their debts? Can the claimant re-negotiate non-priority debts, such as credit card agreements?
- Can the claimant change their spending pattern on non-essential items?
- Is the claimant entitled to other welfare benefits that they are not claiming?
- Is the claimant in work but with high travel costs, because of distance from work or shift

patterns?

It is expected that the weekly contribution of a non dependant towards the council tax will be at least the amount of the non dependant deduction from the CTR scheme.

### **Exceptional Circumstances**

When determining if there are exceptional circumstances account will be taken of the claimant's individual circumstances and whether the claimant has circumstances that are different or unusual to other claimants who have been adversely affected by changes to the CTR scheme. There is no definition of what exceptional circumstances are, as each case will be by nature unusual

An award can only be made if the claimant does not have sufficient funds to pay any additional Council Tax liability resulting solely from changes to the CTR scheme, based on the comparison of their income and essential expenditure.

Essential expenditure will vary based on a claimant's individual circumstances so there cannot be a definitive list, but would, as a minimum, include reasonable expenditure on utilities, food, clothing and costs to obtain employment.

The discretionary nature of this scheme will require consideration of individual circumstances based on supporting information that demonstrates exceptional hardship.

### **Period of Award**

Any award would commence from the date of receipt of the application and last until the end of the financial year. Any award will be fixed unless liability ends or the claimant leaves the working age CTR scheme. Credits arising from a hardship award will not be refunded. Should a claimant change address then the hardship award will continue provided there is no gap in the CTR claim.

There is no provision in the scheme for an award to be backdated.

### **Amount of any Award**

Any award will not exceed that which would have been awarded should entitlement have been calculated based on the scheme as it stood at 31/3/18.

It is expected that applicants will avail themselves of support from appropriate organisations to enable them, for example, to be able to manage their budget.

Awards will be made based on the Council's assessment of what is needed; it will not necessarily be the full amount of the CTR reduction and cannot be more than the loss incurred through changes to the CTR scheme.

### **Appeals**

If an applicant is dissatisfied with a decision, they may ask for it to be looked at again. Such a request should be made in writing and give the reasons why they believe the decision to be wrong.

Should the review request be unsuccessful and the decision confirmed and the claimant remains dissatisfied they may appeal. Such an appeal would be made directly to the Valuation Tribunal for England who would undertake an independent review. The appeal to the Valuation Tribunal must be made within 2 months of the outcome of the internal review being notified.