

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 2 December 2013

Portfolio: Policy and Resources
Subject: Council Tax Support Scheme 2014/15
Report of: Director of Finance and Resources
Strategy/Policy:

Corporate Objective: To be a dynamic, prudent and progressive Council

Purpose:

To provide the Executive with the results of the public consultation and seek approval of the Fareham Local Council Tax Support scheme to be effective from 1st April 2014.

Executive summary:

In September 2013, the Executive agreed a draft Local Council Tax Support scheme for the purposes of a public consultation exercise. Formal consultation was carried out from 9 September to 4 October 2013 and 162 responses were received.

Having analysed the responses from the consultation, a detailed Equalities Impact Assessment has been concluded, and a final scheme has now been prepared for the Executive to consider. This will enable a scheme to be recommended to Full Council later in the month and prior to the deadline of 31st January 2014.

Recommendation:

- The Executive approve the final Council Tax Support scheme as set out in the report
- The Executive recommend the final scheme to Full Council for final adoption
- The Director of Finance and Resources be given delegated authority to make any necessary minor amendments, and to publish the final scheme prior to 1st April 2014.

Reason:

To enable a Council Tax Support scheme to be agreed in advance of the 31st January 2014 deadline.

Cost of proposals:

The proposals within this report are estimated to cost £3.8m, and it is anticipated that this can be contained within devolved funding from central Government.

- Appendices A:** Results of the consultation exercise
B: Equality Impact Assessment Summary

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 2 December 2013

Subject: Council Tax Support Scheme 2014/15

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Local Government Finance Act 2012 requires Council's to agree and adopt a scheme which reduces the amounts of council tax payable by persons whom it considers to be in financial need. It specifies that for each financial year, each billing authority must consider whether to revise its existing scheme or replace it with another scheme no later than 31 January in the financial year preceding that for which the revised or replacement scheme is to have effect.
2. At its meeting on 2 September 2013, the Executive agreed to consult upon a draft 2014/15 Council Tax Support (CTS) scheme. The draft scheme contained the key principles as set out in our 2013/14 scheme prior to the decision by Members to make the necessary amendments in order to qualify for the transitional grant.
3. This report sets out the results of the consultation exercise and proposes a final scheme for council tax support.

RESULTS OF CONSULTATION

4. At their meeting of 14 May 2012, the Executive agreed a set of guiding principles upon which a draft CTS scheme for Fareham was designed. The features of the draft scheme were :-
 - **Principle 1:** Every Working Age claimant should pay something towards their Council Tax
 - **Principle 2:** The scheme should protect the most vulnerable claimants
 - **Principle 3:** The scheme should incentivise work
 - **Principle 4:** Everyone in the household who can contribute, should contribute
 - **Principle 5:** Benefit should not be paid to those with large capital or savings
5. These principles were widely supported by responders to the 2012/13 consultation exercise where over 600 responses were received. Following the announcement by Central Government to grant additional funding to Local Authorities, the Council were able to delay the introduction of some of the

proposals from April 2013 thereby creating a more generous scheme of support. This funding will not be available for 2014/15 therefore, at their meeting of 2 September 2013, the Executive agreed to retain the original principles within the proposed 2014/15 scheme, and those that were suspended for the 2013/14 scheme have formed the basis of the consultation exercise carried out.

6. A consultation exercise ran from 9 September 2013 to 4 October 2013 and sought views on the following proposals:
 - Every working age claimant should pay the first 20 or 25% of their Council Tax bill
 - Capping the Council Tax Support to a Band C for those in larger properties
 - All non-dependants should pay something towards the household's Council Tax bill
 - Continue to protect certain vulnerable groups
 - Extra financial support should be available for those suffering genuine hardship as a result of any changes introduced from April 2014
7. The following methods were used to ensure views were gathered from as wide a range of customers, residents and other interested parties as possible:
 - On-line survey, available for all to access
 - Paper copies available for all, upon request
 - Targeted request for feedback to residents, via the e-Panel
 - Proactive, "face to face" engagement with claimants visiting the civic offices
 - Information leaflets accompanying all benefit correspondence, encouraging feedback
 - Targeted publication of consultation to those organisations listed on the Community Groups database
 - Regular reminders via press release and social media (Facebook and Twitter).
8. In total, 162 responses to the consultation exercise were received, and the results are shown at Appendix A.
9. The results of the consultation indicate that the draft scheme is supported by the majority of the respondents. This mirrors the results seen in the 2012/13 consultation exercise where 630 responses were received.

PROPOSED LOCAL COUNCIL TAX SUPPORT SCHEME

10. The results of the consultation exercise have been taken into account when designing the final scheme for CTS as seen below.

Key Principle	Draft Scheme
Every working age claimant should pay something towards their Council Tax	Working age claimants will receive a maximum of 80% of the means-tested financial support award, capped at a Band C
The scheme should protect the most vulnerable claimants	<p>The current means-test, comprising disregards, premiums and allowances will be retained in full.</p> <p>Those claimants in receipt of the Enhanced Disability Premium and Severe Disability Premium will continue to be protected from the changes</p> <p>Those claimants in receipt of a war pension or war widow/ers pension will continue to be protected from the changes</p>
The scheme should incentivise work	The current scheme of extended payments, child care costs and earned-income disregards will be retained.
Everyone in the household who can contribute, should contribute	All working age non-dependants will be expected to contribute a minimum of £3.30 per week
Benefit should not be paid to those with large capital or savings	The capital thresholds will remain in place, with no support paid to claimants where their capital exceeds the upper threshold of £16,000. (The lower threshold, £6,000, also remains unchanged).

11. The Local Government Finance Act (LGFA) states *“if any revision to a scheme or any replacement scheme has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit”*. As the proposed scheme will result in lower levels of support from April 2014, the local Hardship Fund arrangements as approved by the Executive at their meeting of 15 April 2013 will remain in place.
12. In order to comply with the LGFA, it is necessary for the Council to publish the full details of the scheme. Once agreed, this will be made available to the public, and be submitted to the Tribunals Service, who will be responsible for considering any appeals against the decisions taken in administering the CTS scheme. The detailed scheme is currently being prepared and will be submitted to Full Council when the scope of the scheme is finally determined.

EQUALITIES IMPACT ASSESSMENT

13. A full and detailed equalities impact assessment has been carried out on the proposals contained within the report. In summary, it is felt that the scheme complies with the requirements upon the Council.
14. A summary of the findings from the impact assessment is attached as Appendix B.

FINANCIAL IMPLICATIONS

15. It is anticipated that the proposals for the Fareham CTS scheme will cost in the region of £3.8m.
16. A sum of £112,000 was allocated in the 2013/14 budget to cover the costs to Fareham of the local scheme. £30,000 will be paid to the Citizen's Advice Bureau to help fund a Debt Adviser with the rest being used for the hardship fund.
17. When the funding was approved by the Executive for the 2013/14 budgets it was envisaged that this would be on going funding and subsequently has been incorporated in the Council's Medium Term Finance Strategy that was approved by the Executive in October.

CONCLUSION

18. The proposed scheme within the report should enable the Council to contain the cost within the available resources, and fully take account of the feedback from the consultation. The proposals include the continuing provision of additional financial support for those suffering exceptional hardship.
19. Members are asked to consider the final proposals contained within the report, and make a recommendation to the meeting of Full Council, scheduled later this month.

Reference Papers:

Council Tax Support Exceptional Hardship Fund Policy

APPENDIX A

Analysis of Consultation Responses

QUESTION	RESPONSE	RESPONSES (%)	RESPONSES (no.)
Do you think that 20% is a fair amount for people who have a low income to pay towards their Council Tax bill?	People should pay less	22%	34
	20% is a fair amount to pay	49%	78
	People should pay more	29%	46
Do you agree that people who receive Council Tax Support who are in properties with a higher Council Tax charge be asked to pay more?	Yes	54%	86
	No	33%	53
	Don't know	13%	20
Do you agree that other adults living in a household where the Council Tax payer claims Council Tax Support be asked to pay something towards the Council Tax bill?	Yes	84%	133
	No	11%	18
	Don't know	5%	8
Do you think that the severely disabled and war pensioners should still be protected from any cuts to the level of support available to them?	Yes	91%	145
	No	5%	8
	Don't know	4%	7
Do you think there are any other groups of people in the community who should be protected?	Yes	61%	97
	No	25%	40
	Don't know	14%	22
If answered yes to question above, please tick which groups you think should be protected from any cuts to the support they receive .	Families with children		22
	Lone parents		39
	Carers		61
	Part time and full time workers		7
	People who are disabled		82
	People without children		10
Should some people suffering genuine hardship receive extra support to help them move onto the new Council Tax Support scheme?	Yes	77%	122
	No	10%	16
	Don't know	13%	23
Do you currently claim Council Tax Support?	Yes	17%	28
	No	83%	133

QUESTION	RESPONSE	RESPONSES (%)	RESPONSES (no.)
If you represent a group or organisation please tell us its name	No responses		
Your age	16-24	1%	1
	25-34	8%	12
	34-44	18%	29
	45-54	21%	34
	55-64	28%	44
	65+	22%	36
	Prefer not to say	2%	3
Your gender	Male	49%	78
	Female	49%	77
	Prefer not to say	2%	3
Do you consider yourself to have a disability, or long-term illness, physical or mental health condition?	Yes	16%	25
	No	78%	125
	Prefer not to say	6%	10
Your ethnic origin	White British	90%	141
	Prefer not to say	5%	8
	White – other	2%	3
	Asian Bangladeshi	1%	1
	Black African	1%	1
	Chinese	1%	1
	Asian Indian		
	Asian Pakinstani		
	Asian – other		
	Black Caribbean		
	Black – other		
	Mixed race		
Your religion	No religion	40%	
	Buddhist		
	Christian	53%	
	Hindu		
	Jewish		
	Muslim	1%	
	Sikh		
	Prefer not to say	6%	

Equality Impact Assessment

Executive Summary Report

Name of function, policy or strategy being assessed:	Council Tax Support Scheme
Service:	Revenues and Benefits
Department:	Finance and Resources
Name and job titles of officers completing this assessment:	Caroline Holmes – Head of Revenues and Benefits Jenny Moses – Corporate Policy Officer
Date of Assessment:	25 th October 2013

Summary of findings of detailed assessment:

An EIA has been undertaken in response to the Governments' requirement that each billing authority must consider whether to revise its existing Council Tax Support scheme or replace it with another scheme no later than 31 January in the financial year preceding that for which the revised or replacement scheme is to have effect. It has looked at the potential impact for each of the proposals for the second year of the scheme.

The Council Tax Reduction scheme proposed has been found to be legal and justified as it meets Governments requirement to reduce the countries welfare bill and DCLG guidance that:

1. Every working age claimant should pay something towards their Council Tax.
2. The scheme should protect the most vulnerable claimants.
3. The scheme should incentivise work.
4. Everyone in the household, who can contribute, should contribute.

It is fair as it spreads the burden of financial cuts across all claimants taking into account those that cannot pay.

The revised proposals continue to protect the most vulnerable claimants, and the work incentives of the current scheme will remain.

The numbers of claimants in houses of band D or above are very low being less than 300.

However, to mitigate the negative impact there will be a Hardship Fund to provide help in extreme cases of financial hardship. Additionally, the Council will continue to invest into the provision of a Money Advice service through the existing arrangements with CAB.

Once the Council has decided on the final scheme to be implemented it will give full details of its decisions as feedback to all those who have taken part in the consultation process.

Monitoring of the impact of the scheme and particularly the application of the hardship fund will continue to be undertaken to ensure the scheme is administered fairly and does not negatively impact or discriminate against any particular groups of people.