
Subject:	COUNCIL TAX BENEFIT LOCALISATION
Meeting and Date:	Cabinet – 7 January 2013 Council – 30 January 2013
Joint Report of:	Andrew Stevens, Assistant Director EK Services and Mike Davis, Director of Finance, Housing and Community.
Portfolio Holder:	Councillor Mike Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report:	For Cabinet to recommend to Council approval of Dover's local Council Tax Support Scheme
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Recommendation:	<ol style="list-style-type: none">1. That Cabinet approves Dover's local Council Tax Support Scheme.2. That Council approves Dover's local Council Tax Support Scheme.
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1. Summary

Government is reducing the funding of Council Tax Benefit (CTB) by 10%, and transferring the responsibility for the design of the scheme to local authorities, together with transfer of the financial risks. At the same time Government has imposed two key constraints on local authorities – that pensioners must be fully protected in any new scheme, and that there can be no changes to the Single Person Discount (SPD). The new scheme has to be implemented in time to set the Council Tax base in January 2013, and to be fully operational by April 2013.

On 15th October Cabinet received a report setting out Dover's proposed local Council Tax Support Scheme. At that time the Local Government Finance Bill had not become law and so Cabinet resolved that:

1. That the proposed scheme, as set out in the consultation exercise, be supported.
2. That, subject to the Local Government Finance Bill becoming law, the report be reconsidered by Cabinet on 3 December 2012 with a view to its recommending to Council that the final scheme be adopted.

Information from Government on the detail of aspects of the new council tax support scheme meant that it was not possible to present this report to Cabinet on 3 December, and so it is now submitted to Cabinet for recommendation to Council.

2. Introduction and Background

2.1 A full report on Dover's proposed local council tax support scheme was presented to Cabinet on 15 October and to meetings of Scrutiny (Community and Regeneration) and Scrutiny (Policy and Performance) on 17 October. A copy of the full report is attached at Annex 1.

2.2 Both Scrutiny Committees supported the proposed scheme and resolved :

1. That it be recommended to Cabinet:

(a) That Cabinet supports the proposed scheme as set out in the consultation exercise.

(b) That, subject to the Local Government Finance Bill becoming law, this report be reconsidered by Cabinet on 3 December 2012, with a view to Cabinet recommending to Council the adoption of the final scheme.

3. Identification of Options

3.1 Cabinet have three options :

1. Introduce a Council Tax Reduction Scheme (CTRS) based on the current CTB scheme and accept the 10% reduction in CTB funding from government as a cost to the Council and Council Tax Payers. This is the "default" option.

2. Recommend an amended scheme to Council.

3. Recommend the previously approved scheme.

4. Evaluation of Options

4.1 Option 1 – the default option. The Council is currently facing a range of budget pressures that include reductions in settlements from central government, and the potential impact of the localisation of business rates. These pressures may be borne by a combination of Council Tax payers, through the pressure to increase Council Tax, and through service users where there is pressure to reduce services.

4.2 The scope to continue to protect all Council Tax Benefit claimants from the impact of reductions in benefit is therefore limited. In addition, this option will, if adopted, have a major financial impact on the other precepting authorities which, if replicated across Kent, would not be sustainable for those authorities. As a result they would be unwilling to underwrite the risks of increased claimant numbers. That will make the scheme prohibitively expensive. For these reasons, this is not the preferred option.

4.3 Option 2 - Recommend an amended scheme to Council. The previous report explored the options of a default scheme and adoption of the "Kent wide" scheme. Both these options were rejected.

4.4 The CTRS must be in place by the end of January as it forms and integral part of setting the Council Tax base, required by Dover District Council, Kent County Council, Kent Police, Kent Fire and Rescue and the Towns and Parishes. Having previously approved the proposed scheme, the statutory timetable does not allow time for development of an alternative scheme. For this reason, this is not the preferred option.

4.5 Option 3 - Recommend the previously approved scheme. The previously approved scheme has been subject to consultation and has been designed to minimise the impact on the vulnerable and those on low income while achieving the savings required by Government. The scheme also has the support of the major preceptors who are providing support and underwriting risks. Changing the scheme at this stage will lose these benefits. For these reasons, this is the preferred option.

5. **Corporate Implications**

5.1 Comment from the Section 151 Officer: The s151 officer has been consulted and has no further comment to make.

5.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted on the production of this report and will provide Members with a verbal update at Cabinet if there are any subsequent matters that he wishes Members to take into consideration.

5.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

6. **Appendices**

Annex 1 – Report to Cabinet, 15 October 2012.

Contact Officer: Mike Davis. Director of Finance, Housing and Community.

Subject:	COUNCIL TAX BENEFIT LOCALISATION
Meeting and Date:	Cabinet – 15 October 2012 Cabinet - 3 December 2012 Scrutiny (Community and Regeneration) – 17 October 2012 Scrutiny (Policy and Performance) – 17 October 2012 Council – 12 December 2012
Joint Report of:	Andrew Stevens, Assistant Director EK Services and Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor Mike Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To approve the local council tax support scheme for Dover, taking into account the results of the consultation exercise.

- Recommendation:**
1. That Cabinet supports the proposed scheme as set out in the consultation exercise.
 2. Subject to the Local Government Finance Bill becoming law, that this report be reconsidered by Cabinet on 3rd December with a view to Cabinet recommending to Council the adoption of the final scheme.
 3. That Council approve adoption of the final scheme.
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1. Summary

- 1.1 Government is reducing the funding of Council Tax Benefit (CTB) by 10%, and transferring the responsibility for the design of the scheme to local authorities¹, together with transfer of the financial risks. At the same time Government has imposed two key constraints on local authorities – that pensioners must be fully protected in any new scheme, and that there can be no changes to the Single Person Discount (SPD). The new scheme has to be implemented in time to set the Council Tax base in January 2013, and to be fully operational by April 2013.
- 1.2 This report seeks approval for the proposed Council Tax Reduction Scheme (CRTS) taking into account the outcome of the recent consultation exercise.
- 1.3 The reduction in funding from government from April 2013 means that difficult choices must be made in order to devise a scheme that delivers the savings and is equitable between all parties, including current CTB claimants, those currently in

¹ Members are advised that, although local authorities have to proceed on the basis that the Local Government Finance Bill will become law, this has not yet happened and so this report will be resubmitted when the bill received royal assent and comes into force.

receipt of Council Tax discounts, the major preceptors (KCC, Police & Fire Service), Towns and Parishes and Dover District Council (DDC).

1.4 On 9th July, Cabinet gave approval to go out to consultation based on the following proposed scheme:

- remove empty property discounts for Council Tax purposes (technically, this means giving a 0% discount for 6 months);
- remove second home discounts (currently 10%),
- reduce CTRS by 5-6% for those of working age (this % may vary in the future, depending on the costs of the scheme and this was made clear in the consultation).
- Remove “second adult rebate” for working age claimants from 1.4.13

1.5 Taking into account the results of the consultation, and the options available to the Council, this is the scheme that is recommended for adoption.

1.6 The consultation period ran from 23 July 2012 to 17 September 2012 (8 weeks). Over 9000 individuals in the Dover area were written to directly and asked to comment on the proposals as set out below:

Consultees	Letters sent
All working age people receiving Council Tax Benefits	5,500
All second home owners	1,157
All known landlords	627
5% sample of the “general population” not included in the above groups	1,958
Total	9,242

1.7 Consultation letters were also sent to interest groups such as the Citizen’s Advice Bureau. Letters were also sent to all Towns and Parishes (a full list of the bodies consulted is included in Appendix 2). The consultation was publicised in the press on two occasions and has been available on the DDC website.

1.8 Consultees were asked to respond via a dedicated page on the DDC website. However, it was also recognised that some consultees would not be comfortable with this, and an alternative method of completing a paper form was available for those who preferred it. This was freely available from the Council offices and area offices. An “information line” was set up from 9am to 5pm throughout the consultation period for those who wanted more information about the proposals. This information line was set up in conjunction with Canterbury and Thanet Councils and was manned by temporary staff specifically employed for that purpose.

- 1.9 Overall, a total of 254 responses were received from the 9242 issued which represents a return rate of 2.7%. Response rates from each of the groups varied with second home owners having a higher return rate of 6.8% and benefit claimants having a return rate of just over 1%. Similar response rates were seen at Canterbury and Thanet. Anecdotal evidence from other local Councils suggests that many others have had a similarly low response rate. We cannot provide a full analysis of the comparison, however, as many Councils are still out to consultation at the time of writing this report.
- 1.10 Out of the 254 responses received, 212 (83%) responded using the internet and 42 (17%) used a paper form. The full results are included in Appendix 1 and the results are summarised later in this report.

2. Introduction and background

- 2.1 CTB is a means tested benefit. It is a national scheme, but is administered by the billing authorities (the district councils in two tier areas). CTB is currently fully funded by the government, who also provide an administration grant. In 2011/12 DDC paid out £9.469m (subject to final audit) in CTB.
- 2.2 CTB claimants do not receive the benefit in cash – instead their Council Tax bill is credited with the benefit, so many (those in receipt of 100% benefit) do not receive a bill or pay any element of their Council Tax.
- 2.3 From 31 March 2013, the current national CTB scheme will be replaced by over 300 local CTRS, to be devised by each of the billing authorities. This change required legislation, and this is included in the Local Government Finance Bill ("the Bill")
- 2.4 The impact of any reduction in government grant, any change to the discounts given to Council Tax payers, or change in the collection rates, will have an impact on authorities pro rata to their share of Council Tax.
- 2.5 The Council Tax for a band D property in Dover is:

Authority	2012/13 Council Tax £	%
Kent County Council	1,047.78	71.33
Police	138.68	9.44
Fire and Rescue	67.95	4.63
Dover District Council	164.43	11.19
Town and Parish Average	50.11	3.41
Total	1,468.95	100.00

- 2.6 Thus, over 70% of the impact will be on KCC. In contrast, Dover, as the billing authority, are responsible for designing, approving and taking all decisions on the new CTRS (after due consultation), even though it will only bear around 11% of the consequences.

3. Key Elements of the Changes

3.1 The key elements of the changes due to the introduction of a CTRS are summarised below.

- Each billing authority has to design and implement its own CTRS scheme (although authorities may work together). There are 300+ billing authorities in the UK, all of whom could be asking their ICT suppliers (there are 2 or 3 suppliers who, between them, provided Council Tax systems for most of the councils) for changes to be developed, tested and implemented in time to set the Council Tax base in January 2013 and be operational by April 2013.
- The current CTB scheme does not have any direct financial impact on the council. It is a demand led benefit, where government fully refunds the Council for the benefit it has paid out. In contrast, the CTRS will be a Council Tax **discount based scheme** (like single person discounts). This will reduce the taxbase and therefore the Council Tax collected by DDC for itself and its preceptors. To compensate them for the lost Council Tax, government will provide a grant, but only at 90%² of the cost of current CTB, so the major preceptors have to bear the 10%, or devise a CTRS that delivers the 10% saving. The new CTRS will continue to be demand led, but with a fixed grant from Government – thus transferring to local authorities the financial risk of growth in the number of claimants.
- If the costs of the CTRS overrun, the scheme cannot be amended "in year". The overrun costs have to be borne by the LA's in proportion to their share of the Council Tax.
- For working age claimants, the discount will not equal 100% of their Council Tax bill, so Council Tax bills (for the remainder of their Council Tax) will now be sent to claimants, many of whom are not accustomed to paying Council Tax, having previously received 100% benefit. This has to be reflected in the forecasts of Council Tax collection rates.
- The government grant is currently calculated as 90% of the "government forecast" of 2013/14 benefit expenditure. This is subject to review, but government had been forecasting reductions in unemployment and benefit expenditure, so the level of benefit expenditure government is "forecasting" is below the budgeted 2012/13 expenditure. Current trends in claimant numbers do not support the government forecasts.
- Authorities therefore have to design a CTRS scheme that makes significant savings against current spend, or bear the grant loss themselves, or some mixture of the two. Councils are free to use the recent freedoms given to alter specific Council Tax discounts and exemptions to mitigate the impact on benefit recipients.

² At present Government have only proposed to provide this grant to the major precepting authorities, ie Kent County Council, Police, Fire and Rescue, and Dover District Council. During the DDC consultation, the Government launched an additional consultation on the options for compensating Towns and Parishes for their reduced Council Tax base. The results of this consultation are not yet known, but Towns and Parishes in the DDC area have been fully briefed on the implications.

- Government require that any new scheme must protect pensioners who currently receive CTB. They amount to 45 – 50% of the claimant base. That doubles the proportion of savings that have to come from the other claimants.
- The new scheme is also expected (but this is not compulsory) to protect the vulnerable (not defined by government) and not to disproportionately disadvantage those in work currently receiving CTB.

4. **Development of the new CTRS Scheme**

- 4.1 CTB for DDC, CCC and TDC is managed by EK Services (EKS). This has given these EK partner authorities the opportunity to develop a joint EK CTRS – with shared principles, modelling and methodology. Officers across Kent have also developed a “Kent-wide” CTRS which the majority of the other Kent districts are consulting on.
- 4.2 The major preceptors have agreed that they will underwrite risks to districts, where the districts implement either the Kent-wide scheme, or a similar scheme so long as the required 10% savings are delivered, pensioners are protected and claimants in work are not disadvantaged. The EK CTRS meets the conditions set by the major preceptors, and so they are willing to support it.
- 4.3 EKS have undertaken extensive modelling of claimant demographics and collection rates. The EK scheme has been developed to meet the criteria of the Kent wide scheme, but also to mitigate some of the potential disadvantages.
- 4.4 The proposed scheme that was described in the consultation is explained below.
- 4.5 The EK proposed scheme was:
- remove empty property discounts (technically, this means giving a 0% discount for 6 months). Currently if a property is unoccupied and unfurnished then the owner does not have to pay Council Tax for a period of up to 6 months.
 - remove second home discounts (currently 10%),
 - reduce CTRS by 5-6% for those of working age – so they will receive a bill for 5-6% of their Council Tax for 2013/14 (this % may vary in the future, depending on the costs of the scheme and this was made clear in the consultation).
- 4.6 Because this proposed scheme meets the criteria of the Kent-wide agreement, the major preceptors (KCC, Police, Fire) will still:
- between them, pay each district council £125k per year for three years for their additional administrative costs. This money will be used to employ additional staff to deal with enquiries from the public, collect Council Tax and undertake visits;
 - contribute to additional administrative costs if the number of households claiming CTRS increases by more than 15%. In practice, although this is a welcome proposal, it is unlikely to happen as caseloads have risen by far less than this over the last few years;

- underwrite the risk of increased caseloads by bearing any difference in cost between the grant the district council receives and the total amount paid out in CTRS each year; and
- operate this for 3 years.

4.7 The advantages of this scheme were:

- it should achieve most, or all, of the required savings
- it is supported by the preceptors;
- the greater reductions in empty homes discounts reduces the impact on CTRS claimants and discourages empty homes;
- it protects pensioners;
- it protects the districts from increases in claimant numbers;
- because the Council Tax bills to working age claimants are much lower than those from the Kent-wide scheme, there is headroom to reduce support in the future, if the costs of the scheme require it;
- the lower Council Tax bills should give a better collection rate. This is considered to be a significant advantage of the EK scheme;
- the Council Tax bills to those on CTRS will be smaller, with more of the costs met by the reduced discounts on empty and second homes. This places less pressure on low income households at a time when their other household bills or incomes are being squeezed
- the incentives to use empty homes are further increased.

Costs of implementing the new CTRS

4.8 Government have provided a one-off grant of £84k. The set up costs are expected to be the procurement of new software, cost of the consultation (including a share of the “information line” and documenting and training staff in the new CTRS. At this stage these costs have not been finalised but are likely to take up the bulk of the £84k funding.

4.9 Details around the scheme rules

The current regulations governing Council Tax Benefit have been abolished from 31.3.13. The local CTRS scheme that is being proposed will aim to replicate the same rules regarding claim start dates, backdating, income disregards and calculation, applicable amounts, non dependant deductions etc. The only difference will be the reduction of 5% to 6% from the weekly entitlement calculated under the existing rules and the discontinuing of “second adult rebate” for working age claimants from 1.4.13. There are only 78 “second adult rebate” claimants in the DDC area who are of working age. As all of the other rules remain the same this report does not include the entire scheme rules, but they will be completed and published well before the 1st April 2013 implementation date.

As it is proposed to remove the empty property exemption then current recipients will only receive this up until the 31st March 2013 regardless of the start date, at which point it will be removed.

There is also a piece of work to be carried out relating to the evidence and information required to support a claim for CTRS. At the moment the Department for Work and Pensions are quite prescriptive over what they expect to see to support a claim for Council Tax Benefit and the external auditors then examine claims on that basis. In the future Council Tax Benefit is being transformed into a “discount” and this means there is complete local discretion over the levels of evidence needed to support a claim. Clearly there is a balance to be found between designing a straightforward claims process to support the vulnerable and protecting taxpayers money.

4.10 Outcome of consultation

The consultation document asked 5 main questions:

- a) In summary, to what extent do you agree or disagree with the principle that the overall financial shortfall should be covered from changes to Council Tax discounts and exemptions **and** benefit reductions ?
- b) To what extent do you agree or disagree that we should aim to keep the benefit reduction as low as possible to protect the vulnerable and people on the lowest incomes ?
- c) We are proposing to introduce shortened claim forms for the new local Council Tax Support scheme to make it easier for people to claim. To what extent do you agree or disagree with this ?
- d) We are planning to introduce more visits and spot checks to make sure people are paying the right amount of Council Tax. To what extent do you agree or disagree with this ?
- e) Overall, to what extent do you agree or disagree with the scheme that is being proposed ?

4.11 Full results from the consultation are included in Appendix 1. A summary and analysis is provided below for the responses to each question. The analysis shows responses by category of respondent.

4.12 In considering the responses it should be noted that:

- (1) The response rate is low, and so the analysis below is based on relatively small numbers, and this should be borne in mind.
- (2) Given the large sample and the rigorous efforts made to promote the consultation, it is reasonable to infer that those not responding are, at the very least, not strongly opposed to the proposed scheme.
- (3) The percentages of “agree” and “disagree” below will not add up to 100% as they exclude the “neither agree or disagree” and “no replies”. However, they are included in the full details in Appendix I.

Q1 In summary, to what extent do you agree or disagree with the principle that the overall financial shortfall should be covered from changes to Council Tax discounts and exemptions and benefit reductions?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner
	254	18	58	62	26	79
Agree	33.1%	16.7%	34.5%	62.9%	19.2%	20.2%
Disagree	53.6%	83.4%	51.7%	27.4%	57.7%	72.2%

Just over half of all respondents disagreed with the scheme we have proposed.

Landlords and second home owners were less inclined to agree than people receiving benefits. The “general population” group replied differently with almost 2/3 of respondents agreeing with the scheme that has been proposed. This group are those with no direct financial interest in the scheme (ie they are not landlords, not second home owners and do not receive Council Tax Benefit or other exemptions) .

Q2 To what extent do you agree or disagree that we should aim to keep the benefit reduction as low as possible to protect the vulnerable and people on the lowest incomes?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner
	254	18	58	62	26	79
Agree	74%	94.4%	96.6%	72.6%	69.3%	63.2%
Disagree	13.4%	5.6%	3.4%	21%	7.6%	19.9%

The majority of respondents in all categories agreed that we should keep the benefit reduction as low as possible to protect the vulnerable and people on the lowest income.

Not surprisingly the vast majority of benefit recipients themselves supported this proposal. The general population, landlords and second home owners also supported this principle and their support ranged from 63% to 72% agreeing.

Q3 We are proposing to introduce shortened claim forms for the new local Council Tax Support scheme to make it easier for people to claim. To what extent do you agree or disagree with this?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner
	254	18	58	62	26	79
Agree	62.2%	88.9%	75.9%	66.1%	69.2%	46.8%
Disagree	13%	5.6%	8.6%	19.4%	3.8%	17.7%

Overall around 2/3 of respondents agreed with this proposal. Second home owners were less inclined to agree but there were a larger number of “neither agree or disagree” within that group. This is something we will now take forward into the new scheme and we will look at both the existing claim form and the evidence requirements needed to support a claim for the new CTRS.

Q4 We are planning to introduce more visits and spot checks to make sure people are paying the right amount of Council Tax. To what extent do you agree or disagree with this?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner
	254	18	58	62	26	79
Agree	76.8%	72.2%	67.2%	83.9%	77%	86.1%
Disagree	9%	16.7%	15.5%	11.3%	3.8%	3.8%

This question produced the highest proportion of “agrees” in the survey. The “general population” group in particular supported this proposal and, generally, seemed most focussed on value for money and detecting fraudulent claims for benefits and discounts. This is something we will take forward into the new scheme.

Q5 Overall, to what extent do you agree or disagree with the scheme that is being proposed?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner
	254	18	58	62	26	79
Agree	34.2%	16.7%	36.2%	62.9%	26.9%	20.3%
Disagree	51.6%	83.3%	44.8%	24.2%	65.3%	69.6%

This “summary question“ produced similar results to that of Question 1 with a slightly higher number of landlords agreeing. The “benefit recipients”, “landlords” and “second home owners” disagreed with the scheme that was being proposed whilst the “general population” tended to support what was being proposed and there were numerous comments about the scheme being “fair” from this particular group.

Question 6 asked for general comments to be made about the proposed scheme. I have included a summary of the main emerging themes below and the full list of comments are available on request (they run to around 28 pages). The comments varied between people in the different categories. People receiving Council Tax Benefit had strong feelings about their benefits being reduced, landlords had strong feelings about starting to pay Council Tax for empty properties and second home owners had strong feelings about now paying full Council Tax.

Although this is not intended to be a comprehensive analysis the main objections and comments can be summarised as follows:

People receiving Council Tax Benefit

The main theme was pointing out that people on benefits are already struggling financially and further cuts to support would cause more hardship. There were several comments about the hard-up being penalised yet again by benefit cuts on top of those occurring elsewhere and saying that they would have to sacrifice other current living expenses in order to pay their bills.

Landlords

A theme coming out from landlords was pointing out that a vacant property often cannot be re-let immediately after a tenant leaves due to redecoration etc. Another theme was relating to the lower returns on rented property if they were charged full Council Tax between tenants.

Second home owners

Second home owners made the point that they are a lesser burden than local residents on services such as refuse collection as they occupy the property on a part-time basis³. Some also made the point that their second homes are used as holiday lets and bring tourism and extra income to the area. Some also mentioned that they would like the right to vote in local elections to give them the same rights as other local residents being charged full Council Tax.

General population not receiving benefits or discounts

Many comments agreed with the general principle of asking second home owners, benefit claimants and owners of empty properties to pay more Council Tax. They also raised issues around value for money and putting more effort into collecting Council Tax and finding benefit fraudsters and even questioning the protection afforded to pensioners.

5. The Timetable

5.1 The planned outline timetable is:

- Mid July to mid September – proposed scheme out to consultation
- October – Cabinet consider responses from consultation and recommend a local scheme to Council
- October – Joint Scrutiny
- December – Council approves the new scheme
- December / January – set Council Tax base and inform preceptors
- December to March – set up systems and processes, test software, notify claimants. Finalise CTRS detailed rules.
- February – set budget for 2013/14
- April – introduce local scheme

5.2 If the Council does not implement a local scheme in time, then a government determined default scheme would apply, which is likely to be the same as the current Council tax benefit scheme where annual expenditure would be substantially above the Government grant received. The difference, which would probably be around £1m in the DDC area, would be borne by the billing and major precepting councils in proportion to their shares of Council Tax.

5.3 Equalities

An initial Equalities Impact Assessment was undertaken when the proposed scheme went out to consultation. This has been reviewed upon receiving the responses.

³ There is a clear tension here between those who view Council Tax as a tax upon the occupation / ownership of property, and those who see it more as a charge for services received.

Under the “general comments” part of the survey questionnaire several comments were made about the “protection” we were offering to vulnerable people. The current Council Tax Benefit regulations make allowances for increased income disregards and additions to “applicable amounts” (the amount the Government says a person or family should be able to live on per week) and we fully intend to carry these protections and income disregards forward into the Dover CTRS. For example we currently disregard income such as child benefit, child maintenance and disability living allowance in the CTB calculation. The receipt of disability benefits also increases a person’s Council Tax Benefit awarded because of extra amounts given in the “applicable amount”. This is a positive approach which protects families, lone parents and disabled people. We will continue these income disregards on into the new CTRS to extend this protection. All client groups who are of working age will have their Council Tax Support reduced by 5% to 6% next April and this does not impact disproportionately on any particular client group – the approach is the same for everyone.

6. Identification of Options

- 6.1 Although there are many minor adjustments to the proposed CTRS that could be considered, there are, in reality, three main options. They are:
- (a) Introduce a CTRS based on the current CTB scheme and accept the 10% reduction in CTB funding from government as a cost to the Council and Council Tax Payers. This is the “default” option.
 - (b) Adopt the “East Kent” CTRS as proposed in the consultation.
 - (c) Adopt the “Kent” CTRS, which is being consulted upon by the majority of the other Kent districts.

7. Evaluation of Options

- 7.1 Option 1 – the default option. The Council is currently facing a range of budget pressures that include reductions in settlements from central government, and the potential impact of the localisation of business rates. These pressures may be borne by a combination of Council Tax payers, through the pressure to increase Council Tax, and through service users where there is pressure to reduce services.
- 7.2 The scope to continue to protect all Council Tax Benefit claimants from the impact of reductions in benefit is therefore limited. In addition, this option will, if adopted, have a major financial impact on the other precepting authorities which, if replicated across Kent, would not be sustainable for those authorities. As a result they would be unwilling to underwrite the risks of increased claimant numbers. That will make the scheme prohibitively expensive. For these reasons this is not the preferred option.
- 7.3 Option 2 – the East Kent CTRS. This option seeks to balance the pressure across a number of stakeholders.
- 7.4 The reduction in Council Tax benefit is limited to 5 – 6%, so the pressure on benefit recipients is contained, and is proportionate to the pressure on others. The reduction in benefit is also not considered to be so severe as to have a significant impact on collection rates. The option does place additional burdens upon landlords and second home owners – but this has to be weighed against the pressure on claimants and the rest of the community.

- 7.5 The option is also supported by Kent County Council, Police, Fire and Rescue, as it delivers the overall 10% savings. As a result, they have agreed to underwrite the costs arising from any increase in claimant numbers and provide administrative support if this scheme is adopted. That saves the Council from including an additional provision for contingency and enables the Council to maintain the relatively low impact upon benefit claimants.
- 7.6 Turning to the results of the consultation, although a majority of “directly affected” respondents did not agree with the proposed scheme, there was clear support from all groups for the principle of keeping the benefit reduction as low as possible to protect the vulnerable and people on the lowest incomes.
- 7.7 Once this view is accepted, the implications on second home owners and owners of empty properties are an inevitable consequence, because the resulting funding shortfall needs to be made up by a combination of reductions to benefits and reductions to Council Tax discounts and exemptions.
- 7.8 It is also significant that respondents from the “general population” who have no direct financial interest in the proposed scheme (ie they are not benefit recipients, second home owners or landlords) support the principle of reducing benefit awards and Council Tax discounts and exemptions, and 62% of them agree with the scheme that is being proposed.
- 7.9 For these reasons, this is the recommended option.
- 7.10 Option 3 – the Kent wide scheme. This option includes a reduction in benefit to claimants of 18% compared to the EK option of 6%. However, second homes discount is maintained and empty property relief is reduced to 3 months, rather than curtailed entirely.
- 7.11 The Kent scheme therefore offers a different balance between benefit claimants and other discounts. However, there is a potential risk that collection rates will be lower under the Kent scheme, and the Council is concerned that this scheme may be less sustainable in the long term. For these reasons, this is not the preferred option.

8. **Corporate Implications**

- 8.1 Comment from the Director of Finance : The Director of Finance has been involved in the production of this report and has no further comment to make (MD).
- 8.2 Comment from the Solicitor to the Council: In order to meet implementation timetables this report is being considered in advance of the statutory framework being in place. The draft regulations are complex and extensive. When the final regulations are issued, it will be necessary to further review the scheme to ensure that it is fully compliant in all respects with them.
- 8.3 Comment from the Equalities Officer:

The Equality officer has been consulted during the development of this report and has no further comments to make other than to remind members that in discharging their responsibilities they are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

9. **Attachments**

Appendix 1 – Results of the consultation (without full list of comments)
Appendix 2 – Equality Impact Assessment

Contact Officers: Andrew Stevens, EKS; Mike Davis, DDC.

I:\Accountancy\Consultations\Consultations\Localisation of Support for Council Tax\Cabinet Report on Final Scheme v3.doc

Local Council Tax Scheme consultation

Dover District Council

Number of responses: 254

Paper	42	16.5%
Web	212	83.5%

Are you answering this survey as:

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
an individual?	237	18	57	61	19	79	3
	93.3%	100.0%	98.3%	98.4%	73.1%	100.0%	27.3%
or as a representative of a local community group, business or organisation?	7	-	-	-	7	-	-
	2.8%	-	-	-	26.9%	-	-
No reply	10	-	1	1	-	-	8
	3.9%	-	1.7%	1.6%	-	-	72.7%

Which of the following best describes your current situation regarding Council Tax?
Please tick one box only.

I do not pay Council Tax	18	7.1%
I pay Council Tax but I receive Council Tax benefits	58	22.8%
I pay Council Tax but I do not receive any benefits to help with this	62	24.4%
I am a Landlord	26	10.2%
I am a second home owner	79	31.1%
No reply	11	4.3%

Q1 In summary, to what extent do you agree or disagree with the principle that the overall financial shortfall should be covered from changes to Council Tax discounts and exemptions and benefit reductions?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
Strongly agree	31	-	5	20	1	5	-
	12.2%	-	8.6%	32.3%	3.8%	6.3%	-
Tend to agree	53	3	15	19	4	11	1
	20.9%	16.7%	25.9%	30.6%	15.4%	13.9%	9.1%
Neither agree nor disagree	20	-	6	6	5	3	-
	7.9%	-	10.3%	9.7%	19.2%	3.8%	-
Tend to disagree	35	3	10	8	2	12	-
	13.8%	16.7%	17.2%	12.9%	7.7%	15.2%	-
Strongly disagree	101	12	20	9	13	45	2
	39.8%	66.7%	34.5%	14.5%	50.0%	57.0%	18.2%
Don't know	3	-	1	-	-	2	-
	1.2%	-	1.7%	-	-	2.5%	-
No reply	11	-	1	-	1	1	8
	4.3%	-	1.7%	-	3.8%	1.3%	72.7%

Q2 To what extent do you agree or disagree that we should aim to keep the benefit reduction as low as possible to protect the vulnerable and people on the lowest incomes?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
Strongly agree	121	17	49	24	8	22	1
	47.6%	94.4%	84.5%	38.7%	30.8%	27.8%	9.1%
Tend to agree	67	-	7	21	10	28	1
	26.4%	-	12.1%	33.9%	38.5%	35.4%	9.1%
Neither agree nor disagree	22	-	-	3	5	13	1
	8.7%	-	-	4.8%	19.2%	16.5%	9.1%
Tend to disagree	17	-	1	7	1	7	1
	6.7%	-	1.7%	11.3%	3.8%	8.9%	9.1%
Strongly disagree	17	1	1	6	1	8	-
	6.7%	5.6%	1.7%	9.7%	3.8%	10.1%	-
Don't know	1	-	-	-	-	1	-
	0.4%	-	-	-	-	1.3%	-
No reply	9	-	-	1	1	-	7
	3.5%	-	-	1.6%	3.8%	-	63.6%

Q3 We are proposing to introduce shortened claim forms for the new local Council Tax Support scheme to make it easier for people to claim. To what extent do you agree or disagree with this?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
Strongly agree	91	11	27	15	14	23	1
	35.8%	61.1%	46.6%	24.2%	53.8%	29.1%	9.1%
Tend to agree	67	5	17	26	4	14	1
	26.4%	27.8%	29.3%	41.9%	15.4%	17.7%	9.1%
Neither agree nor disagree	42	1	8	9	3	20	1
	16.5%	5.6%	13.8%	14.5%	11.5%	25.3%	9.1%
Tend to disagree	20	-	3	8	1	8	-
	7.9%	-	5.2%	12.9%	3.8%	10.1%	-
Strongly disagree	13	1	2	4	-	6	-
	5.1%	5.6%	3.4%	6.5%	-	7.6%	-
Don't know	11	-	1	-	2	7	1
	4.3%	-	1.7%	-	7.7%	8.9%	9.1%
No reply	10	-	-	-	2	1	7
	3.9%	-	-	-	7.7%	1.3%	63.6%

Q4 We are planning to introduce more visits and spot checks to make sure people are paying the right amount of Council Tax. To what extent do you agree or disagree with this?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
Strongly agree	117	9	22	38	12	35	1
	46.1%	50.0%	37.9%	61.3%	46.2%	44.3%	9.1%
Tend to agree	78	4	17	14	8	33	2
	30.7%	22.2%	29.3%	22.6%	30.8%	41.8%	18.2%
Neither agree nor disagree	23	1	9	2	4	6	1
	9.1%	5.6%	15.5%	3.2%	15.4%	7.6%	9.1%
Tend to disagree	8	1	1	4	-	2	-
	3.1%	5.6%	1.7%	6.5%	-	2.5%	-
Strongly disagree	15	2	8	3	1	1	-
	5.9%	11.1%	13.8%	4.8%	3.8%	1.3%	-
Don't know	3	-	1	1	-	1	-
	1.2%	-	1.7%	1.6%	-	1.3%	-
No reply	10	1	-	-	1	1	7
	3.9%	5.6%	-	-	3.8%	1.3%	63.6%

Q5 Overall, to what extent do you agree or disagree with the scheme that is being proposed?

	Overall	I do not pay Council Tax	I pay Council Tax but I receive Council Tax benefits	I pay Council Tax but I do not receive any benefits to help with this	I am a Landlord	I am a second home owner	No reply
	254	18	58	62	26	79	11
Strongly agree	24	-	5	15	1	3	-
	9.4%	-	8.6%	24.2%	3.8%	3.8%	-
Tend to agree	63	3	16	24	6	13	1
	24.8%	16.7%	27.6%	38.7%	23.1%	16.5%	9.1%
Neither agree nor disagree	21	-	9	5	1	6	-
	8.3%	-	15.5%	8.1%	3.8%	7.6%	-
Tend to disagree	39	4	10	6	3	15	1
	15.4%	22.2%	17.2%	9.7%	11.5%	19.0%	9.1%
Strongly disagree	92	11	16	9	14	40	2
	36.2%	61.1%	27.6%	14.5%	53.8%	50.6%	18.2%
Don't know	3	-	2	-	-	1	-
	1.2%	-	3.4%	-	-	1.3%	-
No reply	12	-	-	3	1	1	7
	4.7%	-	-	4.8%	3.8%	1.3%	63.6%

Full Equality Impact Analysis

Title of review	Localised Council Tax Support scheme
Service	EK Services
Date of review	20th June 2012 and September 2012 when the consultation ended
Date of next review	March 2013
Lead officer, Job Title and Service	Andrew Stevens, Assistant Director, EK Services
Review team	The EIA has been scrutinised by the members of the Council Tax Support scheme project group. This group consist of staff members from Council Tax, Benefits, Customer Services, Systems, Fraud/Visiting and Quality. The three Equality leads from Canterbury/Dover/Thanet have also been involved in the development of the EIA. The decision makers from each authority (Management Teams and Councillors) will also consider this EIA and the recommendations/detail contained herein to enable them to have the duty in their minds at the time of making the final decision. They have also fed into the draft scheme and agree that the vulnerable need to be protected as much as possible from the changes.
Scope of the analysis	From 1 st April 2013 every Council has to introduce its own localised Council Tax Support scheme to replace the nationally designed Council Tax Benefit scheme. Between 11-14% of current funding is being removed by the Government. Councils have the discretion to design their own local scheme and decide who to financially support. There are some nationally prescribed elements to the scheme including the full protection of pensioners (ie we cannot reduce the benefit currently paid to pensioners as a direct result of developing our own scheme) Our approach has been to develop a scheme that is fair to all which also takes into account the reality of the funding cut. Wherever possible we are looking to protect the vulnerable and those who are least able to afford to pay more Council Tax. The average reduction in benefit will be between £42 - £53 pa but those people in higher Council Tax bands will pay proportionately more.
Beneficiaries / Who does the policy affect ?	All current and future recipients of Council Tax Benefit / Council Tax support are affected by the changes. In addition, as we are proposing changes to the Council Tax discounts/exemptions relating to second homes and empty properties then all current and future recipients of these discounts/exemptions will also be affected.

Stakeholders	Customer representative groups such as CAB, Housing Advice Centres have an interest in our proposals. Landlords, property developers and second home owners will also have an interest. A full list of all persons contacted in the consultation exercise is contained in Appendix 2.
Relevant data and research	<p>We have obtained comprehensive data relating to people affected from the current Council Tax Benefit processing system. The data available has enabled us to analyse impact on people according to their age, disability, family circumstances and level of income – this has enabled us to produce case studies to illustrate how each of the options we have considered would affect individuals as required by the public sector equality duty these are attached at the end of this EIA.</p> <p>We started the process by looking at around 6 different modelling scenarios in 2011 which have led to a single preferred model being adopted. Other models which restricted benefit based on Council Tax bands (ie the higher your Council Tax band the less help you would receive), gross household income (where everyone in the household would have their income added together with no disregards) and higher reductions for benefit customers (initially calculated as around 30%) were disregarded as they disproportionately affect people with large families, disabled people and other vulnerable people.</p> <p>To model these schemes we purchased a tool from our software companies which enabled us to look at scenarios with “live” data based on actual entitlements and claims at that point in time.</p> <p>We have also obtained detailed information from the Council Tax processing system regarding second homes, empty property exemptions etc although the data recorded on that system is not as comprehensive and does not include dates of birth, income, or anything else than a name and address. The Data Protection Act does not allow us to ask for anything other than what is needed to set up an account. We asked general diversity questions as part of the consultation exercise.</p>
Access complaints	None.
Consultation	<p>We carried out an extensive consultation exercise from 23 July 2012 to 17 September 2012. We sent details of the proposed scheme directly to all working age benefit claimants, all second home owners, all known landlords and a 5% random sample of the general population not included in the above groups. Overall, over 9000 people were contacted directly in the DDC area.</p> <p>Consultation letters were sent to interest groups such as the Citizen’s Advice Bureau. Letters were also sent to all Towns and Parishes. The consultation was publicised in the press on two occasions and has been available on the DDC website.</p> <p>Consultees were asked to respond via a dedicated page on the DDC website. However, it was also recognised that some consultees would not be comfortable with this, and an alternative method of completing a paper form was available for those who preferred it. This was freely available from the</p>

	<p>Council offices and area offices. An “information line” was set up from 9am to 5pm throughout the consultation period for those who wanted more information about the proposals. This information line was set up in conjunction with Canterbury and Thanet Councils and was manned by temporary staff specifically employed for that purpose.</p>
<p>Results of consultation</p>	<p>Overall, a total of 254 responses were received from the 9242 issued which represents a return rate of 2.7%. Response rates from each of the groups varied with second home owners having a higher return rate of 6.8% and benefit claimants having a return rate of just over 1%. Similar response rates were seen at Canterbury and Thanet. Anecdotal evidence from other local Councils suggests that many others have had a similarly low response rate. We cannot provide a full analysis of the comparison, however, as many Councils are still out to consultation at the time of writing this report.</p> <p>Out of the 254 responses received, 212 (83%) responded using the internet and 42 (17%) used a paper form. The full results are included in Appendix 1 of the main report.</p> <p>Under the “general comments” part of the survey questionnaire several comments were made about the “protection” we were offering to vulnerable people. The current Council Tax Benefit regulations make allowances for increased income disregards and additions to “applicable amounts” (the amount the Government says a person or family should be able to live on per week) and we fully intend to carry these protections and income disregards forward into the Dover CTRS. For example we currently disregard income such as child benefit, child maintenance and disability living allowance in the CTB calculation. The receipt of disability benefits also increases a person’s Council Tax Benefit awarded because of extra amounts given in the “applicable amount”. This is a positive approach which protects families, lone parents and disabled people. We will continue these income disregards on into the new CTRS to extend this protection. All client groups who are of working age will have their Council Tax Support reduced by 5% to 6% next April and this does not impact disproportionately on any particular client group – the approach is the same for everyone</p>
<p>Relevance to the Duty:</p> <p>Do your proposals contribute towards or impact on any of the aims of the duty?</p>	
<p>1. Eliminate unlawful discrimination – harassment, victimisation and any other conduct prohibited by the Act;</p> <p>The proposals for local Council Tax Support seek to be as fair as possible to all client groups regardless of their circumstances. It is our view that the proposals do not result in unlawful discrimination based on the evidence of other scenario modelling which we carried out and proposals made to keep as many of the current protections afforded to disabled, carers, families with children etc in the proposed new scheme.</p>	

2. **Advance equality of opportunity** – between people who share a protected characteristic and people who do not share it by removing or minimising disadvantages suffered by people due to their protected characteristics;

- With the exception of protecting pensioners’ entitlements purely due to their age which is a nationally prescribed element of the scheme, the localised CTS scheme does not disproportionately impact on groups with protected characteristics any more than other groups in society.
- meeting the needs of people with protected characteristics; and
- The design of the CTS calculation will mirror the current national legislation and will include the same favourable treatment of income from disabled people etc. Every working age benefit recipient will then have a standard reduction taken at the end of the calculation regardless of their personal circumstances. This will be between 5% to 6%.
- encouraging people with protected characteristics to participate in public life or in other activities where their participation is low. A full list of persons contacted to feed into the consultation exercise is included at the end of this report.

3. **Foster good relations** – between people who share a protected characteristic and people who do not share it, by; tackling prejudice and promoting understanding between people with a protected characteristic and others.

There is no contribution or negative impact of our proposals on fostering good relations in the community with the exception that the principle of the scheme is to be as fair as possible to all and fund the grant reduction shortfall between Council Tax Benefit recipients and recipients of certain Council Tax discounts/exemptions (more details are given in the main scheme document). The consultation exercise will be designed to make sure representative groups of all groups with protected characteristics will be contacted and asked to feed into the process. We will offer the option of online and paper based feedback.

Equality impacts raised or identified:

The proposals do not impact on any of the protected characteristics in a positive or negative way. Other models which have been looked at are described under the relevant headings below together with reasons why they were not pursued as the preferred option.

Protected Characteristic	Commentary
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Age	Impact	<p>The proposed scheme is subject to some national prescription relating to protecting pensioners' entitlements. Therefore we have no discretion about whether or not to follow this principle. The Government stated in their "Localising Council Tax – EIA" in January 2012 that...</p> <p><i>"The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform".</i></p>
	Mitigation	<p>Pensioners are protected, therefore there is no detriment requiring mitigation. The decision to protect pensioners is a national one and will be reflected in the secondary legislation. The link to the Government's EIA is given in the "Overall Conclusion" section.</p>
Gender	Impact	<p>There is no impact on gender. Current income disregards which tend to favour more females than males such as child benefit disregards will continue to be a feature of the new CTS scheme.</p>
	Mitigation	<p>The proposed scheme will continue to protect recipients on the basis of their gender by extending the current income disregards – some of which favour females as the majority of "main carers" of child benefit are female. Other schemes we looked at included making changes to income disregards and restricting support to people living in larger properties which would have disproportionately affected disabled people and families with children (especially single parents). These were rejected on equality grounds.</p>
Race	Impact	<p>We do not keep case level data on race as it is not relevant to the calculation of Council Tax Benefit.</p>
	Mitigation	<p>None needed.</p>
Disability	Impact	<p>The proposed scheme that we have developed extends all current favourable treatment of income of disabled people. Benefits such as disability living allowance, attendance allowance etc will continue to be disregarded in full and recipients will continue to benefit from the enhanced premiums and personal allowances which favour people with disabilities. One of the earlier schemes which was modelled and not taken forward based the level of Council Tax Support on the gross household income and did not provide any favourable treatment for disabled household members. This was not taken forward as it is considered it fails on equality grounds. Increased premiums for Carers will continue to be a feature in the proposed new scheme. Some examples are given at the end of this EIA.</p>

	Mitigation	The proposed scheme continues existing protections in the calculation for disabled household members. Other schemes we looked at included making changes to income disregards and making much higher reductions from people's benefit entitlements which would have disproportionately affected disabled people and families with children. These were rejected on equality grounds.
Religion or belief	Impact	We do not keep case level data on a person's religion or belief. As it would not be relevant to the calculation of Council Tax Benefit. Diversity questions will be included to the consultation paper which gathers some of this information.
	Mitigation	None needed.
Gender reassignment	Impact	If someone currently undergoes a gender reassignment then it currently only affects what they are referred to as on official documents/systems. It does not affect any part of the calculation. This will continue in the local CTS scheme.
	Mitigation	None needed.
Sexual Orientation	Impact	We do not keep case level data on a person's sexual orientation as it would not be relevant to the calculation of Council Tax Benefit. In any case it does not impact on the calculation of entitlement in any way. Diversity questions were included to the consultation paper which gathers some of this information.
	Mitigation	None needed.
Marriage & Civil Partnership (Aim 1 only)	Impact	Married couple and civil partnerships are recognised equally in the current Council Tax Benefit system. The equal and fair treatment of couples will continue in the proposed CTS scheme from 1 st April 2013.
	Mitigation	None needed.
Pregnancy & Maternity (Aim 1 only)	Impact	The treatment of income and savings of women expecting children is a feature of the current Council Tax Benefit system and will continue in the local CTS scheme.
	Mitigation	None needed

Overall conclusions and options to be put before decision maker (if contributing towards a report) or to take forward to develop your service (if reviewing a service)

Overall, the only feature of the scheme which could be viewed as impacting on a group with protected characteristics is the need to fully protect pensioners from the changes. However, this is a nationally prescribed feature of the scheme and the Government have carried out their own Equality Impact Assessment on the effect of this....

<http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf>

Other than that we have tried to mirror as much of what currently exists in the national Council Tax Benefit system into the local CTS scheme. Different favourable treatment of income and allowances of disabled people and women with children are carried over into our local scheme so it is our view that there is no adverse or disproportionate impact on any of the groups with protected characteristics (see examples at the end of this document).

The changes to the Council Tax discounts/exemptions are more straightforward as entitlement is purely based on the status and circumstances of the property rather than the individual who owns it. We are only allowed to collect information under the law which enables us to identify the taxpayer and where they live. We do not collect any other details from them relating to their age, religion, sexual orientation, disabilities etc as it would not be relevant or permitted to do so.

To conclude, it is our view that the proposed scheme does not impact on any group with protected characteristics based on current evidence. During the development of a local scheme we have tried hard to balance the reality of a significant cut in Central Government funding to protecting the most vulnerable members of our community as far as possible. The scheme that is being proposed acknowledges that recipients of benefits and Council Tax discounts/exemptions need to contribute more to meet the shortfall but also looks to protect people with protected characteristics as much as possible.

Actions arising from analysis:

Action	Responsible Officer	Deadline
Add equality questions section to consultation documents for voluntary completion by respondents. This can form part of the post-consultation analysis	AS	Complete. Equalities questionnaire was part of the survey form.
Add post consultation analysis to this document and findings and recommend amendments to the final proposal if appropriate.	AS	Complete. No suggested amendments to the final scheme.

Acceptance

Name and signature of assessing officer and date of assessment.

Name: Andrew Stevens

Position: Assistant Director - EKS.....

Signed: 

Date: 2nd October 2012.....

Examples of impact on different benefit recipients

Example one

Mr M is claiming with his partner and three children. Mr M works and receives Child Tax Credit £164.49, Working Tax Credit £16.56, Child Benefit £47.10. His average weekly earnings are £259.86.

Mr M's total household income is £488.01 of which £74.20 is disregarded for Council Tax Benefit purposes. This means that when Mr M's Council Tax Benefit is worked out only £413.81 is used in the calculation

Council Tax Benefit

Mr M's annual Council Tax bill is £1318.20.

Under the Council Tax Benefit rules Mr M is entitled to £7.74 per week towards his Council Tax. Mr M's weekly liability for Council is £25.35 per week. This means that Mr M is required to pay £17.61 per week towards his Council Tax, this equates to £915.72 per year.

Council Tax Support

Under Council Tax Support Mr M's household income is still be the same (£488.01) and the amount of income disregarded is still the same (£74.20).

Instead of receiving £7.74 per week towards his Council Tax this will be reduced by 5-6%.

If the £7.74 is reduced by 6% this means that he will receive £7.28 per week towards his Council Tax – a reduction in help of £0.46 per week.

Mr M is now required to pay £ £18.07 per week towards his Council Tax this equates to £939.64 per year.

Example Two

Mrs T is a single working age person claiming Council Tax Benefit. Mrs T receives Disability Living Allowance Low Rate Care £20.55, Disability Living Allowance High Rate Mobility £54.05 and Widow's Pension £91.29.

Mrs T's total household income is £165.89 of which £74.60 is disregarded for Council Tax Benefit purposes. This means when Mrs T's Council Tax Benefit is worked out only £91.29 is used in the calculation.

Council Tax Benefit

Mrs T's annual Council Tax bill is £1318.20

Under the Council Tax Benefit rules Mrs T is entitled to £25.35 per week towards her Council Tax. Mrs T's weekly liability for Council is £25.35 per week. This means that Mrs T receives full Council Tax Benefit and is not required to make a contribution towards her Council Tax.

Council Tax Support

Under Council Tax Support Mrs T's household income is the same (£165.89) and the amount of income disregarded is the same (£74.60).

Instead of receiving £25.35 per week towards her Council Tax this will be reduced by 5-6%.

If the £25.35 is reduced by 6% this means that she will receive £23.83 per week towards her Council Tax – a reduction in help of £1.52 per week.

Mrs T is now required to pay £ 1.52 per week towards her Council Tax this equates to £79.04 per year.

Example three

Mr S is a single working age person claiming Council Tax Benefit. Mr S has his grown up son living with him as his non-dependant, as he is a full time student there is no non-dependant deduction for him. Mr S is in receipt of Income Support.

Council Tax Benefit

Mr S's annual Council Tax bill is £1153.01, Mr S also gets Single Person Discount (as his son is a full time student and a disregarded person Council Tax purposes), this reduces his bill by a further 25% to £864.76.

As Mr S is in receipt of Income Support the "means test" does not apply.

Under the Council Tax Benefit rules as Mr S is entitled to £16.63 per week towards his Council Tax. Mr S's weekly liability for Council is £16.63 per week. This means that Mr S receives full Council Tax Benefit and is not required to make a contribution towards his Council Tax.

Council Tax Support

Under Council Tax Support Mr S will still receive Single Person Discount (whilst his son is a full time student) and being in receipt of Income Support still means that the "means test" is not applied.

Instead of receiving £16.63 per week towards his Council Tax this will be reduced by 5-6%.

If the £16.63 is reduced by 6% this means that he will receive £15.63 per week towards his Council Tax – a reduction in help of £1.00 per week.

Mr S is now required to pay £ 1.00 per week towards his Council Tax this equates to £52.00 per year.

Example four

Mr F is claiming with his partner and two children. Mr F is self-employed and receives Child Tax Credit £1111.52, Working Tax Credit £79.14, Child Benefit £33.70. His weekly self-employed earnings are £59.90.

Mr F's total household income is £284.26 of which £60.80 is disregarded for Council Tax Benefit purposes. This means that when Mr M's Council Tax Benefit is worked out only £223.46 is used in the calculation

Council Tax Benefit

Mr F's annual Council Tax bill is £1304.16

Under the Council Tax Benefit rules Mr F is entitled to £25.08 per week towards his Council Tax. Mr F's weekly liability for Council is £25.08 per week. This means that Mr F receives full Council Tax Benefit and is not required to make a contribution towards his Council Tax.

Council Tax Support

Under Council Tax Support Mr F's household income is still the same (£284.26) and the amount of income disregarded is still be the same (£60.80).

Instead of receiving £25.08 per week towards his Council Tax this will be reduced by 5-6%.

If the £25.08 is reduced by 6% this means that he will receive £23.58 per week towards his Council Tax – a reduction in help of £1.50 per week.

Mr M is now required to pay £ £1.50 per week towards his Council Tax this equates to £78.00 per year.

List of people/groups/organisations contacted during the consultation period

- KCC – Independent Living Scheme
- KCC – Diana Thomas Area Benefits office
- Catch 22
- CAB – Thanet
- CAB – Canterbury
- CAB - Dover
- Canterbury Housing Advice Centre
- Catching Lives
- Thanet Volunteer Bureau
- KCA
- Porchlight
- Hope
- Canterbury Children’s Centres
- Thanet Children’s Centres
- Dover Children’s Centres
- KCHT
- KMPT
- Kenward Trust
- CASA Support
- MCCH
- Avante
- Age UK – Thanet
- Age UK – Canterbury
- Age UK – Dover
- Hi Kent
- Kent Association for the Blind – Dover
- Kent Association for the Blind – Canterbury
- Canterbury and District Mental Health Forum
- The Friends for Mental Health (East Kent)
- Home Start – Canterbury
- Home Start – Dover
- Home Start – Thanet
- The Umbrella Centre – Canterbury
- The Umbrella Centre – Herne Bay
- The Umbrella Centre – Whitstable
- Town and Parish Councils – Canterbury
- Town and Parish Councils – Thanet
- Town and Parish Council – Dover
- Councillors – Thanet
- Councillors – Canterbury
- Councillors – Dover
- MP – Canterbury
- MP – Dover
- MP – Thanet
- National Landlord Association
- Southern Private Landlords