

**To: Single Member Decision**

**Date: 16<sup>th</sup> August 2012**

**Report of: Head of Customer Services**

**Title of Report: Local Council Tax Support Scheme**

## **Summary and Recommendations**

**Purpose of report:** To agree the draft Local Council Tax Support Scheme for consultation and to agree the consultation process. This report also provides an update on the changes to Council Tax discounts and exemptions regulations.

**Key decision?** Yes

**Executive lead member:** Councillor Val Smith

**Policy Framework:**

**Recommendation(s):** It is recommended that the Executive Board Member agrees to:

1. Replicate the provisions of the existing Council Tax Benefit Scheme and adopt them as the City Council's draft Local Council Tax Support Scheme; and
2. Work in partnership with the County Council and other Oxfordshire districts to issue joint advertising and consultation on the proposed scheme for a period of 6 weeks between 27<sup>th</sup> August and 5<sup>th</sup> October 2012.

## **Appendix Numbers**

### **Name and contact details of author:-**

Name Helen Bishop  
Job title Head of Customer Services  
Service Area Customer Services  
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## **Introduction**

1. From April 2013 Local Authorities are required to implement and administer their own Council Tax Support schemes which will replace Council Tax Benefit. The cost of providing this support will continue to be provided by Central Government, but reduced by 10% based on a prediction of Council Tax Support spending for next year.
2. In designing our own scheme the City Council will either need to cover the cost of the 10% reduction and any increase in caseload within our own budgets, or reduce the amount of support provided to customers. Regulations provide that people of pensionable age must receive the same level of support as they do currently. As such any reduction would fall wholly on working age customers.

## **Achieving a County-Wide Scheme**

3. Officers across all of the Oxfordshire Districts, the County Council and Thames Valley Police Authority have agreed to the principle of a County-wide Scheme and have outlined the nature of what that scheme could look like. This approach was ratified at the Oxfordshire Leaders meeting on 23<sup>rd</sup> July 2012. This scheme is detailed in paragraphs 6 and 7 below.
4. West Oxfordshire and Cherwell operate in partnership with Cotswold and South Northants District Councils respectively. They have confirmed that these other authorities are also on board with an Oxfordshire County-wide scheme and would look to follow Oxfordshire's lead in their own areas.
5. It is acknowledged that there are several advantages to a County-wide approach:
  - Border issues do not become a factor. Customers will not find themselves treated differently to their neighbours.
  - The cost of setting up and maintaining schemes are reduced.
  - A single countywide consultation process can be carried out, saving both time and money.
  - There is a greater degree of predictability for the County Council in having a single county wide scheme as compared to five separate schemes.
  - A consistent approach simplifies administration and potential training requirements for our stakeholders, including advice agencies and housing associations, which operate across the County.

## **Proposed Local Council Tax Benefit Scheme**

6. It is proposed to replicate the provisions of the existing Council Tax Benefit Scheme for 2013/14.
7. The main risk to this approach is that there could well be an increase in the number of residents successfully claiming Localised Council Tax Benefit and there should be some contingency provided around these figures.

8. The scheme will be reviewed each year, and if changes are proposed there will be full consultation within the community.

### **Financial Implications**

9. Modelling work has been carried out across the Oxfordshire districts to predict the shortfall in income arising from the 10% cut in funding from Central Government associated with the implementation of the Local Council Tax Support Scheme. Based on Council Tax Benefit expenditure from 2011/12, plus an assumed increase in payments of 1.5% due to the continued economic downturn. Oxford City's share of this shortfall is anticipated to be circa £188k in 2013/14. This is shown in Appendix 1 together with the impact for all of the major precepting authorities in Oxfordshire.
10. These figures represent an estimate of the difference between the loss of council tax income from a reduced tax base and the amount of grant that will be paid to us as a precepting authority, which has been notified to us provisionally as £1.535 million.
11. In addition to this the City Council will receive a grant in respect of parishes, which we have been advised is provisionally in the region of £24k. The Government has yet to decide the mechanism for dealing with parishes. As it stands their tax base will reduce. In the absence of the local authority giving them grant support this will result in either a significant increase in Band D council tax or a reduction in their precept to maintain the council tax Band D at the existing level.

### **Potential Income from amendments to the Council Tax Discount and Exemption Schemes**

12. The government are introducing regulations to permit Councils to vary the percentage reductions for some discounts and exemptions. This will provide the opportunity to generate additional Council Tax income which could be used to offset the additional cost of providing Council Tax Support to working age customers. The exemptions and discount classes that can be amended are listed below with their current allowances and associated timescales:
  - Exemption Class A – Recently built or uninhabitable due to work (current 100% exemption for a time limit 12 months)
  - Exemption Class C – Vacant – empty and unfurnished (current 100% exemption for a time limit of 6 months)
  - Exemption Class L – Unoccupied where the mortgagee is in possession (current 100% exemption)
  - Second Homes Discount – This would include second homes, holiday homes and properties left empty between tenancies. Oxford City Council currently provides a 10% discount on these properties.
13. However, there are certain risks to this approach:
  - Changes to exemptions and discounts may result in small Council Tax Bills which could be difficult and costly to collect.; and
  - Further reduction of a second home discount could force more single person discount applications instead.

14. It was agreed at the Leaders meeting on 23<sup>rd</sup> July that consideration would be given to savings arising from reducing Council Tax discounts and exemptions in the autumn as part of the budget setting process. It should be noted that for the City Council it is unlikely that any reduction in exemptions or discounts for these particular classes will bridge the gap in its entirety.

### **Consultation**

15. A joint approach to consultation is being organised across the County for the draft scheme. Each district is to carry out a postal survey with a representative sample of 500 council tax payers. This survey is also to be made available on-line for other residents who may wish to respond and for stakeholders who we will also invite to participate.
16. Consultation is scheduled for week commencing 27<sup>th</sup> August for 6 weeks, finishing on 5<sup>th</sup> October. The results of the consultation and the final scheme proposals are due to be considered on 22<sup>nd</sup> November, and a recommendation made to Council for approval on 17<sup>th</sup> December 2012.
17. A joint media release will be made to ensure messages are consistent, with each authority having their own member statements included.
18. The draft survey is shown in Appendix 2.

### **Risk**

19. An evaluation of the risks associated with the implementation of this policy has been carried out. A detailed risk register is at Appendix 3.

### **Climate Change/Environmental Impact**

20. None.

### **Equalities Impact Assessment**

21. A Screening exercise has been carried out and is at Appendix 4. As the draft Council Tax Support Scheme is proposed to replicate the provisions of the existing Council Tax Benefit Scheme, there are no additional adverse impacts identified.

### **Legal Implications**

22. None. Consultation is planned in accordance with the regulation provisions.

List of background papers: None

Version number: 1.1

## FINANCIAL IMPACT OF LOCAL COUNCIL TAX SUPPORT SCHEME ACROSS OXFORDSHIRE

|   | Cherwell    | Oxford City   | South<br>Oxfordshire | Vale of the<br>White<br>Horse | West<br>Oxfordshire | County        | Police      | All areas     |
|---|-------------|---------------|----------------------|-------------------------------|---------------------|---------------|-------------|---------------|
|   | £'000       | £'000         | £'000                | £'000                         | £'000               | £'000         | £'000       | £'000         |
| Existing cost of Benefits and estimated grant funding |             |               |                      |                               |                     |               |             |               |
| 2011/12 spend on Council Tax Support                  | 970         | 1,722         | 719                  | 636                           | 448                 | 25,232        | 3,351       | <b>33,078</b> |
| 2011/12 + 1.5% for increased claimants                | 984         | 1,747         | 730                  | 645                           | 455                 | 25,611        | 3,402       | <b>33,574</b> |
| Billing Authority Collection Percentage               | 13%         | 17%           | 13%                  | 12%                           | 10%                 |               |             |               |
| County Collection Percentage                          | 76%         | 73%           | 77%                  | 78%                           | 80%                 |               |             |               |
| Police Collection Percentage                          | 10%         | 10%           | 10%                  | 10%                           | 11%                 |               |             |               |
| Exemplified funding                                   | 886         | 1,559         | 671                  | 578                           | 416                 | 23,112        | 3,070       | <b>30,292</b> |
| Savings required                                      | -98         | -188          | -59                  | -67                           | -39                 | -2,499        | -332        | <b>-3,282</b> |
| Savings %   | 10%         | 11%           | 8%                   | 10%                           | 8%                  | 10%           | 10%         | <b>-10%</b>   |
| Savings required - District                           | -98         | -188          | -59                  | -67                           | -39                 |               |             | <b>-451</b>   |
| Savings required - County                             | -559        | -822          | -355                 | -445                          | -318                | -2,499        |             | <b>-2,499</b> |
| Savings required - Police                             | -74         | -110          | -47                  | -59                           | -42                 |               | -332        | <b>-332</b>   |
| Total Savings required                                | <b>-731</b> | <b>-1,120</b> | <b>-461</b>          | <b>-571</b>                   | <b>-399</b>         | <b>-2,499</b> | <b>-332</b> | <b>-3,282</b> |

## DRAFT LOCAL COUNCIL TAX SUPPORT SURVEY

# Council Tax Support Consultation

## Background Information

Council Tax Benefit is a national scheme subsidised by the Department for Work and Pensions. It supports people on low incomes by reducing the amount of Council Tax they have to pay.

People can claim full Council Tax Benefit if they are on certain benefits. These include income based jobseekers allowance, income support, guarantee credit which is part of state pension credit and income related employment and support allowance. Others receive some Council Tax Benefit based on their income and other factors.

### How is the Council Tax Benefit scheme changing?

From April 2013 Councils are required to run Council Tax Support schemes, which will replace the existing Council Tax Benefit schemes. The Government will give Councils money to provide the new Council Tax Support schemes. However, on average the amount of funding will be reduced by 10 per cent.

The new schemes must provide the same level of support to pensioners as it does at the moment and continue to support vulnerable people.

Oxfordshire's Councils are working together to take the same approach to setting up their new schemes. For instance border issues do not become a factor, customers will not move to the authority with the most generous scheme. The cost of setting up and maintaining schemes are reduced and a single countywide consultation process can be carried out, saving both time and money. There is also a greater degree of predictability for the County Council in having a single county wide scheme as compared to five separate schemes.

Councils will need to find money to cover the 10 per cent reduction in funding. (The alternative would be to reduce the amount of support provided to people on benefits and low incomes).

### How much does Council Tax Benefit cost?

In [the City], [10,480] people currently receive Council Tax Benefit. This costs approximately [£200,000] per week. The council will need to find an additional [£20,000] per week to maintain the current level of benefits.

### Will I see a change in my Council Tax Benefit?

Councils in Oxfordshire are proposing to keep the new Council Tax Support scheme broadly the same as the existing scheme. Everybody that is currently receiving full Council Tax Benefit would not notice a change providing their circumstances remain the same.

However, the Council are considering finding money to maintain the scheme in future years by changing who (apart from people on certain benefits) can claim the benefit or restricting the amount of benefit they receive. Extra income from reducing Council Tax exemptions and discounts (for example for second or vacant homes) could also be used to offset the additional cost of providing Council Tax Support.

It is important that we consider the potential impact of any changes on affected customers and the likelihood of being able to collect any remaining Council Tax. Therefore we are keen to hear your views.

A copy of the full draft Council Tax Support Scheme is available for your information.

### **Council Tax Support Consultation 2012 Questionnaire**

Before giving your views about changes to the Council Tax Benefit scheme you may find it helpful to read the background information provided above. A copy of the Draft Council Tax Support scheme that is being proposed is also available.

Thank you for completing this questionnaire.

Q1a. Are you responding to this survey on your own behalf or on behalf of somebody else?

Own Behalf

On behalf of somebody else

Q1b. If you are responding on behalf of somebody else, please let us know who by selecting one of the options below.

Carer

Landlord

Voluntary  
Organisation

Housing  
Association

Parish

Other (please  
specify)

**Q2. Which district do you live in?** (Please tick ONE box only)

Oxford City

Cherwell

South  
Oxfordshire

Vale of White  
Horse

West  
Oxfordshire

## **COUNCIL TAX SUPPORT SCHEME**

**Q3. Oxfordshire Councils are proposing to provide a Council Tax Support scheme that is largely similar to the existing Council Tax Benefit scheme**

**Overall, to what extent do you agree or disagree with proposals to maintain a scheme that is largely similar to the existing Council Tax Benefit scheme?**  
(Please tick ONE box only)

|                          |                          |                            |                          |                          |                          |
|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Strongly agree           | Tend to agree            | Neither agree nor disagree | Tend to disagree         | Strongly disagree        | Don't know               |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Q4. Why do you agree or disagree? Please write in below.**

**Councils will need to find money in future years to maintain payments to people on the lowest incomes and are considering a range of options.**

**Q5. Do you agree or disagree with each of the following ways in which savings could be made to maintain the Council Tax Support scheme?**

|  | Strongly agree           | Tend to agree            | Neither agree nor disagree | Tend to disagree         | Strongly disagree        | Don't know               |
|--|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Reduce the amount of capital (such as savings) someone can have before being able to claim Council Tax Support | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Limit Council Tax Support to properties in Council Tax property bands up to and including band D               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reduce the number of people receiving small payments by introducing a minimum weekly payment                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



**Q6. If you have any comments about the level of savings being considered at Q5 please write in below. We are particularly interested in the impact a lower level may have on residents.**

**Q7. Another way to achieve the saving required would be to reduce the amount of support that everyone receives by a fixed percentage. A 20% reduction in everyone's Council Tax support should be sufficient for this. How strongly do you agree or disagree that the Council should include a reduction like this in its Council Tax Support scheme?**

- |                          |                          |                            |                          |                          |                          |
|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Strongly agree           | Tend to agree            | Neither agree nor disagree | Tend to disagree         | Strongly disagree        | Don't know               |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Q8. The current Council Tax Benefit scheme includes provisions for making deductions from an award of benefit if there are any additional adults in the property other than the claimant and their partner.**

These are known as non-dependant deductions, and the amount of deduction depends on the circumstances of the additional adult. Increasing these deductions would help to make the saving required.

How strongly do you agree or disagree that the Council should be considering this as part of its Council Tax Support scheme?

- |                          |                          |                            |                          |                          |                          |
|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Strongly agree           | Tend to agree            | Neither agree nor disagree | Tend to disagree         | Strongly disagree        | Don't know               |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## **About you**

We are committed to making sure that residents have equal access to services. Please help us to keep track of how successfully we are achieving this by ticking the appropriate question boxes below.

All information is confidential and will only be used to help us monitor whether views differ across the community.

### **Are you male or female?**

- Male  Female

### **How old are you?**

- Under 16  16-24  25-34  35-44  45-54  55-64  65+

### **Do you have a physical or mental impairment that has a substantial and long term impact on your ability to carry out normal day to day activities?**

i.e. poor hearing, poor sight (except if can be corrected by glasses), significant mobility impairment, mental health condition, learning disabilities, dyslexia, heart conditions, multiple sclerosis, HIV, diabetes, cancer, epilepsy

- Yes  No

### **What is your ethnic group? (Please tick ONE box only)**

- |   |  |
|---|--|
| <p><b>White</b></p> <p><input type="checkbox"/> English, Welsh, Scottish, Northern Irish, British</p> <p><input type="checkbox"/> Irish</p> <p><input type="checkbox"/> Gypsy or Irish Traveller</p> <p><input type="checkbox"/> Any other white background (please write in ) _____</p>  | <p><b>Black or Black British</b></p> <p><input type="checkbox"/> Caribbean</p> <p><input type="checkbox"/> African</p> <p><input type="checkbox"/> Any other Black background (please write in) _____</p> <p><b>Asian or Asian British</b></p> <p><input type="checkbox"/> Indian</p> <p><input type="checkbox"/> Pakistani</p> <p><input type="checkbox"/> Bangladeshi</p> <p><input type="checkbox"/> Chinese</p> <p><input type="checkbox"/> Any other Asian background (please write in) _____</p> |
| <p><b>Mixed or multiple ethnic groups</b></p> <p><input type="checkbox"/> White &amp; Black Caribbean</p> <p><input type="checkbox"/> White &amp; Black African</p> <p><input type="checkbox"/> White &amp; Asian</p> <p><input type="checkbox"/> Any other mixed background (please write in) _____</p> <p><b>Other ethnic group</b></p> <p><input type="checkbox"/> Arab</p> <p><input type="checkbox"/> Other ethnic group (please write in)</p> <p>_____</p> <p>_____</p> |  |

**Can the council contact you again to invite you to take part in any further research about Council Tax benefits?** (If yes, please remember to provide your contact details)

Yes

No

### **Contacting you**

We would like to let you know what people have told us and what we are doing in response.

Feedback will be made available on our web pages at [**web address**]. If you would like us to contact you with the outcomes please give your contact details below.

**Title**                     Mr     Mrs     Miss  Ms     Dr  
 Other (please write in) \_\_\_\_\_

**First name**                   

**Surname**                   

**Email address**                   

**Address 1**                   

**Address 2**                   

**Address 3**                   

**Address 4**                   

**Postcode**                   

**Day time phone  
(including code)**                   

Thank you for your comments. Please return your completed questionnaire in the envelope provided or to the address below (no stamp needed):

[**freepost address**]

**If you have any questions or would like this questionnaire in another format such as large print or audio please contact [**name**], [**job title**] on [**telephone**] or email [**email address**]**

## RISK REGISTER

| No. | Risk Description<br>Link to Corporate<br>Objectives | Gross<br>Risk |   | Cause of Risk  | Mitigation   | Net<br>Risk |   | Further Management of<br>Risk:<br>Transfer/Accept/Reduce/Av<br>oid |  |
|-----|---|---------------|---|--|--|-------------|---|--|--|
|     |   | I             | P |  |  | I           | P | Action:<br>Reduce<br>Owner:<br>:                                   | Outcome<br>required:                     |
| 1.  | Low response rate to consultation                   | 2             | 3 | Draft scheme replicates existing Council Tax Benefit scheme, and so does not engender a response | Encouragement to give feedback given to all stakeholders (Advice agencies, major landlords, etc).<br><br>Joint advert and opportunity for all community to give feedback using on-line survey<br>Validation received by Legal Team.  | 2           | 2 | Head of Customer Services  | Increased consultation feedback          |
| 2.  | Challenge to consultation process                   | 3             | 3 | Community and stakeholders concerned about proposals   | Major precepting authorities involved from the beginning of the process.<br><br>Wide range of community and stakeholders able to take part following joint advert and using on-line functionality.<br><br>As proposed scheme replicates existing Council Tax Benefit Scheme shorter consultation period justified. | 2           | 2 | Head of Customer Services  | Robust consultation process established. |

Equalities Impact Assessment

Initial screening EqIA template

1. Which group (s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

None – the draft Council Tax Support Scheme is to replicate the existing Council Tax Benefit Scheme.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan

Not applicable.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them

A joint approach to consultation is being organised across the County. Each district is to carry out a postal survey with a representative sample of 500 council tax payers. This survey is also to be made available on-line for other residents who may wish to respond and for stakeholders who we will also invite to participate.

Consultation is scheduled for week commencing 27<sup>th</sup> August for 6 weeks, finishing on 5<sup>th</sup> October. The results of the consultation and final proposals are due to come for a single member decision on 22<sup>nd</sup> November. As there is no

change proposed to the existing Council Tax Benefit Scheme, a 6 week period of consultation is considered adequate.

A joint media release will be made to ensure messages are consistent, with each authority having their own member statements included.

The draft survey and consultation timetable is shown at Appendix 2.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

Not applicable.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place

The Council Tax Support Scheme will be reviewed each year. If changes are proposed residents will be canvassed for their views.

In addition, the County and Oxfordshire districts will be meeting regularly during the year to monitor the impact of the scheme administratively and financially.

Lead officer responsible for signing off the EqIA: Helen Bishop

Role: Head of Customer Services

Date: 16 July 2012