



## Welfare Reform Sub Committee – 11 December 2012

### Local Council Tax Support Scheme for East Northamptonshire

**Purpose of report:** To inform members of the outcome of the consultation on the local Council Tax Support scheme proposals for East Northamptonshire and recommend a scheme for approval by Council on 7 January 2013.

#### Attachment(s)

Appendix 1 - Analysis of Consultation

Appendix 2 - Equality Impact Assessment (EIA)

#### 1.0 Background

- 1.1 The Government has announced its intention to replace, from April 2013, the current Council Tax Benefit (CTB) scheme with a localised Council Tax Support scheme to be delivered by Local Authorities. The rationale behind this decision is to reduce the current £4.8 billion annual CTB bill across Great Britain. This will be achieved through a reduction in the overall expenditure attributed to Council Tax Benefit by 10% and shifting the financial pressure from the state to Local Authorities.
- 1.2 Local Authorities currently administer CTB in their areas based on national rules set by the Department for Work and Pensions (DWP). The new arrangement changes the current system of awarding a means tested benefit to a means tested discount within Council Tax administration.
- 1.3 Funding from Central Government will be capped to 90% of the current expenditure. The expectation upon Local Authorities is to create a scheme that is suitable for its local community and which promotes the Government's position on Welfare Reform, by protecting the vulnerable and encouraging working for those of the specified age. Pensioners are protected under the new legislation. Whilst considering how to design a scheme, further consideration will need to be given to the implications of collecting the outstanding sums.
- 1.4 Department of Communities and Local Government (DCLG) has provided an estimate of the reduction in funding that each Local Authority will receive. For East Northamptonshire Council, this will be £523,000, based upon 2010-2011 subsidy expenditure and growth/distribution of caseload over the UK for 2012-2013;
- 1.5 Central Government suggests that, following their reduced funding arrangements, Local Authorities could meet the deficit by implementing other changes to ensure that they maximise their opportunities to be financially efficient under the current budgetary pressures, for instance by:
  - Reconfiguring funding for other services through, for example, efficiency savings
  - Realising savings through shared services, etc
  - Using reserves
  - Using flexibility over Council Tax, for example via proposals to give billing authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties; and other potential reforms of the council tax system
  - A combination of the above points

- 1.6 Local Authorities must, by 31 January 2013, have a Council Tax Support Scheme in place and approved by Full Council after a period of public consultation. Councillors have legal responsibility for the adoption of a localised support scheme, with the decision to introduce and revise a scheme that is in place for one financial year. Council is therefore required to devise a local support scheme that best suits the needs of local council tax payers, whilst managing spending within lower limits and protecting the most vulnerable.
- 1.7 For East Northamptonshire the loss of funding is estimated at **£523K** for 2013/14. The impact of this breaks down to:

	<b>£</b>
<b>East Northamptonshire</b>	47,070
<b>NCC</b>	376,560
<b>Police Authority</b>	73,220
<b>Parish Precepts</b>	26,150
<b>Total</b>	<b>523,000</b>

- 1.8 This Council set up a Welfare Reform Sub Committee (WRSC) to oversee the development of the Local Council Tax Support Scheme for East Northamptonshire as well as dealing with the local impact of other welfare reforms. The terms of reference of the WRSC have been approved by the Policy & Resources Committee.
- 1.9 On 16 November 2012 the DCLG announced a one off transition grant for any authority designing a scheme with the specific criteria that :-
- Those who would previously have been on 100% support under current Council tax benefit arrangements will pay no more than 8.5% of their council tax liability under a new local scheme.
  - The 'taper rate' does not increase above 25% and
  - There is no sharp reduction in support for those entering work – for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award.
- 1.10 At its meeting on 8 November 2012, the WRSC initially rejected this transition grant on the basis that it was a one off grant that would not meet the 10% funding gap and would require a further significant redesign of the scheme in Year 2 to make up the ongoing shortfall.
- 1.11 At the time of the decision it was not known how much the transition grant would be. The one off grant offered by DCLG to this authority for following these scheme rules has now been confirmed at **£109,654**.
- 1.12 Following a financial analysis of the scheme in paragraphs 6 and 7 below, it is apparent that this is a more credible option.

## **2.0 Consultation Results**

- 2.1 Consultation on the options for the scheme ran from 2 October 2012 to 23 November 2012.
- 2.2 The consultation included:

- An online survey hosted on the website for the duration of the consultation for all residents to complete.
- A service where Customer Contact Centre staff completed the survey over the telephone on behalf of respondents.
- A paper copy survey available on request from our offices in Thrapston, Rushden and Oundle and also one afternoon a week in the libraries at Irthlingborough and Raunds.
- Articles and information in Nene Valley News.
- A Stakeholder session for community and voluntary sector groups.
- An opportunity to hear or read about the options in the local media and be kept up to date through the Council's social media channels.
- Mail shot to all current CTB recipients.
- Mail shot to private and social landlords.

2.3 The consultation exercise asked respondents to grade the following options according to their preference from 1 to 6, 1 being the option they most agreed with and 6 being the one they least agreed with.

- Make up the funding shortfall by maximising income from Council Tax empty property Discounts and Exemptions
- Savings based on reducing Council Tax Support to
  - a) 85% or
  - b) 80% or
  - c) 75% of liability.
- Removal of Second Adult Rebate
- Developing a severe hardship fund for exceptional cases.

2.3 Respondents were also able to provide their comments and views in a free text box.

2.4 All of the responses have been analysed and are outlined in **Appendix 1** to this report.

2.5 In summary, there was a clear preference for Option 1, maximising income from Council Tax empty property Discounts and Exemptions. The preferences for Options 2, a, b and c were very similar with a clear preference to pay lower amounts, as would be expected, from those in receipt of benefit. The removal of Second Adult Rebate was an equal third preference overall. Option 4 – having a severe hardship fund was overall second preference.

2.6 The comments received were perhaps more telling with regard to specific groups. There was a clear concern expressed for those groups such as carers or people with disabilities who did not have an option to return to work. Concern was also expressed regarding the operation of any severe hardship fund being subjective and an administrative burden. Local Housing Associations and organisations representing landlords expressed concern regarding the impact of extra Council Tax payments for empty properties.

### **3.0 Options - A Local Council Tax Support scheme for East Northamptonshire.**

3.1 In considering the various options available to the Welfare Reform Sub Committee, (WRSC) for varying the existing CTB scheme or designing a new one, the following key principles were agreed. The scheme should:

- at least recover the 10% reduction in government funding
- act as an incentive for people to work rather than remain on benefit, or at least not act as a disincentive to work
- protect the vulnerable as far as possible
- be simple to administer, to avoid increased administration costs where possible

3.2 In the week commencing 26 November 2012 DCLG confirmed that billing and local

precepting authorities (i.e. Parish and Town Councils) will be expected to come to agreement on arrangements for passing down the funding attributable to the local precepting authority, reflecting factors such as the design of the scheme and the number of claimants in the local precepting authority area, as well as other relevant local circumstances. The provisional local government finance settlement will identify the overall level of funding attributable to all parish/town councils in each billing authority area, based on local precepting authority shares' of the billing authority area Band D Council Tax bill. However, DCLG state this 'should only be seen as an indicative figure that acts as a starting point for discussions with billing authorities'. This will be detailed further in the report approving the Council Tax base that will go to Council in January 2013.

3.3 Upon consideration of the responses to the consultation, with due regard to the full and detailed Equality Impact Assessment (attached as **Appendix 2**), and taking into account the need to ensure no negative financial impact on all of the major and local precepting authorities, the WRSC could fulfil all the objectives in 2.1 above through two options.

#### 4.0 Maximising income by removing Council Tax Discounts and Exemptions

4.1 Both options include maximising income by removing Council Tax Discounts and Exemptions. The Council Tax Technical Reforms Consultation 2011 identified a range of opportunities for Local Authorities to determine locally some of the Council Tax exemptions and discounts for empty properties. In certain circumstances, owners of empty homes can claim exemption from Council Tax. Some exemptions apply to occupied homes and some are for unoccupied homes. The Government is proposing to allow individual councils the discretion to charge Council Tax in these circumstances. This also includes the option to charge an 'empty homes premium' for homes which have been empty for two years or more. This could be as much as 150% of the full Council Tax charge.

4.2 East Northamptonshire Council tries to actively encourage owners to bring their empty homes back into use, as empty homes can encourage vandalism and crime. Increasing the amount of Council Tax payable on an empty property may encourage the owner to bring the property back into use

4.3 The exemptions that may be abolished or changed are described in the table below.

<b>Exemption/Discount</b>	<b>Council Tax paid under current scheme</b>	<b>Council Tax paid under this option</b>
<b>Second Homes</b> Furnished but main home elsewhere or empty	90%	100%
<b>Uninhabitable</b> Empty requiring major repair work	None for a year Then 50%	100%
<b>New, empty and Unfurnished</b> Any unfurnished and unoccupied property	None for 6 months Then 50%	100%
<b>Repossessed properties.</b> Repossessed by banks or building societies	None indefinitely	100%
<b>Long term empty</b> Unoccupied and unfurnished	None for 6 months Then 100%	After 2 years of being empty 150%

4.4 If East Northamptonshire Council were minded to "harvest" all the opportunities that are available as a result of changes to legislation on Council Tax empty property discounts and exemptions, it would be possible to raise an estimated extra £783,271. If we

assume a prudent 70% collection rate then the Council could collect **£548,289**.

4.5 At the time of writing this report, the legislation has not been published and therefore everything above has yet to be confirmed. This confirmation is expected by the week commencing 3 December 2012 and therefore a verbal update on any changes will be made at the WRSC meeting.

## 5.0 Local Council Tax Support Scheme based on 85% and 91.5% of Council Tax liability

5.1 Based on 2012/13 Council Tax levels, this would mean that people would need to pay the following minimum weekly or monthly amounts before any entitlement to Local Council Tax Support was applied.

Band	15% minimum Council Tax payment		8.5% minimum Council Tax payment	
	Weekly	Monthly (10)	Weekly	Monthly (10)
A	1.46	7.59	1.24	6.44
B	1.73	9.00	1.46	7.60
C	1.98	10.30	1.68	8.74
D	2.27	11.80	1.92	9.98
E	2.89	15.02	2.44	12.69
F	3.29	17.10	2.79	14.50
G	4.15	21.58	3.52	18.30

5.2 The following table illustrates the reduced level of qualifying liability as a reduction of the amount of discount. It is anticipated that maintaining Council Tax collection rates well over ninety per cent is extremely unlikely. We have therefore assumed a prudent collection rate, for this cohort, of 70%.

Reduced amount of eligible support	£ Total based on 100% collection	£ Total based on 70% collection
85% of bill	370,782	<b>259,547</b>
91.5% of bill	211,428	<b>148,000</b>

## 6.0 Removal of Second Adult Rebate Scheme

6.1 The Alternative Maximum Benefit scheme, known as Second Adult Rebate (2AR) is applied to claims, up to a maximum of 25% reduction, on the basis of the income of another adult in the property. A typical example of this is where a lone parent who is working applies for a 25% reduction, as their non dependant is unemployed. The table below details the number of customers affected and the total annual saving.

	No. of Accounts Affected	£ Total Saving
Removal of 2AR	42	<b>9,675</b>

## 7.0 Option 1

7.1 This option is as follows:

1) That we increase income from removing Council Tax empty property Discounts and Exemptions and,

- 2) That we adopt the existing CTB regulations with the following amendments:
  - a) That the scheme is based on 85% of the annual Council Tax liability and
  - b) We remove the scheme known as Second Adult Rebate.

## 7.2 Financial Implications of Option 1

7.2.1 The financial implications of Option 1 are:

Option	Amount Council Tax raised	70% collection
<b>Maximum raised from Council Tax exemptions and discounts</b>	783,271.	<b>548,289</b>
<b>Council tax support scheme based on 85% of Council Tax liability</b>	370,782	<b>259,547</b>
<b>Removal of Second Adult Rebate scheme</b>	9,675	<b>6,772</b>
<b>Total</b>	<b>1,163,728</b>	<b>814,608</b>

7.2.2 The table above shows the financial benefit of this option as £815k compared to a potential shortfall in funding from the implementation of the scheme of £523k. Subject to the assumptions made, this provides sufficient headroom in this option for growth in demand for Council Tax Support in the future (e.g. a growing elderly population) and reduced funding in Government grant.

7.2.3 As a result, this option is financially sustainable over the Council's Medium Term Financial Strategy period as the measures proposed provide for permanent changes to the CTS scheme.

## 8.0 Option 2

8.1 This option is as follows:

- 1) That we increase income from removing Council Tax empty property Discounts and Exemptions and,
- 2) That we adopt the existing CTB regulations with the following amendments:
  - a) That the scheme is based on 91.5% of the annual Council Tax liability, and
  - b) We remove the scheme known as Second Adult Rebate.
- 3) We accept the DCLG Transition grant for 2013/14 of £109,654

## 8.2 Financial Implications of Option 2

8.2.1 The financial implications of Option 2 are:

Option	Amount CTAX raised	70% collection
<b>Maximum raised from Council Tax exemptions and discounts</b>	783,271.	<b>548,289</b>

<b>Council tax support scheme based on 91.5% of Council Tax liability</b>	211,429	<b>148,000</b>
<b>Removal of Second Adult Rebate scheme</b>	9,675	<b>6,772</b>
<b>Total</b>	1,004,375	<b>703,061</b>
<b>+ DCLG Transition Grant</b>	109,654	<b>109,654</b>
<b>Overall Total</b>	1,114,029	<b>812,715</b>

8.2.2 The table above shows the financial benefit of this option as £813k compared to a potential shortfall in funding from the implementation of the scheme of £523k. Subject to the assumptions made, this provides sufficient headroom in this option for 2013/14. However, due to the one off nature of the DCLG transition grant this option is unlikely to be sufficient to meet growth in demand for Council Tax Support in the future (e.g. a growing elderly population) and reduced funding in Government grant.

8.2.3 As a result, this option is not financially sustainable over the Council's Medium Term Financial Strategy period. Whilst this option is financially sustainable for 2013/14, if the Council does not receive a further transition grant from DCLG in future years then it would need to revert to the proposals in Option 1 to ensure on-going financial sustainability is achieved.

8.2.4 However, it should be noted that for 2013/14 there is greater certainty in receiving the grant from DCLG, rather than having to collect Council Tax from those whose Council Tax liability will increase. In addition this option provides flexibility should the Government announce a similar transition grant in future years.

## **9.0 Impact of neighbouring Councils' schemes**

9.1 At the time of writing this report no Northamptonshire Councils had made firm decisions on their schemes. However they have all confirmed that they were giving serious consideration to basing their scheme on Council Tax liability of 8.5% or less, and accepting the DCLG transition grant. In Leicestershire all but one authority has agreed to take the DCLG transition grant.

9.2 Any further confirmation of schemes will be updated verbally at the meeting.

## **10.0 Legal Implications**

10.1 The Local Council Tax Support Scheme must comply with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885) and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886).

10.2 The East Northamptonshire Local Council Tax Support scheme that is approved by Council on the 7 January 2013 will be referred to the Department for Communities and Local Government (DCLG) by the 31 January 2013 for its approval.

## **11.0 Risk Analysis**

11.1 The identified risks are:

Risk	Consequence	Likelihood	Controls
Affordability of Local Council Tax Scheme.	Costs increased to EN Council Tax payer.	Unlikely	Scheme designed with financial safety limit over 10% loss of government grant
No local decision re scheme by 31/01/13	DCLG impose default penalty scheme	Unlikely	WRSC resolving to recommend a scheme to Council 07/01/13
Local Council Tax Scheme not appropriate for future potential claimants	Year on year changes to scheme. Increased administration and consultation costs	Unlikely	Scheme designed with financial safety limit over 10% loss of government grant and to take into account rising population of protected pensioners.
Council Tax collection rates drop significantly	Loss of income Increased Council Tax arrears. Increased recovery costs.	Likely	Scheme design based on prudent 70% collection rates. Officers have calculated that this would have a minimal effect on overall collection rates.
Challenging timeline for delivery of new scheme	Reputation loss Delay in processing claims	Unlikely	Project management tools applied with clear timeline for delivery.

## 12.0 Recommendations

### 12.1 Members are recommended to:

1. Give due regard to the consultation responses received in **Appendix 1**, and
2. Give due regard to the Equality Impact Assessment in **Appendix 2**, and
3. Resolve to recommend to Council that
  - a) we increase income from removing Council Tax Discounts and Exemptions, and
  - b) the local Council Tax Support Scheme for East Northamptonshire adopts the existing CTB Regulations with the following amendments,
    - i) that the scheme is based on 91.5% of the annual Council Tax liability
    - ii) we remove the scheme known as Second Adult Rebate
    - iii) we accept the DCLG Transition grant for 2013/14.
4. Review the scheme during 2012/13 to ensure that a financially sustainable scheme is in place for 2014/15.



<b>Legal</b>	Power: Welfare Reform Act 2012 Finance Act 2012				
	Other considerations:				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> Lisa Hyde, Head of Customer and Community Services, 01832 742162, ljhyde@east-northamptonshire.gov.uk					
<b>Date: 3 December 2012</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)



# Appendix 1 - Local Council Tax Support Scheme – Consultation Responses

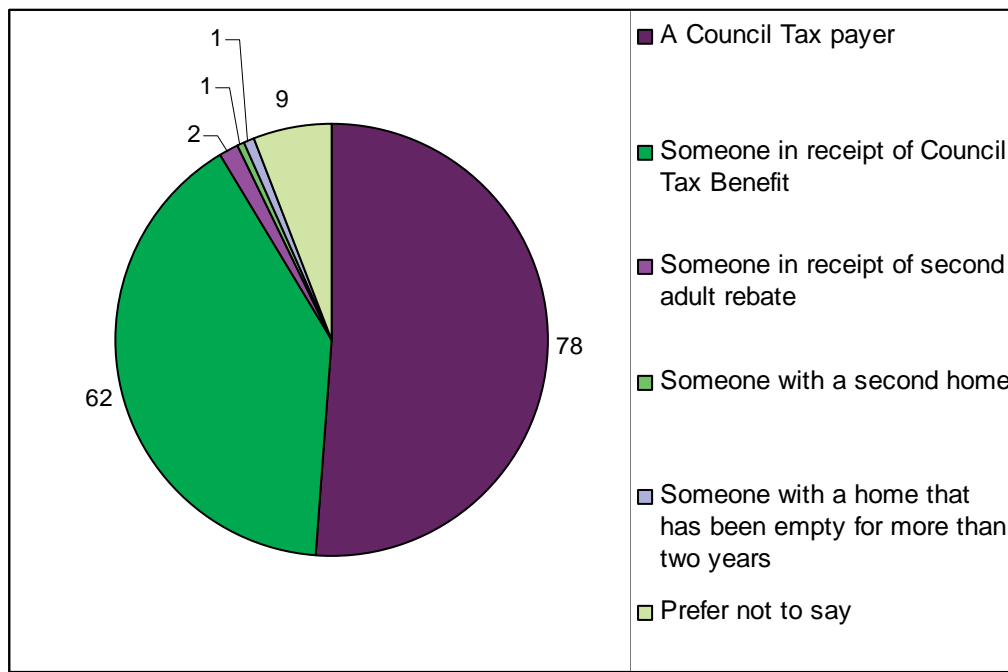
We received **142** responses to the consultation on the design of a new Council tax support scheme conducted for 8 weeks from 1 October 2012 to 23 November 2012. 138 of these responses were from individuals and the remaining 4 were from the following organisations :-

- Raunds Town Council
- Spire Homes
- Spire Homes Care and Repair
- A Letting Agency

Comments made by these organisations are available in Appendix A.

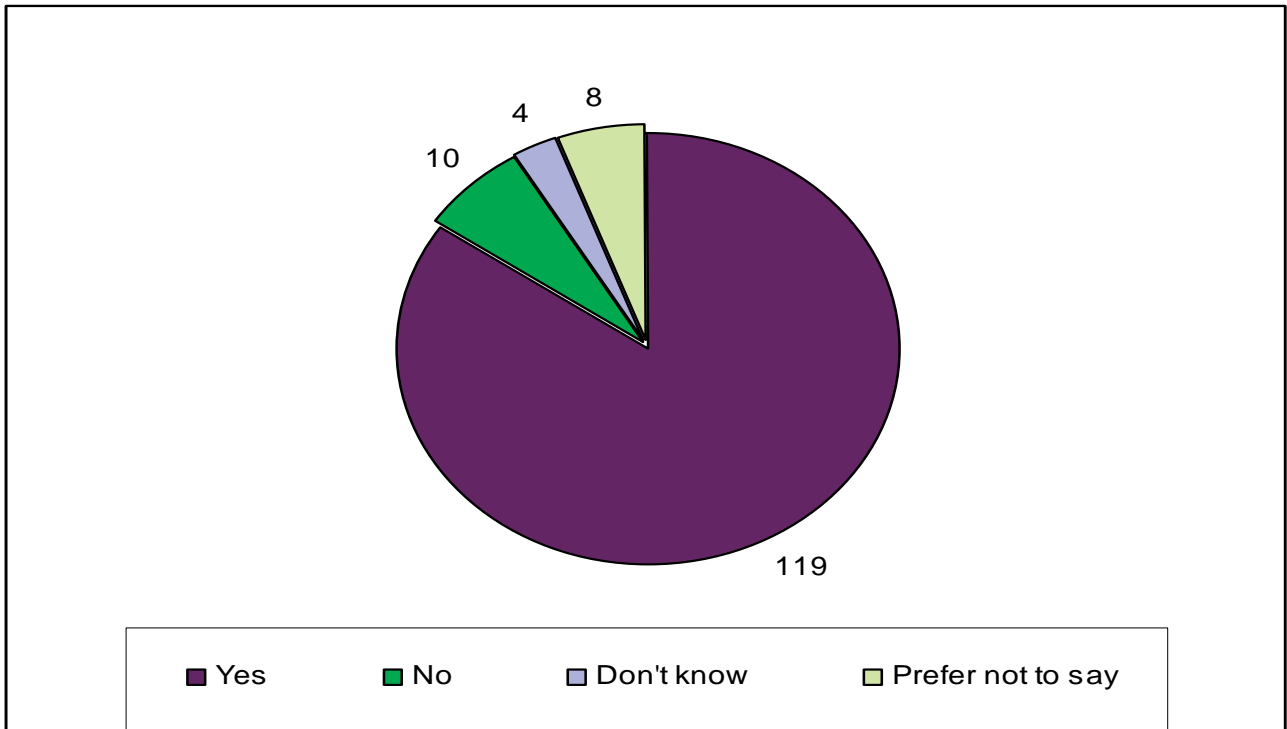
The series of graphs illustrate who responded to the questionnaire

## Q5 Are you answering as *(Please tick all that apply)*



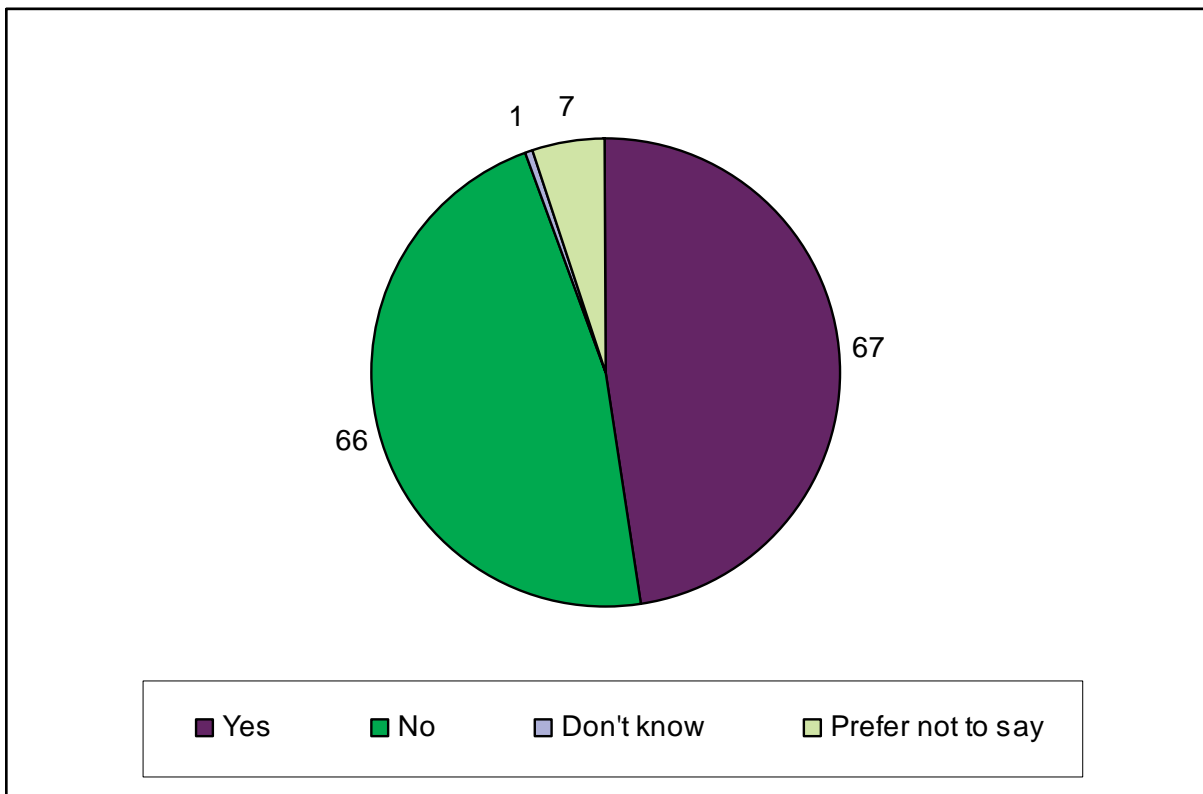
The majority of respondents 78 (55.3%) are council tax payers and 62 (44%) are in receipt of council tax benefit.

**Q6 Does your name appear on the Council Tax bill for your household?**



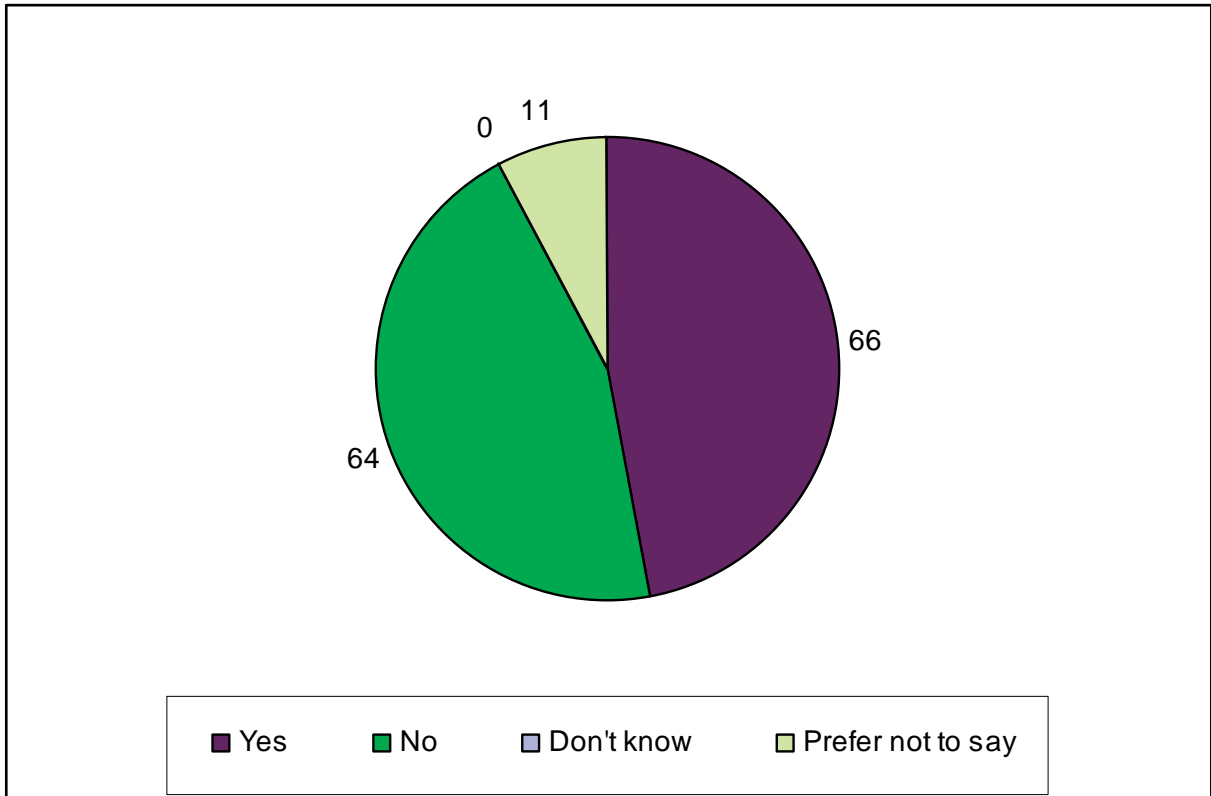
The names of the vast majority of respondents appear on the Council Tax bill 119 (88.4%).

**Q7 Does your household currently receive Council Tax Benefit?**



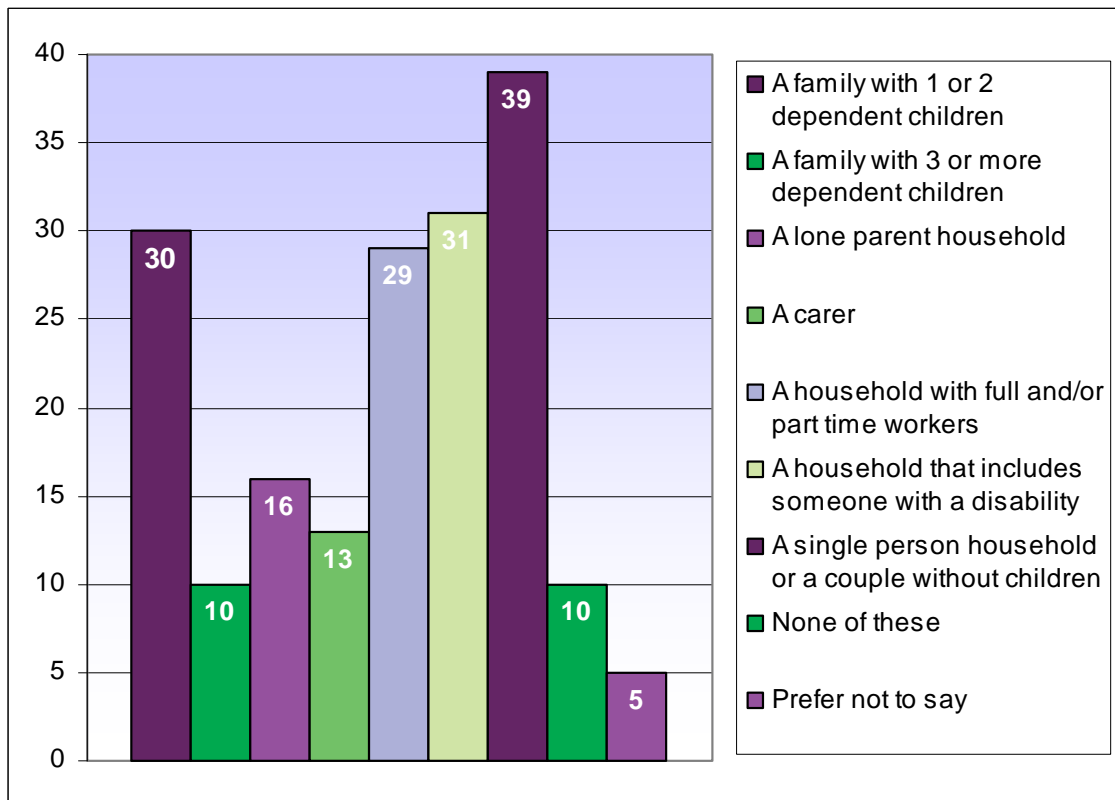
67 (47.5%) of respondents currently receive Council Tax benefit and 66 (46.8%) do not.

**Q8 Do you or your household receive any other benefits?**

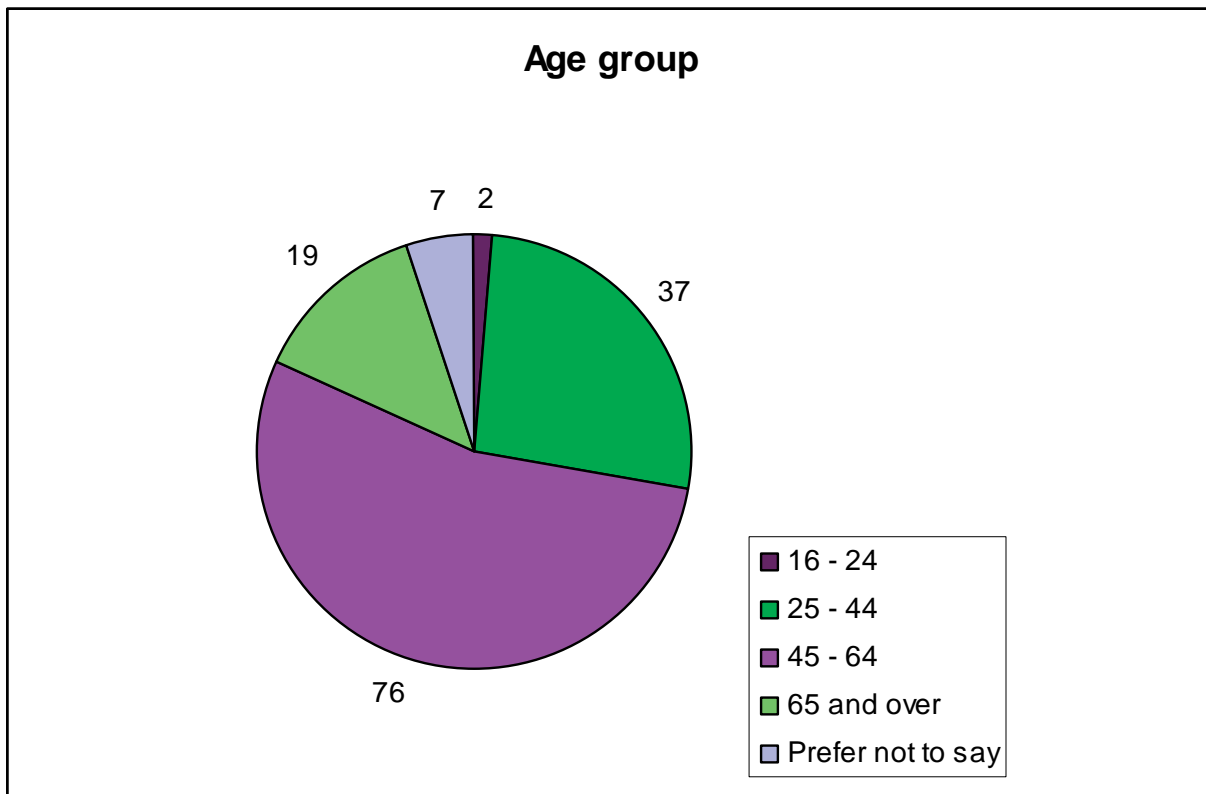


Again the response to this was evenly split with only slightly more respondents 66 (46.8%) in receipt of other benefits compared to 64 (45.4%) who are not.

**Q9 Which of these describes your household? (tick all that apply)**

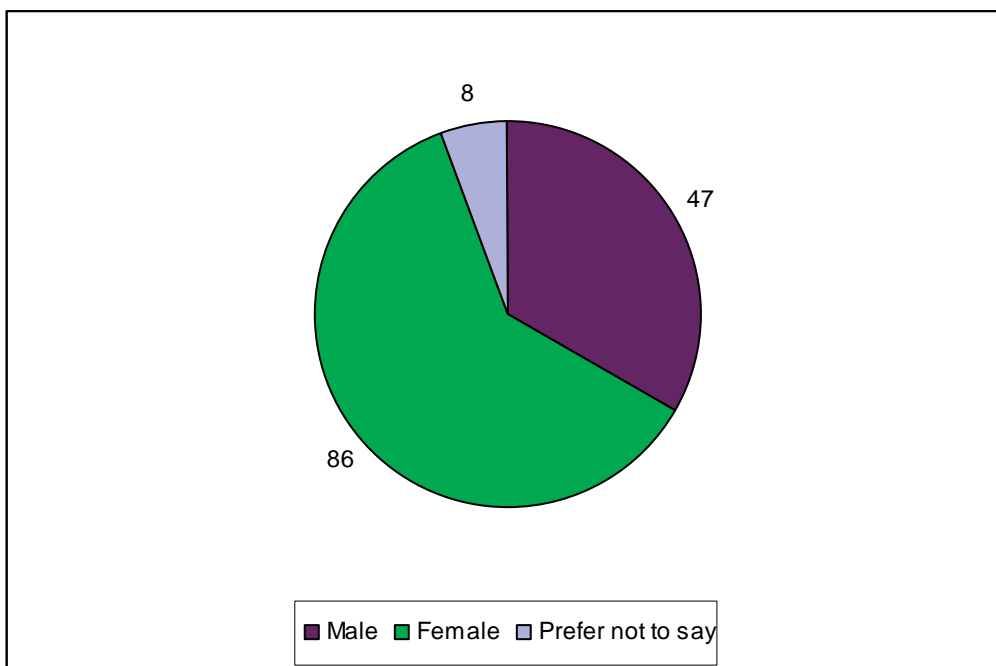


**Q10 Which age group do you belong to?**



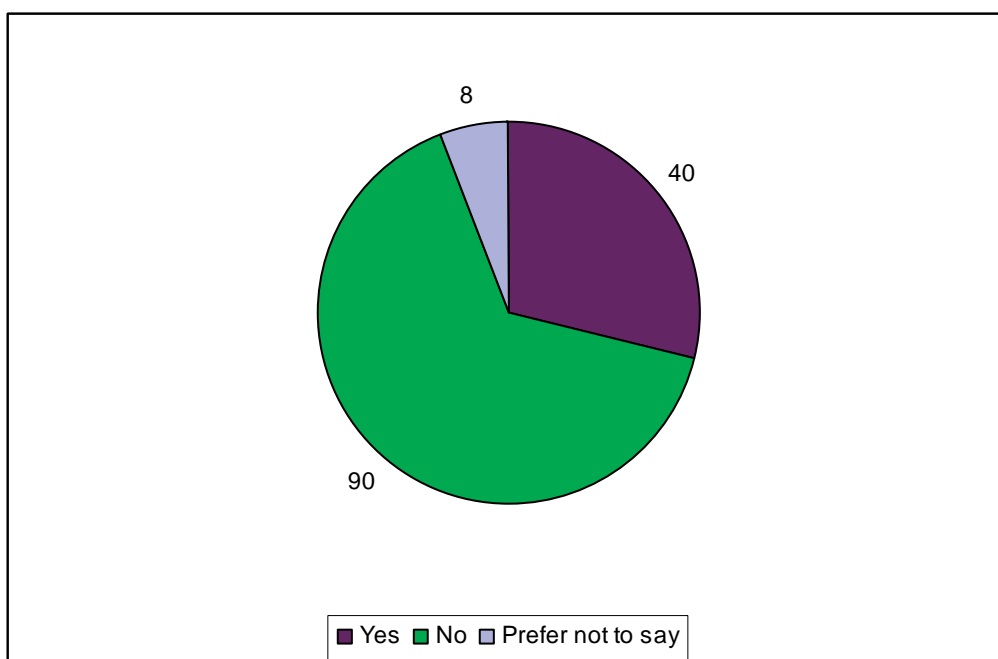
Over half of the respondents are aged between 45 and 64, (53.9%).

**Q11 What sex are you?**



Almost twice as many respondents were female 86 (61%) compared to 47 (33.3%) males.

**Q12 Do you have a long term illness, disability or impairment?**



40 (28.4%) of respondents consider that they have a long term illness, disability or impairment.

**Q13 To which of these ethnic groups do you consider that you belong?**

Ethnic Group	Number of respondents
English/Welsh/Scottish/Northern Irish/British	128 (89.5%)
Irish	1(0.7%)
Any other white background	3 (2.1%)
White and Black Caribbean	1(0.7%)
Any other mixed/multiple ethnic background	2 (1.4%)
African	1(0.7%)
Any other Asian background	1(0.7%)
Prefer not to say/Not applicable	5 (3.5%)

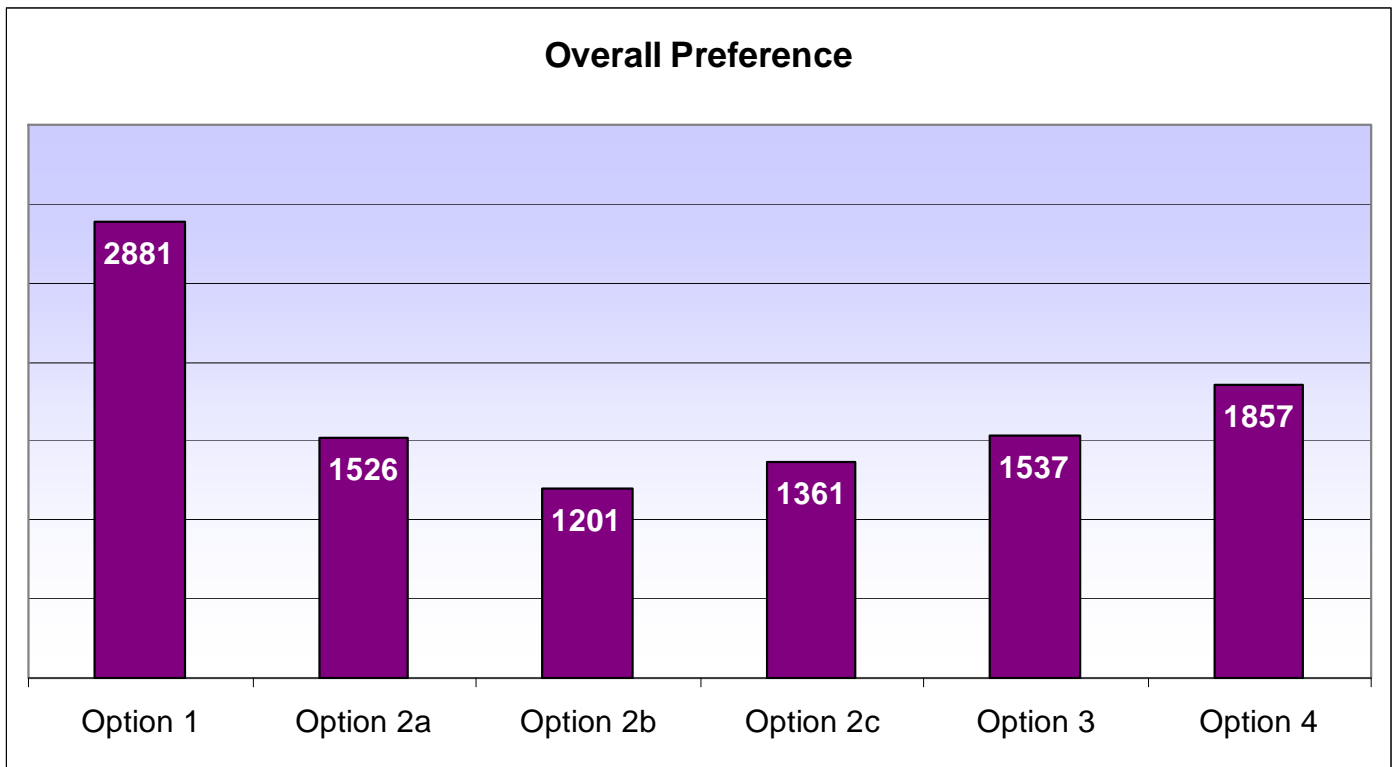
**Differences in preferences when “in receipt of CTB /not in receipt of CTB ” filter applied**

Respondents were asked to rate their choice of options in order of preference from 1 to 6 (with 1 being the option most agreed with and supported and option 6 being the option least agreed with and supported).

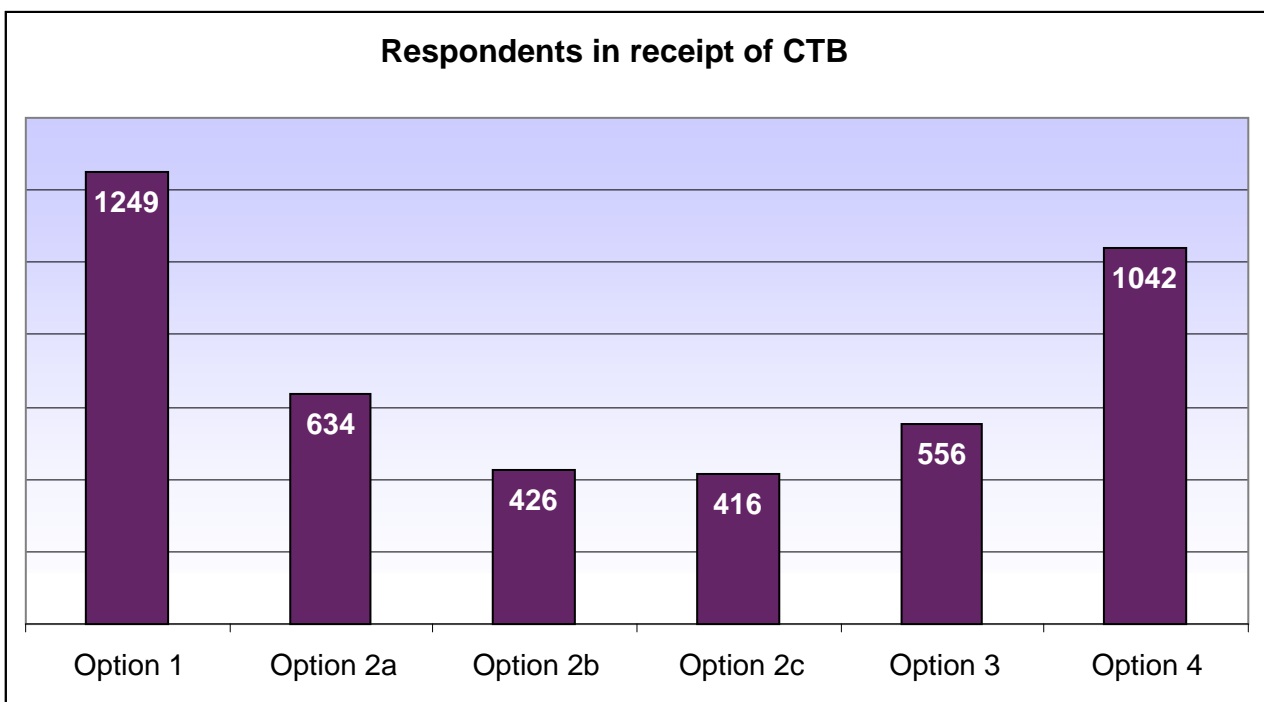
<b>Option 1</b>	Reviewing Council Tax discounts and exemptions to make up the shortfall in funding.
<b>Option 2a</b>	Introducing a minimum charge of <b>15%</b> of Council Tax before discount is calculated for all working age Council Tax support claimants.
<b>Option 2b</b>	Introducing a minimum charge of <b>20%</b> of Council Tax before discount is calculated for all working age Council Tax support claimants.
<b>Option 2c</b>	Introducing a minimum charge of <b>25%</b> of Council Tax before discount is calculated for all working age Council Tax support claimants.
<b>Option 3</b>	Withdrawal of the scheme known as Second Adult Rebate.

<b>Option 4</b>	Development of a local scheme that provides short term financial support for those in protected groups suffering severe financial hardship.
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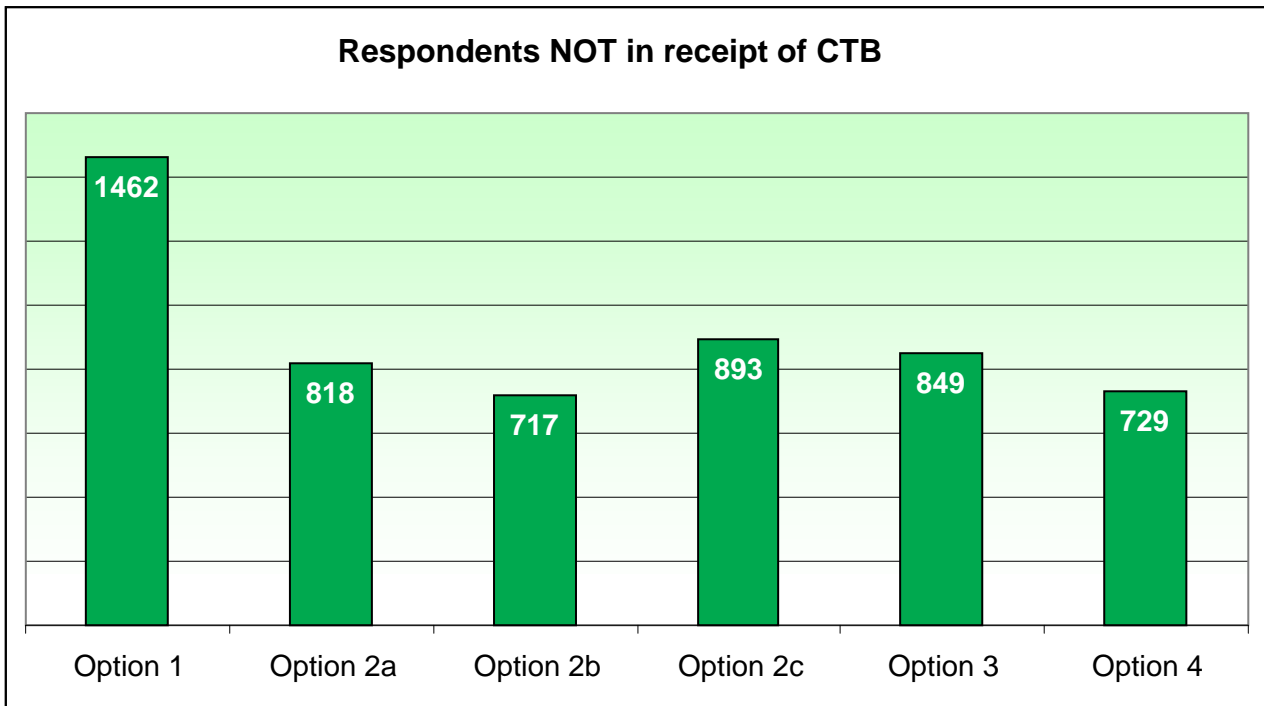
**Overall Preference**



**Respondents in receipt of CTB**



## Respondents NOT in receipt of CTB



- A Logarithm Scale (Base 2) weighting has been applied to the rankings to determine the scores.





East  
Northamptonshire  
Council

# Local Council Tax Support Scheme - Consultation Comments

## Section 1 - Comments from Individuals in favour of people on benefits not paying anything towards their Council Tax Bill

1. As a single parent on a career break due to my sons ill health I am worried that I may have to start paying towards my council tax which I cant afford to do as out of the money I receive in benefits I already have to cover a huge shortfall between my housing benefit and my rent.
2. People already in financial difficulty should not have to pay more this will increase their hardship and further socially exclude them.
3. I don't believe those currently experiencing financial hardship should be facing an increase in that hardship when others are fortunate enough to have second homes. From the information given in this option considerable funds could be generated by having council tax paid on second homes - only a small dent in the majority of the pockets fortunate enough to be in this position. And by occupying their property the council tax would fall to a tenant anyway - good encouragement to get the property occupied. All pluses on this option where-as don't see hardly any pluses on the other options.
4. I am getting mortgage interest assistance but in the last 2 years this has been reduced by £117 per month. That is £117 per month that I have to find out of the ESA payments. Obviously, I am now left with nothing to live on. I am starving to DEATH because of these B\*STARDS. I have great difficulty travelling and getting to the shops. Already there is no money to pay ESSENTIAL bills. You now expect me to pay some council tax as well. B \* S T A R D S.
5. I welcome the taxing of empty homes and also second homes with the exception of homes which are uninhabitable requiring renovation for which a 6 month 'holiday' should be applied whilst work is carried out. nb this exemption should apply to homes which are uninhabitable as opposed to any home needing renovation. I recall the days of community charge when everyone had to pay at least 20%. In some cases it was uneconomic to collect these sums and I believe this could be the case with 15% or 20% to collect. Option four is a non starter as discretion is used which is highly subjective and could vary depending upon which officer deals with the case. Severe Financial Hardship could be dealt with by the Universal Credit
6. Personal view from person in receipt of benefits because of disability and others in similar situation my neurological condition prevents work now and in future due to MS. Because of length of disability no savings and government reduced all benefits to the point of only being able to exist rather than live, any further reduction in benefits would lead to irreparable damage to health and would put me further and further into debt every week.
7. This idea is completely ridiculous, because people on Council Tax benefit cannot even afford an extra 1p per week for Council Tax. There have already been changes to

housing benefit and mortgage assistance which mean that an average single person on ESA has had a net drop in income of AT LEAST £100 per month. Already, there is very severe poverty, starvation, malnutrition, debt, hypothermia, sickness and various illnesses. If you persist with this idea, there will be very, very severe hardship, worse than India.

8. Our son who has learning disabilities and works, does not receive any other housing benefits except this one and should not be singled out for payment of Council Tax.
9. People on benefits already have to make stark choices whether to heat their home or buy food, any further erosion of their benefit by charging any amount of council tax will cause even more hardship and many people will not even with the best will in the world will be unable to make payments and will ultimately end up in court for non-payment which then piles on more misery with court and council fees and stress that will push some people over the edge.
10. I'm currently receiving council tax benefit as I'm unable to get work. I currently have to run a home on £280 per month which includes mortgage payments which come to £172 per month which then leaves me with £108 per month to buy food and pay water, gas, electricity etc. I wouldn't be able to pay any money towards council tax
11. It would surely be better to withdraw council tax benefits from those with second unoccupied properties rather than target people on low income or with disabilities and their carers. Benefits to the council would be twofold and the changes would yield a better saving.
12. Option 1 - I think that if a property that is a 2nd home the full rate of council tax should be paid as if you can afford a 2nd home you have enough income to pay the bills on the 2nd property. Where a landlord is actively trying to rent an empty property, I think that no council tax should be paid for the first 6 months then 50%. Where a property has been repossessed there is no one resident and if it has been repossessed there is clearly no money from the owners otherwise it would not have been repossessed. Where a property remains empty due to repairs or any other reason again I think after 6 months 50% should be payable. Option 2 I also think that if someone is on means tested benefits to live on then the level is set at what someone needs to live on and people often have to pay a contribution to their rent as housing benefit has been significantly reduced over the past year and it is unreasonable to expect someone to keep paying extra for things like rent council tax, gas electric and water and food which are all increasing in price with no increase in income. Option 3 - should be removed and the household income should be means tested and if overall on a low income then get the same support as everyone else - otherwise one person in the couple could be earning £50000 and the 2nd adult earning £5000, overall a high enough income to meet the council tax bill. Option 4 - what is the point of taking assistance away from people only to give it back, this will cost more to administer adding to the costs and wont save any money.
13. Option to keep full council tax benefit for those who have been unemployed for more than say 2 years, and for home owners who do not have families. As a single home owner who has been unemployed for almost 3 years, I am currently in receipt of IB-JSA benefit, mortgage interest payments, and council tax benefit. Without full council tax benefit I would struggle to meet all of my creditor debts because I am already having to make up the shortfall in my mortgage payments from my IB-JSA benefit. With no other funding available to me, no savings, and no money to spare, I would be forced out of my home and on to the streets if full council tax benefits were to stop.

14. I do not think that the disabled should pay either or if they have to a very low rate, I have to pay £163 a month rent as I don't get housing benefit, I had to move into this house as my husband threw me out and I slept on sofas for 7 weeks and it killed me, if I have to pay council tax as well I don't know what I will do I'm struggling now I only eat once a day I shan't eat at all ,but I do agree with what you are doing
15. There has been NO consideration for carers. They commit at least 35 hours per week to the care. A legal requirement to claim care allowance. Therefore it is full time but paid a benefit below minimum wage. Being full time the carer cannot seek other work. This makes the income very low and virtually puts the carer on the poverty line. Additional mandatory charges would push below the poverty line.
16. I am a single parent working 16 hrs a week on minimum wage I am also a carer for my daughter who is disabled with severe Autism. I only manage financially with the help of both council tax and Housing benefit .If I was to lose these benefits or if they were greatly reduced then this would have a severe impact on how we live , we already are counting the pennies with the cost of living rising. I'm already limited to how much I can earn because I receive carers allowance for my daughter. I really hope that when the council consider people in my situation that are working but are also carers for a disabled family member as well as living on a low income.

## **Section 2 - Comments from Individuals in favour of people on benefits paying something towards their Council Tax Bill**

1. Personally Option 1 pulls in revenue from either developers, L/L, 2nd home owners people who potentially have the means to cover overheads of having additional properties. Option 2a seems the more sensible scheme as the higher the charge the less likely ENDC as a Council would be able to recover the monies from those on benefits. Those already on HB/CTB currently in arrears are even less likely to pay off what they owe if the charge is set at a higher rate. Option 3 as stated the main occupant of the property has the means to pay for their C Tax Option 4 Questionable as how to distinguish who is more vulnerable from the next person??
2. Council tax already too high for a working family.(£173.00 per month). Working family should not be asked to pay anymore to fund the lazy, workshy, scroungers who can afford to smoke and drink. If they wont work get them to earn benefits by doing cleaning work in streets and parks etc
3. There are hard working single people who are at present able to claim support for council tax because of their low income. Mostly the proposed schemes would mean that such people would pay far more. Apart from option 1. the current scheme based on income is the most fair and thereby offering support to all - not just a minority! A Council tax based on the number of persons in a household would be the fairest- ie those that use should pay!!!! Also cutting waste at councils admin further. There is so much waste! Tax payers should not be expected to contribute towards the pensions of Council employees - no one does that for me!!! \_ I have to make my own contributions- I can not afford these at present!!!! All above would mean money to support the present scheme which is fairest.
4. Everyone should make a contribution to the running of their council, regardless of means.

5. I believe those who claim full benefits should contribute some monies. Those of us in full time employment always seem to be punished and expected to pay for everything. we all receive your services therefore we should all contribute.
6. I think it is a good idea to get all households to contribute towards Council Tax. However I am a little concerned that maybe the cost of recovering small amounts would be larger than the amount paid.
7. I think everybody should be Judged on their own Circumstances in whatever category they fall into, because even in one group of people there could still be differences in what other things they have to pay out for. I work and I pay some towards my council tax and rent and feel that is fair and as a single parent, with a child in full time education, how my rebates are worked out at the moment, is right for me, anymore would be hard for me. but somebody else with similar circumstances could find it easier than me or harder to manage under the new scheme. That is why we should all not be put into groups where within the group there are still big differences. I just wish that we all get treated, accordingly to our own personal circumstances.
8. I think it is extremely important to continue to protect the most vulnerable groups. The elderly are rightly named in this group. The next most vulnerable group, most be those for whom work is not an option. The disabled and infirm who have no option to work have no choice except to rely on benefits, whereas those of working age, that are able to work should have their claims reviewed. There is a massive drain on all benefits from individuals who don't WANT to work, and then once they are in the benefit system this effect filters down the council tax support. This is the group that needs to be targeted. Single parents would form the third tier of vulnerable, however this should be assessed once the youngest child reaches school age. As these individuals would have the opportunity to look for part time work. Also a cut in the amount of help offered to all except the most vulnerable groups (The elderly, infirm/disabled & Single parents) would encourage the other claimants to more actively seek work! For the vulnerable group already mentioned, any decrease in benefits would have a profound affect. The fourth option does seem to cover this, however my main concern with this option is the fact that this would only be offered short term. Certain vulnerable groups have great difficulty in completing claim forms, so would this mean they would have more forms to complete? Since the withdrawal of the welfare group that was helping these individuals to complete claims there is a serious possibility that the most vulnerable with lose out or not know when or how to claim!
9. Feel asking all residents to make some contribution is essential. Often seems to be those who contribute the least expect the most from public services.
10. I am absolutely and totally in favour of the Council Choosing Option 1, raising up to £750K in one fell swoop and only people with second homes being penalised - only a fool can't see that that is the obvious solution! Accepting that this government is in favour of 'encouraging' people to work perhaps everyone having to pay the first 5% of their council tax might be a suitable compromise. Don't hurt the most vulnerable in society - I for one would rather pay MORE Council Tax then see single parents, unemployed, low earners have to pay more - that would be immoral.

**Section 3 – Comments from individuals that are either not relevant to the design of the Local Council Tax Support Scheme or that do not fit into either of the categories above**

1. I believe that wealthy pensioners should be treated as of working age as they do have a substantial income.

2. A more vigorous attitude to collecting unpaid council tax from those who can pay
3. The scheme does not seem to include people with severe learning difficulties who are of working age but are unable to work
4. If Bands are still based on the value of the house, I feel these are in a way irrelevant to rented houses as we have nothing to gain from the value. My banding is high, but the rent was affordable when I was working and I moved in. I could now do with having a cheaper banded property but rents are now £100 per month more for same accommodation elsewhere in the area.
5. As a single parent [1 child at university, 2nd child at home] I think that single parents should still be eligible for a % discount on their council tax.
6. Option 1 raises the most amount of money and also helps to tackle the scourge of privately owned empty homes
7. My view is Council Tax should be abolished
8. I feel that working families should be protected and only those who have never worked or have no intention of working should be affected in the forthcoming changes. When you have worked beyond retirement age to have someone say why should either them or their partner find a job they have enough to do looking after 4 children is insulting as we the working public are paying for them as are retired people who have worked and paid and are still paying into the system.
9. This is just typical mismanaging of government funds due to the banks claw back of people's money in recent years and more politicians sticking their necks out to put less fortunate and poorer motp on the chopping blocks around the UK!
10. Rebate for only one person living in a house should be higher than 25%. It should be at least 50%. One person living in a house is often on a pension yet is paying 75% of the council tax only a quarter less than a family of 4/5 people yet using far less services  
Totally unfair.
11. People on council tax benefits made to volunteer around local area to help reduce upkeep and maintenance cost
12. Sorry, cannot complete this very well as I don't know enough about this (e.g Second Adult Rebate Scheme??). All I do know is if some people genuinely have very little income they are not going to be able to pay, whatever percentage you decide on, then what will happen to them? I, for one, wouldn't manage. It's yet another Cameron brainwave to alter things that don't squeeze his own income. What will he want next - only eat 3 days a week? Get rid of your pets?
13. Option for equality of unemployment mortgage/rent payments. My neighbour's monthly rent payment is almost double my monthly mortgage payment (we both live in the same size property!), yet if he became unemployed he would get his rent paid in full, whilst I can only make a claim against my mortgage interest payments by way of help 'towards' my housing costs; incidentally, most mortgage interest payments do not even cover the mortgage interest payments required by lenders due to limits as to how much the DWP can pay anyway, thus leaving the owner with a shortfall to pay from any other benefit/s for which they might be in receipt of! How is this fair? Surely, the unemployment

mortgage/rent payments system is something that could be reviewed in order to save the government money, and in turn, a fairer system would help to prevent the proposed spending cuts for the council tax benefit system. NOTE: quite frankly, the whole unemployment system is in need of a review because there is much that could be changed in order to make it fairer for all, and in turn, these changes could save the government a whole heap of money, but hey.... Thanks for reading!

14. One thing all the welfare reform has overlooked are 'Carers'. A body of people that HAVE to commit at least 35 hours per week to that care. In return they receive a poultry sum in benefits. Well below the national wage but still considered working. Are these hard working people. Who save government and councils thousands of pounds. If not millions. Should these people be 'punished' in any cuts because they care for family and friends?
15. Having read all support documentation, it seems that the contribution to NCC could be reduced to £300,000. What do they do for ENDC residents that warrant so much? I am a pensioner and hopefully protected but DC and GO could decide differently. If the economy continues to falter more will be out of work so national and local tax might suffer. Think hard before you agree with national policy(?).
16. The rules should stay as they are and I do not receive any benefits. I have seen and work with vulnerable people. The biggest disaster for people is that they can not have their money paid direct to the landlord.
17. Those identified as 'vulnerable' i.e. those in receipt of DLA, often have much more disposable income than a single young person on JSA. The Council should be wary of placing more of the burden of welfare reform on this group. It should be remembered that if jobs are not available no amount of financial pressure will get people back into employment.
18. Stop housing benefit being paid to those who own homes and then rent a property and get their rent paid through housing benefit. Stop housing benefit being paid on two homes. More rigorous checks on outgoings on claimants.

## **Section 4 – Comments received from stakeholders/organisations**

### **Raunds Town Council**

At its meeting on the 13 November 2012, the Town Council considered a report on the proposed scheme and wishes to make the following observations:

The Council supports **Option 1**, for the following reasons:

- it sees this as the most appropriate way to fund the 10% gap in Government funding for the CTSS, hopefully obviating the need for reciprocal service cuts at District and County levels;
- this option has potential to generate additional funds which can be used to increase the funding allocation for the Discretionary Relief Scheme;
- it spreads the burden of taxation, over a base of people most likely to be able to afford an increase in taxation;
- it increases the tax base for the benefit of all levels of authority;
- it helps promote the use of empty property and all the benefits which accrue from bringing unused property back into use; through an empty property strategy.

The Council feels adequate means must also be provided to lessen the burden on vulnerable people, and to this extent supports **option 4**.

### **Spire Homes**

Spire Homes is concerned about the impact of options 1 and 2 on social landlords and our tenants. If Spire has to pay more Council Tax, there will be less money for new affordable homes. We therefore request that social landlords remain exempt from additional C/Tax charges for all, or the majority of our void properties.

We also consider that people on very low incomes are not in a position to pay Council Tax, and that the income raised from this will be largely offset by increased transaction and debt recovery costs, and extra costs to homelessness and other services. They will also increase the debt of social landlords, again limiting our ability to provide new housing.

Finally, we also consider that option 4 should be used to react to high levels of debt incurred: vulnerability is not the same as inability to pay, and people should not be exempt from the charge purely because they are vulnerable. Some individuals, for example, with various disability benefits, are in a much easier position than single individuals with just income support.

### **Spire Homes Care and Repair**

Spire Homes Care and Repair fill in DFG application forms for customers. CTB is a passporting benefit with regard to access to grant funding. Not all customers are over pension age, so will the changes affect this?

### **Letting Agent**

As a Letting Agent I think it is very important to think about the consequences of introducing 100% tax on empty property as this is likely to be yet another risk for Landlords investing in rental property. At times like now the council should be supporting rental investment as there is a severe shortage of property available !



### Full EIA Assessment Form

Analysis of the options being considered for the Local Council Tax Support Scheme					
	Option 1	Option 2	Option 3	Option 4	
14. Looking back at the Initial Screening Form, in what area(s) are there concerns that the decision being taken could have a negative impact? (✓ all that apply)					
Gender		✓	✓	The development of a local hardship scheme has the potential to have a positive impact across all equality strands	
Sexual orientation					
Race/Ethnicity	Not known as we do not monitor the protected characteristics of recipients of discounts and exemptions.				
Disability		✓	✓		
Age – Children		✓	✓		
Religion/Belief					
Rural isolation					
Socio-economic exclusion		✓	✓		
Carers		✓	✓		
15. Summarise the likely negative impacts:		Because the number of council tax benefit claimants is fluid and changes on a daily basis we took a snapshot on the 22 October. The following data is based on data collected on that date.			



**Option 1- Review Council Tax discounts and exemptions to make up the funding shortfall**

In certain circumstances, owners of empty homes can claim exemption from council tax. Some exemptions apply to occupied homes and some are for unoccupied homes.

As we do not monitor the protected characteristics of recipients of discounts and exemptions it is not known if there will be a disproportionately negative impact on anyone who shares any of these characteristics.

**Option 2 – Introduce a minimum charge of between 15% and 25% before any discount is calculated for all working age Council Tax Support claimants.**

There were 2897 council tax benefit (CTB) claimants of working age on 22 October 2012, this represents 7.7% of the council tax payers in the district.

If a minimum charge for council tax was introduced it would most negatively impact the following groups :-

**Women** - The majority of claimants are single females of working age 53% (1532), 24% (694) are couples and the remaining 23% (674) are single males.

**Children** – There are 2942 children who live with one or more parent claiming CTB. Of the CTB claimants with dependent children 24.3% (710) are aged under 5.

**People with a disability** – 603 (21%) of claimants are receiving a disability benefit.

**Socio-economic exclusion** – All CTB claimants fit into this category. Approximately 2200 households are in receipt of 100% CTB and therefore currently pay no council tax, this represents 73% of the almost 3000 working age households who are CTB claimants.

**Carers** – 258 (8.9%) of claimants are in receipt of a carers allowance. We do not know how

	<p>many other CTB recipients have carers responsibilities for which they do not receive an allowance.</p> <p><b>Option 3 – Withdrawal of the scheme known as Second Adult Rebate</b></p> <p><b>Women</b> - The majority of claimants of this rebate are female 27 (71%), with 11 male claimants (29%).</p> <p><b>Children</b> – The withdrawal of this scheme could have a negative impact on any children living in the household.</p> <p><b>People with a disability</b> – 2 of the second adults are in receipt of a disability benefit</p> <p><b>Socio-economic exclusion</b> – All 38 of the second adults in this category are either on passported benefits or low earnings</p>
<p>16. What consultation on this decision has already taken place with groups/individuals from equality target groups?</p>	<p>A mailshot was sent to all current CTB claimants. In addition, claimants and non-claimants were encouraged to respond to the consultation in the following ways:-</p> <p>An on-line questionnaire was available on the council website from 1 October until 23 November which generated <b>134</b> responses.</p> <p>Our customer contact centre staff were able to complete the on-line survey for residents over the telephone.</p> <p>Customer service advisors were present in Raunds Library on Thursday afternoons 2 - 4 and Irthlingbrough library 1.30 - 4.30.</p> <p>A paper copy of the survey was available on request and there were <b>7</b> completed questionnaires returned.</p> <p>Articles and information appeared in the Nene Valley news.</p>

	<p>There were opportunities to hear or read about the options in the local media and to be kept up to date through the council's social media channels.</p> <p>A stakeholder session was held on 6 November and was attended by representatives from:-</p> <ul style="list-style-type: none"> <li>Rockingham Forest Housing Association</li> <li>Spire Homes</li> <li>East Midlands Housing Association</li> <li>NCC</li> <li>BPHA</li> <li>Women's Aid (Well &amp; EN)</li> <li>Community Law</li> </ul>
<p>17. What does it indicate about the negative impact of this decision?</p>	<p>Overall the consultation indicates that the most favoured option is Option 1.</p> <p>We received <b>44</b> comments from individuals on the scheme which broadly fit the following categories :-</p> <ul style="list-style-type: none"> <li><b>16</b> comments suggesting that people who are in receipt of benefits shouldn't be asked to pay any council tax.</li> <li><b>10</b> comments suggesting that everyone should pay at least some council tax</li> <li><b>18</b> comments that either do not fit in either of the categories above or are not relevant to the design of the scheme.</li> </ul> <p>Further analysis of the consultation and the comments received from individuals and stakeholders are available as an appendix to the committee report.</p>
<p>18. What consultation will be conducted/is planned on this decision with equality target groups?</p>	<p>No further consultation is planned at this stage.</p>

<b>19. Once this consultation activity has taken place, indicate the outcomes:</b>	Not applicable
20. What consultation on this decision has already taken place with staff - including those that have, or will have direct experience of implementing the Policy?	An internal Welfare reform consultation and engagement group made up of officers from Revenues, Benefits, Finance and Customer Services was created and consulted with.  The Welfare Reform Sub-Committee meets at least monthly and is made up of both members and officers, it has been established to develop and recommend an East Northamptonshire Local Council Tax Support scheme to Council.
21. What does it indicate about the negative impact of this decision?	Not applicable
22. What consultation will be conducted/is planned on this decision with staff?	Not applicable
<b>23. Once this consultation activity has taken place, indicate the outcomes:</b>	Not applicable
24. What relevant research/data/reports concerning the equality target groups have been used in the planning of this decision and what does it tell us about the negative impact?	We used data extracted from the council tax benefits system to inform our understanding of the protected characteristics most likely to be affected by the introduction of a local council tax support scheme.  The questionnaires also contained optional demographic questions to aid with the analysis of the effects on the protected groups.
25. What research concerning the equality target groups needs to be conducted in relation to this decision?	Not applicable

<b>26. Once this has been carried out, what does it tell us about the negative impact?</b>	Not applicable
27. If there are any research gaps, are there any experts/relevant groups that can be contacted to obtain views and evidence on the issues?	Not applicable
<b>28. Once they have been contacted, what information have we found out?</b>	Not applicable
29. Is it important that we conduct/commission specific research on this issue? Explain the research required:	Not applicable
30. If we need to conduct /commission research what are the likely timescales and resource implications / costs involved?	Not applicable
31. If you require further information, what will you do in the interim to address the negative impact?	Not applicable
<b>32. List the changes that have been identified which will ensure that the negative impact is addressed:</b>	<i>Info to follow depending on the decision made at Welfare Reform Sub-Committee on 11 December</i>
<b>33. Have you introduced changes you planned, with any necessary training?</b>	Give details : <i>Info to follow depending on the decision made at Welfare Reform Sub-Committee on 11 December</i>

**34. Does everyone involved in implementing the decision know and understand what you have done?**

*Info to follow depending on the decision made at Welfare Reform Sub-Committee on 11 December*

**Now complete the action planning form which will detail the changes that need to be made to this decision.**



### Equality Impact Assessment Action Plan

Action identified	Key activity	How will we know this has been achieved? (measures, milestones and dates)	Officer responsible	Quarterly progress update

**Planned date for next EIA exercise** | \_\_\_\_\_