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Simon Young, Solicitor
Head of Legal and Democratic Services



SPECIAL STRATEGY AND RESOURCES COMMITTEE

Tuesday 8 December 2015 at 7.30 pm

Town Hall

The members listed below are summoned to attend the Strategy and Resources Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chairman)	Councillor Kate Chinn
Councillor Clive Woodbridge (Vice-Chairman)	Councillor Eber Kington
Councillor Tony Axelrod	Councillor Omer Kokou-Tchri
Councillor Richard Baker	Councillor Keith Partridge
Councillor Rekha Bansil	Councillor Mike Teasdale

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Young', written over a faint, larger version of the same signature.

Head of Legal and Democratic Services

For further information, please contact Fiona Cotter, 01372 732124 or fcotter@epsom-ewell.gov.uk

AGENDA

1. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

2. LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17 (Pages 3 - 92)

This report asks the Committee to recommend to Council a Local Council Tax Support Scheme for the 2016/17 financial year.

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LOCAL COUNCIL TAX SUPPORT SCHEME

<u>Report of the:</u>	Head of Revenues and Benefits
<u>Contact:</u>	Judith Doney
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	Annexe 1 – SPCC Consultation letter Annexe 2 – SCC consultation letter Annexe 3 – Council Tax Support Consultation summary report Annexe 4 – SPCC response to consultation Annexe 5 – SCC response to consultation Annexe 6 – Community Equality Impact Assessment Annexe 7 – Current Discretionary Hardship Policy Annexe 8 – Director of Finance & Resources response to SCC’s consultation response 091115 Annexe 9 – SCC response to EEBCs request for a funding contribution 161115
<u>Other available papers (not attached):</u>	Strategy & Resources Committee Report 24 June 2015 Strategy & Resources Committee Report 27 November 2012 (detailing Surrey Framework scheme) Institute for Fiscal Studies Briefing Note 175

REPORT SUMMARY

This report asks the Committee to recommend to Council a Local Council Tax Support Scheme for the 2016/17 financial year.

RECOMMENDATION (S)

(1) That the Committee advise which option they wish to recommend to Council for the Local Council Tax Support scheme from 2016/17:-

Notes

Option A – continue with the current scheme for a further year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

Option B – increase the percentage minimum payment on the current scheme to 25% for the 2016/17 financial year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016.

Option C - increase the percentage minimum payment on the current scheme to 30% for the 2016/17 financial year with the underlying means tested applicable amounts being uplifted by the same percentage as the Housing Benefit rates applicable from April 2016..

- (2) Recommends to Council the continuation of the Discretionary Hardship Fund for exceptional cases, reducing the provision to £25,000 per year.**
- (3) Notes the findings of Community Equality Impact Assessment.**

1 Implications for the Council’s Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The Council’s Safer and Stronger Communities service plan includes the following target :-

- Managing the changes in welfare benefit in a way that reduces the impact in the most vulnerable

2 Background

2.1 Prior to April 2013, a national Council Tax Benefit Scheme was in operation. When someone was awarded Council Tax Benefit, the Government paid a corresponding sum to the Council, so that the full Council Tax bill was paid.

2.2 Since April 2013, Council Tax Benefit was abolished. It is for local authorities to determine their own Council Tax Support Scheme. This operates differently from the previous benefit system. Instead, when someone is eligible for support, their Council Tax bill is reduced by the amount of Support awarded. This means that the amount of Council Tax received by the Council is less than the full amount. In the first year of

operation, the Government accordingly increased the Revenue Support Grant to include a sum to reflect the likely loss of Council Tax receipts. This sum was calculated having regard to the net amount previously paid in benefits, less 10%. However, as members are aware, the Government has been steadily reducing the overall amount of the Revenue Support Grant each year by 10-15%. Such reductions are expected to continue.

- 2.3 The Revenue Support Grant is used with other sources of income, such as Council Tax receipts to spend on delivery of services.
- 2.4 It is not possible to say with any certainty how much of the Revenue Support Grant is to relate to Council Tax Support. The grant is not ring-fenced, and members are able to allocate as much or as little as they consider appropriate to offset the reduction in Council Tax receipts due to the operation of the Local Council Tax Support Scheme.
- 2.5 Each year the Council is now required under the Local Government Finance Act 1992 (as amended) to adopt a local scheme by 31 January for the following financial year. Where significant changes are to be made the Council is required to undertake a consultation with the public and precepting authorities.
- 2.6 The Strategy & Resources Committee on 11 November 2014 recommended a Local Council Tax Support Scheme for 2015/16 based on working age recipients of Council Tax Support making a 20% minimum contribution with the underlying means tested applicable amounts being uplifted by the same percentage as Housing Benefit rates applicable from April 2015. It also agreed the continuation of the Discretionary Hardship Fund to assist those experiencing financial hardship due to the changes and increased the provision by £10,000 to £30,000. On 9 December 2014 the Council approved and adopted the scheme.
- 2.7 At the June 2015 meeting the Committee received a report on the financial impacts of continuing the current scheme for 2015/16 and agreed to consult on potentially increasing the percentage minimum contribution made by working age recipients of Council Tax Support.

3 Public consultation

- 3.1 The Council carried out an eight week public consultation on potential changes to the scheme for the 2016/17 financial year between 27 July 2015 and 20 September 2015.
- 3.2 The consultation questions and feedback summary is attached at Annexe 3.
- 3.3 In a case regarding the consultation carried out by the London Borough of Haringey the Supreme Court gave Judgment giving guidance as to the requirements for a "fair" consultation, and all Councils now have to have regard to the finding of this judgment when undertaking further consultation exercises. Councils are required to detail in their consultation what other options might be available in respect of Local Council Tax Support Schemes, and the reasons why the Council is not proposing to adopt any of

these.

- 3.4 Options for covering the shortfall in funding included increasing the amount working age recipients contribute to their Council Tax to 25% or 30%, and the use of other methods of funding the scheme locally such as raising the council tax, using reserves or reducing the funding available for other services. The accompanying notes provided more detail on all options.
- 3.5 Respondents were also asked about whom they considered to be 'vulnerable' residents and whether these people should receive more help towards their Council Tax, including whether the hardship fund should continue.
- 3.6 The Council used a wide range of methods to communicate and give access to the Council's consultation. In addition to residents, including those in receipt of Council Tax Support, the consultation papers were widely circulated to representative organisations who in the main have responded using the survey with results reflected in the analysis in Annexe 3.
- 3.7 This has resulted in a total of 930 returned questionnaires. 599 of these were received from the Citizens Panel and 331 from other residents. Questionnaires were sent to 1,751 working age recipients of Council Tax Support. 271 of the responses were from those currently in receipt of Support.
- 3.8 On the main question of whether the minimum contribution for working are recipients should be increased 31% stated there should be no increase from the current 20% minimum contribution, 38% agreed that the minimum contribution should increase to 25% and 31% agreed that the minimum contribution should increase to 30%.
- 3.9 For those stating there should be no increase the preferred option for meeting the funding shortfall was through the use of the Council's reserves.
- 3.10 The majority of those respondents in receipt of Council Tax Support stated there should be no increase to the minimum contribution.
- 3.11 On the questions regarding help for vulnerable residents 86% were in favour of giving extra support to vulnerable residents with 58% preferring the use of a continued Hardship fund instead of applying a lower minimum contribution. The main categories of vulnerable residents respondents felt should receive extra support were those with severe disabilities, full time carers of the disabled, elderly or infirm, and those who are long term sick.
- 3.12 The Epsom CAB advised, "schemes that require all working age residents to pay a proportion of their council tax...has led to some of the poorest households...struggling to do so...Frequently the cost of collection increase the debt to financially crippling levels. All this leads to increased debt stress and related health problems...we are seeing an increase in the number of enquiries relating to Council Tax debt... 26% of the workload of

our Specialist Debt Advisers ...was to stop or prevent Council Tax bailiff action. Frequently these clients, with Council Tax debt, are unable to pay essential bills and other priority debts”

- 3.13 Responses from the precepting authorities, Surrey Police and Crime Commissioner and Surrey County Council are attached at Annexe 1 and 2 respectively.
- 3.14 Surrey County Council response suggests a return to the Surrey Framework measures introduced in 2013 and 2014 but with additional changes to reduce the funding gap. The decision to remove certain council tax discounts and exemptions for second homes and empty properties under the Government Technical Reforms was taken in 2013 to offset the funding gap and these changes are still in place and there is no scope to alter these. Of the four other measures suggested we abolished Second Adult Rebate in 2013 and reduced the capital threshold to £10k and backdates to 3 months. Last year we rescinded the Band D restriction which affected fewer residents and affected larger families including homeless families the Council had placed in accommodation. The Band restriction also resulted in the majority of spend on the Discretionary Hardship Fund.
- 3.15 Making changes to the criteria for entitlement was explored in previous years, however, it was not expected to result in a marked decrease in the funding gap, made the scheme more complicated for recipients to understand and more complex to administer. It also led to a small number of recipients being disproportionately and excessively financially affected by these changes.
- 3.16 These options have not been considered for this year and did not form part of the consultation undertaken. However, if Committee are minded to look at these options again they can be included in options for the 2017/18 scheme.
- 3.17 County have also raised the issues from the Surrey wide impact report on welfare reforms, which include the local Council Tax Support schemes, where evidence is growing that when less is paid to Support recipients they compensate financially in other areas such as increasing rent arrears and other debts. They have also stated that ‘without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey County Council see it as a risk to increase this further without knowing the extent of its impact’. However, Surrey County Council have not offered to assist with any further funding to help with the shortfall.

4 Evaluation of current scheme

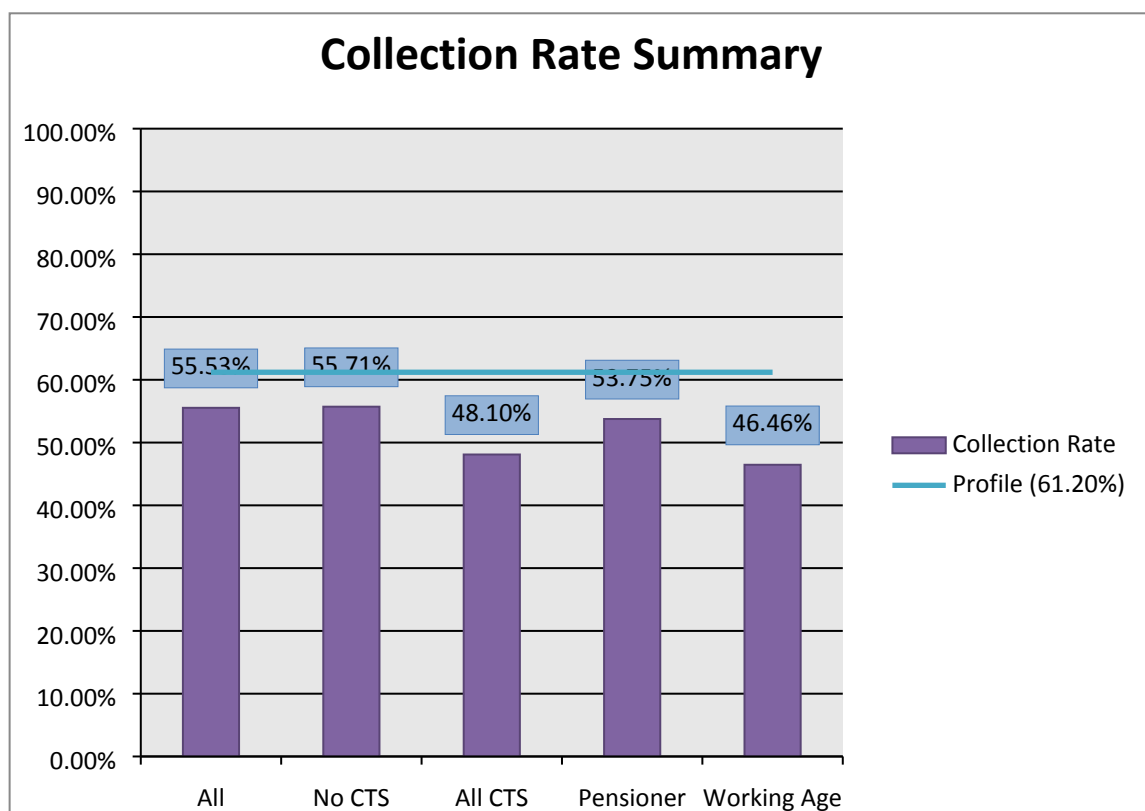
- 4.1 At the June 2015 Committee we agreed to provide details of the effects of the introduction of the 20% minimum contribution for the first few months of this financial year. It should be noted that due to the nature of benefits figures for the year to date are subject to fluctuation and in some case totals will vary.

- 4.2 At the end of May there were 1724 working age claimants in receipt of Council Tax Support of which 1518 also receive Housing Benefit. Details of the number of working age claimants in each ward are shown below for information.

Ward	No. of working age CTS claimants
Auriol	45
College	48
Court	357
Cuddington	94
Ewell	137
Ewell Court	65
Nonsuch	14
Ruxley	257
Stamford	148
Stoneleigh	35
Town	293
West Ewell	138
Woodcote	93
Total	1724

- 4.3 Under the pre-April 2015 schemes 1085 claimants received full Council Tax Support due to the low level of their income or earnings and have therefore not been used to making any payments toward their Council Tax.
- 4.4 Of the 1724 working age claimants in receipt of Council Tax support: 907 are in receipt of income support, jobseekers allowance or employment support allowance, 654 are employed and of these 213 earn the minimum wage or below and the remaining claimants are on a variety of other benefits such as disability benefits or tax credits.
- 4.5 In respect of the Discretionary Hardship Fund created by the Council 75 applications for assistance were received between 1 April and 30 September. 41 have been awarded help, 24 have been refused and the remaining applications are being processed. A total of £4,915 has been drawn on the fund to date. This compares to £9,920 which was granted for 2014/15 to 41 of the 49 applicants who applied for assistance.
- 4.6 Current Council Tax collection rates are shown at Table 1 below for various categories of taxpayer, those affected by the 20% minimum payment contribution being the working age tabulation. (Please note the profile figure of 61.20% relates to the overall collection target for 30 September.)

Table 1



4.7 The current position on Council Tax recovery for working age Support recipients is shown in Table 2 below.

Table 2

	Number	% of working age
Currently paid as per their Council Tax arrangement (10 or 12 monthly payments)	480	27.5
Reminder(s) issued	867	49.6
Summons issued	371	21.3
No Council Tax paid	224	12.8

4.8 If the current level of payments and monthly instalments remained the same we estimate that collection from those in receipt of Council Tax Support could reach 81% by the end of the year which is in line with the forecast provided to Committee last year.

5 Financial and Manpower Implications

- 5.1 As reported to the Committee in June any funding from Central Government for the local scheme is now included in the overall grant provided to Epsom & Ewell towards their services.
- 5.2 When the Local Council Tax Support scheme was introduced in April 2013 the government reduced its funding and Epsom & Ewell Borough Council received 337,000 towards the local scheme as part of the Revenue Support Grant (RSG) settlement for 2013/14.
- 5.3 Since then the RSG has been reducing year on year. For 2014/15 we received RSG of £1,435,000 a reduction of 23% on 2013/14 and for 2015/16 RSG of £1,007,000 a reduction of 30%. For 2016/17 we expect a further reduction of £223,000.
- 5.4 Whilst an increase in the minimum contribution payment would generate additional Council Tax income, the amount will depend on the level of collection and as the minimum contribution payment increases we would expect a corresponding reduction in the percentage of Council Tax collected as the table below demonstrates.

Table 3

	Current year	20% minimum contribution	25% minimum contribution (expected worst case collection)	25% minimum contribution (expected best case collection)	30% minimum contribution (expected worst case collection)	30% minimum contribution (expected best case collection)
Amount of Ctax to be recovered from Support recipients based on 2015/16 rates	359,497	359,497	449,371	449,371	539,246	539,246
Estimated recovery rate	80%	80%	75%	80%	70%	80%
Forecast Council tax income collectable	287,598	287,598	337,028	359,497	377,472	431,396
EEBC Share of Council Tax Income (11%)	31,636	31,636	37,073	39,545	41,522	47,454

Whilst additional stages in the recovery process have been introduced to give Support recipients having problems with their payments time to make arrangements to pay or to claim a Hardship fund payment the recovery team are already dealing with significantly more cases from this group this year.

- 5.5 In order to secure the debt the Council must obtain a liability order and the recovery team will take this action if there has been no response to reminders or if revised payment arrangements are not adhered to. Once the liability order has been granted by the courts the recovery team will, wherever possible, collect the outstanding Council Tax by deductions from social security benefits, but at £3.70 per week which even on a Band A property would only cover half the annual amount payable . Those not on a benefit are pursued by other methods including bailiff action, however this does not necessarily result in a better rate of recovery and as CAB have pointed out can lead to other priority debts not being paid, such as rental payments.
- 5.6 The recovery team are very aware that actions they may take could affect other services within the council, particularly with regard to homelessness. For example, if a family is in accommodation which, due to benefit changes is no longer affordable, they could be considered unintentionally homeless, even if evicted for rent arrears, and the Council could then have a duty to secure affordable accommodation for them.
- 5.7 The majority of consultation respondents felt that vulnerable residents should receive extra help with their council tax. A higher percentage felt that this should be provided through the Discretionary Hardship Fund which has the flexibility to help those in need whilst concentrating assistance on the categories identified in the Community Equality Impact Assessment.
- 5.8 We have made changes to Discretionary Hardship Fund awards for 2015/16. Where appropriate we have been making part-year or tapered awards to give recipients time to find ways to budget for their Council Tax liability. Due to these changes we consider the current provision of £30k can be reduced by £5k.
- 5.9 The consultation asked for residents view on how to fund the shortfall in funding if Support recipients were not asked to pay more.
- 5.9.1 20% of the 31% who voted for this option felt the shortfall should be funded by a rise in Council Tax. With the limit for increases normally set around 2% Members would need to go to a public referendum which would be costly, in excess of £70k and given the low percentage here would not be likely to produce a 'yes' vote
- 5.9.2 34% of the 31% who voted for this option wished to cut other services. However, in order to meet its current financial burdens the council is already reviewing all services to identify and make savings so this is not considered a viable option to meet the shortfall next year
- 5.9.3 62% of the 31% felt reserves should be used to cover the shortfall. The Council plans to use £230,000 of this balance in 2015/16 to assist in providing services. The Council's policy is for this reserve not to drop below £2.5 million and with the financial challenges of the next 4 financial years it is expected that we will need to continue

the use of the reserves over this period to assist in providing services whilst savings that are required are being delivered. Whilst there appears sufficient reserves to fund the Council Tax Support scheme for a few years, central government funding for the Council will reduce over the next four years. Therefore, these reserves will be required to assist in delivering changes to services that enable the Council to provide a sustainable financial position. The use of reserves is not a sustainable way to fund any services long term, including the Council Tax Support scheme, and this is also not considered to be a viable option.

- 5.10 **Chief Finance Officer's comments:** On the introduction of this new scheme, the funding gap back in 2013/14 and the difference between the Council's loss of income from council tax support previously funded by Central Government and the additional funding received through an increase in Revenue Support Grant was £42,000.
- 5.11 Although it is no longer possible to separately identify the element of funding relating to council tax support within the RSG it can be assumed that as RSG has been significantly cut since the inception of the new scheme, so has the level of support funding provided by Central Government.
- 5.12 The Council has delivered savings from its services to compensate for the reduction in RSG funding during this period.
- 5.13 There is a risk that the small amount of additional income that could be realised by increasing the minimum percentage could be offset by the cost of additional administration and recovery required to collect it.

6 Other factors impacting on the Council Tax Support scheme

- 6.1 Changes to other welfare benefits are likely to have an impact on Support recipients ability to pay their Council Tax.
 - 6.1.1 The reduction in the benefit cap to £20k from next April is expected to affect 170 of our existing working age benefit recipients, on average losing £81 per week.
 - 6.1.2 Whilst the new National Living Wage, which is being introduced from April 2016, could help some of the employed Support recipients on low wages, the reduction in benefit and tax credits is expected to make the majority worse off. We have not been able to model these changes for our own caseload but the Institute for Fiscal Studies briefing note for House of Commons Treasury Select Committee documents that the average gain from the new National Living Wage is £200 a year but the average loss from the cuts to benefit and tax credits is £750. The tax credit changes will affect most of the 654 employed Support recipients. This indicates that they will not be in a better position to meet their Council Tax payments next year.

- 6.1.3 The four year freeze on a variety of benefits and the local housing allowance, which is used when calculating housing benefit for people privately renting, will mean that the 1518 working age claimants who receive both Housing Benefit and Council Tax Support will find themselves having to spend more of their income on their rent at the expense of other priorities and this is a concern for recovery rates for the Support recipients.
- 6.2 The Government's expected review of localised Council Tax Support Schemes which is taking place this year will not now report until February 2016. This is unlikely to affect any scheme the Council adopts for 2016/17.
- 6.3 Universal Credit for some single claimants will begin in our area in February 2016. At a recent meeting with the local representative from the Department for Work and Pensions she stated that the expectation is that between February 2016 and March 2017 approximately 600 single claimants may claim Universal Credit. This is not expected to substantially change our caseload since many do not claim Housing Benefit or Council Tax Support and those that do will only move to Universal Credit if they have a significant change in circumstances. The local Council Tax Support regulations will be amended to cover Universal Credit income when assessing entitlement to Support. We were also informed by the local representative that there are no plans to extend Universal Credit beyond single claimants before March 2017 or take on existing working age caseloads until at least 2020.
- 6.4 When making any changes to a scheme which has the effect of reducing or removing a reduction to which someone is currently entitled, then the revised scheme must include such transitional provision relating to that reduction as the authority think fit. It is considered that the Discretionary Hardship Fund, as proposed, can be used to mitigate the impact of transition on any affected individuals and that, consequently, no separate transitional provisions are required.

7 Legal Implications (including implications for matters relating to equality)

- 7.1 For 2016/17 the Council can continue with the scheme as approved for 2015/16 or may modify their scheme with any significant changes requiring consultation. Under the Prescribed Regulations those of pension age must continue to be protected from any changes and currently our caseload consists of 1254 pensioners (42%) who are in receipt of Council Tax Support.
- 7.2 Following the Committees decision in June to consider increasing the minimum contribution paid by working age Council Tax Support recipients the Council conducted an eight week public consultation which was in line with the recent Supreme Court Judgment.

- 7.3 The Council has a duty under the Equality Act 2010, in the exercise of any of our functions, to have regard to the need to: eliminate discrimination, harassment, victimisation and other prohibited conduct; advance equality of opportunity; and foster good relations. This requires an assessment of the impact of any changes to the Local Council Tax Support Scheme on those with the relevant “protected characteristics”.
- 7.4 The Community Equality Impact Assessment (CEIA) that was carried out for the introduction of the current minimum contribution scheme and the criteria for the Discretionary Hardship Fund which takes into account the findings in the Community Equality Impact Assessment have been reviewed. A draft CEIA assuming an increase in the minimum percentage is attached at Annexe 6 and the Discretionary Hardship Policy is attached at Annexe 7. There are no significant differences from the CEIA completed for the 20% minimum contribution scheme or the Discretionary Hardship Policy.
- 7.5 Monitoring Officer’s comments: It is important that any revision to a scheme or replacement scheme is implemented in accordance with the requirements of the relevant law - including the specific provisions of the Local Government Finance Act 1992, and general obligations under the Equality Act 2010 and the common law. It is considered that all of those obligations have been met.

8 Sustainability Policy and Community Safety Implications; Partnerships

- 8.1 No implications for the purposes of this report.

9 Risk Assessment

- 9.1 The main risks identified remain the adverse impacts on claimants and financial risks to the council and therefore the council taxpayer. The shortfalls identified in table 3 relate solely to Epsom & Ewell Borough Council but decisions made on the Local Scheme will also affect Surrey County Council and Surrey Police who must be consulted on any proposed changes.
- 9.2 It would be expected that increasing the percentage Council Tax Support recipients have to pay will affect collection rates. It is difficult to predict the possible loss in revenue at this stage and we will not have a clearer picture until the end of this financial year when we can review a full year of running a minimum contribution scheme. A prudent approach to collection will be taken when setting the taxbase forecast for 2016/17 and the following 3 years.
- 9.3 It would be expected that the higher the minimum percentage set for Council Tax payment the lower the overall collection rate will be. It would be necessary to ensure a substantial bad debt provision was made within the Council’s collection fund to cover this.

- 9.4 The expenditure on the Discretionary Hardship Fund will continue to be monitored against the provision by the Director of Finance & Resources.

10 Conclusion and Recommendations

- 10.1 The Council is required to approve the 2016/17 Local Council Tax Support Scheme by 31 January 2016 and implement it from 1 April 2016.
- 10.2 Due to central government spending cuts there will be a continued reduction in external funding for 2016/17 which we estimate would be in the region of £14k relating to Council Tax Support.
- 10.3 The majority of respondents to the consultation (69%) were in favour of an increase in the minimum payment, with an increase to 25% being the most popular. As demonstrated in Table 3 increasing the minimum percentage will only reduce the expected 2016/17 shortfall if we can achieve a higher than expected rate of collection. The recovery team can take a more forceful approach on recovery with Support recipients however with other 2016/17 welfare changes affecting so many of these recipients it is difficult to assess the effectiveness of a more stringent recovery process on collection rates.
- 10.4 Officers do have concerns that adopting Option C in particular could have the effect of reducing the amount collected from Council Tax Support claimants.
- 10.5 The Community Equality Impact Assessment highlights certain groups that could be more severely affected by the scheme although due to their status all Support recipients will be negatively affected by a minimum payment scheme and any increase in the minimum payment. Building in protections for certain vulnerable groups is an option however this will worsen the effect of the minimum payment scheme for others, if savings are to be made, and further effect recovery. A more targeted approach to protections using the existing Discretionary Hardship Fund appears a more efficient way to help those most in need. For the 2015/16 scheme an additional £10k was set aside to provide for any increase in take up from the Hardship Fund. This could be reviewed at the end of the financial year to assess whether the budget for the Fund could be reduced for 2016/17.

WARD(S) AFFECTED: ALL

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Kathryn Beldon
Director of Finance & Resources



Ian Perkin
Chief Finance Officer
Office of the Police & Crime Commission for Surrey
Police Headquarters, Mount Browne
Sandy Lane
Guildford, Surrey
GU3 1HG

Town Hall
The Parade
Epsom
Surrey
KT18 5BY
Main Number (01372) 732000
Text 07950 080202
www.epsom-ewell.gov.uk
DX 30713 Epsom

Date 03 August 2015

Your Ref
Our Ref

Contact Kathryn Beldon
Direct line 01372 732201
Fax 01372 732288
Email kbeldon@epsom-ewell.gov.uk

Dear Ian

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Overview

As you are aware Council Tax Benefit was abolished on 31 March 2013 and all billing authorities had to adopt Local Council Tax Support schemes each year from 1 April 2013. In addition Central Government has been reducing the funding for these schemes year on year.

In the first two years of localisation Epsom & Ewell Borough Council, in common with a number of Surrey Districts, adopted the Surrey Framework scheme based on the means tested scheme used under the default regulations for pensioners.

Last year we estimated that our funding shortfall would be in the region of £126k for 2015/16 putting increased pressure on the Council's finances. After consultation with preceptors, the public and other stakeholders we changed to a 'minimum payment' scheme where all working age recipients of Support were required to pay the first 20% of their Council Tax charge. We also kept the means tested element and three changes that applied under the Surrey Framework scheme :-

- Abolishing of Second Adult Rebate
- Reducing the capital threshold to £10,000
- Restricting backdated awards due to customer delay to a period of 3 months

This scheme reduced the Support for approximately 1800 working age recipients.

To mitigate the effects on the most vulnerable residents that were identified in our Community Equality Impact Assessment we continued our Discretionary Hardship Fund, increasing its provision to £30k for 2015/16.

Reason for change

Although it is too early to do an analysis of the effects of the minimum payment scheme our expectation is that if we can achieve a collection rate of 80% from those affected we could reduce our funding gap from £126k to approximately £95k.

It is clear that next year's financial settlement will again reduce the funding available and we estimate this could leave us with at least another £13k to find and possibly more if the recent savings targets set by the Chancellor for government departments are reflected in our grant.

Proposed new scheme

Our members have therefore decided that we should consult on a proposal to increase the minimum payment paid by Support recipients to either **25% or 30%**.

In line with last year's Supreme Court judgment we are also gathering opinions on other options although the Council does not see these as viable options in the long term. These are:-

- to increase Council Tax to cover the additional cost. This would need to be at a level (approximately 4%) which would undoubtedly trigger a referendum with its associated costs and since we consider it unlikely that a referendum would produce a 'yes' vote so do not consider this a viable option to fund Council Tax Support
- to cut another service and use these savings to cover the shortfall. We are already planning to find savings of nearly £3 million from services over the next four years to deliver a balanced budget so we do not consider this a viable option to fund Council Tax Support
- to use the Council's reserves to maintain the current level of Support. We have a policy to keep reserves above £2.5 million and whilst our reserves at 31 March 2015 were £3.3 million we plan to use £230,000 this year to assist in providing services. With the inevitable reduction in Central Government funding these reserves will be required assist in delivering changes to services to enable the Council to provide a sustainable financial position. We do not consider this a maintainable way to fund any services long term and this also not considered a viable option

Since an increase in the minimum payment would continue to affect vulnerable households we would look to put something in place to mitigate the effects for certain groups. We are consulting on whether to use a different percentage payment for these groups or to continue the use of our Discretionary Hardship Fund. Both these options would reduce the level of savings that could be achieved. A copy of the draft Community Equality Impact Assessment is enclosed for your information.

Consultation response

As you are aware prior to adopting a Council Tax Support scheme we need to consult with the major precepting authorities. Our public consultation on these changes runs from 27 July to 20 September 2015 and a copy of the consultation survey is attached.

As a major precepting authority we would welcome your views on these proposals by 20 September 2015.

Yours sincerely

(Signature redacted)

Kathryn Beldon

Enc. EEBC CTS consultation survey

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Kathryn Beldon
Director of Finance & Resources

AGENDA ITEM 2
ANNEXE 2



Sheila Little
Chief Finance Officer and Deputy Director for Change & Efficiency
Change & Efficiency Directorate
Surrey County Council
County Hall, Penrhyn Road
Kingston upon Thames
Surrey KT1 2DN

Town Hall
The Parade
Epsom
Surrey
KT18 5BY
Main Number (01372) 732000
Text 07950 080202
www.epsom-ewell.gov.uk
DX 30713 Epsom

Date 3 August 2015

Contact Kathryn Beldon
Direct line 01372 732201
Fax 01372 732288
Email kbeldon@epsom-ewell.gov.uk

Your Ref
Our Ref

Dear Sheila

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Overview

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In the first two years of localisation Epsom & Ewell Borough Council, in common with a number of Surrey Districts, adopted the Surrey Framework scheme based on the means tested scheme used under the default regulations for pensioners.

Last year we estimated that our funding shortfall would be in the region of £126k for 2015/16 putting increased pressure on the Council's finances. After consultation with preceptors, the public and other stakeholders we changed to a 'minimum payment' scheme where all working age recipients of Support were required to pay the first 20% of their Council Tax charge. We also kept the means tested element and three changes that applied under the Surrey Framework scheme :-

- Abolishing of Second Adult Rebate
- Reducing the capital threshold to £10,000
- Restricting backdated awards due to customer delay to a period of 3 months

This scheme reduced the Support for approximately 1800 working age recipients.

To mitigate the effects on the most vulnerable residents that were identified in our Community Equality Impact Assessment we continued our Discretionary Hardship Fund, increasing its provision to £30k for 2015/16.

Reason for change

Although it is too early to do an analysis of the effects of the minimum payment scheme our expectation is that if we can achieve a collection rate of 80% from those affected we could reduce our funding gap from £126k to approximately £95k.

It is clear that next year's financial settlement will again reduce the funding available and we estimate this could leave us with at least another £13k to find and possibly more if the recent savings targets set by the Chancellor for government departments are reflected in our grant.

Proposed new scheme

Our members have therefore decided that we should consult on a proposal to increase the minimum payment paid by Support recipients to either **25% or 30%**.

In line with last year's Supreme Court judgment we are also gathering opinions on other options although the Council does not see these as viable options in the long term. These are:-

- to increase Council Tax to cover the additional cost. This would need to be at a level (approximately 4%) which would undoubtedly trigger a referendum with its associated costs and since we consider it unlikely that a referendum would produce a 'yes' vote so do not consider this a viable option to fund Council Tax Support
- to cut another service and use these savings to cover the shortfall. We are already planning to find savings of nearly £3 million from services over the next four years to deliver a balanced budget so we do not consider this a viable option to fund Council Tax Support
- to use the Council's reserves to maintain the current level of Support. We have a policy to keep reserves above £2.5 million and whilst our reserves at 31 March 2015 were £3.3 million we plan to use £230,000 this year to assist in providing services. With the inevitable reduction in Central Government funding these reserves will be required assist in delivering changes to services to enable the Council to provide a sustainable financial position. We do not consider this a maintainable way to fund any services long term and this also not considered a viable option

Since an increase in the minimum payment would continue to affect vulnerable households we would look to put something in place to mitigate the effects for certain groups. We are consulting on whether to use a different percentage payment for these groups or to continue the use of our Discretionary Hardship Fund. Both these options would reduce the level of savings that could be achieved. A copy of the draft Community Equality Impact Assessment is enclosed for your information.

Consultation response

As you are aware prior to adopting a Council Tax Support scheme we need to consult with the major precepting authorities. Our public consultation on these changes runs from 27 July to 20 September 2015 and a copy of the consultation survey is attached.

As a major precepting authority we would welcome your views on these proposals by 20 September, particularly if you have a view on what level of minimum payment percentage you think appropriate and which approach you favour to assist vulnerable households since this may impact on households for which you provide services.

Requiring all working age recipients of Support to pay more towards their Council Tax charge will not be an easy decision for our members. Given the financial impact on the County Council I would be interested to know if the County Council would be willing to contribute towards the Hardship Fund for vulnerable households, if this option is continued for 2016/17.

Yours sincerely

(Signature redacted)

Kathryn Beldon

Enc. EEBC CTS consultation survey
Draft Community Equality Impact Assessment

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Council Tax Support Survey 2015

Date: October 2015 Report prepared for:
Strategy & Resources Committee; Revenue &
Benefits Division

For more information on this report contact: Adama
Roberts or Craig Salmon in the Consultation &
Communication Team

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1. Executive Summary

- There were 930 responses to the consultation survey
- 38% (n=356) agreed to increase the minimum contribution for working age recipients to 25%
- 31% (n=288) agreed to increase the minimum contribution for working age recipients to 30%
- 31% (n=286) stated there should be no increase from the current 20% minimum contribution for working age recipients
- 29% (n=271) of respondents were in receipt of Council Tax Support. Two thirds (66%) stated there should be no increase from the current 20% minimum contribution. 26% agreed to a 25% minimum contribution and 9% agreed to a 30% minimum contribution
- Of the 31% of respondents who answered no to increasing the minimum contribution of working age Support recipients 62% (n=172) stated the Council Tax shortfall should be funded through the use of Council reserves
- 86% (n=799) would like to see vulnerable residents protected
- The top three vulnerable groups identified for protection were those with severe disabilities (95%, n=758), full-time carers of disabled people, the elderly or infirm (80%, n=643), and those who are long-term sick (75%, n=597)
- Of those wanting protection for the vulnerable, 56% (n=446) wish this to be through the hardship fund while 41% (n=326) would like to see a lower minimum contribution set for the vulnerable
- Where a reduced minimum contribution was the favoured method for protecting the vulnerable the first choice was for a 10% rate where non-vulnerable rate was 25%, and 20% where the non-vulnerable rate was 30%
- The Epsom Citizens' Advice Bureau expressed concern over the financial hardship Council Tax Support recipients are already facing and highlighted the need for the Council to advertise the hardship fund widely to ensure vulnerable residents are protected through the fund
- Surrey County Council does not advocate a Council Tax Support scheme where every working age person is asked to make a contribution. They prefer the type of scheme we ran in 2013 and 2014. Without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey County Council "see it as a risk to increase this further without knowing the extent of its impact".

2. INTRODUCTION

2.1. Background and objectives

The aim of this consultation is to present the results of the survey to the Council's Strategy and Resources Committee by highlighting residents' opinions on proposed options. The findings will form part of councillors' decision making process in deciding a Council Tax Support scheme from April 2016 in the face of further budget cuts from Central Government. The key objectives are to analyse the levels of agreement or disagreement against the options proposed, highlight the most popular options and report on groups that respondents believe need added protection.

2.2. Methodology

The survey was developed by the Council's Consultation & Communication and Revenues & Benefits Division. The literals/open ended questions where respondents gave their opinions have been coded by the team to convert them into numerical scores. The survey was conducted online and through the use of paper copies.

The survey was sent to all members in the Council's Citizens' Panel, current working age Council Tax Support recipients (pensioners on Council Tax Support are not affected by the changes), Council venues, housing associations (in particular Rosebery Housing Association), and various voluntary and 3rd party organisations (e.g. Voluntary Action Mid-Surrey, Citizens Advice Bureau etc). Results from this survey inform the Council's decision making process regarding Council Tax Support. The raw data was captured using Snap and the data inputting was outsourced to SnapSurveys Shop.

The questionnaire was designed by the Consultation & Communication team and data was collected through two surveys; one for Citizens' Panel members and one for all other residents. 1,104 Citizens' Panel members were contacted, and offered an incentive of £3 vouchers for each survey filled. Overall, 579 responses were received from this group, representing a response rate of 62%.

Both surveys were started on 31/07/15 and the deadline was set for the 20/09/15. Both surveys were available in online and paper format. The overall number of responses received was 941. Following the fieldwork, data from both surveys were merged into one file to facilitate the analysis of the overall responses received. The principal contacts for the survey were Adama Roberts from the Consultation & Communication team and Judith Doney from the Revenue and Benefits Division.

Analysis of Results

Figures in this report are generally calculated as a proportion of respondents who answered each question. Percentages in a particular chart might not always add up to 100%; this may be due to rounding or respondents being asked to tick multiple options.

Please note that the overall base number might not always add up to the 941 responses received due to some respondents not answering some of the questions. It could also be due to routing within some of the questions. (Routing allows those completing the online survey to answer only questions that are relevant based upon their answer to a preceding question – for example only those respondents who ticked ‘No’ or ‘Other’ will be asked, “If No or Other please explain your reasons.”

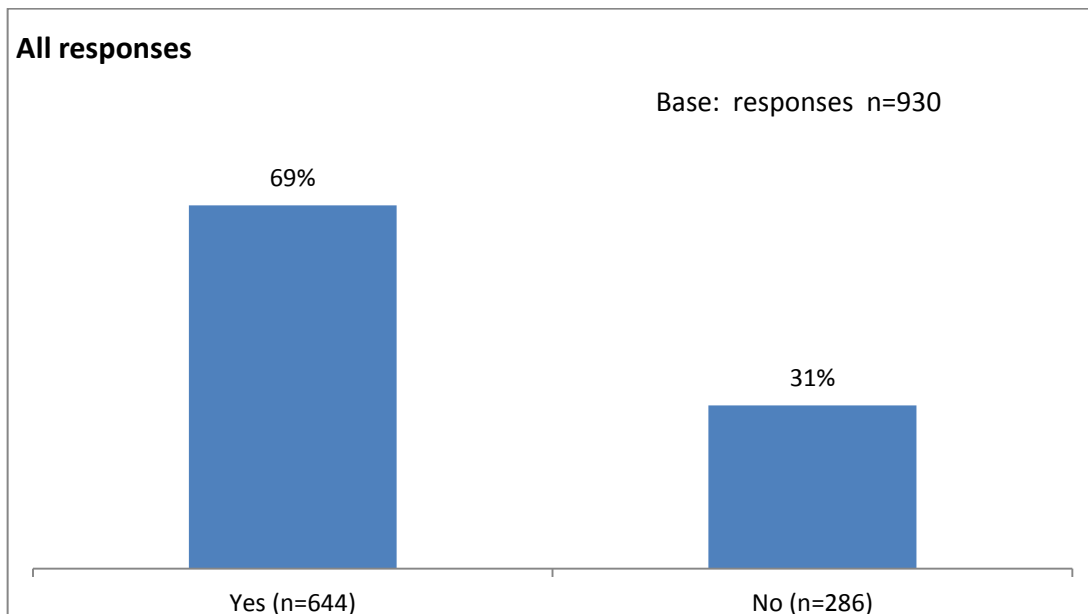
3. Proposed Options

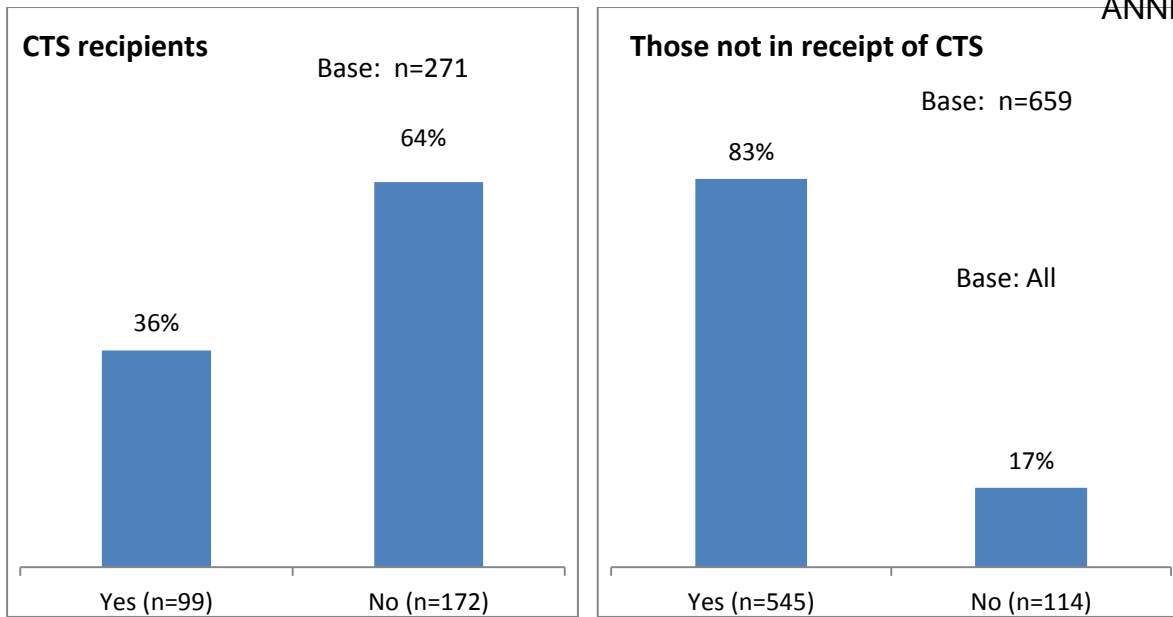
3.1. Introduction

This section of the report looks at respondents' responses to whether the Council Tax Support (CTS) shortfall should be funded by increasing working age Support recipients' contribution to their Council Tax bill and, if so, the amount, or, if not, how the funding gap should be met.

3.2. Funding shortfall

Currently a working age person receiving help can get Support up to a maximum of 80% of their Council Tax bill – in other words, they pay at least the first 20% of their bill. Do you agree that, to help meet the funding shortfall, we should increase the minimum amount of their Council Tax bill that working age Support recipients will have to pay?



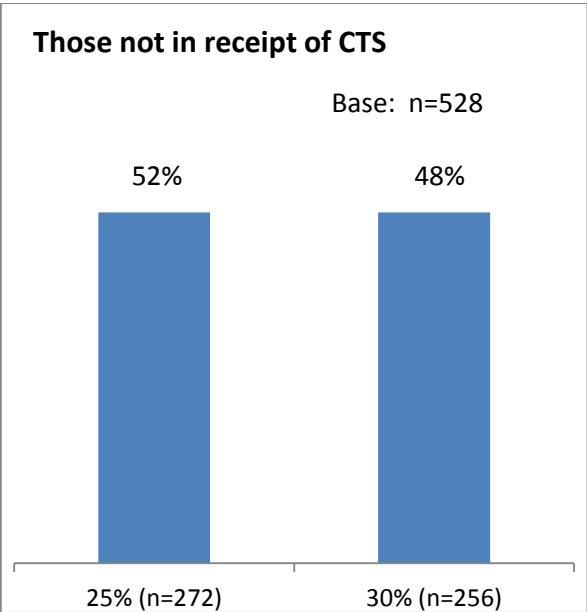
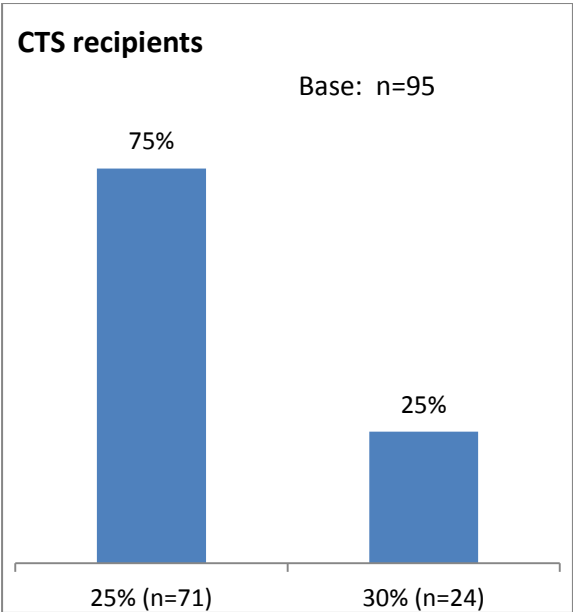
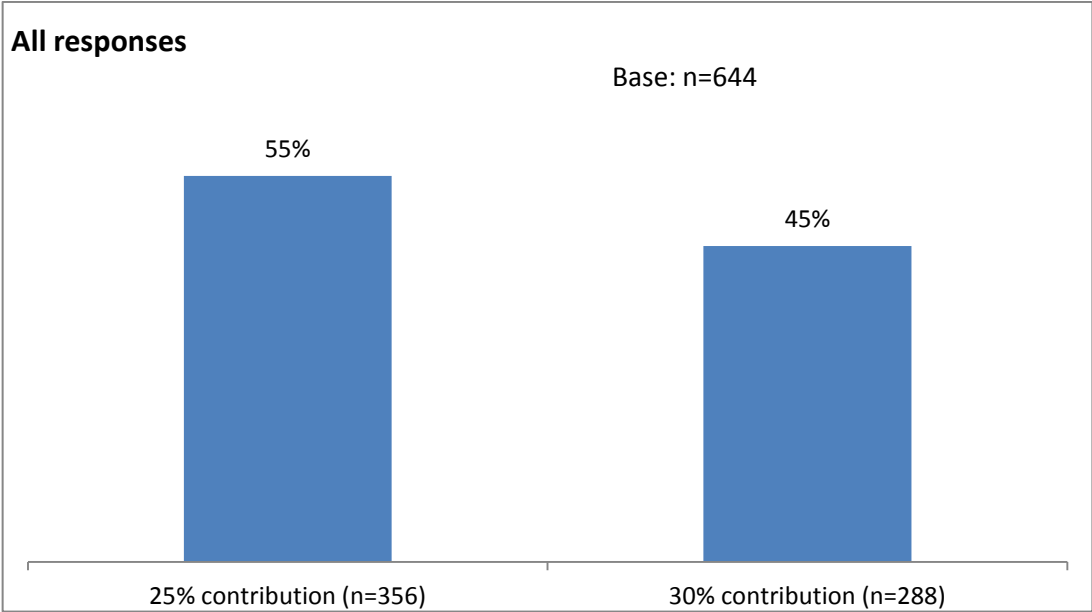


The majority of those respondents who are disabled (70%, n=76/108), full-time carers (67%, n=28), unemployed (58%, n=71) and those who are students (58%, n=7) ticked 'No'.

The majority of pensioners (87%, n=277/317), the full-time employed (82%, n=196/240), those who are employed part-time (68%, n=100/146) and those responding on behalf of an organisation or another individual (67%, n=6/9) ticked 'Yes' to increasing the amount paid by working age Council Tax Support (CTS) recipients.

3.3. Percentage Increase to 25% or 30%

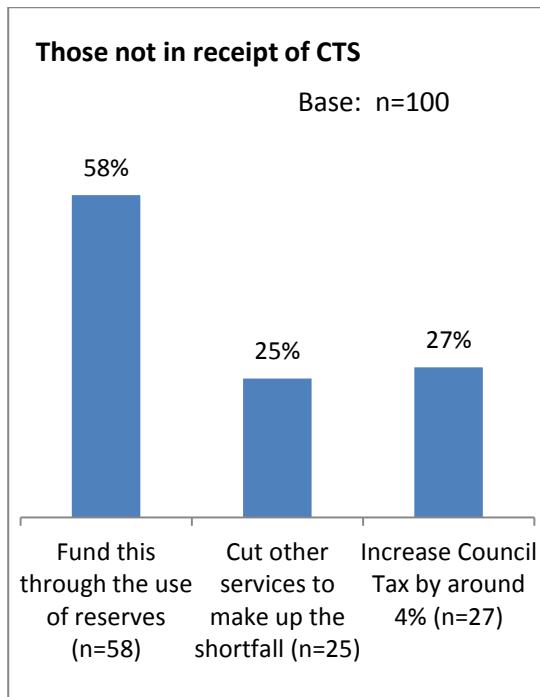
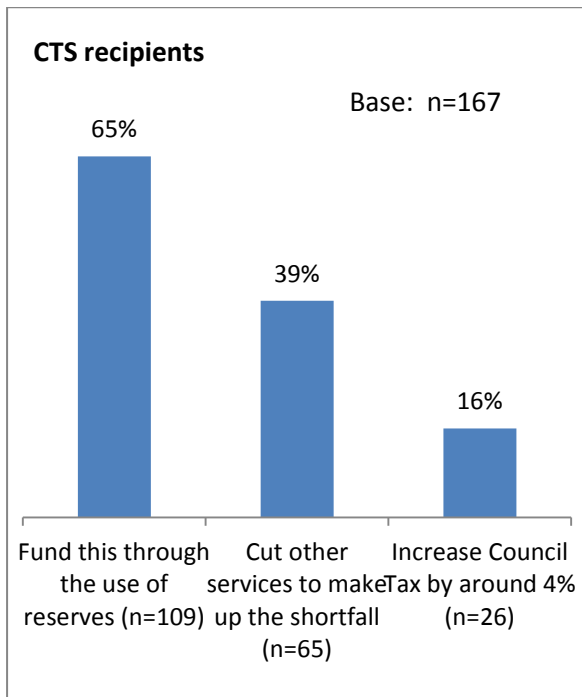
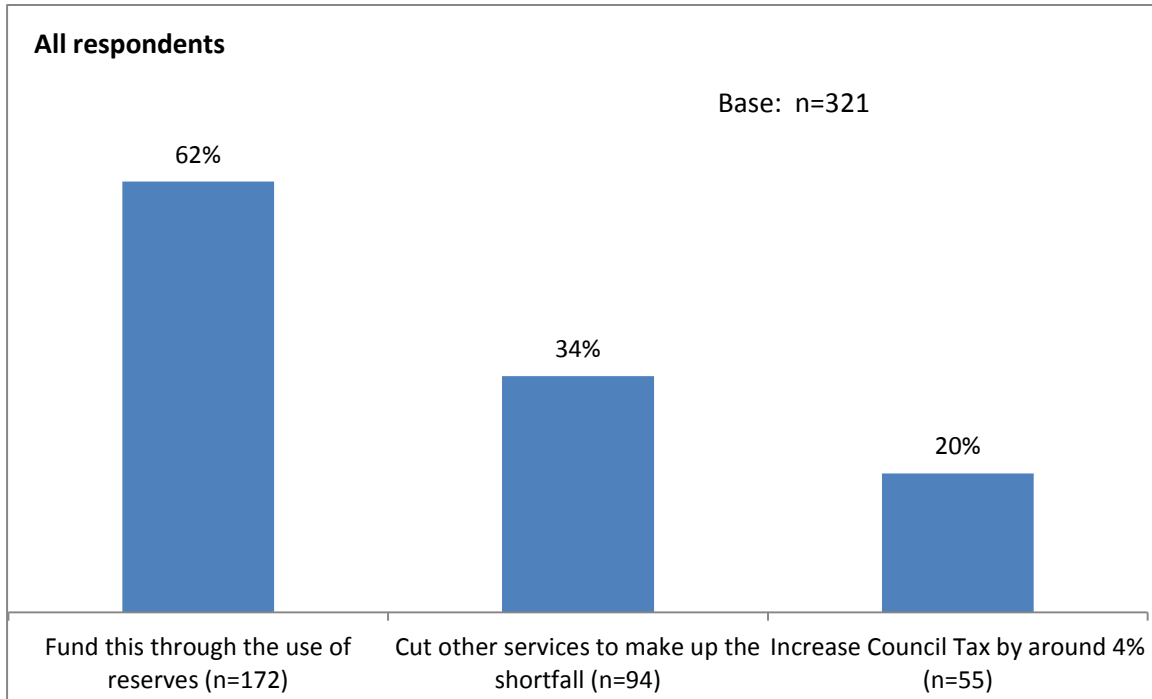
If we increase the minimum amount working age Support recipients have to pay from the current 20%, should it increase to 25% or 30%?



3.4. Funding the Council Tax Support Shortfall

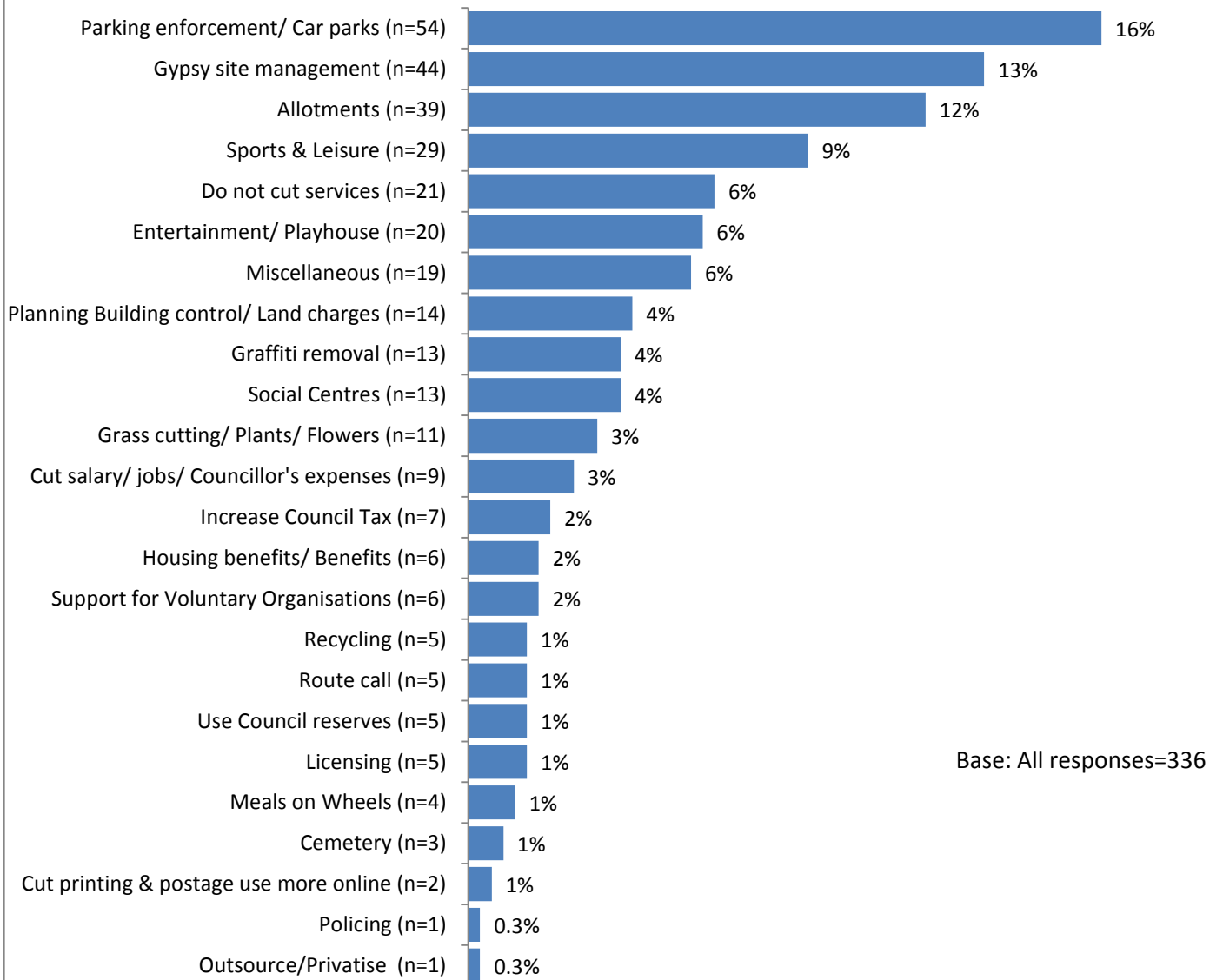
If we chose not to increase the minimum contribution how do you think we should make up the shortfall in funding?

(It was permissible to choose more than one option, hence responses not totalling 100%.)



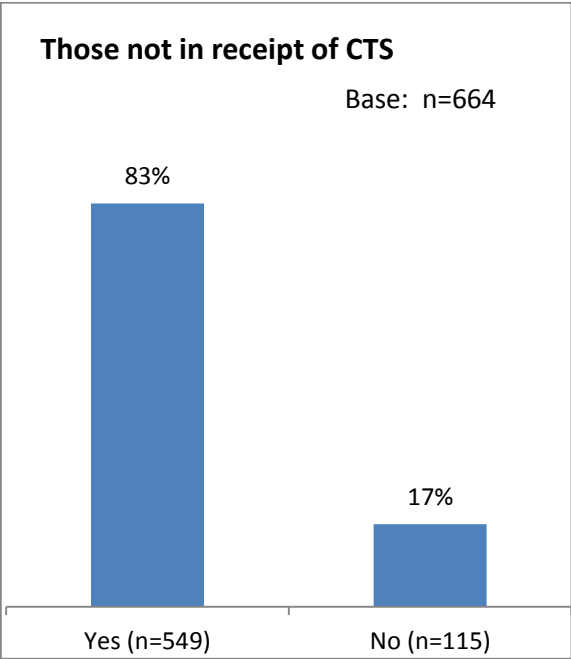
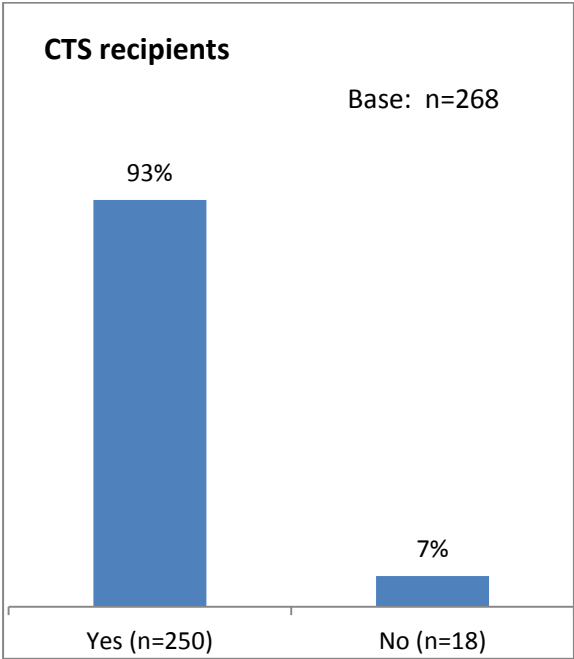
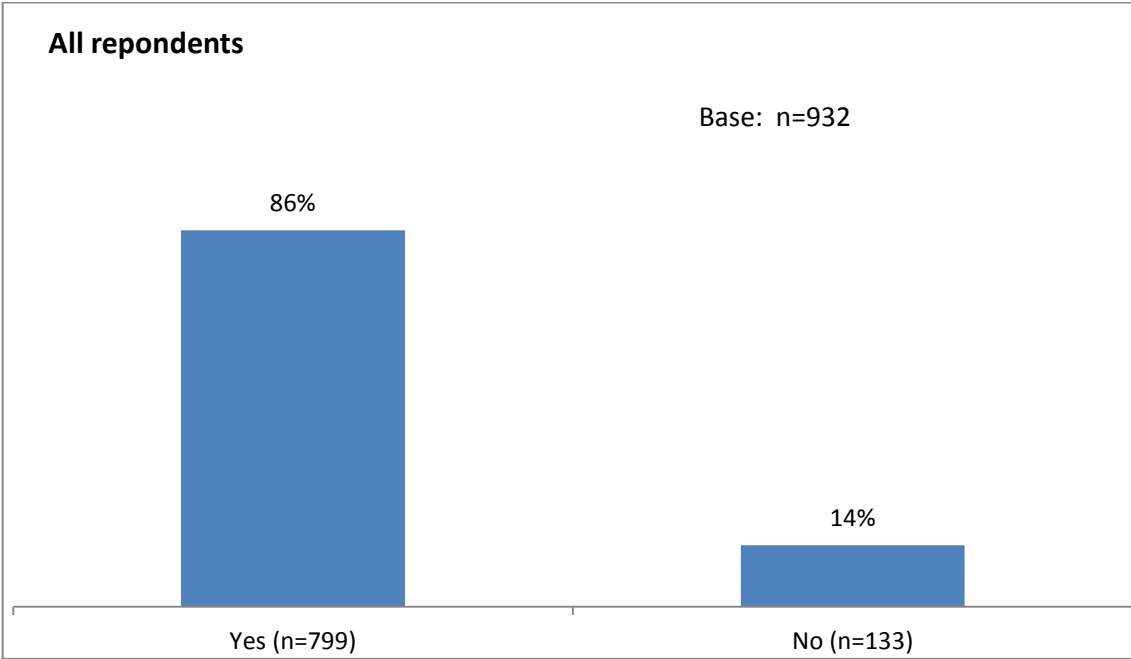
3.5. Services to Cut to Fund the Council Tax Support Shortfall

If we were to stop providing another service(s) to offset the reduction in funding from central government, which service(s) do you think we should stop providing? (Please state which one(s) you think should be stopped)



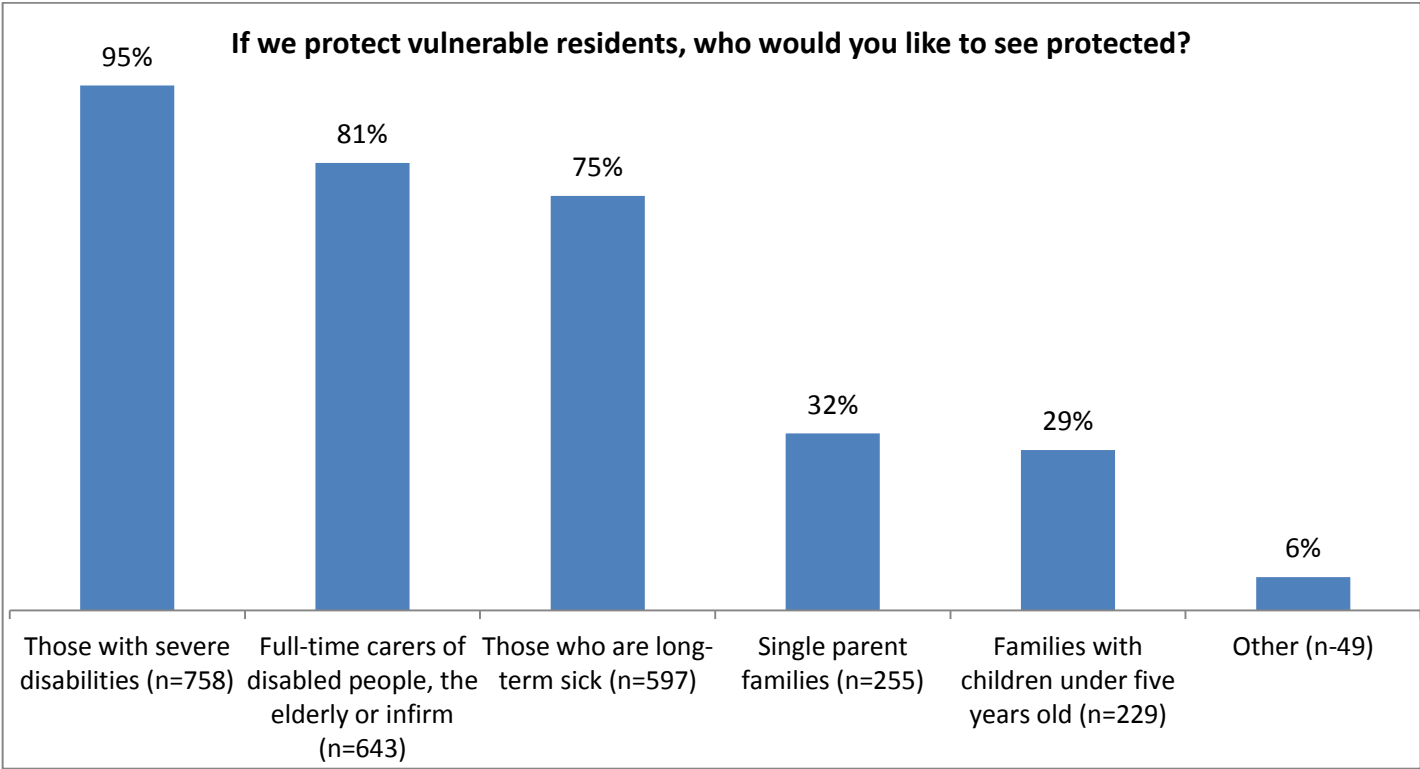
3.6. Vulnerable Residents and the Hardship Fund

Currently vulnerable residents are given extra Support through a hardship fund. Do you think vulnerable residents should continue to receive extra help towards their Council Tax



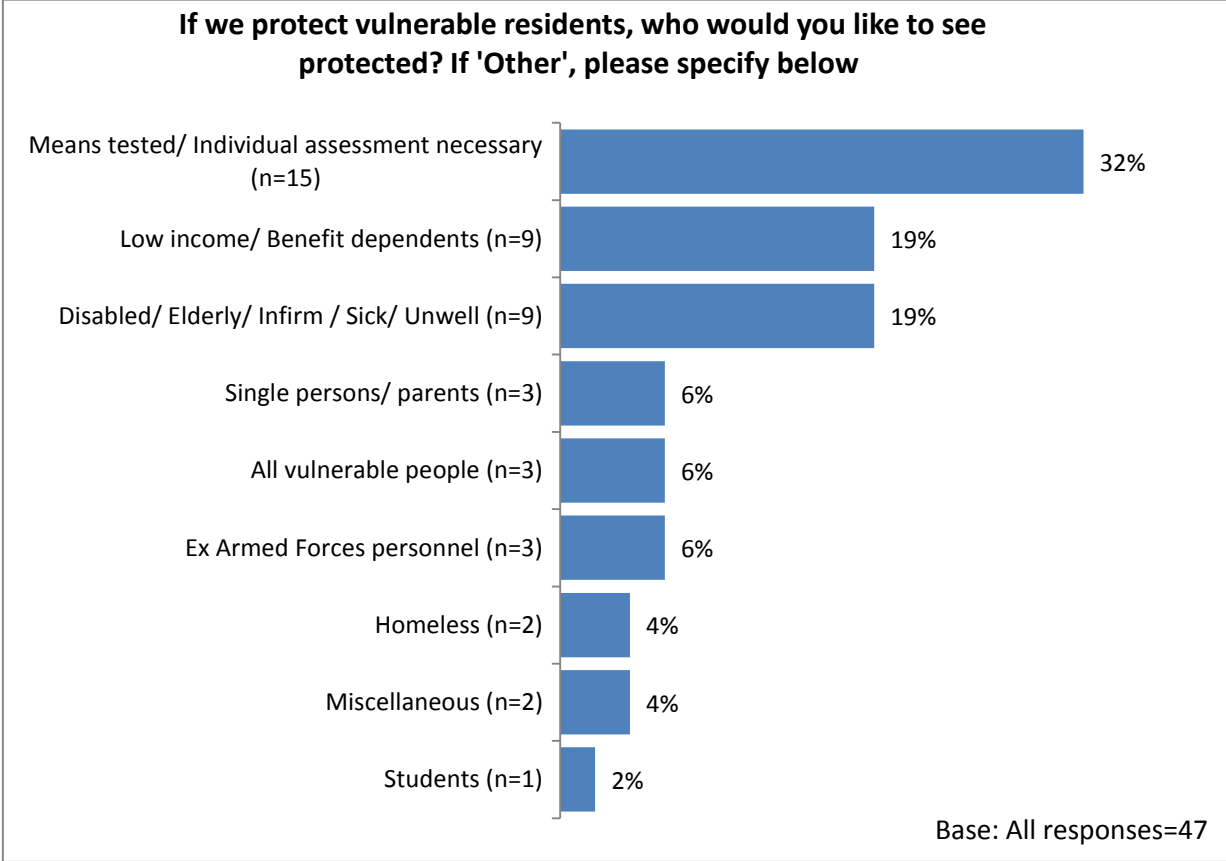
The vast majority of respondents who have a disability agreed that vulnerable residents should be given extra support 95% (n=172/182)

3.7. Vulnerable Residents to Protect

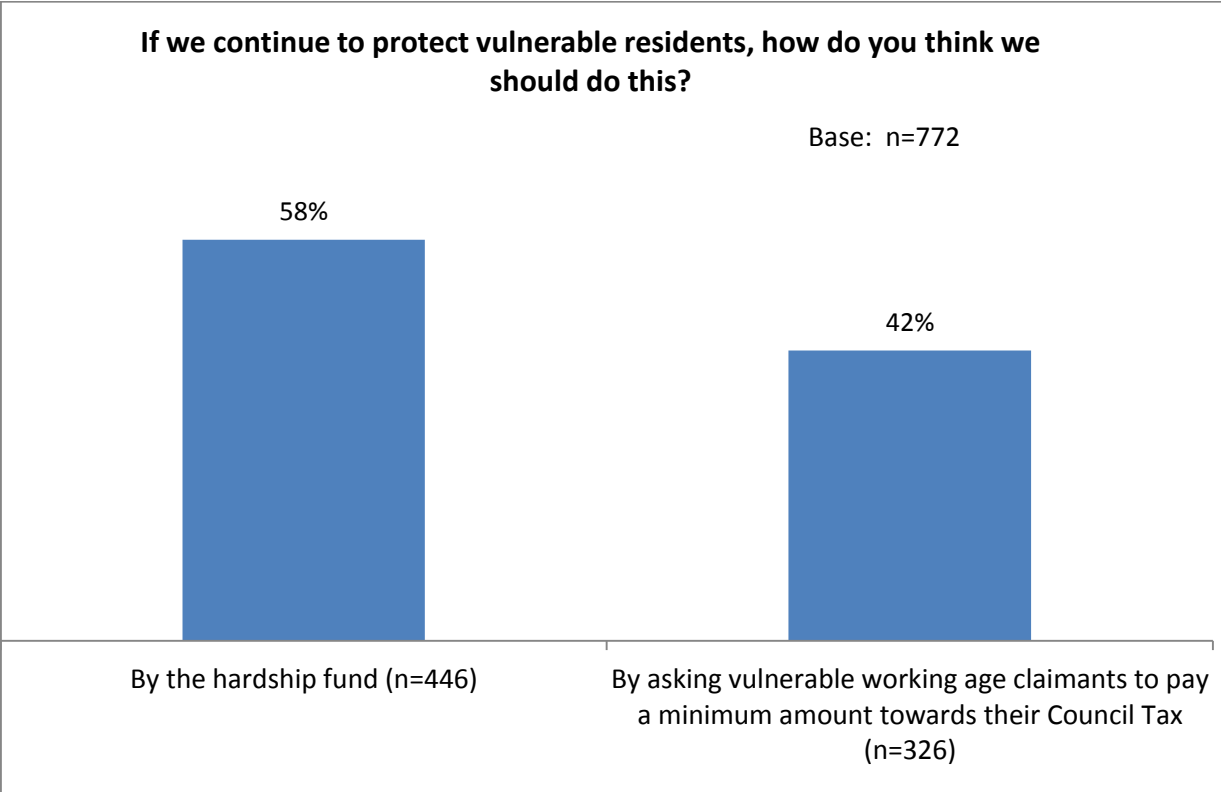


Please note that respondents were asked to indicate all that applied, hence an overall total greater than 100%.

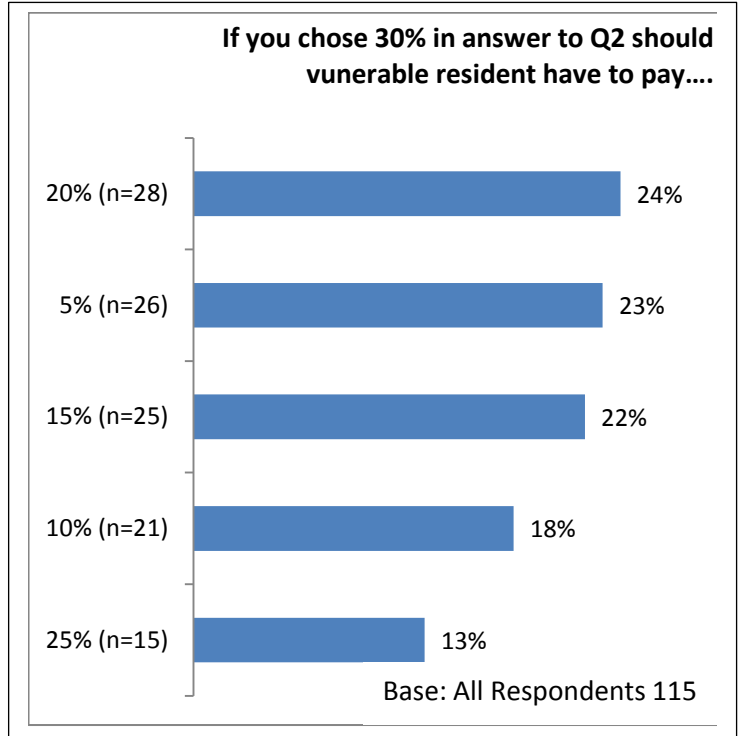
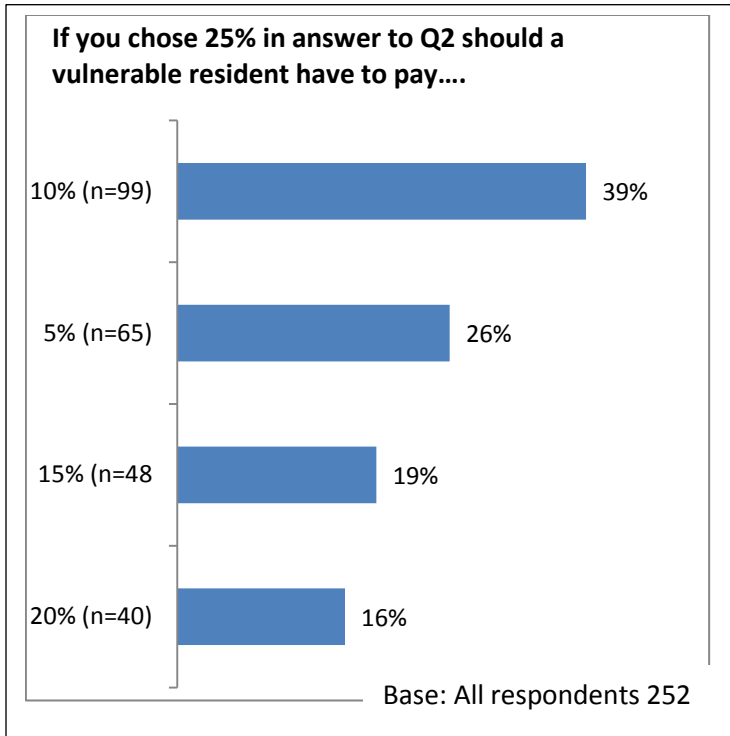
3.8. Other Vulnerable Residents to Protect



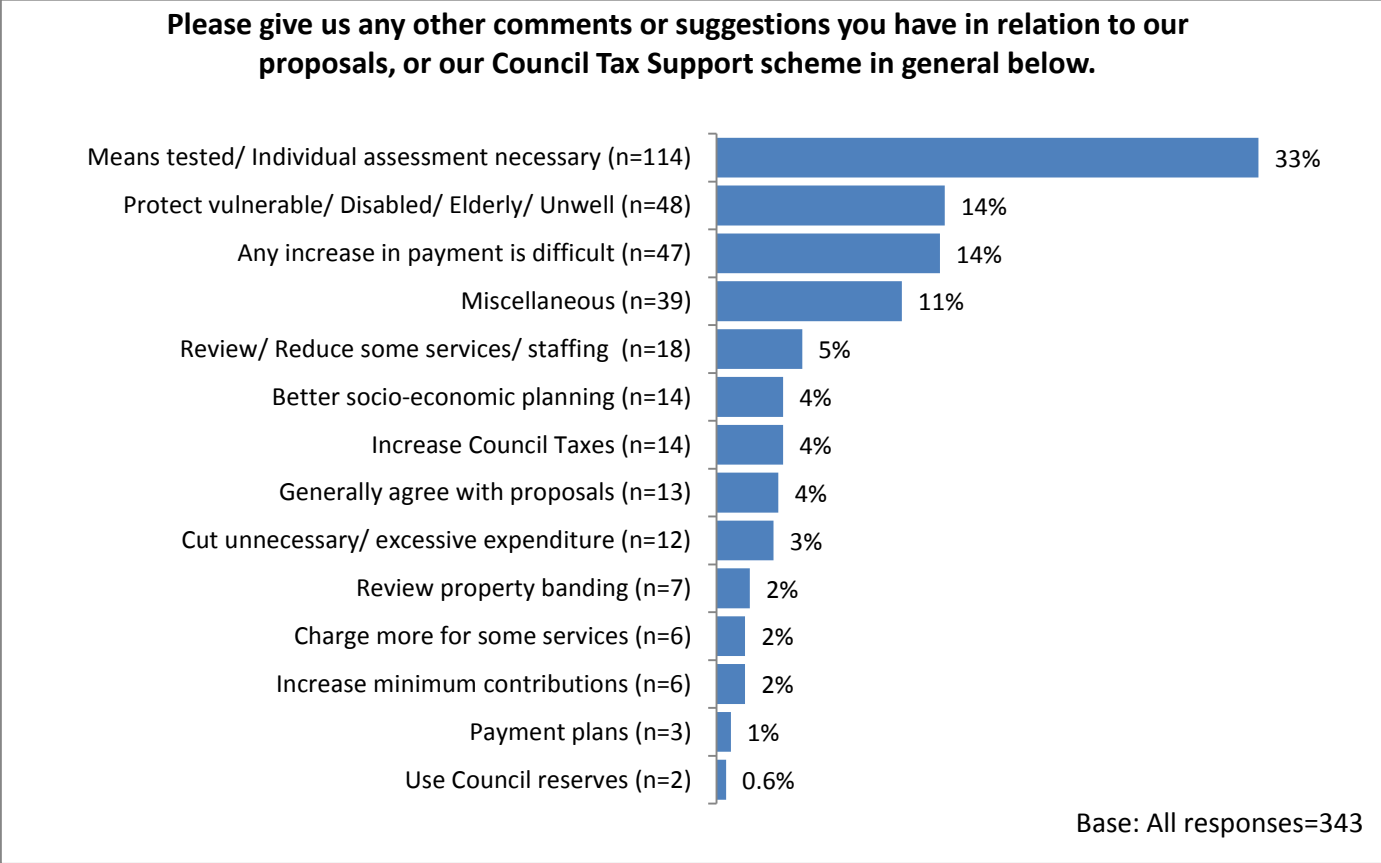
3.9. Funding Options for the Protection of Vulnerable Residents



Respondents who ticked 'By asking vulnerable working age claimants to pay a minimum amount towards their Council Tax', were asked the question if we chose to protect vulnerable working age residents through a lower minimum amount to pay, how much should they pay? Their responses are illustrated on the graphs below.



3.10. Any Other Comment or Suggestions



4. Conclusion

There were 941 responses. Included with these were 599 from the Council's Citizens Panel and 271 from residents in receipt of Council Tax Support.

There is little to choose between the responses to the three main options:

- 38% (n=356) agreed to increase the minimum contribution for working age recipients to 25%
- 31% (n=288) agreed to increase the minimum contribution for working age recipients to 30%
- 31% (n=286) stated there should be no increase from the current 20% minimum contribution for working age recipients

For those stating there should be no increase, the preferred option for meeting the funding shortfall was through use of the Council's reserves.

The majority of those respondents in receipt of Council Tax Support stated there should be no increase to the minimum contribution.

A large proportion of respondents (86%) were in favour of giving extra Support to vulnerable residents, with a small majority of these (58%) preferring use of the Hardship fund instead of applying a lower minimum contribution. The most popular choices for those to be considered vulnerable were: residents with severe disabilities; full-time carers of disabled people, the elderly or infirm; and those who are long-term sick.

The Epsom CAB advised, "schemes that require all working age residents to pay a proportion of their council tax...has led to some of the poorest households...struggling to do so...Frequently the cost of collection increase the debt to financially crippling levels. All this leads to increased debt stress and related health problems...we are seeing an increase in the number of enquiries relating to Council Tax debt... 26% of the workload of our Specialist Debt Advisers...was to stop or prevent Council Tax bailiff action. Frequently these clients, with Council Tax debt, are unable to pay essential bills and other priority debts."

Surrey County Council's response argues for a return to the savings methods used in our 2013 and 2014 CTS scheme, but strengthened to reduce the increasing funding gap. They advise that where we pay less Support residents "compensate financially in other areas, such as by increasing rent arrears or other debt. Both of these are indicators of families and individuals who are struggling and increasing their reliance on other public services." Without a full analysis of the 20% minimum contribution introduced in April 2015 Surrey

County Council “see it as a risk to increase this further without knowing the extent of its impact”.

A more detailed version of this report (including more detailed breakdown of the consultation survey responses by characteristic / demographic, further literal / free format responses, and respondent profile) is available at *****.

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Office of the Police and Crime
Commissioner for Surrey

PO Box 412
Guildford
Surrey
GU3 1BR

Kathryn Beldon
Director of Finance
Town Hall
The Parade
Epsom
Surrey
KT18 5BY

Tel: 01483 638724
Fax: 01483 634502

Perkin11584@surrey.pnn.police.uk
Website: www.surrey-pcc.gov.uk

20th September 2015

Dear Kathryn,

Localising Support for Council Tax – Consultation with Precepting Authorities

Thank you for your recent letter giving the Police & Crime Commissioner the opportunity to comment on Epsom & Ewell Council's proposed 20016/17 Local Council Tax Support Scheme.

The Commissioner does not feel that he is in a position to make comments on the alternative options which individual District Councils are currently considering regarding this matter. His view is that the decisions about which options to adopt rest better with the members of the District and Borough Councils, as they will have a better understanding of the impact that their decisions will have on their residents and the consequent amount collected via Council Tax, a share of which is subsequently passed on to us through the Precept. What the Commissioner would however ask Council members to take account of when deciding what changes, if any, should be made to existing support schemes, is the consequent impact their decisions will have on the funding of Surrey Police and thereby the ability of the Force to continue to maintain current levels of policing within the County as a whole.

Thank you again for giving us the opportunity to comment.

Yours sincerely

(Signature redacted)

Ian Perkin Treasurer & CFO

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Response by email to: kbeldon@epsom-ewell.gov.uk

Ms Sheila Little
Director of Finance
Surrey County Council
County Hall, Penrhyn Road
Kingston-upon-Thames
Surrey KT1 2QU



Kathryn Beldon
Director of Finance
Epsom & Ewell Borough Council
Town Hall The Parade
Epsom
Surrey, KT18 5BY

18 September 2015

Dear Kathryn,

Local council tax support scheme 2016/17 - consultation

Thank you for your letter dated 3 August 2015, consulting us on your localised council tax support scheme proposals for 2016/17.

We are aware of the continued pressure on funding for local council tax support due to the abolition of council tax benefit and the ongoing reduction of central government funding each year. To help reduce the funding gap these changes create, we understand districts and boroughs may need to adapt the original council tax support scheme they initially adopted for the scheme to remain effective.

Summary

We recognise that you have adopted some of the Surrey Framework but we would urge you to reduce the negative impact on vulnerable residents by protecting the minimum benefit award. Maintaining the minimum benefit award helps protect vulnerable groups that may already be dealing with multiple complex issues and who are susceptible to other issues such as homelessness and debt.

To maintain the effectiveness and financial viability of your scheme, while protecting vulnerable residents by minimising reductions in the minimum benefit award, we suggest the following priority order for adopting the other five elements of the Surrey Framework.

1. Remove discounts and exemptions for second homes and empty properties.
2. Remove the second adult rebate.
3. Reduce the capital threshold.
4. Cease back-dated awards.
5. Limit support to the level of a Band D property.

Impact

We note from your letter your 2015/16 scheme included a 20% minimum council tax payment and the Community Equality Impact Assessment form provided acknowledges that increasing the minimum payment to 25% or 30% could impact upon a number of vulnerable groups. The residents that will be affected by this increase will include the same residents affected when you brought in the 20% minimum payment in 2015/16. This increase in the minimum payment could therefore further disadvantage those already struggling.

Although council tax collection rates may remain high, there is evidence to indicate other areas are suffering due to decreasing council tax support. The Surrey wide Impact Report

2015 discussed at the Welfare Reform Group meeting on 14 September 2015 shows a

130% increase in temporary accommodation from 2010-2015 and a 19% increase in rent arrears for council owned properties. Data gathered from the Citizen Advice Bureau reveals that since 2012 there has been a 32% increase in those seeking advice on rent arrears and other debt enquires. This suggests that residents are struggling in other arrears in order to compensate for the decrease in council tax support. We believe this in turn will increase strain on local public services such as Surrey's family support programme and districts' and boroughs' housing and homelessness support services.

Conclusion

We note from your letter there are a number of criteria from the Surrey Framework that you have not adopted, including the removal of discounts and exemptions for second homes and empty properties, limiting the support to the level of a Band D property and restricting the minimum benefit award. We would suggest you adopt these changes in the priority order stated above before making any further changes to your scheme and in particular we would urge you to protect and not extend the minimum council tax payment.

We see you also have scope to remove or reduce the period of back-dating for awards, rather than allowing the three month period that you have in place. We would be interested to know your evidence and reasoning for selecting a three month period.

Your letter recognises you are unable to analyse the impact the introduction of a minimum payment has had on those affected and we would therefore see it as a risk to increase this further without knowing the extent of its impact. The evidence indicates to us that residents faced with a decrease in council tax support compensate financially in other areas, such as by increasing rent arrears or other debt. Both of these are indicators of families and individuals who are struggling

and increasing their reliance on other local public services. We hope you will reconsider your proposals in the light of evidence and learning from other Surrey authority schemes and how (and to what extent) those affected further by the increase in minimum council tax payment will access relevant support.

I hope we have addressed all material aspects of your

consultation. Yours sincerely,

(signature redacted)

Sheila Little
Director of Finance

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Community Equality Impact Assessment Form

Community Equality Impact Assessments should be carried out whenever you plan, change or remove a service, policy or function. The process should be used as a health check – a way of consolidating knowledge you have on your service. Please refer to the Community Equality Impact Assessment Guidelines to help you complete this activity.

Name of service, policy, procedure, function or project to be assessed:	<p style="text-align: center;">DRAFT Council Tax Support Scheme (April 2016)</p> <p>This assessment is intended to form the basis for Epsom and Ewell Borough Council (EEBC) to propose changes to the local Council Tax Support scheme – as set out under section 13A(1)(a) of the Local Government Finance Act.</p>
Is this a new or existing function or policy?	The existing local Council Tax Support scheme may be amended from 1 April 2016.
Key purpose / objective of this service, policy, procedure, function or project to be assessed:	<p>The key purpose is for EEBC to determine a Council Tax Support scheme for 2016.</p> <p>The proposed changes are dependent on the outcome of a consultation on this scheme.</p> <p>In this document ‘the new scheme’ means the proposed Council Tax Support scheme from April 2016.</p> <p>In this document ‘the current scheme’ means the Council Tax Support scheme in place for the financial year 2015 - 2016.</p> <p><i>It must be noted that within this document various data and a number of statistics have been used. These figures must be understood by the reader to be fluid – for example, the number of customers in receipt of Council Tax Support will alter as entitlement ends for some and begins for others as and when their circumstances change. All information and data is provided in good faith. It is often from a ‘snap-shot’ in time, this representing the best methodology for providing a level of consistency. Some figures are often rounded for ease. All figures can be considered up-to-date as of 1 June 2015 unless otherwise stated.</i></p>

Lead Officer – inc. contact details	Pete Wells – Benefits Manager - pwells@epsom-ewell.gov.uk - 01372 732274
Directorate and Head of Service	Kathryn Beldon – Director of Finance and Resources Judith Doney – Head of Revenues and Benefits
Other stakeholders – list all involved	<ul style="list-style-type: none"> • All EEBC residents (76,100) and households (31,575) • 3,173 current Council Tax Support recipients (10.1% of households) • The Equalities Forum and other associated groups <i>et al</i> [see Step 4: Consultation stage below] • EEBC preceptors Surrey Police and Surrey County Council • A number of front line staff.
Start date –The assessment should be started <u>prior</u> to policy/ service development and early enough to influence the decision-making process	The rate of the Minimum Payment is the proposed major change for a 2016 Council Tax Support scheme. This CEIA relates to the proposal to increase the Minimum Payment and is in place for the consultation of the same.
End date –The assessment will need to inform decision making so the end date should take this into account	The changes to the scheme must be in place by 1 April 2016. In order to determine any new scheme, two relevant EEBC meetings are scheduled – Strategy & Resources Committee on 17 November 2015 and Full Council on 8 December 2015. This CEIA will be finalised following feedback from our consultation and before the 17 November meeting.

Step 1: Identify why you are undertaking a Community Equality Impact Assessment

From April 2011 the previous separate equality duties on public bodies covering race, disability and gender *et al* were replaced by the present single Public Sector Equality Duty, or 'PSED' (Equality Act 2010, s.149 onwards).

At the heart of PSED is the 'general duty' which requires public authorities to have 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment, victimisation
- Advance equality of opportunity between those with a protected characteristic and others
- Foster good relations between these groups.

EEBC must have 'due regard' to the community and equality impact when drafting and implementing a new Council Tax Support scheme; particularly as it may involve a potential reduction in services and / or entitlements to residents, and may impact residents considered within the 'protected characteristics'.

The Department for Communities and Local Government (DCLG) specifically state:

“The Government has been clear that, in developing local Council Tax reduction schemes, vulnerable groups should be protected. The Government Response sets out the Government’s intention to put protection for applicants of state pension credit age on a statutory footing. It confirmed that the Government did not intend to prescribe the protection that local authorities should provide for other vulnerable groups, but would consider what guidance was needed to ensure local authorities were able take into account existing duties in relation to vulnerable groups in designing their schemes.”

DCLG produced further detailed guidance, and reminded Local Authorities of their duties under:

- The public sector Equality Duty (The Equality Act 2010)
- The welfare needs of disabled people (The Disabled Persons Act 1986)
- The duty to mitigate effects of child poverty (The Child Poverty Act 2010)
- The duty to prevent homelessness (The Housing Act 1996).

Furthermore, the Local Government Finance Act specifies that, before adopting a scheme, the billing authority must:

- a) Consult any major precepting authority which has power to issue a precept to it
- b) Publish a draft scheme in such a manner as it thinks fit
- c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

three stipulations were completed by 20 September 2015.

This proposed 2016 Council Tax Support scheme comes at a time when other radical changes and developments are taking place within the welfare system. Managing these changes in a way that reduces the impact on the most vulnerable is a part of the Council's 'Safer and Stronger Communities' key priority. In preparation for the 2016 Council Tax Support scheme, EEBC must undertake a Community Equality Impact Assessment (CEIA) to gauge the impact on those who are likely to be affected. If the CEIA contains insufficient data or evidence on the impact of the proposal, it runs the risk of being subject to legal challenge. The CEIA must also:

- Inform the policy formulation process
- Be undertaken prior to actual implementation
- Make use of existing equalities monitoring data
- Make use of consultation feedback
- Be sufficiently robust
- Be considered by Members as part of the final decision
- Be appended to the final decision report.

Finally, it is clear that this proposal will affect a number of EEBC residents (if not potentially all residents, to a small degree) and so it is vital for EEBC to gauge the views of those affected / potentially affected.

Step 2: Identify the proposed changes to your service

Describe the possible changes your proposal will have on your service. Also outline the possible affect(s) it may have on the **protected characteristics**. Following your initial assessment if it is absolutely obvious that your changes will not have any effect on any of the **protected characteristics**, no further analysis or action is necessary. In this event, you must clearly record how you came to this conclusion.

As a result of ongoing reductions in funding from central government, EEBC is proposing changes to the existing local Council Tax Support scheme from April 2016

In overall terms, the awards of Council Tax Support in the Borough for 2014 were in the order of £3.2 million (out of total Council Tax revenue of £53 million). Around £1.8 million was awarded to approximately 1,800 'Working Age' households, whilst £1.5 million was awarded to approximately 1,300 'Elderly' residents. ('Working Age' is defined as those who have not reached the age for state pension credit. 'Elderly' is defined as those of state pension credit age. 'Elderly' residents are protected from the features within a localised Council Tax Support scheme and their entitlement must be calculated in accordance with DCLG prescribed regulations.)

Funding from central government was reduced by approximately 12% in 2014/15 and 2015/16 (in addition to the initial 10% reduction in 2013/14) and a further cut of approximately 12% is expected in 2016/17.

One option open to EEBC is to continue to award the same amounts of Support. If EEBC choose this option, the funding cut will fall on other areas within the Council, County Council and Police (e.g. cutting or reducing other services and / or charging all residents more Council Tax). Instead, EEBC has made a proposal to revise the existing scheme with adjustments in entitlements to contribute towards the reduced funding from Central Government.

The proposal is:

Increase the Minimum Payment from 20% to either 25% or 30%

The proposal would affect all of the 1,724 Working Age households by reducing the maximum amount of Council Tax Support they can receive towards their Council Tax.

Step 3: Assessment of data and research

Identify what data and research is available to inform the impact of your proposals on service users and/ or staff. Where there are data gaps you should include this as an action within your **Community Impact Assessment Action Plan – Step 7**.

EEBC propose to use existing national data alongside localised data as we go through this assessment.

The Joseph Rowntree Foundation

The Joseph Rowntree Foundation produced an analysis of national trends in Council Tax Support schemes¹:

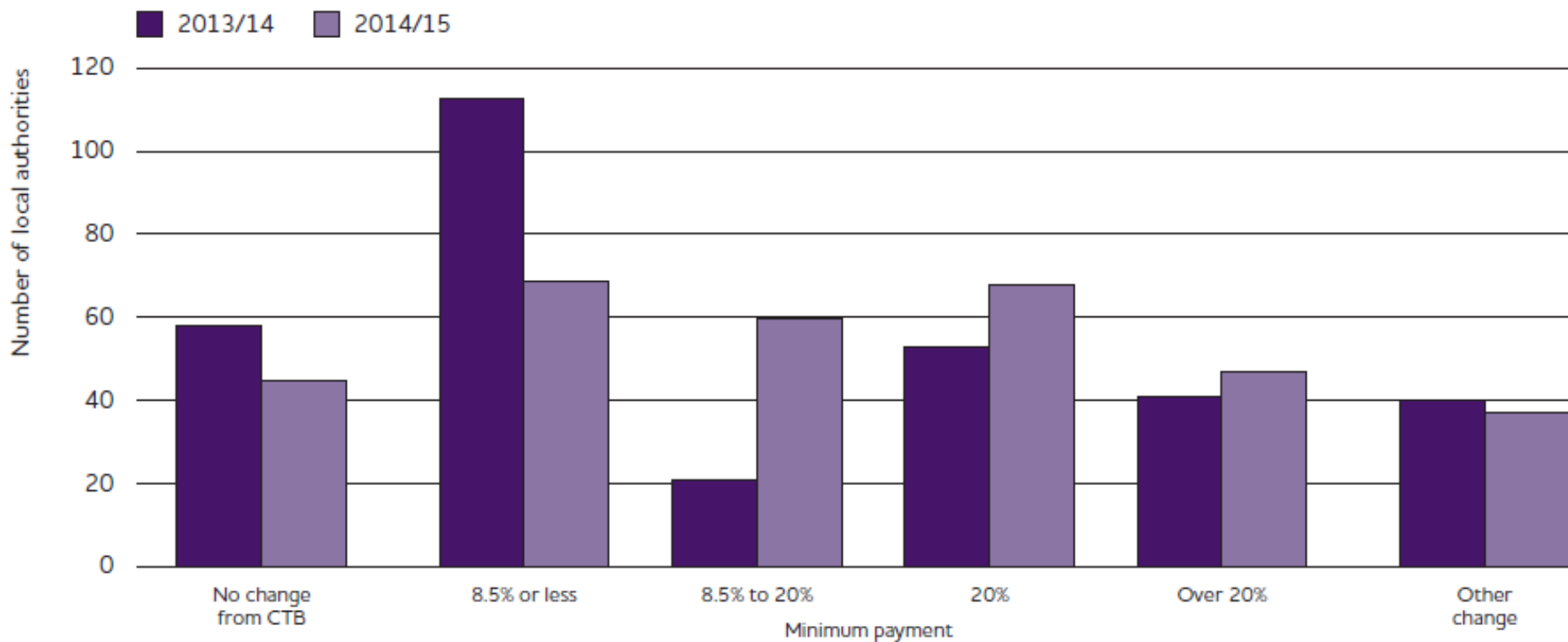
- 58 councils (18%) maintained schemes equivalent to Council Tax Benefit in 2013/14 (Council Tax Benefit was the national scheme which preceded Council Tax Support schemes). In 2014/15 this had reduced to 45 councils (14%)
- In 2013/14 around 2.4 million households paid on average £138 more per annum under Council Tax Support than under Council Tax Benefit. In 2014/15 that increased to £149 on average
- Levels of Council Tax arrears and bailiff referrals linked to non-payment of Council Tax increased in 2013/14; the largest increases in arrears were in those areas which introduced a Minimum Payment scheme
- Council Tax collection rates fell in 2013/14
- Around 70,000 households had their support cut for the first time in 2014/15, and a further 580,000 households saw their second successive cut
- Of around 2.34 million households affected in 2014/15, 1.8 million (77%) were workless households, and 1.5 million (64%) were defined as being in poverty² before the changes
- 229 councils (70%) operated a Minimum Payment Council Tax Support scheme in 2013/14. This increased to 244 (75%) in 2014/15
- In 2013/14 113 councils (49%) had a Minimum Payment scheme of 8.5% or less. This decreased to 69 councils (28%) in 2014/15

¹ <http://www.jrf.org.uk/publications/low-income-families-changes-council-tax>

² Poverty is defined as being in a household with less than 60% of the median national income, after housing costs.

- In 2014/15 47 councils (19%) have a Minimum Payment scheme in excess of 20%
- 35 councils (11%) reduced the level of support for a family, generally by treating Child Benefit or maintenance as income. As a result of this, lone parents have seen an above average drop in support (the EEBC scheme does not make such reductions)
- 74 councils (23%) introduced a band restriction, which also tends to have a larger effect on families (it is proposed that the band restriction within EEBC's current scheme be removed for 2015).

The following chart summarises the Foundation's findings:



Children's Charities

Action for children, the NSPCC and the Children's Society predicts that 'vulnerable families' could be £3,000 a year worse off by 2015, as a result of public spending cuts. The third sector groups estimate that the number of children living in 'extremely vulnerable families', currently less than 50,000, will almost double to 96,000 by 2015.

The Department for Work and Pensions (DWP)

The DWP undertook an Equality Impact Assessment – with consultation – in relation to Universal Credit [www.dwp.gov.uk/consultations/2010/21st-century-welfare/] where some parallels can be drawn:

- The current system of benefits is of particular importance to people who are covered by equality legislation. This may be due to:
 - Having characteristics that make someone more or less likely to take up a particular benefit (such as a greater likelihood of being out of work)
 - The length of time they stay on benefit and destinations after leaving benefit
 - The evolving benefits system and policy change
 - The effects of the economy (for example when in downturn)
 - Take up and differential outcomes
- Barriers to employment can mean that some groups are out of work for longer and may have greater need to rely on the benefits system. For example data on employment rates show that:
 - Women's employment rates are below those of men (68.8% compared to 75.4%)
 - Ethnic minority groups have a lower employment rate than white groups (60.2% compared to 73.9%)
 - Employment rates are lower for disabled than non-disabled people (48.4% compared to 77.5%)

- Associated with this, poverty affects certain groups disproportionately. For example:
 - The risk of a disabled adult living in poverty is higher than for adults with no disability and is particularly high for workless disabled adults
 - Individuals of Pakistani / Bangladeshi ethnic background have a significantly higher risk of being in poverty when they are in work than any other group
- The structure of the current welfare system has developed piecemeal to meet the needs, and reflect the changes in, society (for example, support for children, for extra disability-related costs, and lone parents). These categories do not necessarily read across to equality groups:
 - The definition of disability under the Equality Act does not coincide with eligibility for disability related benefits, but the vast majority of people receiving those benefits would be likely to fall under the Equality Act definition
 - As a result, complexity may affect certain groups because of the range of overlapping payments that might be available to meet needs
- The way the current system works can also be a disincentive to work. For example:
 - Complexity can be a particular problem for some people from ethnic minority groups (for example those whose first language is not English)
- In headline terms, making work pay and improving the prospects of these groups with lower employment rates is one of the most important things the Government could do to promote equal opportunity.

Surreyi

Surreyi analysed data from the 2011 Census to present demographic statistics for EEBC.

The following statistics were found for the proportion of ethnicities and religions in the borough:

Ethnicity	Number	Percentage
White British	59,049	78.60%
All Other White	5,453	7.30%
All Multiple / Mixed	1,922	2.60%
Asian / Asian British: Indian	1,828	2.40%
Asian / Asian British: Pakistani	667	0.90%
All Other Asian / Asian British	3,989	5.30%
All Black / African / Caribbean / Black British	1,128	1.50%
All Other Ethnic Groups	1,066	1.40%

Religion	Number	Percentage
Christian	46,222	61.55%
Hindu	1,913	2.55%
Muslim	2,277	3.03%
All Other	1,109	1.48%
No Religion	18,254	24.31%
Not Stated	5,327	7.09%

Detailed modelling has taken place to assess what affects the 2016 proposal may have on a current Council Tax Support recipient. Furthermore, we have undertaken analysis to best inform the proposal. Some local statistics of relevance are:

Epsom & Ewell Borough Council data (snapshot taken in July 2015)

Of 31,575 EEBC households:	3,010 households receive Council Tax Support (9.5%)
Of the 3,010 households	1,286 are 'Elderly' and thus protected from any change within the proposal (43%)
Of the remaining 1,724 Working Age households:	1,311 are single customers (76%) 416 are couples³ (24%)
Of these 1,724 Working Age households:	678 are single parents (39%) 630 are single (37%) 326 are couples with children (19%) 90 are couples (5%)
Of 1005 Working Age households with children:	649 households have no child / children under five years of age 456 households contain at least one child under five years of age
Of 678 single parent customers:	650 are female (96%) 28 are male (4%)
Of 630 single customers:	330 are male (52%) 300 are female (48%)
Of 1,724 Working Age households:	None receive an award of benefit that fully covers the cost of their Council Tax bill for the financial year 2015/16

³ 'Couple' means those who live with a partner (EEBC does not differentiate between a married person, a civil partner or a person who lives with another as if married or as if civil partners)

Of 1,724 Working Age households:	1,051 (61%) are not employed 673 (39%) are employed
Of the 673 households with somebody who works:	261 (39%) work 24 hours per week or more
Of 911 Working Age households receiving Jobseeker's Allowance (Income Based), Income Support or Employment and Support Allowance (Income Related):	DCLG suggest nationally, around 48% of those in receipt of a these benefits may also have a disability.⁴ Nationally, statistics suggest that disabled people are no less likely to take up benefits to which they are entitled than those who are not disabled.⁵ This equates to 437 customers out of this 911. Exact figures cannot be supplied because disability information is not always held by this authority where a customer is in receipt of a these benefits. (NB – Such customer will be unemployed or working minimal hours and have income and savings at or below the Government's assessment of their household's need. They receive a maximum Council Tax Support award without the need for the Local Authority to collect or verify their income and capital. EEBC therefore does not hold complete information relating to such customers and thus the number that have a disability is unknown).

⁴ Taken from DCLG 'Localising Council Tax Equality Impact Assessment', January 2012

⁵ Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Of the remaining 813 Working Age households:

83 (10%) receive a disablement premium within the assessment of their Council Tax Support entitlement

46 (6%) include a disabled child premium within the assessment of their Council Tax Support entitlement

(Generally speaking, the above premiums are awarded where Disability Living Allowance is in payment. However, it should be noted that the definition of disability for equality legislation is wider than an everyday notion of disability or eligibility for disability related benefits. For example, people are protected against discrimination from the point of diagnosis for certain conditions (such as cancer or HIV), but this is not necessarily the point at which people would gain eligibility for disability related benefits).

Step 4: Consultation

Identify what relevant consultation could inform your Impact assessment. If you have recent relevant consultation data you could use this. If not, you will have to undertake new consultation; this should be included as an action within your **Community Impact Assessment Action Plan – Step 7**. Make sure the extent of your consultation is in proportion to the proposed change that is being made. Have you consulted the Equalities Forum?

The proposal, along with demographic information (such as questions around benefit entitlement / household composition) and equalities data were developed into the form of a structured Council Tax Support Consultation Questionnaire.

The Council Tax Support Questionnaire and a draft of the proposed scheme were made available to all residents on the EEBC web site as part of the formal public consultation which runs from 27 July to 20 September 2015.

Furthermore, EEBC directly promoted the consultation as widely as possible through a number of ways. For example:

- Alteration to the EEBC Council Tax Support web page providing links to the Council Tax Support draft scheme and Questionnaire
- Introducing a front page link on the EEBC web site
- Posters and paper copies available at the Town Hall and other EEBC buildings
- Specific targeting of the 1,724 current Working Age Council Tax Support recipients who were each posted Questionnaires and a subsequent reminder letter
- Specific targeting of the 1,302 Citizens Panel members with a mix of posted and emailed Questionnaires, including multiple reminders
- Information made available at the Council Tax enquiry counter with flyers posted with outgoing Council Tax notices
- Requesting input from the Equalities Forum
- Requesting input from the Citizens Advice Bureau
- Requesting feedback from our local Housing Associations
- Requesting feedback from other local support organisations such as:
 - Swail House
 - Local Ethnic Minority Groups
 - And other Community Groups

- Producing a media release
- Promoting the consultation on social media including Facebook and Twitter
- Issuing information in eBorough Insight in August 2015.

All of the feedback received will be analysed and a Council Tax Support Consultation Overview document will be produced.

Step 5: Impact Assessment

Use the data, research and consultation results to consider the protected characteristics of the Equality Duty and the positive and negative impacts of the proposals in respect of the three aims:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Older People			None	'Elderly' residents are protected from the features within a localised Council Tax Support scheme and their entitlement must be calculated in accordance with DCLG prescribed regulations. Thus this group should not be affected.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Younger People (age 17 to 25)	Yes			EEBC has chosen to retain the earnings disregards for those that work. This encourages employment.
		Yes (high)		<p>This group could be impacted due to reduced household expendable income through the need to pay increased Council Tax.</p> <p>EEBC has chosen to carry forward the Government set lower applicable amounts for under 25s and so this group could find it more difficult when compared to those who have higher applicable amounts.</p> <p>It may also be the case that younger people (at the start of their career) could find it more difficult to increase their income, than, for example, those with more experience of work.⁶</p> <p><i>EEBC statistics show that only 1.4% of the CTS caseload are single people aged under 25, with one third of these in employment.</i></p>

⁶ DWP research found that: 58% of 18 to 24 year olds are employed compared to 80% of 25 to 49 year olds. Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Age – Children⁷	Yes			<p>EEBC has chosen to retain a number of advantageous aspects in the existing scheme such as providing higher applicable amounts (needs assessment) through specific child allowance(s), whilst Child Benefit and Child Maintenance remain fully disregarded as an income.</p> <p>Furthermore, child care costs will be used to positively affect a calculation, and working lone parents will also receive a higher disregard of their earnings encouraging employment.</p> <p>This is consistent with the Council's duty to safeguard and promote the welfare of children.</p>

⁷ EEBC stats (see page 10-11) show that: 1,005 of 1,724 (58%) Working Age claims include a child in the household. 678 of these households are single parents. 456 of these households contain at least one child under five years old

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Disability⁸ (Long-term health impairment could include mental health problems, asthma, heart conditions, chronic fatigue etc.)	Yes			EEBC has chosen to retain a number of advantageous aspects in the existing scheme such as applying higher disregards and higher applicable amounts for those who receive a disability related benefit or Carers Allowance, in recognition of their potentially higher living costs. EEBC has also chosen to retain higher earnings disregards for disabled people who work. This is consistent with the Council's duty to protect and promote the welfare needs of disabled people.
		Yes (high)		This group could be impacted due to reduced household expendable income through the need to pay more Council Tax, and may find it more difficult to increase their income through undertaking work / increased hours. ⁹
Gender¹⁰ (male, female)			None	No negative impact specific to characteristic has been identified.

⁸ EEBC stats (see page 10-11) show that: Of 813 Working Age claimants not in receipt of Jobseekers Allowance (Income Based), Income Support or Employment and Support Allowance (Income Related): 83 (10%) receive a disablement premium and 46 (6%) include a disabled child. Of the remaining 911 Working Age claimants in receipt of one of these benefits, around 48% of households are likely to include someone with a disability

⁹ DWP research found that: employment rates for those defined as disabled under equality law (48%) are substantially below the average employment rates (72%). Taken from DWP 'Equality Impact Assessment Universal Credit: welfare that works', November 2010

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Race (Minority ethnic communities e.g. colour, ethnic or national origin, nationality. This includes travellers and gypsies)			None	No negative impact specific to characteristic has been identified.
Religion or Belief (Believing faiths / religions e.g. Christians, Hindus, Muslims, people with no faith/religion)			None	No negative impact specific to characteristic has been identified.

¹⁰ *EEBC stats (see page 10-11) show that:* Of 630 Working Age single person claims: 330 (52%) are made by a male. Of 678 Working Age single parent claims: 650 (96%) are made by a female

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Sexual orientation (heterosexuals, lesbians, gay men and bisexual men or women)			None	No negative impact specific to characteristic has been identified.
Gender re-assignment (people who intend, are in the process of or have undergone gender reassignment)			None	No negative impact specific to characteristic has been identified.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Marriage and Civil Partnership (only in respect of eliminating unlawful discrimination)			None	No negative impact specific to characteristic has been identified.
Pregnancy and Maternity		Yes (high)		This group could be impacted due to reduced household expendable income through the need to pay more Council Tax at a time when they may find it more difficult to increase their income through, for example, undertaking work or increasing their working hours.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
Non-statutory Group Consideration				
Socio-Economically Disadvantaged ¹¹ (e.g. factors such as family background, educational attainment, neighbourhood, employment status)	Yes			EEBC has chosen to retain a number of advantageous aspects of the existing scheme such as providing earnings and income disregards, and premiums in a customers' needs assessment.

¹¹ EEBC stats (see page 13-14) show that: 1,270 of 2,000 (64%) Working Age households receive an award that fully covers the cost of the Council Tax bill. 1,255 of 2,000 (63%) do not work.

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
		Yes (high)		<p>By its very nature (i.e. a scheme that exists to help those on low incomes), a reduction in Council Tax Support entitlement will adversely affect the lowest income households in the borough.</p> <p>All 1,724 Working Age households are affected by the Minimum Payment. Increasing the Minimum Payment by 5% would currently leave the 1,724 households with an average additional reduction in their Support of £64.40 a year / £1.24 per week. Increasing the Minimum Payment by 10% would currently leave the 1,724 households with an average additional reduction in their Support of £128.81 a year / £2.48 per week.</p> <p>Those in receipt of 'out-of-work benefits such as Income Support, Jobseekers Allowance (Income Based) and Employment Support Allowance (Income Related) will find it very difficult to increase their income to meet additional expenditure. Any increase in the Minimum Payment will result in additional expenditure for them.</p> <p>Those with Caring responsibilities (for Support purposes this would ordinarily mean somebody in receipt of Carer's Allowance) might have limited resources through no or low pay for their caring duties. They may also find it difficult to increase their income (e.g. increase other paid employment) because of their caring commitments. Thus they may have difficulty meeting any additional Council Tax charge as a consequence of an increase in the Minimum Payment.</p>

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
EEBC Staff / Administration		Yes (low)		<p>EEBC are aware that reductions in the amount of financial help that residents receive, and the wider implication of other welfare cuts and general austerity measures, could well adversely affect the behaviour and attitude of customers towards those they see as responsible for such cuts</p> <p>EEBC Front Line Staff could face:</p> <ul style="list-style-type: none"> • Greater difficulty dealing with customers (due to lower / nil awards, the increased likelihood of Council Tax arrears possibly combined with an increased inability / difficulty in meeting this debt, and the subsequent collection and recovery procedures) • Change in working practices (a change to the CTS scheme, increased complexity from requiring knowledge of CTB, our 2013-15, 2015 and 2016 working age schemes and the scheme for elderly CTS recipients) • Increased customer contact (queries, complaints and appeals) • Uncertain future (expectation that Council Tax Support will be re-modelled within several years to simplify and to save costs) <p>Increased recovery workload (especially from those residents with less / no means to pay due to reduced awards)</p>

Equality Strand	Positive It could benefit Yes/No	Negative Yes(High/Low)/No	None - No Impact	Reason Describe the person you are assessing the impact on, including identifying: details of characteristic (if relevant) e.g. mobility problems / particular religion and why and how they might be negatively or positively affected. Identify risks if negative; identify benefits if positive
				<p>EEBC Team Leaders, Managers and HR team could face:</p> <ul style="list-style-type: none"> • A need to increase support for Front Line Staff • An increase in complaints and appeals • Extra considerations around discretionary areas • A need to manage stress / sick leave

Step 6: Decision/Result

Following your analysis, you should make a decision as to whether or not your proposal will negatively or positively impact any protected characteristics. You should take into account all factors such as finance and legal in your decision. Include information about whether stakeholders agree with your findings and proposed response (action plan).

Summary of Impact by Characteristic							
Option	Age – Younger People	Age – Children	Disability	Gender	Race	Pregnancy & Maternity	Socio-Economically Disadvantaged
Maximum Award	Negative (high)		Negative (high)			Negative (high)	Negative (high)

Step 7: Community Impact Assessment Action Plan

Once you have taken all factors into account, you need to create an Action Plan using the template below. These actions should be based on the information and analysis gathered during Steps 1 to 6. It should include any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. You should also identify positive actions. The actions need to be built into your service planning framework. Actions / targets should be SMART, Specific, Measurable, Achievable, Realistic and Time framed.

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
Age: Younger People Impact due to reduced household income through the need to pay some / more Council Tax	Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year	Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed	At the end of the year prior to the review of the scheme	Head of Revs & Bens
Age: Children Impact due to reduced household income through the need to pay some / more Council Tax	Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year	Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed	At the end of the year prior to the review of the scheme	Head of Revs & Bens

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
<p>Disability: Impact due to reduced household income through the need to pay some / more Council Tax</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p>	<p>Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>
<p>Gender:</p>				<p>Head of Revs & Bens</p>
<p>Race:</p>				<p>Head of Revs & Bens</p>
<p>Pregnancy and Maternity: Impact due to reduced household income through the need to pay some / more Council Tax</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p>	<p>Use data collected at the end of the year to inform future decision making. This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>

Issues Identified	Actions Required	Progress Milestones	By When?	Responsible Officer(s)
<p>Socio-Economically Disadvantaged:</p> <p>Impact due to reduced household income through the need to pay some / more Council Tax</p> <p>Impact due to not having experience of paying / budgeting for Council Tax payments</p> <p>Indirect impact due to wider welfare reforms impact</p> <p>Impact of socio-economic climate on employment and other factors</p>	<p>Monitor any adverse impact reported in the 2016/17 as part of the existing performance management framework to establish base data for consideration as part of the review of the scheme at the end of the year</p> <p>Monitor collection rates and contact made by those who may not have previously paid</p> <p>Provide information, help and advice on request</p> <p>Specifically contact those who may not have received Council Tax demand notices previously</p>	<p>Monitor collection rates through the year and react accordingly</p> <p>Use data collected at the end of the year to inform future decision making</p> <p>This will be reflected in any revised CEIA when the scheme is reviewed</p>	<p>At the end of the year prior to the review of the scheme</p>	<p>Head of Revs & Bens</p>
<p>Staff:</p> <p>Potential abuse and stress faced by staff from irate residents and increased workload</p>	<p>Communicate developments and progress made through the proposal, consultation and decision making stages</p> <p>Train front line staff in the new scheme</p>	<p>Specifically review at team meetings, 1-to-1s and appraisal meetings and take action as required</p>	<p>On-going and throughout the life of the scheme</p>	<p>Head of Revs & Bens</p>

Step 8: Sign off

	Name & Job Title	Signature **	Date
Lead Officer:	Pete Wells – Benefits Manager		
Validated By: (Head of Service)	Judith Doney – Head of Revenues & Benefits		
Approved By: (Equalities Lead)	Frances Rutter – Chief Executive		
Published on website by: (Consultation & Communication team)			

** Please type your name to allow forms to be sent electronically

Council Tax Support – Discretionary Hardship Fund

Introduction

Epsom & Ewell Borough Council introduced a locally devised Council Tax Support scheme to replace the outgoing national Council Tax Benefit scheme from 1 April 2013. The scheme was further revised with effect from 1 April 2015. This Discretionary Hardship Fund Policy runs in conjunction with these schemes.

Statement of Objectives

This Discretionary Hardship Fund is intended to provide short-term help to alleviate financial hardship which residents may encounter with the introduction of Council Tax Support, thus supporting the resident towards a position where they can meet their council tax liability without further reliance upon the Discretionary Hardship Fund.

A Community Equality Impact Assessment was carried out in respect of Council Tax Support. It identified where the Council Tax Support scheme may adversely impact upon a characteristic to a greater degree than others not of that characteristic. Particular regard will be given where hardship ensues in such instances. (The CEIA assessment summary for the 2013 and 2014 scheme is attached to this Policy as Appendix 1. The CEIA assessment summary for the 2015 scheme is attached to the Policy as Appendix 2.)

Eligibility to make a claim

The applicant must be liable for a council tax charge levied by Epsom & Ewell Borough Council. Where such a person is unable to act for themselves, a suitable third party may act on their behalf with the agreement of the Discretionary Hardship Fund Officer.

The application must be for a period(s) where the applicant is liable for a council tax charge levied by Epsom & Ewell Borough Council.

The applicant must have experienced hardship and for a period of, or within, 1 April 2013 to 31 March 2015 one of the five following factors must have caused or contributed to the applicant's hardship:

1. No equivalent of the Council Tax Benefit Second Adult Rebate scheme within Council Tax Support
2. Exclusion from entitlement to Council Tax Support due to the capital cut-off limit of £10,000
3. Restriction of the maximum liability used to assess Council Tax Support entitlement to that of a Band 'D' property

4. Introduction of a minimum Council Tax Support award whereby entitlement of less than £5 per week is not paid
5. Reduction of the maximum period for backdating a Council Tax Support award from 6 months to 3 months

Alternately, for a period after 31 March 2015, the applicant must have experienced hardship and one of the four following factors must have caused or contributed to the applicant's hardship:

1. No equivalent of the Council Tax Benefit Second Adult Rebate scheme within Council Tax Support
2. Exclusion from entitlement to Council Tax Support due to the capital cut-off limit of £10,000
3. Reduction of the maximum period for backdating a Council Tax Support award from 6 months to 3 months
4. The introduction of the Minimum Payment whereby the eligible Council Tax liability used in the calculation of Council Tax Support is reduced to less than 100%

Meeting the above criteria establishes the right to make a claim for a Discretionary Hardship Fund award. It does not infer the right to an award under the Discretionary Hardship Fund.

Applications

Epsom & Ewell Borough Council will administer this fund from within the Revenue & Benefits Division.

Applicants wishing to claim a Discretionary Hardship Fund award must:

- Make a claim for a Discretionary Hardship Fund award in writing, preferably on the form provided for this purpose, setting out the reasons for their claim
- Sign a declaration that the information is true and complete and agree that the Council may verify the information
- Agree that they will repay any overpayment of a Discretionary Hardship Fund award
- Supply requested evidence in support of an application both at the outset and following any additional request, including a financial statement and evidence of income and outgoings, within one calendar month of the request

[In extremely exceptional circumstances (for example where the resident cannot act for themselves and there is no third party to assist, and where there is already sufficient information held in respect of the resident's details) the Revenue & Benefits Division may consider making an award to the resident without an application in writing having been made.]

Discretionary Hardship Fund Considerations (Entitlement Decisions)

Each application will be looked at on its merits, having due regard to the factors outlined below:

- The applicant would usually have claimed Council Tax Support
- There must be evidence of financial hardship
- The applicants income and expenditure, including unusual and/ or avoidable expenditure
- Whether it has been identified within the Council Tax Support Community Equality Impact Assessment that an applicant may be more likely to be adversely affected
- Whether there are exceptional circumstances that contribute to the hardship
- The applicant must satisfy the Council that all reasonable steps have or will be taken to resolve their situation
- Entitlement to all other eligible discounts/ reliefs/ income/ welfare benefits have been explored and are being claimed
- The taxpayer does not have access to other assets that could be used towards their council tax liability
- Whether the situation could be resolved by some other legitimate means
- Whether an award will assist the applicant towards a position whereby they can meet their council tax obligation without further reliance on the Discretionary Hardship Fund within an acceptable time frame
- Any social or health issues currently being faced by the resident and/ or their immediate family
- The effect the situation is having on vulnerable members of the resident's immediate family (e.g. the elderly, the young, the infirm etc)
- Other evidence in support of an application (such as information from Doctors and/ or Social Workers etc.)
- Where applicable, what information/ advice has been sought and obtained previously
- The suitability of the current accommodation
- The possibility of moving to alternative accommodation where the resident will be able to meet their liabilities
- The lifestyle choices of the applicant and their household
- Whether there is a threat of Court action in relation to council tax arrears

(NB - this list is neither prescriptive nor exhaustive)

Discretionary Hardship Fund Awards

Awards are made at the discretion of Epsom & Ewell Borough Council.

An award must not be made to compensate for reductions, suspensions or losses of income due to non-conformance with conditionality rules, negligence, or wrong-doing (such as a penalty for fraud or not meeting job search commitments etc.).

Epsom & Ewell Borough Council has the right to amend, suspend or cancel any Discretionary Hardship Fund award as necessary or appropriate.

Award period

Awards will be granted for a period.

These periods will not extend beyond the end of the financial year.

Awards are intended as short term help. It is not the intention to award or re-award in perpetuity.

Awards cannot be made once the allocated Fund for the financial year has been exhausted.

Start date of an award period

Where a resident makes a Discretionary Hardship Fund application within one month of a Council Tax Support notification (either following a new claim or a change in circumstances), the award period start date may coincide with the relevant commencement date for the notified determination where appropriate.

Where a Discretionary Hardship Fund application does not follow a recent Council Tax Support decision, any award will usually commence from the Monday following the date the application was received at the Town Hall.

Amount of award

The daily Discretionary Hardship Fund award must not exceed the amount by which Council Tax Support was reduced due to one or more of the following six factors that have caused or contributed to the applicant's hardship:

1. No equivalent of the Council Tax Benefit Second Adult Rebate scheme within Council Tax Support
2. Exclusion from entitlement to Council Tax Support due to the capital cut-off limit of £10,000
3. Restriction of the maximum liability used to assess Council Tax Support entitlement to that of a Band 'D' property
4. Introduction of a minimum Council Tax Support award whereby entitlement of less than £5 per week is not paid
5. Reduction of the maximum period for backdating a Council Tax Support award from 6 months to 3 months
6. The introduction of the Minimum Payment whereby the eligible

Council Tax liability used in the calculation of Council Tax
Support is reduced to less than 100%

The daily Discretionary Hardship Fund award must not exceed the daily council tax liability for the period, net of all other discounts / reductions for the period.

In determining the appropriate amount for an award, regard will be given to the level at which assistance could alleviate the hardship.

Notification of a decision

The applicant will be notified in writing of a decision.

The decision notice will include reasons for the decision.

If an award is made, the decision notice will include the award amount and the award period.

Disputing a Discretionary Hardship Fund decision

There is no right of appeal to a Valuation Office Tribunal concerning a Discretionary Hardship Fund decision. This includes, but is not limited to, the decision to award or not award Discretionary Hardship Fund payments, the amount of any Discretionary Hardship Fund payments, the award period, or the calculation or recovery of overpaid Discretionary Hardship Fund payments.

If an applicant is aggrieved by a Discretionary Hardship Fund decision they should write to the Revenues & Benefits Division within one month of the date of that decision notice. They must detail what they consider to be incorrect in the decision. A senior officer will consider the case further and their decision will be final.

Duty to notify changes in circumstances

Where a Discretionary Hardship Fund award is made, applicants are required to notify the Council of any relevant changes in their circumstances that could affect their award.

Examples of these changes include, but are not limited to:

- If the applicant changes address
- If the applicant or a member of their household leaves their home temporarily or permanently
- If the applicant's or a member of their household's income or capital changes
- If the number and/ or circumstances of others in the household changes

In addition, the applicant must inform the Revenues & Benefits Division:

- Of a change to any factor that caused or contributed towards their hardship
- If their hardship ends

- If the severity of their hardship decreases (for any reason other than a Discretionary Hardship Fund award or an award or increase of Council Tax Support)
- Of a change to any of the circumstances that were included within the reasons for making a claim under the Discretionary Hardship Fund

Payment of Discretionary Hardship Fund

Discretionary Hardship Fund awards will be credited to the applicant's council tax account.

Recovery of Discretionary Hardship Fund overpayments

Overpaid Discretionary Hardship Fund awards will generally be recovered directly from the applicant's council tax account, increasing the amount of council tax payable.

Examples of circumstances where the Council will seek recovery of overpaid Discretionary Hardship Fund payments include, but are not limited to:

- Misrepresentation or failure to disclose a material fact, whether fraudulently or otherwise
- Failure to notify any relevant change in circumstance in order to retain, enhance or obtain entitlement to support, whether fraudulently or otherwise
- An error made in the provision of information or evidence or the interpretation of that information or evidence which led to an incorrect award

(NB - this provision does not limit the circumstances by which an overpayment of either a main scheme Council Tax Support award or an award under the Discretionary Hardship Fund can be recovered)

Community Equality Impact Assessment for the 2013 and 2014 Local Council Tax
Support Scheme

Summary of 'Negative' Impact by Characteristic							
Option	Age – Younger People	Age – Children	Disability	Gender	Race	Pregnancy & Maternity	Socio-Economically Disadvantaged
Second Adult Rebate			Negative (low)	Negative (low)			Negative (low)
Backdating	Negative (low)		Negative (high)		Negative (low)	Negative (low)	Negative (high)
Band Restriction		Negative (low)	Negative (low)				Negative (high)
Minimum Award							Negative (low)
Capital Limit							Negative (high)

Community Equality Impact Assessment for the Local Council Tax Support Scheme
introduced for 1 April 2015

Summary of 'Negative' Impact by Characteristic							
Option	Age – Younger People	Age – Children	Disability	Gender	Race	Pregnancy & Maternity	Socio-Economically Disadvantaged
Second Adult Rebate			Negative (low)	Negative (low)			Negative (low)
Backdating	Negative (low)		Negative (high)		Negative (low)	Negative (low)	Negative (high)
Minimum Payment	Negative (high)		Negative (high)			Negative (high)	Negative (high)
Capital Limit							Negative (high)

Kathryn Beldon
Director of Finance & Resources

AGENDA ITEM 2
ANNEXE 8



Sheila Little
Chief Finance Officer and Deputy Director for Change & Efficiency
Change & Efficiency Directorate
Surrey County Council
County Hall, Penrhyn Road
Kingston upon Thames
Surrey KT1 2DN

Town Hall
The Parade
Epsom
Surrey
KT18 5BY
Main Number (01372) 732000
Text 07950 080202
www.epsom-ewell.gov.uk
DX 30713 Epsom

Date 9 November 2015

Contact

Kathryn Beldon

Direct line

01372 732201

Your Ref

Fax

01372 732288

Our Ref

Email

kbeldon@epsom-ewell.gov.uk

Dear Sheila

Localising Support for Council Tax – Consultation with Major Precepting Authorities

Thank you for your letter of 18 September responding to our consultation proposals.

I thought it might be useful to clarify our reasons for discarding some of the Surrey Framework elements as suggested in your letter.

1. Remove discounts and exemptions for second homes and empty properties.

This was not part of the Surrey Framework for Council Tax Support but these Council Tax technical reforms were used in the first year of the scheme to assist with the funding gap. At Epsom & Ewell Borough Council we removed all discounts and exemptions leaving only a discount of one month for empty properties. This was left in place to encourage taxpayers to inform when their properties became empty and this information has been used for new homes bonus, when levying the empty home premium and by our empty homes group who search for suitable properties for housing homeless families. There is little scope therefore to change this.

2. Remove second adult rebate

This element of the Surrey Framework was introduced at Epsom & Ewell Borough Council in April 2013 and our scheme does not allow working age recipients to claim second adult rebate.

- 3 Reduce the capital threshold

We also introduced this element of the Surrey Framework in April 2013 with our members deciding to reduce the threshold to £10k. There is scope to reduce this to £6k as the original Framework suggested and some other Surrey sites have followed this route. However, the latest analysis shows only 9 people would be affected by this further reduction and the amount to be gained by Epsom & Ewell Borough Council is £829 so this is not considered a meaningful change.

4 Cease backdated awards

In April 2013 we reduced the period for backdated awards to 3 months. For working age claimants the amount spent by Epsom & Ewell Borough Council was £1099. Whilst this could provide a small amount of savings for the Council this has been retained since we have found its use is mainly from the very vulnerable claimants and without this they would undoubtedly have to make a claim from the Discretionary Hardship Fund

5. Limit support to the level of a Band D property

We originally adopted this restriction in April 2013 and continued the restriction for 2014/15. Whilst this could result in higher savings restoring the band restriction would affect 221 households; the majority of these are families with children. It is likely that due to the level of payments this group would be need to make the collection rate would be low and more resources would be required to collect the tax due. When we came to look at this element with regard to the change to a minimum contribution for 2015/16 we found the following:-

- a) The band restriction was the main reason for the need to make an award from the Discretionary Hardship Fund in 2013/14 and 2014/15
- b) The effect the 20% minimum payment coupled with the band restriction meant the minimum payment those in Band E would need to make ranged from 34.5% to 52%.
- c) Those households who also received Housing Benefit were mainly families with children paying higher rents and some were subject to the benefit cap further hindering recovery of the tax.
- d) Due to the lack of smaller properties in the area it was difficult to find Band D or less properties to move to, hence the increased call on the Discretionary Fund from this group
- e) With the problems of finding Band D and below properties we had a number of homeless families who had been rehoused by the Council in Housing Association properties but these were generally at Band E.
- f) The Council used more resources on collecting Council Tax from this group and this was also the case for the enforcement agents who needed to make more frequent visits to these households and our colleagues in CAB also saw a rise in the need for advice from this group and assistance to claim Discretionary Hardship Fund payments.

All this led us to conclude that retaining the Band D restriction would put a disproportionate burden on these households, have a more detrimental effect on vulnerable children and did not produce the savings when compared to the recovery resources and discretionary payments made.

Since our public consultation this year has been based on potentially increasing the minimum percentage contribution we would be unable to make the changes you suggest for 2016/17. I am sure we will be revisiting the Local Support Scheme annually so our Members could decide in future to consider reintroducing elements of the Surrey Framework.

On a final point my letter of 3 August asked whether the County Council would be willing to contribute towards the Hardship Fund for vulnerable households. This is borne solely by Epsom & Ewell Borough Council but benefits all preceptors and our members would like a response by 17 November when they meet to decide the 2016/17 scheme.

Yours sincerely

(Signature redacted)

Kathryn Beldon

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Response by email to: kbeldon@epsom-ewell.gov.uk

Ms Sheila Little
Director of Finance
Surrey County Council
County Hall, Penrhyn Road
Kingston-upon-Thames
Surrey KT1 2QU



Kathryn Beldon
Director of Finance
Epsom & Ewell Borough Council
Town Hall
The Parade
Epsom
Surrey, KT18 5BY

16 November 2015

Dear Kathryn,


Local council tax support scheme 2016/17 – consultation

Thank you for your letter dated 9 November 2015 regarding the above.

In regards to your request for a contribution by the county council to your Hardship Fund in 2016/17, the county council contributed £16,000 to the Hardship Fund in the first year (2013/14) and allowed underspend to be carried forward into subsequent years. The hardship funding was only ever intended to support the transition period of the local council tax support scheme and therefore the county council does not intend to give any further contribution in 2016/17.

I hope we have now addressed all material aspects of your consultation.

Yours sincerely,


Sheila Little
Director of Finance

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