

Appendix D

Wiltshire Council

February 2014

Subject: WILTSHIRE COUNCIL LOCAL COUNCIL TAX SUPPORT SCHEME AND TECHNICAL CHANGES

Cabinet Member: Councillor Dick Tonge

Executive Summary:

The Welfare Reform Act 2012 brought about huge changes in the way welfare benefits are administered. The Welfare Reform Act 2012 abolished council tax benefit with effect from April 2013. The local government finance bill prescribed the way in which a local authority should introduce any replacement for the current scheme, known as the local council tax support scheme. In Wiltshire this scheme has been running since April 2013.

The council now operate two schemes, a local scheme for those of working age and a statutory scheme for pensioners. In the past the council tax benefit scheme was always amended each year however the determinants or parameters used to assess a claim were set by Government, through the Department of Work and Pensions (DWP) and these were adopted nationally, by every local authority. Because of the unique features of the local scheme, there is a new obligation to publish details of the scheme, each year which will be done via the council's website

This report presents the changes that have to be made to the local scheme in line with national changes or up-ratings that will ensure the local scheme is synchronised to national or statutory scheme.

In order to meet legal requirements the Council must agree the changes which provide the foundation for the scheme for the following 12 months

The purpose of this report is twofold. Firstly it is to bring to the attention of the council the changes that have to be made to the current scheme, in line with best practice and national guidelines.

Secondly the report seeks agreement that any future amendment to the local scheme is delegated to officers to action, each year.

The local scheme will continue to support those of working age in the following way :-

- a) Reduce maximum eligible council tax support to 80% of the Council Tax chargeable for all those of working age except those in receipt of disability premium and war widows/ disablement pension.
- b) No longer apply second adult rebates.
- c) Determine whether those with savings of more than £6,000 or £10,000 should be excluded from the scheme.
- d) Moderate non-dependant deductions to a single rate regardless of their income.
- e) Lower the income deduction taper from 20% to 15%.
- f) Cease backdating claims.
- g) Cease the calculation for underlying entitlement.
- h) Protect those with children and continue to disregard child benefit as income.

However proposed changes are considerably more subtle affecting the parameters and formulae which are applied as part of the assessment process.

The report therefore sets out:

- The table of changes which will become the Wiltshire Council's Council Tax Support scheme with effect from April 2014. (at Appendix E)
- Seeks delegated authority to amend the scheme in accordance with the DWP annual up-rating and the DCLG Default scheme.

Proposals

Cabinet recommend to Council that:

- a) Wiltshire council's local council tax support scheme is amended as set out at Appendix E of the report.
- b) That officers have delegated responsibility to amend the local scheme in accordance and in conjunction with guidance from the DWP and DCLG.

Reason for Proposals

For the purpose of setting 2014/2015 council tax it is also important that a decision is made now to ensure that, the council is able to introduce the scheme within its budgetary timetable and the statutory timetable.

Michael Hudson
Service Director, Finance

The following supporting documents are attached:

**Detailed report on Council Tax Support and Technical Changes
Appendices**

Appendix E = Wiltshire Council Local Council Tax Support Scheme Revisions
Appendix F = Wiltshire Council Local Council Tax Support Scheme Equality Analysis

The following supporting documents are available from the officer named above:

Report Author: Ian P Brown, Head of Revenues and Benefits
(ianp.brown@wiltshire.gov.uk, 01380734743)

Cabinet member contact details: 01225 713000

Date: 29 January 2014

Purpose of Report

1. This report provides minor amendments to parameters and some eligibility criteria (persons from abroad) used to calculate the local council tax reduction scheme for those of working age. These tables determine the rules and to a certain extent the cost of the scheme.
2. Having established the local scheme and its robustness, changes to parameters should in future be actioned by officers and responsibility for setting the scheme parameters should be delegated to revenue and Benefits Officers.

Background

3. Currently almost 29,358 households in Wiltshire receive full or partial help with their council tax. This is a reduction of almost 1000 households since this time last year. Around 46% of householders are pensioners and their benefit is calculated in accordance with the statutory default scheme. 54% are therefore of working age and have their entitlement calculated in accordance with the local scheme. Before the introduction of the local council tax reduction scheme the Government would provide guidance on annual up-ratings to accommodate changes to national welfare benefits and the benefit entitlement would then be amended in accordance with this guidance.
4. With a local scheme the changes which are now provided by both the Department for Communities and Local Government (DCLG) and DWP have to be considered before being adopted. The local scheme for 2013/2014 is then replaced by the scheme for 2014/2015 which would incorporate the change.
5. Currently 46% of households (c13,700 properties) who receive council tax benefit are of pensionable age and are protected from any reduction in their award. The government announced what is now known as the 'default scheme' on 17 July 2012, and in January 2014 guidance was made available on the parameter change to the statutory scheme determining the means and criteria by which these claims should continue to be paid. Parameter changes to the statutory scheme will also be effective from 1 April 2014.
6. Analysis of the remaining 54% of caseload (c15,700 properties) suggests that around 5,000 householders are deemed highly vulnerable and are in receipt of multiple benefits which means they continue to receive full council tax reduction.
7. In addition, provision will need to be made within the proposed, local council tax reduction scheme to accommodate and in some ways anticipate the impact the introduction of Universal Credit will have. Universal Credit will replace a number of means tested benefit, including housing benefit and in Wiltshire we may encounter new claims from March 2014 which will be treated as income.

Main Considerations

Council Tax

8. The council has to publish a draft local scheme every year. Cabinet must present the final version for agreement before full council.
9. The changes to the scheme are set out in detail at Appendix 1. The proposed changes will have only a marginal impact on costs overall, and these are covered in financial comments below. In order to encourage employment and reduce administration, within this scheme it is proposed that the earning taper for those returning to employment remains at £0.15 deduction for every £1.00 earned, above the needs assessment. This is higher than many of our neighbouring authorities. It is also proposed that Non-Dependent deductions remain at £3.70 per week. All other parameter changes will be in line with the statutory scheme.
10. The DWP have brought in new legislation regarding eligibility of persons from abroad to claim housing benefit and council tax reduction. Our local scheme will be amended to include these changes. These changes will be effective from 1 April 2014.
11. It is not possible to exactly assess the impact of setting these rates at these levels due to uncertainty of application as it is dependent on several external factors. However the total cost of the scheme for 2013/2014 is estimated to be £24,830,000, an overall increase of around 1.4% more the initial estimate, made this time last year. Estimates suggest the figure will be very similar for 2014/2015.
12. It is proposed that the scheme for 2014/2015 continues along the same principles as was originally presented to Cabinet when the scheme was introduced; to help protect the most vulnerable in Wiltshire's Communities and maintain a drive to build and strengthen resilient communities.
13. In terms of claimants in receipt of universal Credit, the consideration given to each claim will depend on the degree to which the DWP will share information with the council. Currently the degree of information sharing is unknown.

Financial Impact

14. The total cost of the scheme for 2014/2015 is estimated to be £24,850,000. The changes made in terms of the local scheme have meant that the numbers entitled to council tax reduction have fallen. Consequently the overall expenditure has fallen from £27 million in 2012/2013, which corresponds with Government's savings.

15. Whilst the scheme's introduction has been a success it is important to note that whilst it remains a means tested benefit, it has not reduced the administrative burden on the service. The level of engagement with those who have previously have not had to pay council tax has been greater than envisaged. The current, healthy collection rate masks a series of new yet small debts with around 20% of those affected by the changes to the scheme in arrears, owing some or all of their net council tax.

Environmental and climate change considerations

16. None

Equalities Impact of the Proposal

17. An Equalities Impact Assessment was completed in the light of the outcome of the consultation, and this is attached at Appendix F. In summary the key points are:
- In designing the scheme every attempt has been made to minimize the effect of the reduced funding in delivering the scheme, and to prevent discrimination against people who are disadvantaged, vulnerable or with protected characteristics
 - Disabled people can find it much harder to secure employment than non – disabled people. The new scheme provides additional protection for disabled people from the 20% reduction in support.
 - The scheme is likely to have a negative impact on all working age people and do not fall within the protected groups. In mitigation the new scheme does provide incentive for people to gain work by introducing an enhanced earnings taper
 - All current recipients of council tax reduction will automatically be reassessed for eligibility to the new scheme using the proposed parameters.
 - War pensioners and their widows will also receive protection from the 20% reduction in support

Risk Assessment

18. Through consultation, creating media attention, awareness of the annual changes and mostly importantly, engagement with those affected , the introduction of the scheme has generally been successful and well received in terms of the impact on customers and stakeholders
19. The change in funding arrangements will mean that the council will inherit a growing financial risk due to the uncertainty over estimations of the customer base and the collectability of income arising from the volatility arising from these changes and other welfare reforms. This risk is all the greater going forward, through the introduction of Universal Credit.

Risks that may arise if the proposed decision and related work is not taken

20. Failure to maintain the local scheme will mean the financial burden will have to be met in full by the council. Further reductions in spending to cover the cut in benefit grant could affect services that support the most vulnerable in society and adversely affect the cost of other services.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

21. The revenues and benefits team have a reputation for delivering change projects. They are suitably equipped and have the skills, knowledge and equipment to introduce a local scheme.
22. The team as a whole manage customers and their debts in a sensitive and understanding way and are building on relations across the council with both the voluntary sector (Wiltshire money and the CAB for example) and social housing providers to mitigate the impact of these changes. They also have robust procedures in place for managing debt from those who are facing challenging, financial issues.

Risk

1. Communication

Action to mitigate the risk

Corporate communications plan, stakeholder liaison and consultation

2. Cost

Analyse and review impact of schemes and impact of other welfare reforms

3. Complexity

Ensure understanding of staff & customers who will have to operate and claim for a growing number of benefit schemes

Financial Implications

23. Whilst the impact of the new scheme, in terms of a fall in collection rates has not occurred to the extent that was predicted a year ago, there still needs to be a clear assessment in the risk assessment of reserves in setting the 2014/2015 budget requirement for these factors, and beyond as it is likely that debt owed will increase. At this stage it is thought this could be less than the 20% of the extra income due or around £680,000, or 0.02% of the total net debit. The full impact will not be known until the end of the financial year. It is still not clear if this will require any increase in reserves at this stage without further budget setting due diligence. This will be reported to members as part of the budget and council tax setting process

24. The introduction of localised Council Tax Support Scheme will continue to create considerable challenges in terms of collecting the additional sums, which are estimated to be between £200 and £300 per annum, per affected household. Whilst these arrears are not impacting the overall levels of collection, there is concern about the longer-term collectability and the speed at which the debts grow if not promptly and carefully managed. In the longer term this will have an impact on administration and collection rates. This has been factored into the financial considerations of the option that will continue to be reviewed alongside the assessment of reserves and income monitoring.

Legal Implications

25. The Local Government Finance Bill currently passing through Parliament makes provision for the localisation of council tax support in England by imposing a duty on billing authorities to make and publish a localised council tax reduction scheme. Once the scheme has been established then any annual up-ratings could in future be actioned through delegation to officers

Options Considered

26. The proposed changes to the current local Council Tax reduction scheme are set out in Appendix E.
27. Appendix F contains the Equality Impact Assessment.

Conclusions

28. The changes proposed are part of the annual up-ratings that occur every year. These changes are being brought about as part of the wider Welfare Reforms that will affect a variety of services we provide and impact upon some of the most disadvantaged members of our community between now and next March.
29. Through the ratification of this proposal the council has simply determined minor amendments to its existing scheme that ensure that is current, appropriate and legal. It is a scheme that offers some degree of protection to all working age claimants, and encourages work. The scheme is also based on ability to pay, rather than ensuring the council covers all additional burdens.
30. The proposals for the council tax support scheme have therefore been designed to limit the impact on those least able to afford council tax. The proposals are made based on the principle that any scheme should be simple and equitable across all groups and offers incentives for those who can work, wherever possible. It will not apply to those of pensionable age.

Michael Hudson
Service Director, Finance

Report Author: Ian P Brown, Head of Revenues and Benefits
(ianp.brown@wiltshire.gov.uk, 01225 716701)

Date of report: 29 January 2014

Background Papers
Financial impact of Options.

Appendices

Appendix E = Wiltshire Council Local Council Tax Support Scheme Revisions

Appendix F = Wiltshire Council Local Council Tax Support Scheme Equality Analysis

Wiltshire Council Local Council Tax Support Scheme Revisions Appendix E

Personal Allowances	2013	2014
Single		
16 to 24	56.80	57.35
25 or over	71.70	72.40
Any age – entitled to main phase rate ESA	71.70	72.40
Lone parent		
Under 18	56.80	57.35
18 or over	71.70	72.40
Any age – entitled to main phase rate ESA	71.70	72.40
Couple		
Both under 18	85.80	86.65
One or both over 18	112.55	113.70
Any age – entitled to main phase rate ESA	112.55	113.70
Polygamous Marriages		
If the claimant is a member of a polygamous marriage and no members of the marriage have attained the age of 60		
For the claimant and the other party to the marriage	112.55	113.70
For each additional spouse who is a member of the same household as the claimant	40.85	41.30
Dependent children		
From birth to September following 16 th birthday	65.62	66.33
From September following 16 th birthday to day before 20 th birthday	65.62	66.33
Premiums		
Family Premium	17.40	17.45
Family Premium (lone parent rate)	22.20	22.20
Disability Premium		
Single	31.00	31.85
Couple	44.20	45.40
Enhanced Disability Premium		
Single rate	15.15	15.55
Disabled child rate	23.45	24.08
Couple rate	21.75	22.35
Severe Disability Premium		
Single	59.50	61.10
Couple – one qualifies	59.50	61.10
Couple – both qualify	119.00	122.20
Disabled Child Premium	57.89	59.50
Carer Premium	33.30	34.20

Components ESA(IR) and ESA (Contribution based)		
Work-related activity component	28.45	28.75
Support component	34.80	35.75
Deductions		
Non-dependant deductions		
Aged under 25 and on IS or JSA(IB) or ESA(IR) which does not include an amount for the support component or work-related activity component	Nil	Nil
Aged 25 or over and on IS or JSA(IB), or aged 18 or over and not in remunerative work	3.30	3.70
In receipt of main phase ESA(IR)	3.30	3.70
In receipt of Pension Credit	Nil	Nil
Aged 18 or over and in remunerative work		
- gross income less than £128:	3.30	3.70
- gross income not less than £128.00 but less than £188.00	3.30	3.70
- gross income not less than £188.00 but less than £245.00	3.30	3.70
- gross income not less than £245.00 but less than £326.00	3.30	3.70
- gross income not less than £326.00 but less than £406.00	3.70	3.70
- gross income not less than £406.00	3.30	3.70
Permitted Earnings disregard – higher	99.50	101.00
Permitted Earnings disregard – lower	20.00	20.00

The Immigration (European Economic Area) (Amendment) (No 2) Regulations 2013

These Regulations amend the Immigration (European Economic Area) Regulations 2006 (S.I. 2006/1003) as amended (“the 2006 Regulations”) in order to amend the transposition in the United Kingdom of Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the rights of citizens of the Union and their family members to move and reside freely within the territory of the Member States (OJ No. L 158, 30.4.04, p77) (“Directive 2004/38/EC”). The Regulations also amend the way the United Kingdom gives effect to certain judgments of the Court of Justice of the European Union (“CJEU”), and address issues concerning the practical application of the 2006 Regulations.

These Regulations come into force on 1st January 2014, except for the provisions concerning “qualifying EEA State residence cards” (see paragraph 6 of Schedule 1), which come into force on 7th April 2014.

Paragraph 3 of Schedule 1 to the Regulations (“the Schedule”) amends regulation 6 of the Regulations in order to restrict the extent to which a person who is involuntarily unemployed may retain the status of “worker”. Where a person worked for more than 12 months before becoming involuntarily unemployed, worker status may be retained for up to six months while the person is seeking work and has genuine prospects of

employment, and for longer if the person can provide compelling evidence that he or she continues to seek work and has a genuine chance of being engaged. The new regulation 6(2)(ba) and (2A) provides that a person who has worked for less than 12 months may only retain worker status for a maximum of six months. Changes are also made to the definition of “jobseeker” to clarify that a person may be a jobseeker both upon entering the UK, and where they have previously enjoyed a right to reside as a “qualified person” in another capacity. A person may only retain jobseeker status for more than 6 months if they are able to provide compelling evidence of seeking work and having a genuine chance of being engaged. These changes reflect the requirements of Article 7(3) of Directive 2004/38/EC.

Paragraph 4 of the Schedule inserts a new regulation 7B into the 2006 Regulations to provide for how residence by an accession State national previously subject to worker authorisation, as defined by the Accession (Immigration and Worker Authorisation) Regulations 2006 (S.I. 2006/3317) (“the EU2 Regulations”), should be treated for the purposes of calculating periods of residence under the 2006 Regulations.

Paragraph 5 of the Schedule replaces the existing regulation 9 of the 2006 Regulations to require a British citizen to have “transferred the centre of his or her life” to another member State in order to acquire a right of residence in the UK for his or her non-EEA family member seeking a right to reside in the UK upon their return. Factors relevant to whether the centre of a person’s life has been transferred to another member State include the period of residence in that member State, the location of that person’s principal residence, and the degree of integration. These changes are to ensure that a British citizen engages in genuine and effective use of the rights conferred by Directive 2004/38/EC before a right to reside in the United Kingdom is conferred on a non-EEA family member.

Paragraph 6 of the Schedule amends regulation 11 of the 2006 Regulations to provide that a non-EEA national who presents a “qualifying EEA State residence card” may be admitted to the UK. A “qualifying EEA State residence card” is a residence card issued under Article 10 of Directive 2004/38/EC by an EEA State listed in regulation 2 of the 2006 Regulations as amended by these Regulations, currently Germany and Estonia.

Paragraph 14(b) of the Schedule clarifies that the Secretary of State may revoke certain residence documentation where the person to whom it was issued never had a right to reside.

Paragraph 16 inserts new regulation 20B into the 2006 Regulations. Where the Secretary of State has reasonable doubt about a person’s right to reside under the 2006 Regulations, or wants to verify the identity of a person to apply for documentation under Part 3 of those regulations, the new regulation 20B allows that person, or a person connected to their right to reside (e.g. an EEA family member) to be invited for

interview by the Secretary of State. Where that person, or a person connected to their right to reside, without good reason, fails to provide the requested information, or, on at least two occasions to attend an interview if so invited, the Secretary of State may decide that he or she is not entitled to a right to reside under the 2006 Regulations. The failure to attend an interview cannot be the sole basis for such a decision, nor should this provision be used in a systematic manner.

Paragraph 17 of the Schedule makes a minor amendment to regulation 21A of the 2006 Regulations, which governs the test to be applied when taking a decision under Part 4 of the 2006 Regulations (refusal of admission and removal etc) in relation to a person with a derivative right of residence. The quotation marks in regulation 21A(3)(a) of the 2006 Regulations surrounding “justified on grounds of public policy, public security or public health in accordance with regulation 21” are not required.

Paragraph 18 of the Schedule inserts a new regulation 21B in to the 2006 Regulations. This gives effect to Article 35 of Directive 2004/38/EC which provides that member States may adopt the necessary measures to refuse, terminate or withdraw any right conferred by that Directive in the case of abuse of rights or fraud. The new regulation prevents people from evading the requirements for an extended right of residence under the 2006 Regulations, for example by attempting repeatedly to re-enter the United Kingdom in order to engage regulation 13 (initial right of residence). Where a person has been removed from the UK on one previous occasion in a 12 month period for not having a right to reside, the new regulation 21B allows that person to be refused admission if they cannot demonstrate that, upon re-entry, they will have a right to reside other than that provided by regulation 13. Where a person is involved in a marriage or civil partnership of convenience or other fraudulent activity, measures to terminate or refuse a right to reside may also be taken.

Paragraph 24 of the Schedule inserts a new regulation 28A into the 2006 Regulations which applies section 97A of the Nationality, Immigration and Asylum Act 2002 (c. 41) to EEA decisions made under the 2006 Regulations in certain national security cases. The new regulation 28A will apply where the Secretary of State has certified under regulation 28(2) – (4) of the 2006 Regulations that an EEA decision has been taken on national security grounds. Section 97A as applied by these Regulations will prevent an appeal from being brought against that decision from within the United Kingdom, if the Secretary of State has certified that the removal of that person pending the appeal would not breach the United Kingdom’s obligations under the European Convention on Human Rights.

The remainder of these Regulations deals with matters consequential to the above changes.

These Regulations extend to the whole of the United Kingdom.

An impact assessment has not been produced for these Regulations as no impact on businesses, charities, voluntary bodies or the public sector is foreseen.

Wiltshire Council Local Council Tax Support Scheme Equality Analysis

1. What is the name of the service that is being assessed?

Since April 2013 Council tax benefit has been abolished and replaced by a new localised scheme of support. The new scheme will be known as the 'Council Tax Reduction Scheme'.

The Council Tax scheme was abolished by the Welfare Reform Bill 2011. The Local Government Finance Act amended by Section 13A allows for the development of a new localised Council Tax Reduction scheme.

2. What are the aims of the service, whose needs is it designed to meet, what are the current priorities?

Unlike the current Council Tax Benefit scheme, which is fully funded by central government, the new Council Tax Reduction scheme will be a cash limited, substantially reduced, pot of money. In funding the new scheme the Government intends to transfer to local authorities their estimate of what would have been spent on Council Tax Benefit in each area (had the old scheme continued) minus 10 per cent. With an estimated spend of £27 million on Council Tax benefit across Wiltshire in 2012/2013 a 10% reduction in funding equates to a shortfall of at least £2.7 million. Within these financial boundaries Wiltshire Council has the discretion to design their own local scheme and decide who to support financially.

The new scheme is just one of a number of measures in a much wider set of reforms to the welfare system. The overall aims of these reforms are to improve incentives to work, reduce worklessness and end a culture of benefit dependency.

Wiltshire council has developed a scheme that seeks to support the government's aims and provides help for those on low income, taking into account the reality of the funding cut. The Council's approach in designing the scheme has been to continue to deliver a means tested reduction in council tax aimed to support those with the greatest need and to provide work incentives through enhanced income thresholds.

2.1 New scheme

Although the scheme retains many of the features of the old Council Tax Benefit Scheme the value of the award, for many working age people, will be reduced. This is because there are some nationally prescribed elements to the new scheme which include protecting people of pension age from any reduction in benefit. Therefore it is inevitable that the burden of the reduced funding will continue to fall upon people of working age.

In targeting support to those most in need, the Capital savings limit at the point the reduction can be claimed has been lowered and a discretionary fund established to support anyone who may suffer severe financial hardship as a result of the planned changes. The design of the scheme has been simplified as well as the introduction of work incentives. The key differences under the new scheme include:

- Putting a maximum limit on the amount of council tax reduction that can be paid. This means working age people who claim council tax benefit will have to pay up to 20% of their bill.
- Changing the amount of savings a person can have before benefits are given. In the current scheme, a person is not entitled to council tax benefit when their savings are more than £16,000. Any savings their partner may have are also taken into account. Under the new scheme the savings limit will be £10,000.
- Removing second adult rebate, at the moment, if you can afford to pay your council tax but live with someone on a low income, you may be able to receive help with your council tax. This will change so that a discount will no longer be offered.
- Removing the right to have council tax support backdated if someone fails to claim within the prescribed period. All existing Council Tax reduction recipients that are eligible will be automatically transferred to the new council tax support scheme.
- Enhanced earnings taper, this means the rate at which council tax benefit is withdrawn where a person has more income than the law says they need to live on will be reduced.
- In order to simplify the scheme a new flat rate non-dependant deduction will be introduced.
- In order to simplify the scheme changes to the treatment of underlying entitlement will be made.

3. In what ways might the policy or service affect some groups of people differently? Might some groups find it harder to access the service? Do some groups have particular needs that are not well met by the service?

In addition to the nationally prescribed rules for people of pension age, the government requires local authorities to consider protecting vulnerable groups in the design of the new scheme, drawing council's attention to existing duties and responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and Housing ACT 1996 as well as the public sector duties in section 139 of the Equality Act 2010.

During the development of the scheme the council has tried hard to balance the reality of a significant cut in funding to protecting the most vulnerable members of our community as far as possible. The scheme acknowledges that recipients will need to contribute more to meet the shortfall but also seeks to support those people with protected characteristics as much as possible. Recognition is also given to the fact that some people may be more vulnerable to the reductions in financial support under the new scheme particularly where they may have difficulty gaining employment.

3.1 Age

Pension Age people

Older people (those of pension age) are protected from any financial loss under the new scheme by the legislation. The government state in their 'Localising Council Tax – EIA' in January 2012 that:-

“The government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform”.

Working Age people

The decision to protect people of pension age means that the impact of reduced funding for the scheme falls disproportionately upon those of working age. This is likely to have a negative impact on all working age people who currently receive council tax benefit and are transferred to the new scheme.

The scheme does provide incentives to working age people to seek employment by introducing an enhanced earnings taper, this means the rate at which council tax benefit is withdrawn where a person has more income than the law says they need to live on will be reduced

3.2 Sexual orientation

The Council does not currently keep case level data on sexuality as it is not relevant to the calculation of Council Tax Benefit. The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

3.3 Sex

In designing the scheme consideration was given to making changes to income disregards including child benefit which would have had a detrimental effect on child benefit recipients, many of whom are women. These changes were rejected on equality grounds.

Current disregards under the council tax benefit scheme which tend to favour more females than males such as child benefit disregards will continue to be a feature of the new scheme.

3.4 Marriage and civil partnership

Married couples and civil partnerships are recognised equally in the current Council Tax Benefit scheme. The equal and fair treatment of couples will continue in the proposed CTS scheme from 1 April 2013.

3.5 Disability

Disabled people can find it much harder to secure employment than non-disabled people. In the first quarter of 2012, DWP national figures show an increasing gap in the employment rate for disabled people compared to that for non-disabled.

The scheme extends all current favourable treatment of income of disabled people. National benefits such as disability living allowance, attendance allowance will continue to be disregarded in full and recipients will continue to benefit from the enhanced premiums and personal allowances which favour people with disabilities

Furthermore, the new scheme will provide protection for disabled people of working age from the reduction 20% reduction in support.

3.6 Gender Reassignment

The scheme is likely to have a negative impact on all working age people who in the past may have received full council tax benefit and are transferred to the new scheme. The Council does not currently keep case level data on gender reassignment as it is not relevant to the calculation of Council Tax Benefit. The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

3.7 Race

The Council does not keep case level data on race as it is not relevant to the calculation of Council Tax Benefit. Although the Council does regularly take positive action in terms of promoting take up of the benefits it administers amongst minority and hard to reach groups.

Support currently offered in terms of improving accessibility will continue under the new scheme this includes, interpretation services, visiting service, information leaflets in different formats and languages, correspondence in plain English and targeted benefit take up campaigns.

The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

3.8 Religion or Belief

The Council does not keep case level data on a person's religion or belief as it would not be relevant to the calculation of Council Tax Reduction. Support currently offered in terms of improving accessibility will continue under the new scheme this includes, interpretation services, visiting service, information leaflets

in different formats and languages, correspondence in plain English and targeted benefit take up campaigns.

The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

3.9 Pregnancy and maternity

The previous scheme offered disregards which, under the council tax benefit scheme tended to favour more females than males such as child benefit disregards. These will continue to be a feature of the new scheme

3.10 Protected groups

Another group that will receive protection from the 20% reduction in support will be War pensioners and their widows in recognition of the sacrifices they or their partners have made.

3.11 Discretionary fund

The scheme incorporates the creation of a discretionary hardship fund to help mitigate against the negative impact of any changes and support those who may be particularly disadvantaged taking into consideration individual circumstances.

3.12 Migration of existing claims

All current recipients of Council Tax Reduction will be automatically reassessed for eligibility to the new scheme from April 2014, based on the new parameters proposed in this report.

See summary of caseload data this includes groups with protected characteristics:

Council Tax Benefit Caseload trend:	April 2010	April 2011	April 2012	April 2013
All claims	29068	29725	30388	29,358
Pensioners	12734	12740	12756	13,612
Vulnerable	1360	1399	1252	4,988
Passported benefit cases	10366	10063	10153*	6505
Other	4608	5523	6227	4253

As the table illustrates, currently 29,358 people claim Council Tax Benefit in Wiltshire, of these current recipients 10,750 will face a reduction in support; the remaining 5,000 being those classified as vulnerable above.

4. What evidence do you have for your judgement? Is there any evidence of public concern? Is there local or national research to suggest that there could be a problem?

In designing the scheme the council undertook an in depth analysis of the current council tax processing system. A specially designed software tool facilitated the modelling of various scheme options examining the impact on people, according to their age, disability, family circumstances and level of income.

The modelling of the statistical data enabled the council to produce case studies to illustrate how each of the options considered would affect individuals. Models considered included:

- Restricting benefit according to Council Tax bands
- Eliminating income disregards for child benefit
- Making 20% deduction from passported cases (i.e. people eligible to income support etc)

The above models were later rejected as they disproportionately affected vulnerable groups.

5. What other data, research and other evidence was used to write the Equality Impact Assessment.

In addition to the in depth modelling and case analysis to inform the design of the scheme a range of other local and national data, research and evidence was considered.

5.1. National Data

The Department for Communities and Local Government (DCLG) have completed an Impact assessment for the implementation:-

www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax/counciltaxsupport

5.2 Funding options considered

Wiltshire council considered the options of allowing the cost of the scheme to fall on the general fund and, ultimately the tax payers or designing a revised scheme that supports incentivises to work. The preferred option approved by cabinet for public consultation was to :-

Develop a new Local Council Tax reduction scheme that would continue to be means tested and aimed at helping those with greatest need, this would be along similar lines to the council tax benefit. To avoid passing the cost of the reduction to tax payer's further charges would need to be applied. Changes to current scheme would include:-

- Calculating award based on 80% of maximum eligible council tax
- Removing Second Adult rebate
- Creation of a discretionary hardship fund to help those most in need
- Removing backdating
- Adjusting earnings taper to incentives work
- Removing underlying entitlement
- Introducing a capital limit

5.3 Public consultation

The council undertook a full public consultation exercise about the proposal for the new scheme. The consultation period run between 5 September and 31 October 2012

Customer representative groups such as CAB, Housing advice centres, landlords, disabled groups and Wiltshire assembly have also been invited to actively participate in the public consultation

In addition to the public consultation formal meetings were held with all the major precepting authorities, stakeholders and parishes.

6. What practical changes will help reduce any adverse impact on particular groups?

Raising awareness

Writing to all customers affected in plain English

Visiting those most badly affected by welfare reform in general

Ability to share information across the council in order to identify those most affected

Discretionary fund to support anyone experiences exceptional financial hardship

Right of appeal

7. Does the policy meet the Council's responsibilities in relation to equality and human rights?

In designing the scheme every attempt has been made to minimise the effect of reduced funding in delivering the scheme, and to prevent discrimination against people who are disadvantaged, vulnerable or with protected characteristics.

In future it is likely the councils scheme will through necessity, adapt and change to reflect local circumstances.

8. How will you monitor the take-up impact of the service in future?

Take up of the service will be measured via the Northgate I.T. council tax support delivery system and supported by measurement of the demand on the discretionary hardship fund.

It can be seen that the number of recipients of the new scheme have fallen, since the local scheme was introduced. The provision of monthly reports with regard to case load, and expenditure, in relation to the scheme, are presented to the Associate Director for Finance, to help understand it's interaction with the full range of planned changes to the welfare system. These changes include the introduction of Universal Credit and other areas of responsibility such as localisation of community grants and crisis loans. Whilst every effort is being made to understand how all these changes can interact positively, it is still too early to fully understand their combined effect.
