

Agenda Item No:

Report No:

Report Title:

Localisation of Council Tax Support: Council Tax Support Scheme; and Discounts and Exemptions

Report To: Council

Date: 10 January 2013

Cabinet Member: Councillor Andy Smith

Ward(s) Affected: All

Report By: Director of Finance

Contact Officer(s)-

Name(s): John Magness
Post Title(s): Director of Finance
E-mail(s): John.magness@lewes.gov.uk
Tel No(s): 01273 484468

Purpose of Report:

This report outlines the background and process to the development of a Local Council Tax Support Scheme and sets out the proposed Local Council Tax Support Scheme for Lewes District Council. It also sets out the proposed changes to Council Tax discounts and exemptions.

Officers Recommendation(s):

Council is recommended:

1. To agree the proposed Local Council Tax Support Scheme for Lewes District Council as recommended by the Scrutiny Panel referred to in paragraph 64 and 66 of this report be adopted;
2. To delegate authority to the Director of Finance in consultation with the Corporate Head Legal and Democratic Services to determine the final text of the final scheme.
3. Accordingly to make the "Lewes District Council - Council Tax Reduction Scheme s13A and Schedule1A of the Local Government Finance Act 1992" as set out in Appendix A.
4. To agree that the Director of Finance be authorised to take all appropriate steps to implement and administer the scheme, including (1) publishing the scheme in accordance with statutory requirements, (2) applying for any funding for which the Council may be eligible, and (3) responding to any other government initiatives or consultation exercises;

5. To agree that the Corporate Head of Legal and Democratic services be authorised to make suitable amendments to the Council's Constitution to reflect the council's new functions in relation to council tax reduction schemes.
 6. To set the discount for second homes at 0%;
 7. To set the discount exemption for dwellings in Class A at 50%;
 8. To set the exemption for dwellings in Class C at a discount of 100% for a period of one month; and
 9. To set a premium of 50% for dwellings empty and unfurnished for more than two years which are not being actively marketed for sale or rent.
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Note on terminology:

Please note that the report refers throughout to a Local Council Tax Support Scheme, whereas the scheme regulations at Appendix A refer to a Council Tax Reduction Scheme. The two terms have the same meaning and both have been used by the Government in its various documents.

The Government has used the term Council Tax Reduction Scheme in the regulations for pensioners. To avoid confusion we will also adopt the same terminology to avoid any misunderstanding in future reports.

Reasons for Recommendations

- 1 To agree a Local Council Tax Support Scheme in line with the statutory requirements by 31 January 2013 for introduction on 1 April 2013. Also to agree changes to Council Tax discounts and exemptions alongside the Local Council Tax Support Scheme.

Introduction

1. There will no longer be a national Council Tax Benefits system from 1 April 2013. Instead the Council is required to introduce its own Local Council Tax Support Scheme. The Government's assumptions following the last Comprehensive Spending Review is that there will be a 10% reduction in expenditure through these changes from 1 April 2013 and that it will be for local authorities to determine how to manage that funding reduction.
2. The timelines to develop and implement a new system have been very challenging and there are a number of constraints on the choices available to the Council. This report highlights some of the key issues that were considered and describes the process of developing the scheme including the widespread engagement and consultation that will inform the decision of Council. Alongside this the Council have proposed and consulted on changes to Council Tax discounts and exemptions.

Government Policy Context

3. Localising support for council tax in England is intended to:
 - (a) Give local authorities a significant degree of control over how a 10% reduction in expenditure on the current Council Tax Benefit bill is achieved, allowing councils to balance local priorities and their own financial circumstances;
 - (b) Give local authorities a financial stake in the provision of support for Council Tax and so a greater stake in the economic future of their local area, so supporting the Government's wider agenda to enable stronger, balanced economic growth across the country. This reform will create stronger incentives for councils to get people back into work and so support the positive work incentives that will be introduced through the Government's plans for Universal Credit;
 - (c) Provide local authorities with the opportunity to reform the system of support for working age claimants, and
 - (d) Reinforce local control over Council Tax. Enabling decisions to be taken locally about the provision for support with Council Tax is consistent with a drive for greater local financial accountability and decision-making, including Government's proposals for local referendums on Council Tax levels.

Local Government Finance Act provisions

4. Lewes District Council, as a Billing Authority, is responsible for making a Council Tax Support Scheme. Schemes are expected to set out:
 - (a) Which class of people qualify. The legislation defines Class in terms of:
 - i) the income of any person liable to pay council tax to the authority in respect of a dwelling;
 - ii) the capital of any such person;
 - iii) the income and capital of any other person who is a resident of the dwelling;
 - iv) the number of dependants of any person above;
 - v) whether the person has made an application for the reduction.
 - (b) What reduction each class of person is entitled to. Reductions can be:
 - i) a discount calculated as a percentage of the amount which would be payable apart from the scheme,
 - ii) a discount of an amount set out in the scheme or to be calculated in accordance with the scheme,
 - iii) expressed as an amount of council tax to be paid (lower than the amount which would be payable apart from the scheme) which is set out in the scheme or is to be calculated in accordance with it, or
 - iv) the whole amount of council tax (so that the amount payable is nil).
 - (c) How someone makes an application for a reduction.
 - (d) How someone appeals against a decision involving their entitlement and/or the amount of the reduction.
5. Before making the scheme the Council must, in the following order:
 - (a) Consult major preceptors (County, Fire and Police); then
 - (b) Publish a draft Scheme; then
 - (c) Consult such other persons as it considers are likely to have an interest in the operation of the Scheme.
6. The Secretary of State has wide scope to make Regulations about the schemes. He can also make a Default Scheme which will apply if the Council fails to make a Scheme on or before 31 January 2013.
7. The Council must review the Scheme every year and any changes need to go through the above process. A Scheme needs to be in place by 31 January preceding the financial year it applies to.

Government Statement of Intent

8. On 18 May 2012 the Government published its Statement of Intent. These set out the Government's plans for regulations providing for Localised Council Tax Schemes in England. They are intended to provide clarity on what regulations will cover, to support local authorities in developing their plans for local schemes. The Statement of Intent is available online and a link to them is included below so that Members can be fully informed of Government intentions and understand the application of the "Default Scheme".

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6091/2146581.pdf

Council Tax Benefit – caseload and trends

9. Within Lewes District there are currently 8,122 claimants in receipt of Council Tax Benefit at an estimated cost of some £8.1 million. Pensioner claimants number 4,153 and represent 51% of the current case load.
10. The overall Council Tax benefit (CTB) caseload in the Lewes District has increased by 20% in the last four years. The increase has been only 2% in the last two years which gave rise to a 1.3% increase in expenditure over that two year period.
11. The growth has been predominantly in working age claimants, despite an overall increase in pensioner households across the district in the last 10 years.
12. The current caseload consists of 51% pensioner households and 49% working Age households. This is quite a dramatic shift from four years ago where the split was 60% pensioners to 40% working age. There is a growing trend whereby working age households who are in work enjoy membership of occupational pension schemes and, thus, are less reliant on the welfare system when they reach pensionable age.
13. The report for the Department of Work and Pensions, Council Tax Benefit: Forecasts and Assumptions, October 2012 (http://research.dwp.gov.uk/asd/asd4/ctb_forecasts_budget12.pdf) forecasts that overall national CTB caseloads will fall slightly and expenditure on Council Tax Benefit will stay broadly flat over the next few years. The report concludes "We expect pensioner caseloads to fall more rapidly across the medium term than working age caseloads." The full statistics used in the report can be found at (http://statistics.dwp.gov.uk/asd/asd4/budget_2012_300712.xls).
14. Our local experience is that caseload numbers have almost stabilised over the last two years and is mirroring the DWP national prediction that CTB

caseload and expenditure will not grow over the next couple of years or to conclude that there are particular local conditions, like high dependence on public sector employment, to anticipate a growth.

Protected Groups

The Government issued this advice on protecting key groups.

Localising support for Council Tax: vulnerable people - key local authority duties.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6074/2148567.pdf

Pensioners

15. The Government has stated that Council Tax support for older people will not be reduced as a result of the introduction of this reform. This is because the Government wants to ensure that low income pensioners, who would struggle to pay Council Tax without additional support, and whom the Government does not expect to work to increase their income, will continue to receive support for their Council Tax. Pensioner protection will be achieved by keeping in place national rules.
16. The definition of a "pensioner" is if they have attained the qualifying age for state pension credit. This is defined by the State Pension Credit Act 2002 as: 'in the case of a *woman*, pensionable age, and in the case of a *man*, the age which is pensionable age in the case of a woman born on the same day as a man'. Women's' pensionable age, as set out in the Pensions Act 1995 (S126 and Schedule 4), is gradually changing over a 10-year period to equalise with that of men. It currently stands at just over 61. Both men and women will continue to qualify for Council Tax Support when they reach state pension credit eligible age.
17. The effect of pensioner protection means that any reduction in expenditure will need to be delivered across the other claimant groups.

Vulnerable Groups

18. The Council needs to give consideration to vulnerable groups in the design of its Council Tax Support Scheme. The Government's consultation response was less prescriptive about how this should be done than perhaps originally envisaged. Rather the Government has drawn councils' attention to existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the Public Sector Equality Duty in section 149 of the Equality Act 2010.
19. Decisions about vulnerability will need to be made in the broader context of welfare reform which includes reductions in Housing Benefit levels, caps on

benefit amounts and changes to national benefits with the transition to Universal Credit.

20. The approach to community engagement and consultation and Equalities Impact Assessments are an important part of the process of identifying vulnerable groups and the levels of protection. More information is set out on this below.

Work Incentives

21. The Government sees the Council Tax support reforms as part of the wider set of changes to reform the welfare system, particularly supporting work incentives. It envisages that localisation gives local authorities a financial stake in the provision of support for Council Tax and a strong interest in helping to move local taxpayers into work.
22. On 19 December 2012 the Government also published late guidance on taking work incentives into account.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/37037/121217_Work_Incentives_Guidance_2_.pdf
23. There have been significant challenges for the council in developing a scheme that complements the Universal Credit's work incentives principle particularly given that the Council Tax support changes come in advance of detail on how Universal Credit will work.
24. There are a number of ways that the Council could support work incentives, for example "run-ons" where Council Tax support awards continue unchanged after someone returns to work, earned income disregards which effectively reduce the amount of earned income used in the calculation of a working claimant's entitlement and tapers which reduce benefit as earnings increase. All of these incentives are in the existing national Council Tax Benefit scheme and have been carried into the Local Scheme.
25. The Council's Scrutiny Panel has proposed that the local scheme to be adopted has an enhanced "run-on" work incentive period from four to eight weeks.

How the Scheme will operate

26. Firstly, it is important to realise this is a discount scheme rather than a cash budget system. Therefore, there will not be a budget within the Council to monitor and make payments. Reductions will essentially affect the Council Tax Base and reduce it. In future we will need to monitor the number of band D equivalent discounts granted.

27. In order that Council Tax does not increase, the Government will pay the old Council Tax Benefit budget, less 10%, in the form of Revenue Support Grant and Business Rates Baseline Funding, to County, Fire, Police and the District Councils. The District Council element contains a specified amount that the Government expects Districts to pass on to town and parish councils. This will reduce the Council Tax Requirement, which is the amount the Council needs to raise in Council Tax. This and the reduced Council Tax Base should mean Council Tax remains at the same level when local schemes are designed to recoup the 10% shortfall.
28. An illustration of what happens now and what will happen from 1 April 2013 is given below:

Present System



Band D



Pensioner Couple
 Maximum Benefit
 Benefit = £1,600
 To pay = £0
 Tax Base = 1



Band D



Employed Couple
 Partial Benefit
 Benefit = £800
 To pay = £800
 Tax Base = 1



Band D



Single Person
 25% Discount
 Benefit = £0
 To pay = £1,200
 Tax Base = 0.75

Band D Council Tax is £1,600

Council Tax Base =	2.75
Council Tax Requirement =	£4,400
Benefit Grant =	£2,400
Council Tax Receipts=	£2,000

29. In the current system the Council calculates its Tax Base, net of discounts. Its Council Tax requirement is then divided by the Tax Base to produce the amount of Council Tax.
30. Benefits are paid as a cash grant from the Department for Work and Pensions (DWP) to the Council and Benefit is awarded as a credit on the Council Tax account of those in receipt of Benefit.
31. The Benefit scheme is set nationally by the DWP. The Single Person Discount is set out in primary legislation.

Future System



Band D



Band D



Band D



Pensioner Couple
100% Discount

To pay = £0

Tax Base = 0.0



Employed Couple
35% Discount

To pay = £1,040

Tax Base = 0.65



Single Person
25% Discount

To pay = £1,200

Tax Base = 0.75

Band D Council Tax is £1,600

Council Tax Base =	1.4
Gross Council Tax Requirement =	£4,400
Less: Additional RSG	-£2,160
Net Council Tax Requirement	£2,240
Council Tax Receipts=	£2,240

32. The future system will see the Benefit Grant cut by 10% and then paid to all principal authorities as Government Grant to reduce their Council Tax Requirement.

33. Benefit will no longer be a credit on the account but a discount which will reduce the Tax Base. In order to cope with the 10% reduction either the principal authorities have to find savings to keep the same levels of support, increase Council Tax (with an eye on Referendum criteria), or design the local scheme to recoup the 10% or propose a combination of these options. The example above assumes a local scheme that recoups the 10% and as pensioners are protected, in the example above, the employed couple will have to pay £240 more a year (£4.62 a week).

Scheme Design

34. Any tax and benefits scheme needs to consider the trade off between simplicity and transparency and fairness and policy objectives. In addition to the overarching financial considerations the parameters of the new scheme will need to have regard to:
- (a) Government requirements;
 - (b) Local economic conditions;
 - (c) Local policy priorities;
 - (d) Demographic changes;
 - (e) Compliance with legal duties and risk of legal challenge;
 - (f) Software constraints, particularly in the short term; and
 - (g) The consequences of behavioural change by individuals.

Working with neighbouring authorities

35. The East Sussex Collaboration Project was established in April 2012. This brought together the revenues and benefits managers from all local authorities in East Sussex together with representation from East Sussex County Council. The project team's brief was to develop the principles and establish the policy framework of a new Council Tax Support Scheme and to collaborate to develop an appropriate and workable Council Tax support scheme across East Sussex in readiness to go live in April 2013.
36. Between the five authorities, two benefit processing computer systems are used. Early on, the project team was advised by both suppliers that there would be significant restrictions on the ability of the systems to deliver schemes that did not align with Council Tax Benefit. This meant that options for a scheme were limited to that which could be delivered through the limited flexibilities of the existing software.

37. The project team carried out, at individual authority level, a series of wide-ranging modelling exercises, based on their current Council Tax Benefit caseload and the current calculation of Council Tax Benefit entitlement. Modelling was carried out on:
- a minimum weekly award,
 - a maximum weekly award
 - the removal of Second Adult Rebate,
 - a limit to the amount of Council Tax liability that support would be awarded against,
 - a reduction in the capital limit, and
 - a significant change to the amount of non-dependent deductions; a doubling in most instances and an increase from £0 to £5 in some instances.
38. Modelling also included the impact of proposed changes to Council Tax discounts and exemptions. From this modelling, a county-wide draft Scheme was developed for consultation which proposed:
- the removal of Second Adult Rebate
 - a capital limit of £6,000
 - a minimum weekly award of benefit of £5
 - a maximum weekly award of benefit of £20, and
 - changes to non-dependant deductions.
39. Although working to differing decision making timetables, the authorities agreed an approach to consultation and sought legal advice on to ensure that the consultation would be as robust and comprehensive as possible.

Consultation

40. The Local Government Finance Act 2012 specifies that before adopting a scheme, the billing authority must in the following order:
- Consult any major precepting authority which has power to issue a precept to it
 - Publish a draft scheme in a manner that it sees fit
 - Consult with other such persons 'as it considers likely to have in interest in the operation of the scheme

The Department for Local Government and Communities gave further advice in its Statement of Intent:

- When consulting on reduction schemes billing authorities should ensure all interested parties are able to give their view and influence the design of the reduction scheme. (This includes voluntary organisations and special interest groups.)
 - The consultation feedback should help identify where there may be any adverse impacts to any particular group. Billing authorities must also understand whether there are any groups or individuals that are adversely impacted by any changes when making their final decisions on a local scheme.
 - The public consultation should be carried out as early as possible to ensure feedback can influence the scheme and allow sufficient time for the feedback to be gathered, impacts to be understood, and a scheme to be shaped.
41. In respect of consultation the Coughlan case (2001) is relevant. The decision in this case made it clear that, whether or not there is a duty to consult, once a public body decides to consult it has to do so properly. In other words, the standard and quality of a consultation must be the same whether the consultation is a duty or not.
42. Once consultation begins, the Coughlan case makes it clear that four things must be in place to make it lawful:
- Public bodies must consult in good time – so that responses to the consultation can still genuinely be taken into account before the final decision is made;
 - There must be enough information so that people responding to the consultation understand the proposals and can make an informed response;
 - There must be enough time for responses. Whether ‘enough’ time has been given will be judged by the court, if the consultation is challenged, on the facts of the individual case. However, for example, a very short consultation over a school holiday period in relation to a service used by disabled children is unlikely to be ‘enough’ time;
 - There must be genuine consideration of the responses – not just ‘lip service’ paid to them.
43. The consultation of the East Sussex Scheme met this test. For Lewes District Council the following process applied.
44. The consultation was over an 11 week period starting 20 August 2012 and ending 5 November 2012. Collation of the results took place between 6 November 2012 and 13 November 2012. A summary of the results, including all comments made by those responding are included as

appendices to this report. Appendix B is the summary of the consultation and Appendix C shows the detailed comments from the consultation. This is information Members must consider when taking this decision. The Scrutiny Committee received the consultation summary and comments before making its recommendations to Council.

45. The consultation survey (web based and hard copies) gave:
 - Background information and a brief description of the Council Tax Benefit scheme;
 - Current and future central government funding arrangements;
 - A statement that pensioners are protected from the changes and that working age claimants are most likely to be affected;
 - A summary of three possible scheme options, including the originally proposed scheme;
 - An introduction and explanation to each question relating specifically to the proposed scheme;
 - A range of choices including the respondents own preference if not shown, in relation to specific elements of the proposed scheme;
46. Stakeholders were identified at the outset and were made aware of the consultation during the 11 week period. All current working age Council Tax Benefit claimants (those most likely to be affected) were advised about the consultation on 20 October 2012.
47. There was a healthy level of public interest during the consultation process. A local “Lewes Stop the Cuts” group engaged with councillors and officers. The Group also publicised its views and held its own public meeting.
48. Ward Councillors had the opportunity to engage with residents and publicise the consultation.

Cabinet and Scrutiny

49. Cabinet received information about the need for a Local Scheme at its meetings on 30 May 2012, 1 October 2012 and 20 November 2012.
50. The Scrutiny Committee assisted the policy development process. It met on 6 September 2012 and established a Scrutiny Panel which met on 7 November 2012, 27 November 2012 and 18 December 2012. The Panel meeting on 27 November 2012 was attended by a representative from the “Lewes Stop the Cuts” Group.

Consultation methodology

51. People were offered choices on available ways of taking part in the consultation in order to maximise the number of responses. People could:
 - Complete an online survey on the Council's website
 - Request a hard copy of the survey (these were issued with prepaid reply envelopes).
 - Use the Public Access Points in the Council's offices or at their library if they did not otherwise have access to a computer.
52. A meeting was held with the Director of Finance and senior representatives from Lewes Citizens Advice Bureau to encourage their feedback on the proposed scheme and participation in the consultation.
53. All working age current Council Tax Benefit claimants were written to about the consultation and were encouraged to take part. Similar letters were sent with all benefit award notices, requests for information and council tax bill and adjustment notices.
54. The Town and Parish councils were invited to take part.
55. The Council's "District News" publication, delivered to every household in the district, asked for responses to the consultation from the whole community.
56. The Council's Voluntary Sector Partner the "3VA" publicised the survey to all third sector groups on its distribution list. Additional information was available on the Council's website, specifically: an Easy Read Guide to the draft (proposed) scheme, frequently asked questions, the draft Equalities Impact Assessment and a telephone number to contact for more information. All letters gave a contact telephone number.
57. Special interest groups were invited to one of two workshops. There was one workshop for County Wide groups operating within East Sussex and attended by all Billing Authorities. The other was a local workshop for groups operating within Lewes District. Those invited to participate were Care for the Carers, East Sussex Disability Association, East Sussex Hearing Resource Centre, East Sussex Advice Plus, Eastbourne Homes Ltd, Homeworks West, Age UK East Sussex (formerly Age Concern), Sussex Oakleaf, Lewes and Seaford CAB, East Sussex Association for the Blind and Partially Sighted, Southdown Housing, STEPS, NHS Health Trainers, MIND, NCDA (Sompriti), PhOWER, Rethink, Surestart, DWP, Lewes Council Tenant's group(TOLD), Furniture now, Brighton Housing Trust, YMCA, Orbit Housing and Guinness Trust

Transitional Grant Funding

58. In early November 2012, after the Local Scheme consultation period closed, the Department for Communities and Local Government announced that £100 million Transitional Grant funding was being made available to authorities whose support schemes limited the financial impact on applicants. This grant funding is to be claimed in writing by January 31st 2013 and the funding will be paid after 31st March 2013. It is a one year grant.
59. The Localising Support for Council Tax: Transitional Grant Scheme document can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/14665/trans_grant_scheme.pdf
60. The East Sussex project team carried out further modelling based on those components of the original scheme that met the criteria for the Transitional Grant Funding, specifically the removal of Second Adult Rebate, a reasonable increase to non-dependant deductions and a minimum weekly award of £5.
61. The proposed changes to capital limits, a significant increase in non dependant deductions and a maximum weekly payment cap in the consultation scheme were omitted as they did not comply with the transitional scheme conditions.
62. In addition, further modelling was carried out on the impact of the changes to discounts and exemptions, taking into account new government advice, and how the proposed scheme, together with the estimated number of new homes expected to be completed in 2013/2014, would impact on the tax base.

Proposed Local Council Tax Support Scheme

63. The Scrutiny Panel met on 18 December 2012 and considered all of the available information including the consultation responses, the work of the East Sussex Project Team and the Transitional Grant funding. The report to the Scrutiny Panel on 18 December 2012 is attached at Appendix D.

64. The Scrutiny Panel has recommended to Council the core East Sussex Scheme (Transitional Grant Scheme: Option 2). This can be seen in paragraph 3.6 of Appendix D. It shows a net shortfall of £277,000. This option has the following features:

- Removing the Second Adult Rebate
- A minimum weekly qualifying award of £5
- A reasonable increase in non-dependent deductions (details shown in Appendix E).
- An eight week extended run-on period as a means to incentivise work.

65. Approximately 40 claimants will be affected by the removal of second adult rebate, 145 by the introduction of the minimum weekly award of £5 and 220 by the increase in non-dependent deductions proposals, based on the current Council Tax Benefit caseload. Of the 145 affected by the £5 minimum award criteria there would be a range of loss from 50 pence up to £5 per week as the following table shows:

Nos of current claimants	Band range
13	50pence to £1.00
24	£1.01 to £2.00
33	£2.01 to £3.00
27	£3.01 to £4.00
48	£4.01 to £5.00

66. The Scrutiny Panel's recommendations from its meeting on 18 December was:

8.2	That Council be requested to adopt the core East Sussex Scheme (Transitional Grant Scheme: Option 2) as the Local Council Tax Support Scheme for Lewes District Council;
8.3	That Council be requested to adopt the doubling of the benefit run on period from 4 to 8 weeks in the Local Council Tax Support Scheme as a means to incentivise work;
8.4	That Council be requested to adopt the Armed Forces Community Covenant as part of the Local Council Tax Support Scheme;
8.5	That Council be requested to support the positive action taken to help Town and Parish Councils with their 2013/14 precept setting process; and

8.6 That Cabinet be requested to note the Scrutiny Panel's endorsement that the Director of Finance, in consultation with the Leader of the Council, determine the final amounts for the Council Tax Base for 2013/14 in the event that a Tax Base is not agreed at Council on 10 January 2013.

67. With regards to the final recommendation of the Scrutiny Panel (8.6), it since transpires the only action required is for Cabinet to delegate the setting of the taxbase to the Director of Finance, in consultation with the Leader of the Council. Cabinet will have considered this at its meeting on 7 January 2013. In a set of frequently asked questions the Communities and Local Government Department has confirmed that taxbase setting is not a function reserved to Council in the Functions and Responsibility Regulations.
68. The East Sussex Scheme also proposes that War Widows Pension and War disablement Pensions are fully disregarded as incomes in the calculation of entitlement. This is in line with the Council's current policy. In addition, it is proposed that Armed forces Compensation Payments, including Guaranteed Income Payments are fully disregard in the scheme. Scrutiny supported this in recommendation 8.4 above.
69. This scheme is being proposed by all East Sussex local authorities and is set out for our Council in the "Lewes District Council - Council Tax Reduction Scheme s13A and Schedule1A of the Local Government Finance Act 1992" at Appendix A.

Effect on the Council Tax bases for town and parish councils

70. For the purposes of calculating the council tax base for 2013/2014, the cost of the current Council Tax benefit scheme, less the 'savings' deriving from the proposed scheme has been applied as a discount in the tax base. These reductions were applied at district, town and parish level. The tax base calculations inform the Council Tax setting decision which will be made by Council on 27 February 2013. The Government issued guidance on the taxbase "Consultation outcome Localising support for Council Tax: Council tax base and funding for local precepting authorities: Government response to the outcome of consultation":

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15326/Annex_A_Council_tax_base_consultation_response_-_07_Novt_-_v3_4_.pdf

71. Town and Parish councils have received advice on their draft tax bases for 2013/2014 which include:
- The reduction due to the Council Tax Support Scheme;
 - The proposed changes to discounts and exemptions;
 - The estimated number of properties that will be banded for Council Tax during 2013/2014.
72. They have also received an estimate of their Council Tax Support Grant that will be passed down if their 2013/2014 precept is set at or below the current year's precept amount.
73. There has been considerable engagement with town and parish councils and their Lewes District Association of Local Councils representatives since the very recent government announcement that the localisation of Council Tax Support would affect the tax bases of town and parish councils. This engagement has been well received and officers are committed to ensuring that towns and parishes continue to be well informed.
74. Town and Parish Clerks have been advised that the taxbase and grants cannot be confirmed until soon after 10 January 2013.

Timetable

75. The Welfare Reform Act 2012 states that Council Tax Benefit will be stopped from April 2013. Provisions for Council Tax Support are included in the Local Government Finance Act 2012. The Finance Act states that the Council must have a scheme in place by 31 January 2013, the default being the current scheme continuing in 2013/14 with the Council absorbing any funding shortfall.
76. The Local Taxation Service sends Council Tax bills to 43,000 properties in mid-March. Lead in time for this work is very tight and includes the calculation of Council Tax Benefit/Support.
77. A high level timetable for the formal decision making is:

Month	Action
10 January 2013	Full Council decision on Local Council Tax Scheme
27 February 2013	Full Council sets Council Tax
March 2013	Annual Billing

Conclusion

78. The Scrutiny Panel has proposed a Council Tax Support Scheme that achieves a balance between delivering the expenditure reductions required and managing any adverse financial consequences on other budgets for

this Council and for other authorities in East Sussex, particularly the Major Preceptors. It also took into account the impact on collection rates for Council Tax and it is anticipated the proposed scheme will largely maintain current collection levels.

79. Careful consideration was also given to the impact of the proposed scheme on claimants, particularly in the non-protected groups. The proposed scheme has also taken into account, as far as possible, impacts as a result of other planned and proposed changes to the welfare system which are detailed in Appendix F.

Discounts and Exemptions

80. The Local Government Finance Act makes provision for changes to certain Council Tax exemptions and discounts. In summary these are:
 - (a) Changes to the range of discount available for second homes;
 - (b) Class A exemption for vacant properties undergoing structural or major repair to make it habitable;
 - (c) Class C exemption for vacant unfurnished dwellings up to a maximum of 6 months;
 - (d) Class L exemption for a mortgagee in possession of a property; and
 - (e) Long Term Empty Homes premium.
81. Each of these exemptions and discounts has the effect of reducing the Council Tax Base and represents a loss of revenue to the public services.
82. Other existing exemptions and discounts remain unchanged. A comprehensive report was considered by Cabinet on 1 October 2012. The report can be found at this link:

<http://cmis.lewes.gov.uk/CmisWebPublic/Binary.ashx?Document=5541>

Other Second Homes Discount

83. Currently, the Council, as Billing Authority, has the discretion to set its Second Homes Discount in a range from 10% to 50%. The Council decided on 7 January 2004 that it would set the discount at 10% to reflect the pressures within Lewes District Council on housing supply and to ensure that revenue was maximised to support local public services.
84. The Local Government Finance Act gives the Council the ability to offer a 0% discount on second homes. Based on the Council Tax Base there are 476 properties which are claiming second homes discount within the District. Estimated additional revenue from decreasing the discount to 0% and requiring the property owner to pay the full charge is £80,670 or an increase in the tax base of 48.3.

Class A Exemption (Uninhabitable or under repair)

85. Class A exemption applies to a vacant dwelling that needs structural or major repair to make it habitable. The maximum period of exemption is 12 months after which the full Council Tax becomes payable. If the work takes less than 12 months but the property remains empty, then it can remain exempt up to a maximum of 6 months, providing the total exemption period does not exceed 12 months.
86. The Council has the option to vary only the discount percentage but not the time period. As Council Tax is made up of property element (50%) and a personal element (50%), and a property undergoing repair still consumes public services such as roads, police and fire, that a 50% discount is the most appropriate discount in this case.
87. There are currently 41 properties which are undergoing structural repair within the District. Estimated additional revenue from decreasing the discount to 50% is £52,000 or an increase in the tax base of 24.

Class C Empty Properties (up to 6 months)

88. Currently properties left empty and unfurnished are entitled to six months Council Tax exemption. There are plenty of protections for properties left empty which will retain statutory exemptions and therefore it is felt appropriate to reduce this exemption in order to encourage properties into use. The Council has the discretion to vary both the discount percentage and the time period.
89. In order to avoid administrative difficulties in raising bills for small amounts, it is felt to be most appropriate to allow a period of one month under which a 100 % exemption will apply to empty and unfurnished properties. This is in line with the rules governing business rates and covers an appropriate period for a change of tenant... There are 432 properties in receipt of Class C exemption within the District. Estimated additional revenue from decreasing the exemption to one month is £399,800 or an increase in the tax base of 289.

Class L (mortgagee in possession)

90. The Local Government Finance Act adds mortgagees in possession to the "hierarchy of liability" for Council Tax and therefore permits the Council to make the financial institution that has repossessed a property liable for Council Tax. Exemption Class L currently gives 100% relief on a repossessed property until the financial institution sells it.
91. Based upon information from the Communities website Councils anticipated they would have an option to set the Class L exemption discounts. Cabinet agreed in principle to 0%. There are 7 properties which are subject to a

Class L exemption within the District. Estimated additional revenue from decreasing the discount to 0% and requiring the mortgagee in possession to pay the full charge would be £12,700 or an increase in the tax base of 6.

92. In a document - Technical Reform to Council Tax – a summary of responses issued by DCLG the Government has identified this as a complex issue. Whilst the power to transfer the liability to the mortgagor remains under the LGFA 2012 (s11) the Regulations enabling the Council to do so will follow once the government has developed its proposals as set out in the consultation document.

The report can be found at:-

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8437/2152512.pdf

No decision is therefore required at present. One option may be that regulations will be made that sets the discount a zero percent.

Summary of proposals on discounts and exemptions

93. Council is recommended to make changes to discounts and exemptions as shown in the table below:

Discount/Exemption	Revenue £ (000)	Tax Base
Second Homes Discount - reduced to 0%	81	48
Class A - exemption reduced to 50%	52	24
Class C - exemption reduced to one month	400	289
Class L - exemption reduced to 0%	13	6
Total	546	367

Note: these figures are gross before any collection allowance.

94. As this is revenue to the Collection Fund and will take the form of increases to the Council Tax Base, these measures will help to offset the reduction in Government grant for the introduction of Localised Council Tax Support. Government propose to reduce grant funding by 10% which equates to approximately £810,000 (the combined impact on all preceptors).

Long Term Empty Homes Premium

95. The Council will have the ability to charge a premium for properties left empty and unfurnished for longer than 2 years. This could prove to be a useful way of providing additional incentives to bring properties back into use.
96. There are also a number of exemptions from the premium which have been set out by the Government. These are:

- (a) A dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service; and
 - (b) An annex deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of that main dwelling.
97. The Government intends to issue “guidance” that a property genuinely on the market for sale or letting should be exempt from a premium.
98. There are, however, circumstances where charging a premium may be appropriate, to encourage a property back into use. In these cases it has been recommended for consideration that the premium be set at 50%. There are currently 111 properties in the District that have been empty for longer than two years. Estimated additional revenue from setting a premium of 50% against all 111 properties is £82,600 or an increase in the tax base of 51.

Consultation

99. Consultation took place on the proposals for changes to the Council Tax discount and exemptions between 09 November 2012 and 19 December 2012. The results of this consultation are given at Appendix F.

Conclusion

100. On 1 October 2012 Cabinet agreed in principal to utilise the discount and exemption freedoms. The proposal now before Council in relation to discounts and exemptions is:
- (a) To set the discount for second homes at 0%;
 - (b) To set the discount exemption for dwellings in Class A at 50%;
 - (c) To set the exemption for dwellings in Class C at a discount of 100% for a period of one month;
 - (d) To set a premium of 50% for dwellings empty and unfurnished for more than two years which are not being actively marketed for sale or rent.

Financial Implications

101. The Government provided a transition support grant of £84,000 in 2012/2013 to meet the set up costs of the new Council Tax Support Scheme, including ICT change costs. A further £58,000 has been announced for 2013/2014.
102. The cost of council tax benefits paid out in 2012/2013 in Lewes District will be around £8.1m. A 10% reduction in that expenditure equates to £810,000 (impact on all preceptors), before any caseload growth provision.

103. The option to maximise income from discounts and exemptions will partly offset the Council Tax Support shortfall. These have the potential to significantly narrow the funding gap and therefore any potential savings that have to be made through Scheme changes. Decisions on the new scheme and its financial implications must be made in advance of formally setting the 2013/14 Council Tax Base and the 2013/14 budget.
104. The changes to discounts and exemptions are estimated (gross) at £546,000. This figure will reduce when collection experience trends and the impact of behavioural changes emerge. The assessment has been made consistently throughout the project duration by applying the district average band D tax for 2012/2013 against the number of qualifying discounts. The actual value of the discounts and exemptions will vary from this estimate when the final taxbase is prepared. This happens because the discounts and exemptions in the statutory taxbase calculation are built up from Town and Parish level across the full range of bands A to H. Neither the final taxbase regulations nor software interrogation capabilities were available at the outset of the exercise to support a more detailed modelling approach.
105. From the very recent work we have undertaken on the detailed taxbase the net shortfall of £264,000 which preceptors need to make up, is likely to increase slightly, rather than decrease.
106. The Transitional grant contributes a further £192,908 towards the shortfall and the proposed scheme contributes £53,000. No provision has been made for in year discount growth, at this stage.
107. Council Tax Benefit relates to support for the Council Tax bill as a whole which includes precepts from East Sussex County Council, Sussex Police Authority and East Sussex Fire Authority as well as the Council's element which includes the precepts of the Town and Parish Councils.
108. The new funding mechanism for Council Tax Benefit will reduce the resources collected through the collection fund and distributed to the three authorities. Each authority will receive grant for Council Tax Support from 1 April 2013 to replace this reduction after allowing the 10% saving. This means that the County, Fire and Police share the risks and benefits of fluctuations in demand for Council Tax Support, and have a significant financial interest in the new local scheme.
109. A consultation on the funding was published on 18 May. The funding will be cash limited and not inflation proofed in future years. The stated principles for the scheme and the localism agenda in general, place control with the local authority to minimise risk and maximise opportunity.
110. The Council should also receive funding for the day to day administration of the new Council Tax Support Scheme. The grant for the administration of the combined national housing and council tax benefits schemes is £0.7m

for 2012/2013. It has been estimated by DWP that around 75% of those costs are shared across the two systems. While there will be savings for DWP of incorporating housing benefit into Universal Credit, in net terms there will be an increase in the administration costs for the Council of the new Council Tax Support Scheme and it is not clear whether this will be fully funded although the DCLG approach to funding new burdens suggests that it should be. It is however clear that the planned savings on Council Tax Benefit cannot, in these circumstances, be made through administrative efficiencies.

111. There may be future staffing implications for the structure of the Benefits and Local Taxation teams. It is too early to gauge the changes to processes and structures that will follow but this will be kept under review.
112. The Council has designed a new Council Tax Support Scheme that achieves a balance between delivering the expenditure reductions required and managing any financial consequences on other budgets for this Council, for example homelessness, and for other authorities in East Sussex, the Major Preceptors in particular.
113. It has also considered the impact on collection rates for Council Tax. The Council has a good track record in efficient Council Tax collection and takes a firm approach to ensuring those who can pay do. However there may be an increase in the number of those households who find it difficult to pay because of the cumulative impact of this, other welfare reforms and other changes to household income and costs. The proposed scheme includes a slight adjustment to collection rates that take account of the risks arising from structural changes to existing stable systems. The position will be kept under close review.
114. The provision of high quality financial advice and support to claimants both by the Council and by advice agencies will be essential to ensure that the effect of the new scheme does not become more problematic. Council Tax support is a consideration in the work being carried out by the East Sussex Welfare Reform Project and the Lewes District Council Welfare Reform

Legal Implications

115. Schemes for Council Tax Support are not classified as social security benefits. Instead support will be provided indirectly through a reduction in the Council Tax bill in the form of a discount. It is compulsory to have a scheme and it is to be designed to assist those "in financial need" although it is for the Council to determine who is thought to be in such need.
116. The validity of a scheme may only be called into question by way of an application for judicial review. No appeal may be made to the Valuation Tribunal on the ground that a scheme was not validly made and

proceedings before the magistrate for a liability order cannot be defended on such a ground.

117. Subject to compliance with legislative requirements, the Council has the power to determine the scheme and make changes to entitlement, except for protected classes. The Council also has the option to find savings elsewhere.
118. The court can consider challenges on a number of grounds:
 - (a) Failing to take account of relevant factors, for example the equality duty;
 - (b) Taking account of irrelevant matters;
 - (c) Acting contrary to the legislative purposes of Parliament. The principal purpose of the scheme is to provide assistance to those "in financial need". The Government has also emphasised the need to ensure that schemes promote incentives to work. A scheme that creates "poverty traps" and discourages work may therefore be vulnerable to challenge;
 - (d) Failing to follow statutory requirements and fair procedure when making a scheme; and
 - (e) Making a scheme that no reasonable authority could have made.
119. If the Council decided to follow the default scheme it will still have to go through the decision making processes as if it were making its own, individual scheme.
120. In making a scheme the Council must comply with the general equality duty under the Equality Act 2010. The Council has carried out a formal Equality Impact Assessment and this is given at Appendix H.

Sustainability

121. The design of the new council tax support system may impact on the sustainability of the local economy. It has the potential to cause benefit migration to lower cost areas of the district or to outside the district. This could, in particular, impact on the workforce in rural areas and damage the sustainability of rural communities and the rural economy. The proposed scheme mitigates this impact.

Risks

122. There are a large number of risks associated with this policy change summarised below:
 - (a) The grant distributed to reduce the Council Tax Requirement is a fixed sum and will reduce in value over time;
 - (b) Collection performance and a consequent reduction in the overall collection rate may reduce the Tax Base further;

- (c) Increases in take up will have a direct impact on finances - nationally it is estimated that only 60% of eligible pensioners claim Council Tax Benefit;
- (d) Distribution of the £30 million national set up cost grant announced in the budget may not meet costs;
- (e) Will funding for day to day administration of the Scheme reflect costs - Government predict administration costs will fall yet local authorities cannot see how this is possible;
- (f) Overall effects on Collection Fund with partners and tensions over risk sharing and the need to make savings through the scheme;
- (g) Cost and accommodation of additional administration required (scheme dependant), The Scrutiny Panel recommendation will not generate an increase.
- (h) Managing staff and retaining them through the transition of Welfare Reforms;
- (i) Additional skills required but residual skills also required due to ongoing work with benefits;
- (j) Customer interface and access channels - how do we automate the claim process given the caseload demographics? Strain that will be placed on telephone system by volumes of incoming calls - lessons from Community Charge indicate very large volumes of calls and personal callers (scheme dependant);
- (k) Resources required for very close monitoring in year of the Scheme and potential unintended consequences of Scheme design;
- (l) Appeals (to the Valuation Office) may rise significantly alongside claimant confusion when Housing Benefit appeals go to the Tribunal Service;
- (m) Software systems will not be changed quickly meaning we have to design a Scheme within the parameters of what the computer systems will allow;
- (n) Challenge on equalities grounds;
- (o) Reputation:
 - i) With customer;
 - ii) With principal local authority partners;
 - iii) With Town and Parish Councils;
 - iv) With voluntary sector;
 - v) With local media.

- (p) That Council decide changes to discount and exemptions that have not already been proposed. This would have the effect of changing the tax base.

The proposed scheme seeks to mitigate these as far as possible.

Background Papers not already referred to in the report

123. Guidance on administrative matters

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15812/Localising_support_for_council_tax_-_Guidance_note_on_administrative_matters.pdf

124. Localising support for council tax Default and Prescribed Requirements Schemes – Publication note

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7569/2213052.pdf

125. Localising support for council tax A Statement of Intent on information sharing and powers to tackle fraud

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6090/2176498.pdf

Equalities and Diversity

126. Careful consideration will need to be given to the assessment of the equalities implications throughout the design and implementation of the new scheme. A full Equalities Impact Assessment was prepared to support the decision on the proposed scheme and this was refined following feedback from the formal consultation process and should be used to inform the decision on the final scheme. A number of particular issues were identified:

- (a) Entitlement for pensioner applicants is more generous than that for some working age applicants;
- (b) There is the potential for an increase in the level of Council Tax arrears and difficulty in collecting more Council Tax from households;
- (c) The requirements of the Child Poverty Act 2010 to take measures "reducing and mitigating the effects of" child poverty should be considered; and
- (d) Consideration of protection for the carers or those in need of community care services.

Appendices:	A	“Lewes District Council - Council Tax Reduction Scheme s13A and Schedule1A of the Local Government Finance Act 1992”
	B	Consultation Local Council Tax Support Scheme: Summary results
	C	Consultation Local Council Tax Support Scheme:

	Detailed comments
D	Scrutiny Report 18 December 2012
E	Non-dependent deduction table
F	Discounts and Exemptions Consultation : Summary and detailed comments.
G	Summary of the Welfare Reform Act provisions
H	Equality Impact Assessment

	None
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Appendix A

“Lewes District Council - Council Tax Reduction Scheme s13A and Schedule 1A of the Local Government Finance Act 1992”

Appendix B

Summary of the consultation Results

Appendix C

Consultation – Detailed Comments

These three Appendices were circulated to all Councillors in the week before Christmas 2012.

APPENDIX D

Agenda Item No: **Report No:**

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

Report To: **Scrutiny Panel** **Date:** **18 December 2012**

Cabinet Member: **Councillor Andy Smith**

Ward(s) Affected: **All**

Report By: **Director of Finance**

Contact Officer(s)-

Name(s): **John Magness**
Post Title(s): **Director of Finance**
E-mail(s): John.magness@lewes.gov.uk
Tel No(s): **01273 484468**

Purpose of Report:

The final update prior to Council's consideration of adopting a Local Council Tax Support Scheme on 10 January 2013.

Officers Recommendation(s):

- 1** That the Scrutiny Panel considers the position on the core East Sussex Scheme and the additional work incentives to be considered by each Billing Authority.
 - 2** That the Scrutiny Panel supports doubling the benefit run on period from 4 to 8 weeks in the local scheme, as a means to incentivise work.
 - 3** That the Scrutiny Panel recommends adoption of the Armed Forces Community Covenant to Council, to form part of the Local Council Tax Support Scheme.
 - 4** That the Scrutiny Panel notes and supports the positive action taken to help Town and Parish Councils with their 2013/2014 precept setting process.
-

Reasons for Recommendations

- 2** This is the Scrutiny Panel's final meeting to consider and provide comments prior to Council's consideration on 10 January 2013 of a Local Council Tax Support Scheme to be adopted from April 2013.

Information

3 The Core East Sussex scheme.

- 3.1** East Sussex councils, the East Sussex Fire Authority and the Sussex Police Authority have been committed to assessing and developing a common local council tax support scheme for East Sussex.
- 3.2** Council tax collecting authorities (known in legislation as Billing Authorities) are required to adopt local schemes, having consulted initially with major preceptors (County, Fire and Police).
- 3.3** All East Sussex councils also intend to utilise new freedoms from April 2013 to remove some existing council tax discounts (not to be confused with local scheme discounts) and exemptions. This provides an offset to the reduction in Government support for the cost of the new local scheme. Cabinet has agreed in principle to this approach.
- 3.4** An initial draft scheme started the consultation process and two further schemes were later considered following announcement of the Government's transitional grant offer to mitigate the cost of these schemes in the first year only. One of the further schemes adopted features of the initial scheme to qualify for the transitional grant and the final option was the national default scheme that would apply in the event a council did not adopt a local scheme.
- 3.5** A description of each of the three schemes follows.

Option1

This is the consulted scheme. The table shows the consultation scheme features and the estimated numbers of claimants affected compared with the current scheme which ends on 31 March 2013.

Consultation scheme	Nos. affected	Current scheme
Maximum weekly support limit of £20	1,683	No maximum limit
Minimum weekly entitlement £5	147	50 pence minimum entitlement
Doubling of non dependant deductions	712	Statutory rates
Remove second Adult Rebate	39	39
Maximum capital limit £6,000	60 known, but would need to write to 2,300 passported claimants re their position.	£16,000 limit applies.

Option 2

This scheme enables Councils in East Sussex to benefit from the Transitional Grant and retain some features of the consultation scheme without having to conduct a further consultation. The scheme complies with the Transitional Grant Criteria and ensures no detriment to claimants when compared with the option 1 scheme. The essence of this proposal is that the £20 maximum payment is dropped. The minimum £5 per week qualifying criteria remains as does the proposal to end the second adult rebate. The doubling of non dependant deductions is dropped and replaced with a reasonable increase.

Option 3

This is the default scheme that applies in the event that the Council does not adopt a local scheme by 31 January 2013.

- 3.6 The estimated financial impact of the schemes is shown in the table below.

Table showing the impact for all preceptors within Lewes District.

	Option 1	Option 2	Option 3
	Consultation Scheme	Transitional Grant Scheme	National Default Scheme
	£(000s)	£(000s)	£(000s)
Funding gap	1,122	1,122	1,122
New Discount and Exemption freedoms	(599)	(599)	(599)
Local Support Scheme	(499)	(53)	0
Transitional grant		(193)	(193)
Shortfall	24	277	330

Notes:

In each of the above options approximately 70% is met by East Sussex County Council, 12% Lewes District Council, 8% Sussex Police, 5% East Sussex Fire Service and 5% Towns and Parishes

The collection risk is greatly reduced for options 2 and 3.

The estimated council tax benefit bill next year is estimated at £8.1m. The current caseload numbers are static which means there is some leeway in the original funding gap assumption.

- 3.7 The composition of the £53,000 Local Support Scheme line in the table above (option 2) is £13,000 removal of second adult rebate, £24,000 minimum £5 per week entitlement and £16,000 reasonable increase in non dependent deductions.
- 3.8 The East Sussex officer project team has met since the last Scrutiny Panel. The general consensus appears to be a preference for the option 2 scheme.
- 3.9 The advantages of participating in option 2 (the transitional scheme) are:
- The County Council, Fire and Police authorities are primary consultees in the development of local schemes. They have made it clear that their preference is for a scheme that mitigates the shortfall, in order to maintain resources for front line services. They also acknowledge that the Government Transitional Grant offer has to be considered.
 - The County Council is already consulting on a savings package of £60m without any impact of this new scheme being considered.

- All Councils face higher savings targets next year arising from a Government announcement in October that a further £1bn would be withdrawn from the public sector's grants. In the light of this and the prospect of significant further reductions from 2014/2015 announced in the December 2012 HM Treasury Budget Statement it is essential to mitigate losses as far as possible.
- This option (and option 3) substantially addresses the concerns of many respondents to the consultation survey.
- Should any Town and Parish Councils be contemplating an inflation increase on last year's precept, the gearing effect of this scheme on the new taxbase arrangements will produce a magnified percentage tax rise higher than the inflation rate. They will need all the help possible to maintain their taxbase particularly with the threat of capping in the offing and all the costs that a referendum will entail. Option 1 provides the most help and option 3 the least help in this respect.
- From the outset East Sussex Councils sought to find a common solution and in the spirit of joint working, a common outcome would be the preferred result because:
 - Councils will need to work together to review and implement an enhanced scheme for year 2.
 - Costs can be shared to produce a common set of detailed regulations. This activity is a high risk and the need to get it right should not be underestimated.
 - More opportunity will exist to share or join up the administrative back office processes and produce savings for the public purse.
 - 67% (296 in number) of respondents agreed with the principle of having a common scheme.

3.10 The disadvantages of not having a common scheme are:

- Need for more in-house resources to project manage and handle the detail of the scheme.
- Higher financial cost of implementing a scheme for one council.
- Lose some of the ability to share ideas and evaluate challenges with colleagues in other councils.
- Harder to deliver future back office solutions that could save money for the public purse / contribute towards savings targets.
- Losing sight of the bigger picture as it affects all partners in the public sector, all of whom remain challenged to provide front line public services in the current financial climate.

- 3.11** Work Incentives are intended to be a key feature of local schemes. They complement freedoms passed down from central to local government in the Localism Act and the Local Government Finance Act.

The earlier consideration of adjusting earnings disregards has been superseded with the preferred option of extending the current four week run on period to either eight or twelve weeks.

The “cost” of extending to 8 weeks is £20,000 and to 12 weeks is £40,000. If this incentive works for existing claimants there may well be an offset in terms of local scheme discounts granted. We would need to closely monitor the position throughout the year to establish if there was a net cost or saving.

The general consensus for councils considering this “bolt-on” to the core scheme is to adopt an eight week run on period for the first year of operation.

- 3.12** Although there has been a general project team consensus on the core scheme and work incentive, it remains to each council to consider and make its own decision on a local scheme.

4 Armed Forces Covenant

- 4.1** The Department for Communities and Local Government (DCLG) has given guidance to local authorities regarding the Armed Forces Community Covenant.

- 4.2** The Covenant sets out the relationship between the Nation, the State and the Armed Forces and recognises that the whole nation has a moral obligation to members of the Armed Forces and their families, and it establishes how they should expect to be treated. This is the web address for more information:

http://www.veterans-uk.info/interim_covenant/20110516-Armed_Forces_Covenant.pdf

- 4.3** It exists to redress the disadvantages that the Armed Forces community face in comparison to other citizens, and to recognise sacrifices made. In some cases this will require special consideration, especially for those who have given the most such as the injured and the bereaved.
- 4.4** Under the existing Council Tax Benefit Regulations 2006, local authorities have been required to disregard the first £10 per week of War Pension Scheme and Armed Forces Compensation Scheme payments when assessing entitlement to Council Tax Benefit.
- 4.5** In addition, local authorities currently have discretion to top-up the disregard to the full amount and they have been encouraged by DCLG to do so in line with Armed Forces Covenant Principles and this option is still open to local authorities in designing a new system.

- 4.6** The Royal British Legion has written to the Council to propose that protection is given to claimants where they or their dependants are in receipt of a war widow's pension, war widower's pension, war disablement pension or a guaranteed income payment or survivor's guaranteed income payable under the Armed Forces Compensation Scheme. The letter is reproduced at Appendix A.
- 4.7** The scheme recommended to each Council in East Sussex will propose that in addition to war widow's, war widower's and war disablement pensions, guaranteed income payments (including survivor's guaranteed income payments under the Armed Forces Compensation Scheme) be disregarded in full for working age claimants thus ensuring that receipt of these incomes do not impact upon their Council Tax Support entitlement.
- 4.8** The Government regulations that cover pensionable age claimants only provide for £10 per week to be disregarded from the receipt of the above pensions. Up to the 31 March 2013 councils have been permitted to operate a local scheme whereby these pensions are disregarded in full.
- 4.9** Whilst the local scheme operation will cease under the new prescribed statutory provisions for pensionable age claimants, the Council can achieve the same end by exercising the provisions in section 13A of the Local Government Finance Act 1992.
- 4.10** The Section 13A provisions permit a Billing Authority to grant a discount where a person is liable to pay Council Tax in respect of a dwelling and to reduce the amount they have to pay to such extent as it thinks fit. This power includes a provision to reduce the amount payable to nil and can be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.
- 4.11** This provision has not been widely used by Councils in the past. Discounts granted under this provision need to be met wholly from the General Fund, which is the same arrangement that Local Schemes operate under.
- 4.12** The Council could consider the application of this section to existing Council Tax Benefit claims for persons of pensionable age where a war widow's pension, war widower's pension or war disablement pension are received and which cannot be disregarded (i.e. ignored) as income under the new national rules for persons of pensionable age.
- 4.13** There are only currently 38 customers affected by this change and of these, 31 are in receipt of 100% Council Tax Benefit. This change will be of importance to all of them.
- 4.14** The estimated cost that will fall to the General Fund from this proposal is £20,000, which remains unchanged from the current position.

The Council Taxbase

- 4.15** The Council is required by law to set the Council Tax Base before 31 January each year. This deadline enables East Sussex County Council, Sussex Police Authority and East Sussex Fire and Rescue to complete their budget and council tax setting processes on a timely basis, and apportion their precepts between the billing authorities in the county.
- 4.16** Town and Parish Councils also need the taxbase to assist in setting their precepts.
- 4.17** In recent years, Cabinet, at its January meeting, has approved the total Tax Base and the constituent elements which will apply in each Town and Parish area of the District. At the same time, Cabinet has confirmed the level of discounts which will apply to second homes and long-term empty properties.
- 4.18** It is not possible for Cabinet to approve the 2013/2014 Tax Base at its 7 January meeting because:
- the new Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require the Tax Base to take into account (in total and at Town/Parish area) the impact of the Local Council Tax Support Scheme . The Council will agree the Support Scheme at its meeting on 10 January 2013.
 - the Local Government Finance Act 2012 requires full Council to approve the percentage factor for a higher rate of Council Tax payable on long-term empty properties.
 - Council will be asked to approve the 2013/2014 Tax Base at its meeting on 10 January 2013. A taxbase will be available for all Local Scheme options presented to Council for consideration. As a longstop, Cabinet on 7 January 2013 has been asked to recommend that the Director of Finance, in consultation with the Leader of the Council, determine the final amounts for the Council Tax Base for 2013/14.
- 4.19** The delay in setting the taxbase is of concern to all preceptors and in particular Town and Parish councils who traditionally have budget meetings in December and early January.
- 4.20** However, in order to assist Town and Parish Councils set their precepts and understand the implications of their decisions the Leader of the Council in consultation with the Director of Finance has formulated the solution set out at Appendix 1, which Cabinet is being asked to approve on 7 January 2013. In essence the proposal will ensure a zero percent tax increase for any town or parish that sets the same or lower precept amount in 2013/2014 as in 2012/2013. This will give certainty to the Town and Parish Councils for the coming year.

5 Financial Appraisal

- 5.1** The cost of disregarding war pensions is already within the Council's base budget.

- 5.2** Should the total of taxbase adjustment grants allocated to Town and Parish councils exceed the amount provided by Government (in the provisional funding settlement and the share of the local scheme transitional grant), Cabinet could either recoup the difference in the following year, or consider funding the difference from its own resources. The difference is not expected to be material either way.

6 Legal Implications

- 6.1** The Local Government Finance Act 2012 contains the legislation for the new Council Tax Reduction schemes.
- 6.2** There are two sets of draft Prescribed Default Scheme regulations – Localising council tax support: regulations prescribing: (i) requirements for all council tax reduction schemes (including provisions relating to persons who have attained the qualifying age for state pension credit – (Schedules 1-6) and limited administrative provisions for all applicants – (Schedules 7-8); and (ii) the default council tax reduction scheme.
- 6.3** These two sets of draft regulations were prepared by the Department for Communities and Local Government, and published on 16 July 2012, under the new Schedule 1A to the Local Government Finance Act 1992 (“the 1992 Act”) (to be inserted by Schedule 4 to the Local Government Finance Act, subject to the will of Parliament).
- 6.4** Proposed regulations for local use across East Sussex have been provided by Eastbourne Borough Council and they will be based upon the draft regulations referred to in paragraph 6.3. Having a common core East Sussex scheme assists in the production of the regulations that each council will need to adopt. This task should not be underestimated.
- 6.5** This is a new service area for the Council and adopting a local scheme requires a robust equality impact analysis, based upon the consultation survey and stakeholder event responses. Failure to produce and consider an equality impact analysis could result in a legal challenge.

Sustainability Implications

- 7** I have completed the Sustainability Implications Questionnaire and there are no significant effects as a result of these recommendations.

Risk Management Implications

- 8** I have completed a risk assessment and identified the following risks and mitigations.

8.1 Risk

There is a cash flow risk and additional public administration cost should next year’s tax bills be delayed because Towns and Parishes are not informed of their taxbase at the usual time in early January. This is a new risk that accompanies the need to determine a Local Council Tax Support Scheme. Taxbase setting follows approval of this new scheme and if a sequential order is followed many Towns and Parishes will need to arrange additional budget setting meetings. Delayed notifications could mean later despatch of council tax bills and collection of monies. The mitigation is to provide Towns and Parishes with some certainty on

the process of setting their precepts within the normal timetable arrangements. This report proposes a solution.

Mitigation

The report to Cabinet on 7 January 2013 proposes a solution.

8.2 Risk

The Royal British Legion has highlighted how a section of the community could be disadvantaged when benefit regulations move from being set nationally to being set locally and the implications of legislative changes are not fully grasped.

Mitigation

This report explains how the legislative framework can be used to deliver the Royal British Legion's outcome.

Equality Screening

- 9** The equality implications are being addressed as part of the scheme design and consultation process. We recognise that failure to address equality implications has led to a number of recent legal challenges across the country where councils have failed to give proper consideration when making policy decisions. We will ensure a thorough assessment is undertaken and we will include an assessment when the scheme proposed for approval is considered by Council on 10 January 2013.
- 10** There is one proposal in this report from the Royal British Legion regarding the Government's Armed Forces Community Covenant. The Council has a local scheme that fully disregards War Pension Scheme and Armed Forces Compensation Scheme payments. The scheme recommended to each Council in East Sussex will propose that in addition to war widow's, war widower's and war disablement pensions, guaranteed income payments (including survivor's guaranteed income payments under the Armed Forces Compensation Scheme) be disregarded in full for working age claimants thus ensuring that receipt of these incomes do not impact upon their Council Tax Support entitlement.

Background Papers

- 11** Localising Support For Council Tax Council tax base and funding for local precepting authorities: Government response to the outcome of consultation <https://www.gov.uk/government/consultations/localising-support-for-council-tax-council-tax-base>
- 12** The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) is available at <http://www.legislation.gov.uk/uksi>.
- 13** Indicative funding allocations: <http://www.communities.gov.uk/documents/localgovernment/pdf/2146648.pdf>
- 14** The Armed Forces Community Covenant: http://www.veterans-uk.info/interim_covenant/20110516-Armed_Forces_Covenant.pdf

Appendices

- 15** Appendix 1 Local Council Tax Support Scheme Council Tax Base Grant for Parishes [Page 39 of 66](#)
- 16** Appendix 2 Letter from the Royal British Legion

Local Council Tax Support Scheme Council Tax Base Grant for Parishes

Background

- 1 Councils have been given freedoms to remove/alter existing exemptions and discounts from council tax. This will have the effect of increasing parish tax bases. This is the first of two significant changes next year.
- 2 The second significant change is that the Government has decided that Parish tax bases will be lowered to reflect the new local council tax support scheme discounts (scheme discounts). This was against all expectations.
- 3 The council tax support will take the form of reductions within the council tax system, replacing national council tax benefit.
- 4 90% of the former benefit grant paid to Billing Authorities will form part of next year's new core funding to Billing and Major Precepting Authorities. This leaves a 10% shortfall.
- 5 This new core funding will reduce the Billing and Major Precepting Authority's Council Tax Requirement and, depending on the design of the local council tax scheme, could help offset the "lost 10%" which is reflected in a lower band D taxbase.
- 6 The funding share provided to Billing Authorities includes a specified amount attributable to parish areas.
- 7 The Government is clear that the funding attributable to the parish areas has been provided to the Billing Authority and expects them to work with local parishes to provide certainty over their funding.
- 8 The indicative funding that Lewes District Council will receive, for passing on to parishes is £320,000. The actual amount will be confirmed in the Provisional Local Government Finance Settlement, expected on 19 December 2012.

A proposal to distribute the funding

- 9 Parishes are waiting to set their precepts and would like a clear statement on how to set their precepts and band D tax levels.
- 10 Lewes District Council's Local Council Tax Support Scheme may well be different in year 1 to subsequent years, so this proposal is for 2013/2014 only.
- 11 The following principles are proposed for determining parish tax bases next year.
 - Step 1: Any net additions/reductions to properties will be added into the parish tax base, as normal.
 - Step 2: The net additions from changes to existing discounts and freedoms will be added into the parish taxbase, as normal.
 - Step 3: The reduction from the local council tax support scheme will be deducted from the parish taxbase, as determined by new regulations. [Page 40 of 66](#)
 - Step 4: The total taxbase will be determined after applying an appropriate collection rate.

- Step 5: A grant will be made to a parish when the taxbase calculation results in less band D properties than in 2012/13.
- Step 6: The grant will be equal to the difference in band D properties multiplied by the band D tax rate for 2012/13.

- 12 This proposal will ensure a zero percent tax increase for any parish that sets the same or lower precept amount in 2013/14 as in 2012/2013.
- 13 If step 4 above results in more band D properties in the taxbase the parish will gain the benefit, (but no grant will be payable). It will have the option to set a lower band D tax or to increase its precept to produce a zero percent increase.
- 14 The grant given to Lewes District Council for distribution is estimated at £320,000. The actual amount will be confirmed in the Local Government Finance Settlement on 19 December 2012.
- 15 The grant is cash limited for all time. The reallocation to parishes for year 1 will be an interim solution. The intention is to identify an ongoing solution from year 2 (2014/2015).
- 16 If the amount distributed to parishes in 2013/2014 is more than the actual Government grant given for that year, it will be recouped during 2014/2015.
- 17 The taxbase position for parishes is likely to increase in 2014/2015 when Lewes District Council considers implementing a robust local council tax support scheme designed to recoups the 10% shortfall.

Accounting for discount growth in the taxbase

Growth in discounts can arise from new applicants or from a change in circumstances of existing applicants.

We need to estimate growth across the tax bases of 28 parishes.

In order to help plan future discount entitlement we will seek to establish the demographics of each parish in terms of:

- 1 The numbers of pensioners and the numbers of working age households.
- 2 The numbers of pensioners and the numbers of working age households receiving help with council tax.
- 3 The projection of pensioner and working age households from census data.

We will if necessary make a provision for growth within each parish in the following ratio:

$$A/B * C$$

Where A = the overall band D taxbase for the parish before any growth allowance.

Where B = the overall band D taxbase for the district before any growth allowance.

Where C = an estimate of equivalent additional band D discount growth across the district in the coming year.

We will then apportion the growth in each parish according to the ratio of band D equivalent properties in each of bands A to H.



Patron Her Majesty The Queen
**CHIEF EXECUTIVE
 LEWES DISTRICT COUNCIL**

05 NOV 2012

COPY
 REFER

*Dr. Chris Simpkins DMA, Hon.DUniv, D
 Director General*

The Royal British Legion
 199 Borough High Street
 London SE1 1AA

T 020 3207 2361
 F 020 3207 2276
 W www.britishtlegion.org.uk

Ms J Rowlands
 Chief Executive
 Lewes District Council
 Lewes House
 32 High Street
 LEWES
 BN7 2LX

Date: 1 November 2012

Reference: 12/077

Contact: dmartin@britishlegion.org.uk

Dear Ms Rowlands

Localised support for council tax – consultation submission

As you will no doubt be aware, as part of the Government's localisation agenda local authorities are now required to design and operate their own council tax support schemes. As part of this process local authorities must consult stakeholders on the proposed design of their schemes. Please accept this letter as The Royal British Legion's submission to your authority's consultation process.

I strongly urge you to ensure that your local authority provides a 100% disregard of military compensation payments when calculating entitlement to council tax support. This includes all War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments. These payments are not an income support payment but are paid as compensation for injury, illness or loss as a result of Service in HM Armed Forces. It is therefore not appropriate, nor a recognition of commitment to the nation, to include such compensation payments in calculations for means tested benefits.

Until the recent changes local authorities were statutorily required to disregard the first £10.00 of these compensation payments. However, following our campaigning work, almost every local authority in the country has used its discretionary power to fully disregard these payments, and this is an approach that we strongly support.

The Government, in its guidance to local authorities, provides a reminder that the discretion to provide a full disregard to them is still available under the new regulations. Indeed it encourages them to do so, in line with the principles of the Armed Forces Covenant¹.

An increasing number of authorities are signing up to the Armed Forces Community Covenant and we are very grateful to those who have done so, or are looking to do so. I believe that the provision of a full disregard of military compensation payments when it comes to calculating council tax support is an essential step in delivering on the principles of the Covenant at a local level.

¹ Localising Support for Council Tax: Vulnerable people – key local authority duties, Communities and Local Government, May 2012.

Shoulder to shoulder with all who Serve

Registered Charity: The Royal British Legion, Haig House, 199 Borough High Street, London SE1 1AA.
 Registered Charity Number: 210779

I would be very grateful if you could confirm to me that your local authority intends to provide a full disregard of War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments in the design of your council tax support scheme.

Yours sincerely

Chris Simpkins DMA, Hon.DUniv, DL Page 42 of 66

Director General

Non-Dependant Deductions

Non-dependant Deductions in CTB	Current rate of deduction per week	Proposed rate of deduction per week
Age 18 and over and in remunerative work		
-others aged 18 or over	£3.30	£4.10
- gross income less than £183.00 per week	£3.30	£4.10
- gross income not less than £183.00 but less than £316.00 per week	£6.55	£8.10
- gross income not less than £316.00 but less than £394.00 per week	£8.25	£10.30
- gross income greater than £394.00 per week	£9.90	£12.30
In receipt of Pension Credit, IS, JSA(IB), or ESA(IR)	Nil	Nil
People in detention	Nil	Nil
Severely Mentally Impaired people	Nil	Nil
People aged 18 or over in respect of whom child benefit is payable	Nil	Nil
Student nurses, apprentices or youth trainees but not full time students	Nil	Nil
Hospital in-patients	Nil	Nil
People living in residential care and nursing homes	Nil	Nil
Care workers	Nil	Nil
Residents of hostels or night-shelters for the homeless	Nil	Nil

A non-dependant is defined as a person who:

- Resides with the claimant, and
- is not a
 - partner, or
 - dependant child of the claimant and/or their partner

Non-dependant deductions will **not** be made where a claimant or their partner is

- blind or treated as blind, but not if registered as partially sighted, or
 - receiving Attendance Allowance (AA) or the care component of Disability Living Allowance (AA)



Lewes District Council Consultation on Council Tax Discounts and Exemptions

This consultation concerns the Council's proposals to alter certain discounts and exemptions in order to help pay for the loss of Government Grant for Council Tax Support (formerly known as Council Tax Benefit) for working age people in the District.

The Council is allowed to alter the following discounts and exemptions:

- Properties empty and undergoing major repair (currently 100% for 12 months)
- Empty and unfurnished properties (currently 100% for 6 months)
- Empty properties repossessed by banks, building societies or mortgage companies (currently 100% until sold)
- Second Homes (currently 10%)

1. Are you responding on behalf of yourself or an organisation?

- 30 (90.9%) Myself
- 3 (9.1%) An organisation
- If responding on behalf of an organisation please give its name:*
- 1 (3.0%)

2. Do you currently own:

- 1 (3.0%) A second home within Lewes
- 0 (0.0%) An empty property undergoing major or structural repair
- 0 (0.0%) An empty and unfurnished property in Lewes
- 2 (6.1%) A property or properties in Lewes that you rent out and which can be empty and unfurnished for short periods
- 28 (84.8%) None of the above

3. Do you agree with the approach we've taken to reducing the exemptions and discounts given to owners of second or empty homes? This will help fund the loss of Government grant, thereby enabling us to protect the most vulnerable in our community?

- 24 (72.7%) Agree
- 4 (12.1%) Disagree
- 5 (15.2%) Don't know

4. Council Tax is made up of a property element worth 50% and a personal element worth 50%. So when there is a single occupant the personal element is reduced by 25%. As properties undergoing major repair have no occupiers but still consume public services such as roads, police, fire etc. the Council is proposing that a 50% discount would be more appropriate. It will also encourage property owners to quickly repair properties and bring them back into use.

Do you agree that properties that are empty and undergoing major repair should have their discount reduced to 50%?

- 28 (84.8%) Agree
 - 4 (12.1%) Disagree
 - 1 (3.0%) Don't know
- Comments
- 6 (18.2%)

As properties undergoing major repair have no occupiers but still consume public services such as roads, police, fire etc"...this is a huge assumption that those who own unoccupied properties live locally.

property speculators have plenty of money and can factor this in to the high prices of property when sold.

I don't see any good reason for any discount in either case. We are a family on a modest income - just enough not to be eligible for council tax benefit. Many neighbours who live alone and receive a discount will have a higher income than us. When I was single I couldn't afford not to have a lodger so have never enjoyed this discount. Anyone who can afford to live alone without a lodger can afford to pay full council tax. If they live in accommodation that can only accommodate one person then their bill will be low anyway because of the banding system. These discounts give preferential treatment to wealthier people.

An empty home could be someone's home, and there is a massive housing shortage in the District. People sleep in the street and on the Downs in the middle of winter. Every legal measure should be taken to reduce the attractiveness of owning empty properties, and second homes.

An empty property undergoing major work can cause considerable local council costs such as access restrictions for vehicles, people working on the property have a reasonable demand on local services such as fire, police and medical. The full council tax should thus be chargeable.

Encouraging property owners to quickly repair properties should help to make more properties available to rent.

5. Properties that are empty and unfurnished are currently entitled to a 100% discount for 6 months. There are other discounts where someone has died or gone into a care home which will remain unchanged.

In order that landlords are not penalised for short periods when properties are empty and unfurnished between tenancies, the Council is proposing a short period where a

100% discount will apply. After that full Council Tax will become payable. We are proposing periods of months because our computer systems can only provide discounts in periods of months at present.

Do you think that properties that are empty and unfurnished should have their discount period set at:

10 (30.3%) 1 month

15 (45.5%) 2 months

8 (24.2%) Some other period

Please specify other period

8 (24.2%)

Comments

8 (24.2%)

Or perhaps 6 months at 50% discount.

I don't think its for other council tax payers to subsidise private landlords profits.

It is quite right that discounts where someone has died or gone into a care home should be made. r perhaps 6 months at 50% discount.

Keeping a house or flat empty so that it can increase in value while remaining pristine is cruel and selfish, and should be discouraged by all means.

I don't see why there should be a discount at all.

There is a shortage of rental properties available. Properties empty for longer periods are most likely due to excessive rent demands.

It may need to be a longer time if eg a home is being sold because someone has gone into care. Maybe be there could be a clause that shows good intent to sell, and discount could be negotiated.

It may take time to let a property if an initial let fails to materialise and the letting process has to be restarted.

It is essential that the number of 'empty' properties is reduced so that more housing is available. Perhaps discount could be flexible if there is a problem and a caring attitude is needed.

6. When banks, building societies or mortgage companies repossess a property they are entitled to a 100% Council Tax discount on the property. The Council is proposing that no discount is offered and they are charged full Council Tax. Do you agree that banks, building societies and mortgage companies should pay full Council Tax when they repossess a property?

28 (84.8%) Agree

3 (9.1%) Disagree

2 (6.1%) Don't know

7. People who have second homes in Lewes are currently entitled to a 10% Council Tax discount. The Council is proposing that no discount should be given to people with second homes and that they should pay the full Council Tax.

Do you agree that people with Second Homes should pay full Council Tax?

- 29 (87.9%) Agree
- 3 (9.1%) Disagree
- 1 (3.0%) Don't know

8.a Where properties are left empty and unfurnished for more than two years the Council will have the ability to charge a premium (additional Council Tax on top of full Council Tax) to encourage these properties back into use. The Council cannot charge that premium if: the property is being actively marketed for sale or to let; the property is the sole or main residence of a member of the armed forces away on active service; or if the property is an annex deemed unoccupied because it is being treated by the occupier of the main dwelling as part of that main dwelling.

Do you agree that the Council should charge a premium on top of full Council Tax for properties left empty for more than 2 years?

- 26 (78.8%) Agree
- 6 (18.2%) Disagree
- 1 (3.0%) Don't know

8.b What do you think the premium should be?

- 2 (6.1%) 10%
- 0 (0.0%) 15%
- 4 (12.1%) 20%
- 4 (12.1%) 25%
- 1 (3.0%) 30%
- 2 (6.1%) 35%
- 0 (0.0%) 40%
- 0 (0.0%) 45%
- 12 (36.4%) 50%
- 8 (24.2%) Other amount
- Please specify other amount
- 7 (21.2%)

Equality Monitoring

A bit about you

Lewes District Council would like to be sure that everyone who uses our services is treated equally and fairly.

Your answers to these questions will only be used to make sure that no individual or group of people is discriminated against in the provision of our services. These questions are not meant to feel intrusive and the Council will treat your answers as confidential. If we do find a significant difference in satisfaction with our services, we can look for ways to resolve this.

The questions also help us to see whether our surveys are reaching and being answered by the range of equality groups who live in Lewes.

You do not have to fill this section in but it will help us if you do.

Tick the appropriate box in question 9.a to indicate your ethnic background. A follow up question will then appear.

9.a Please indicate your ethnic background

28 (84.8%) White

0 (0.0%) Mixed

0 (0.0%) Asian or Asian British

2 (6.1%) Black or Black British

0 (0.0%) Chinese or other ethnic group

0 (0.0%) Traveller

9.b White

28 (100.0%) British 0

(0.0%) Irish 0 (0.0%)

Other

Please specify

0 (0.0%)

9.c Mixed

0 (0.0%) White and Black Caribbean

0 (0.0%) White and Black African

0 (0.0%) White and Asian

0 (0.0%) Other Mixed

Please specify

0 (0.0%)

9.d Asian or Asian British

- 0 (0.0%) Indian
- 0 (0.0%) Pakistani
- 0 (0.0%) Bangladeshi
- 0 (0.0%) Other Asian
- Please specify
- 0 (0.0%)

9.e Black or Black British

- 0 (0.0%) Caribbean
- 2 (100.0%) African
- 0 (0.0%) Other Black
- Please specify
- 0 (0.0%)

9.f Chinese or other ethnic group

- 0 (0.0%) Chinese
- 0 (0.0%) Any other ethnic group
- Please specify
- 0 (0.0%)

9.g Traveller

- 0 (0.0%) Gypsy/Romany
- 0 (0.0%) Irish
- 0 (0.0%) Any other traveller
- Please specify
- 0 (0.0%)

Like the other questions, this helps us to see whether our services and communications are being accessed equally across the District. It also greatly helps us to understand the survey results because we can map them or compare them with other surveys or information (for example, if the survey is about recycling facilities, it helps to know how close respondents live to our recycling points).

10. Location

- 27 (81.8%) Post code at home
- Post code of your current main place of work/full-time place of study (leave blank if not applicable) 4 (15.2%)

11. Gender

15 (45.5%) Male

14 (42.4%) Female 0 (0.0%) Trans-gender 1 (3.0%) Trans-sexual

12. Age

0 (0.0%) 15 and under

0 (0.0%) 16-19

0 (0.0%) 20-29

5 (15.2%) 30-39

8 (24.2%) 40-49

2 (6.1%) 50-59

11 (33.3%) 60-69

3 (9.1%) 70-79

1 (3.0%) 80 and over

13. Marital status

6 (18.2%) Single

18 (54.5%) Married

0 (0.0%) Civil partnership 2 (6.1%) Widowed 3 (9.1%) Partner or co-habiting

1 (3.0%) Divorced

14. Sexual orientation

23 (69.7%) Heterosexual 1 (3.0%) Lesbian or gay 0 (0.0%) Bisexual 6

(18.2%) Prefer not to say

15. Religion or belief

14 (42.4%) Christian (including Church of England, Roman Catholic and all other denominations)

0 (0.0%) Muslim

0 (0.0%) Judaism/Jewish

0 (0.0%) Hinduism

0 (0.0%) Sikhism

1 (3.0%) Buddhism

0 (0.0%) Other

14 (42.4%) No religion or belief

16.a Do you consider yourself to be disabled?

2 (6.1%) Yes

28 (84.8%) No

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The Disability Discrimination Act defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.

16.b Please provide details of your disability or disabilities

- 0 (0.0%) Physical impairment
- 0 (0.0%) Communication or speech impairment
- 1 (50.0%) Mental health
- 0 (0.0%) Hearing impairment
- 1 (50.0%) Visual impairment
- 1 (50.0%) Learning disability/difficulty
- 0 (0.0%) Long-term illness or health condition

Thank you for taking the time to complete this survey.

Summary of Welfare Reform Act 2012 provisions

Background

The Welfare Reform Act 2012 received royal assent on the 8th of March 2012, finally passing through the House of Lords at the beginning of March after suffering seven defeats by peers. The Act puts into law what has been one of the Government's flagship bills, which ministers have claimed marks the biggest overhaul of the benefits system since the 1940s.

It puts into law many of the proposals, as well as the broad vision, contained in the 2010 welfare reform white paper *Universal Credit: Welfare that Works*. As with that document the Act is primarily concerned with replacing a number of benefits with Universal Credit.

Universal Credit

At the centre of the Act is the introduction of a new benefit – Universal Credit. This is intended to provide both in and out of work support and so smooth the transition into work; it also aims to eliminate situations in which the loss of benefits as earnings rise creates a financial disincentive to work. Universal Credit will replace Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit.

To be eligible for Universal Credit you must reside in Great Britain, be 18 years old but under the qualifying age for pension credit, not be receiving education, and have accepted a claimant commitment. You must also satisfy financial conditions dependent on both a claimant's income and their capital: if either is above a certain limit, likely to be £16,000, an individual will not be eligible.

Universal Credit will be paid via a single monthly payment in arrears, a change for most recipients who will be used to working on a basis of fortnightly payments.

As in existing benefits, the amount of Universal Credit will depend on a claimant's level of income and other family circumstances. The total will be calculated with reference to four elements:

- A standard allowance to cover basic living costs
- Support for those with children
- Support for housing costs
- Support for what the Act terms "other particular needs and circumstances".

From a combination of each of these elements a maximum payment will be calculated, which will then be reduced according to the earned and unearned income of the claimant. The amount of benefits lost as a result of earned income is calculated through two mechanisms, a taper and a disregard.

Tapers and Disregards

A taper is the rate at which benefit is reduced as earnings increase. Currently different tapers apply to different benefits. Universal Credit simplifies this system by introducing a single taper for the new benefit. This should broadly ensure that there is never a situation in which someone is better off out of employment than accepting an offer of work. It is also intended to create a more flexible labour market: rigid hours rules under the Tax Credits system could lead to the withdrawal of benefits acting as a financial disincentive to work part-time other than 16 or 24 hours.

The exact taper rate for Universal Credit will be announced closer to its introduction in 2013, but it is likely to be around 65%: for every £1 earned, 65p of benefits will be taken away, leaving the claimant 35p better off.

A disregard is the amount of earnings that can be made before benefits begin to be withdrawn –before the taper is applied. Alongside the taper it therefore plays a key role in determining the financial incentive to return to work. The precise level of earnings disregard will vary between groups of claimants, with higher disregards for people with disabilities and for lone parents, relatively lower disregards for couples, and no disregard for a single person without children. These disregards will be reduced to reflect the amount of support being provided for rent and mortgage interest support.

The Claimant Commitment and changes to conditionality

In order to claim Universal Credit an individual or couple will have to accept a 'claimant commitment', replacing previous documents such as the jobseeker's agreement. The claimant commitment will set out the expectations and requirements placed upon the claimant, as well as outlining the sanctions should they fail to fulfil them. The requirements include:

- A work search requirement – the DWP states that under Universal Credit “we believe a claimant in the ‘all work related requirements’ group should be spending as much time as possible looking for work – until claimants find employment this should be their job”. Exceptions exist for if you have done everything that could be reasonably expected, for volunteers, if you are temporarily ill, or for a specific emergency or crisis.
- A work availability requirement – claimants expected to be able to take up work immediately, with exceptions in the case of volunteers, those needing to arrange childcare, those signed off sick, and those with a contract of employment.
- A work preparation requirement
- A work-focused interview requirement.

The level of requirement will depend on the claimant's particular circumstances but can be:

- No work-related requirement
- Work focused interview requirement only

- Work focused interview and work preparation requirements
- All work-related requirements.

The Welfare Reform Act 2007 is amended to include, under the banner of work-related activity, “work experience or a work placement”. This is the controversial measure for what was described in the 2010 white paper as “mandatory work activity”: unpaid work placements of up to four weeks, to which Jobcentre Plus Advisers will be able to refer recipients.

The commitment will also set out the sanctions for failing to fulfil a work-related requirement, including failure to participate in mandatory work activity. Hardship payments will be available in some circumstances.

The Act sets out the government’s intention to define in regulations a new, higher conditionality threshold: claimants earning above this threshold will be placed into the “no work related requirements group”; those earning below this threshold could face full work-related conditionality. The maximum threshold for a single claimant is likely to be at the level of earnings made through full-time work at the National Minimum Wage. This threshold is likely to be flexible with age or caring/parenting responsibilities.

Childcare

Under the current system, the childcare element of Working Tax Credit provides parents with support covering up to 70% of eligible childcare costs up to a maximum of £175 for one child and £300 for two or more children. Childcare costs are also currently disregarded for the purposes of calculating entitlement to Housing Benefit and Council Tax Benefit, resulting in some households receiving help for up to 95.5% of their childcare costs.

Support for childcare will be absorbed into Universal Credit, while retaining much of this structure. Childcare payment limits will be calculated monthly rather than weekly, in line with the functioning of other aspects of Universal Credit. Parents will be able to recover childcare costs of 70% of up to £760 for one child or £1300 for two or more children per month. Disregards for Housing Benefit and council tax benefit will be retained. The movement to the Universal Credit structure will also annul the Tax Credit requirement to work at least 16 hours before qualifying for support.

Income Support will no longer be available to lone parents with children aged five and six.

Transferring people to Universal Credit

Universal Credit will be rolled out in three phases from October 2013 until the end of 2017:

Phase 1 – October 2013 – April 2014: All new working age claims to current benefits and credits will be phased out; new claims to Housing Benefits and Tax Credits from working age households will be the last to end in April 2014. In this time existing claimants whose circumstances change will also be moved to Universal Credit.

Phase 2 – April 2014 – end 2015: Claimants whose circumstances have not changed will begin to be migrated during this time, with those whose work behaviour is most likely to benefit from Universal Credit to be prioritised.

Phase 3 – end 2015 – end 2017: All remaining working age households transferred to Universal Credit.

Changes to Housing Benefit under Universal Credit

Size Criteria

The Welfare Act gives empowers the government to impose the size eligibility criteria currently applying in the private rented sector on the social housing sector. Any working-age household deemed to be under-occupying their home will lose part of their Housing Benefit from April 2013.

Housing Benefit will be restricted by the size criteria to allow for one bedroom for each person or couple living as part of the household, with the following exceptions:

- Children under 16 of the same gender will be expected to share
- Children under 10 will be expected to share regardless of gender
- Disabled tenant or partner requiring a non-resident overnight carer will be allowed an extra room.

The National Housing Federation gives a number of examples of those who could be adversely affected by the change, including:

- Foster carers due to the fact that foster children do count as part of the household for benefit purposes
- Families with disabled children
- Disabled people including people living in adapted properties
- Separated parents who share the care of their children and who may have been allocated an extra bedroom to assist this; rules state that there must be a designated 'main carer', who receives the extra benefit.

The level of the cut will be a fixed percentage of the housing-benefit eligible rent, initially set at 14% for one extra bedroom and 25% for two or more extra bedrooms.

More details of the scheme will be set out in regulations, which are expected to be published in May 2012.

Direct Payments

Following measures contained in the Act most working-age claimants will no longer be able to choose to have the Housing Benefit component of Universal Credit paid directly to their landlord, instead receiving it personally as part of their monthly payment. The idea behind this is to ease the transition into work by replicating the workings of a monthly salary. For some people, described as

'vulnerable' – a denominator yet to be defined – it is accepted that direct payment is not appropriate, and there will be a mechanism within Universal Credit to facilitate the payment of the benefit directly to the landlord.

Benefit Cap

The Act empowers the government to put a cap on the total benefits an individual or couple is entitled to. This cap is expected to be introduced in 2013, and will be set a working household's average net earnings – currently expected to be £26,000 a year for lone parents and couples with children and around £18,000 for single people without children. These limits will be set in regulations. One-off payments, childcare, and Council Tax Benefit will not be encompassed by the cap, and households will be exempt if a member is claiming DLA, Personal Independence Payment, Attendance Allowance, Working Tax Credit or the support component of Employment Support Allowance. The government has also allowed for a nine month grace period, meaning that those who have been in work for the previous 12 months and lose their job through "no fault of their own" will not be affected by the cap.

A DWP impact assessment estimates that 54% of those affected live in Greater London, which points to the overwhelming likelihood that it is Housing Benefit that will cause claimants to go over the cap. Accordingly, while the cap will be administered through the new Universal Credit system once it is in place, prior to its introduction the cap will be administered by Local Authorities through Housing Benefit payments.

Changes to contribution-based employment and support allowance (ESA)

The Act includes two changes to contribution-based employment and support allowance that will take effect from April 2012:

The amount of time that people can receive contribution-based ESA will be limited to 365 days for those claimants in the Work Related Activity Group or in the assessment phase. This limit does not include any time spent in the Support Group, or any time spent in the assessment phase if they moved from the assessment phase into the Support Group at the start of their claim.

Under existing ESA 'Youth' provisions, young people with a disability which has prevented them from working and accruing the necessary National Insurance contributions in order to be eligible for the benefit in the usual way can qualify for contribution-based ESA without paying National Insurance contributions. The Act abolishes these 'Youth' provisions, so from April 2012 all new claims under ESA 'Youth' will be subject to the same National Insurance contributory conditions as all other claimants. If they qualify for contribution-based ESA, and are therefore placed in the Work Related Activity Group, a one-year time-limit will also apply.

In June 2011 the ESA Work-Related Activity Regulations introduced a new requirement for some recipients of ESA to undertake work-related activity. The Act establishes that this can include work experience or a work placement, according to plans devised by Jobcentre Plus advisers. ESA recipients in the support group or who are lone parents with a child under 5 or carers will not be required to undertake work-related activity.

Tougher penalties for benefit fraud

The Act aims to take a tougher approach to benefit fraud and error by introducing a range of harsher penalties for serious offences. These include:

- A minimum administrative payment of £350 or 50% of the overpayment, whichever is higher, from May 2012
- A new £50 civil penalty for claimant error that results in an overpayment as a result of negligence or failure, from October 2012
- An extended loss of benefit of up to three years for offences which result in a conviction.

Replacement of the discretionary Social Fund with local welfare payments

The Act repeals sections of the 1992 Social Security Contributions and Benefits Act (SSCBA) which provided for payments from the discretionary Social Fund.

Consequently the Act abolishes Community Care Grants and Crisis Loans and replaces them with a non-ring fenced grant which will be paid to local authorities in England. Under existing powers in the Local Government Act 2000 local authorities will then be expected to provide assistance and emergency provision for the vulnerable which is tailored to local circumstances. This could involve payment in kind for example through second-hand furniture or white goods, or in cash. Budgeting Loans will become a nationally-administered advance-of-benefit facility available in certain circumstances.

Other elements of the Social Fund that lend themselves to automated delivery, such as cold weather payments and Sure Start Maternity grants, will be incorporated into Universal Credit and paid automatically when the qualifying criteria are met.

Replacement of centralised support for council tax benefit with localised schemes

The Act will replace the current system of central government support for council tax benefit with a localised support mechanism. Funding for council tax benefit will come from un-ring fenced grants paid directly to local authorities in proportion to their share of council tax. These grants will encompass a 10% saving on the current Council Tax Benefit bill.

Local authorities will be responsible for developing their own schemes for the provision of Council Tax Benefit, and they will be expected to consult with the public and precepting authorities on the schemes prior to their adoption no later than 31st January 2013. When designing these schemes councils' responsibilities to vulnerable groups will have to be taken into account, for example including the government's intention to maintain the current level of pensioner council tax support. Councils will be able to revise schemes between years but not within the year because of claimants' need for certainty and reliability.

In order to aid the transition considering the short timeframe in which to design and put in place localised schemes for the delivery of Council Tax Benefit, the government offers councils the chance to adopt a default scheme. The government proposes that this should retain the criteria and allowances

currently in place. Of course, this option will make it difficult to manage the 10% reduction in funding.

Replacement of Disability Living Allowance with Personal Independence Payment

The Act includes proposals for Personal Independence Payments, which will replace Disability Living Allowance (DLA) for all working-age people (those aged 16-64 on the day Personal Independence Payment is introduced) in April 2013. The Act outlines the framework for the new benefit, while consultation responses will contribute to the design of the benefit which will be established in secondary legislation.

The Personal Independence Payment will consist of two components: a Daily Living component and a Mobility component. Each of these components will have two rates, a standard rate and an enhanced rate:

- Daily living component standard rate – will apply if the person’s ability to carry out daily living activities is limited by their physical or mental condition and they meet the required period condition
- Daily living component enhanced rate – will apply if the person’s ability to carry out daily living activities is severely limited by their physical or mental condition and they meet the required period condition
- Mobility component standard rate – will apply if the person is of or over the prescribed age, their ability to carry out mobility activities is limited by their physical or mental condition, and they meet the required period condition
- Mobility component enhanced rate – will apply if the person is of or over the prescribed age, their ability to carry out mobility activities is severely limited by their physical or mental condition, and they meet the required period condition.

Awards will consist of one or both of these components. The amount for each rate is yet to be decided. The limited or severely limited conditions upon which the award rests must be satisfied three months prior to the claim (a reduction from an intended six month wait to become eligible which the government had originally intended, given as a concession to widespread opposition.)

Everyone of working age receiving DLA will be asked by letter between 2013 and March 2016 if they would like to claim for Personal Independence Payment. There will be no automatic transfer from one benefit to the other; those receiving DLA will have to make a fresh claim for Personal Independence Payment, and be re-assessed in line with its new entitlement criteria. The details of these criteria are currently being consulted upon. There will be an exception in the case of terminally ill people, who will not have to go through a face to face consultation.

The DWP states that “there are no current plans to replace Disability Living Allowance with Personal Independence Payment for children under 16 and people over the age of 65 who are already receiving Disability Living Allowance”.

Equality Analysis - Full Report

Report completed by: Ian Morris

Email: Ian.Morris@lewes.gov.uk

Department: Finance

Team/Section requiring report: Revenues and Benefits

Please choose who you would like to approve this report:* John Magness

EA Title: (i.e. topic/work area assessed, or title of committee report)* Local Council Tax Support

Scheme

What is being assessed?* Policy

Is this a new or existing policy/procedure/practice/project? New

Date of report to Council: 10 January 2013

If this function / service is wholly or partly provided by external organisations, what arrangements are in place to check that they promote equality?

* n/a

1. The protected equality characteristics are age; disability; marriage and civil partnership; pregnancy and maternity; gender reassignment; race – this includes ethnic or national origins, colour or nationality; religion or belief – this includes lack of belief; sex (gender); sexual orientation.

You should also consider socioeconomic groups. Are your proposals, or the service or policy area they are about, particularly relevant to people who share protected equality characteristics? For example, sheltered housing is designed for people who need the service because of their age or disability.

No

Comment briefly:

As part of its Welfare Reform and Localism agendas, the Government has decided that there will no longer be a national council Tax benefit scheme from 1 April 2013. Instead the council will need to introduce its own local Council Tax Support (CTS) scheme. The Government's assumption, following the last Spending Review, is that there will be a 10% reduction in expenditure through these changes from 1 April 2013 and that it will be for local authorities to determine how to manage that funding reduction. Lewes District Council will receive approximately £1m less from Government as a result of this change. Council tax benefit is a national scheme to help people pay their council tax. Claimants may get council tax benefit if they are liable for council tax and their income and capital (savings and investments) are below a certain level. The benefit is income-related (means-tested) and anyone who is liable for council tax can apply, irrespective of whether they are working, unemployed, living in rented accommodation or own their own home. Claims are made to the council via an application form and if the claimant is paying rent, a calculation for entitlement to housing benefit will be made at the same time as that for council tax benefit.

The Local Government Finance Act (the "Act") imposes a duty on council tax billing authorities (Lewes DC) to make a CTS scheme by 31st January 2013 and to consult with major precepting authorities and other such persons as it considers likely to have an interest in the scheme, about the scheme. Major precepting authorities in East Sussex are East Sussex County Council, Sussex Police Authority and East Sussex Fire Authority. Other interested parties, for example are benefit claimants, special interest groups, voluntary organisations and support groups.

The Act specifies that before adopting a scheme, the billing authority must, in the following order:

- a. Consult any major precepting authority
- b. Publish a draft scheme
- c. Consult other persons as it considers are likely to have an interest in the operation of the scheme

2. What information have you considered? Complaints / Feedback / Research / Data / Audit etc?*

We have considered:

1. The information held in our benefits databases using modelling tools to evaluate the impact of the proposed changes on households within the district.

2. Comments and feedback from our public consultation process. The questionnaire ran from 20 August 2012 to 29 October 2012. A total of 463 responses were received and analysed.

3. Comments from various local and national stakeholder groups, including voluntary sector, landlords, The Department for Communities and Local Government, the Department for Work and Pensions and the Institute for Revenues Rating and Valuation either through formal workshops or focused meetings.

Special interest groups and other organisations who were invited to take part in workshops included:

Care for the Carers, East Sussex Disability Association, East Sussex Hearing Resource Centre, Infopoint, East Sussex Advice Plus, Homeworks West, Age UK East

Sussex (formerly Age Concern), Sussex Oakleaf, Lewes CAB, East Sussex Association for the Blind and Partially Sighted, NCDA, Sompriti, Southdown Housing, STEPS, NHS Health Trainers, MIND, PhOWER, Rethink, Surestart, Furniture now ,Brighton Housing Trust, YMCA ,Orbit Housing ,Guinness Trust.

4. The views of the major preceptors were also considered throughout the process of scheme design There are 42,539 occupied dwellings in the Lewes District (Council Tax Base calculations Nov 2011). The total number of benefit claimants in July 12 was 8,122 of which 3,957 are of working age and 4,165 are pensioners. In percentage terms, 19% of households in Lewes District Council are claiming council tax benefit and, of these claimants, 49% are of working age.

Are there any gaps in the data available

No

3. Is there any evidence of direct or indirect discrimination because of a protected characteristic? Or would they have a worse impact on any group? If Yes, describe and explain. Different impacts may be acceptable where they are an appropriate and necessary means of achieving a legitimate aim. Complete Section 10 to show any steps taken to eliminate or mitigate adverse effects.*

Yes

* The foundations of the Local Council Tax Support scheme have been devised by the Department for Communities and Local Government. It lays down in national Regulation full protection for pension age households. Working age claimants will be able to apply for LCTS however it is possible that some will receive less help towards their council tax than if they had claimed council tax benefit. The preferred scheme, whilst largely based on the Council Tax Benefit Regulations 2006, contains additional and amended entitlement criteria which effectively reduce the level at which LCTS can be awarded. The preferred scheme proposes:

- A minimum CTS award of £5 per week
- Increases to the level of nondependent deductions
- The withdrawal of the Second Adult Rebate scheme

The Council has consulted on each of the above elements as well as two others:

1. Removing entitlement for LCTS if the household capital exceeds £6,000 (currently £16,000) and
2. Restricting the maximum amount of an award to £20 per week.

Each of the above changes could have a dramatic impact on a large number of households. None of these measures impact directly against a group with a protected characteristic. This will impact the working age caseload in much the same way. A number of the affected households will include disabilities and children, however, inherent in the current national Council Tax Benefit scheme are measures, such as increased premiums, living allowances and earnings disregards, which provide additional financial support for disabled households and households with children. These measures have been incorporated within the Local scheme to be adopted by Lewes District Council (whichever option is chosen).

Awards of LCTS are based on the income and composition of the applicant's household and the amount of council tax that applicant is liable to pay. Premiums are included in the calculation for each child and if the applicant or their partner has caring responsibilities. The inclusion of a premium does not necessarily mean the applicant will receive more support than an applicant whose award does not include such premiums.

It is possible that those claiming Second Adult Rebate (SAR) consider themselves to have caring responsibilities for the second adult. The calculation of SAR would not reflect this as the income of the claimant is not taken into account however the removal of SAR could affect the total income of the household.

The LCTS scheme does not preclude people from receiving support based on their race. Under the scheme, entitlement is solely based on the claimant’s income, household composition and liability to pay council tax. However, claims from large or multigenerational households could be affected by setting a £20 per week award maximum (or a restriction to the closest council tax band) as they are more likely to be living in large properties which have a higher council tax. The table below shows the breakdown of Lewes District Council residents according to race. This information has been taken from East Sussex in Figures dataset: Ethnic group experimental statistics,

	LDC 000's	LDC %	East Sussex 000's	England 000's
All persons	96.4	100%	512.1	51,809.7
All white	91.3	94.71%	479.2	45,313.2
All mixed	1.3	1.35%	7.4	956.7
All Asian (or Asian British)	1.9	1.97%	11.8	3,166.8
All Black (or Black British)	0.9	0.93%	8.3	1,521.4
All Chinese (or other ethnic group)	1.0	1.04%	5.4	851.6

The gender of the claimant is irrelevant when deciding a claim for and making an award of LCTS.

The LCTS scheme does not exclude claimants on the basis of their sexual orientation. The Council’s LCTS scheme does not preclude people from receiving support based on their religious belief.

Under the scheme, entitlement is solely based on the claimant’s income, household composition and liability to pay council tax. However, claims from large or multigenerational households could be affected by a maximum award (or a restriction to the closest council tax band) as they are more likely to be living in large properties which have a higher council tax.

The Council’s LCTS scheme does not preclude transgendered or transsexual claimants from receiving help towards paying their council tax.

4. Are there any opportunities to advance equality of opportunity for any equality group e.g. by meeting specific needs; minimising difficulties faced or encouraging participation in public life? If Yes, give details and list any actions needed to take these opportunities in Section 10.*

The Council will make every effort to continue to promote the new form of financial support for Council Tax throughout the year, specifically when dispatching the annual Council tax bill.

5. Do you consider that this policy / procedure / practice / project could affect relations between equality groups (listed at Section 1) – either fostering or damaging good relations? If Yes, give details of any opportunities to foster or risks of damage, and list actions needed in Section 10.*

No

6. Sometimes, a strategy of positive action to promote equal opportunities for one equality group can result in an adverse impact on other groups. If this is the case, give details. List any actions to reduce the adverse impact(s) in Section 10.*

n/a

7. Which groups have you engaged with about this Equality Analysis?*

Councillors, Existing benefit claimants, local tax payers, major preceptors

And the following external stakeholders:

* Town and Parish Councils

Care for the Carers,

East Sussex Disability Association,

East Sussex Hearing Resource Centre,

Infopoint,

East Sussex Advice Plus,

Eastbourne Homes Ltd,

Homeworks West,

Age UK East Sussex (formerly Age Concern),

Sussex Oakleaf,

Lewes CAB,

East Sussex Association for the Blind and Partially Sighted,

NCDA Sompriti,

Southdown Housing,

STEPS,

NHS Health Trainers,

MIND,

Rethink,

Surestart.

TOLD

Furniture now

Brighton Housing Trust

YMCA

Orbit Housing

Guinness Trust

8. How have you engaged with them?*

Meetings
Interviews
Direct Mail
Emails
Questionnaires/Surveys

Other (please state below)
Not applicable

EA Summary

9. What are the main points made by the people you engaged with?*

The full results of the formal consultation are included with the report to Council, along with the detailed comments that were made by every respondent.

The comments varied from total support for each of the elements as a means of reducing the welfare bill, to total opposition as they would be unfair and cause poverty and financial hardship across the district.

Lewes CAB also argued that the introduction of reduced capital limits would not only cause hardship but would be difficult to administer and represent a difficult customer journey for those claiming other welfare benefits, such as Job Seekers Allowance and Income Support.

10. What are your main recommendations for improvements? *Please summarise here, giving specific details of actions to be carried out (e.g. accessibility features incorporated into software specification; ramp to be installed; training for staff in cultural awareness; new clause in procedure etc.) If actions would require changes to a budget, service or project plan (e.g. because of budgetary implications), please tick the appropriate box.*

Please click on the Add button below for each additional recommendation that you wish to make.

Recommendation*

- A) To monitor and review the impact of the introduction of the Local Council Tax Support scheme on all parties to ensure that any unintended consequences are highlighted and considered for adaptation to the scheme from April 2014.

Timescale* By 31 August 2013

Requirement to change budget, service or project plan: No

Name and job title of manager(s) with responsibility for implementation of recommendations listed in Section 10 above.

Make sure you communicate with them to explain what needs to be done. If there is more than one manager with responsibility, please click on the Add button below in order to complete the details.

Title Director of Finance
Name John Magness
Email john.magness@lewes.gov.uk

Title Head of Revenues and Benefits
Name Ian Morris
Email ian.morris@lewes.gov.uk