

Bolton Council

Report to:	Cabinet		
Date of meeting:	2nd December 2019		
Report of:	Director of Corporate Resources	Report number:	CEX134
Contact officer:	Phil Rimmer Head of Revenues & Benefits	Telephone number	01204 331541
Report title:			
Not confidential			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
Purpose:	Consultation on changes to the Council Tax Support scheme		
Recommendations:	Cabinet is recommended to approve consultation with residents on proposed changes to the Local Council Tax Support Scheme.		
Decision:	To consult with residents and other interested parties about the proposed changes from 1 st April 2020.		
Background documents:	N/A		
Signed:	Leader/Executive Cabinet Member	Monitoring Officer	
Date:			

Consultation with other officers

Finance	No	
Legal	Yes	Helena Gorman
HR	No	
Equality Impact Assessment required?	Yes	

(a) Pre-

Yes

Yes

consultation reports

Is there a need to

consult on the proposals?

(b) Post consultation reports

Please confirm that the consultation response has been taken into consideration in making the recommendations.

Vision outcomes	1. Start Well	X
	2. Live Well	X
	3. Age Well	X
	4. Prosperity	X

Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	prosperous	
	5. Clean and Green	
	6. Strong and Distinctive	

1. **INTRODUCTION**

- 1.1 Under the Local Government Finance Bill introduced on 19 December 2011 the Council is required to provide a Local Council Tax Support Scheme (CTS) to be administered locally for the residents of Bolton.
- 1.2 The Local Council Tax Support Scheme is designed to provide financial support to Council Tax payers that meet the conditions of the scheme. The Government has implemented regulations that protect current pensioner claimants ensuring that they continue to receive the same level of financial support that was received under the previous national Council Tax Benefit Scheme.

2. **ISSUES**

- 2.1 There are currently 3 schemes in place administered by revenues and benefits.
- Housing benefit (HB) (statutory scheme)
 - CTS (prescribed pensioner scheme)
 - CTS (local scheme)
- 2.2 The proposed changes below represent an alignment of Bolton council's local CTS scheme with the HB and CTS (pensioner) schemes. This alignment will simplify the process for customers and will streamline the administration in the back office.

3. **BACKGROUND**

- 3.1. The current Local Council Tax Support Scheme is designed around several key principles:
- Minimise the impact of the scheme on those customers with the lowest income compared to a needs assessment
 - Support the incentive to work
 - Support the anti-poverty agenda
 - Balance the costs of collecting additional council tax with the aim of maximising council tax income
 - Where possible reduce the administrative burden in determining entitlement to the scheme
- 3.2 Based on the above principles and to achieve efficiency savings the following changes were introduced with effect from 1st April 2013:
- A limit on the amount of local council tax support that can be awarded to Band C;
 - Capital threshold of £6,000 (any customers with capital above this amount would not qualify for Local Council Tax Support);
 - No backdated awards of local council tax support;
 - No awards of second adult rebate;
 - A weekly minimum local council tax support award of £1;
 - A 50% reduction in the amount of earnings disregard;
 - Inclusion of maintenance payments in the local council tax support calculation;
- 3.3 From April 2016 the scheme was amended to remove the band C limit and it was replaced with the 12.5% reduction in CTS for all applicants (working age only).

1. **OPTIONS for 2020/2021**

	Change	Customer impact	No of awards affected	Saving or cost for the council
1	Bereavement allowance disregards	More CTS will be awarded when bereavement allowance is disregarded.	13	Cost
2	We Love Manchester and London Emergency funds disregards	More CTS will be awarded when the capital is disregarded.	N/K – will be small numbers if any at all	Cost
3	Windrush compensation disregards	More CTS will be awarded when the capital is disregarded.	N/K – will be small numbers if any at all	Cost
4	Infected blood payments & Thalidomide grants	More CTS will be awarded when the capital is disregarded.	N/K – will be small numbers if any at all	Cost
5	Temporary absence changes	Less CTS will be awarded to those customers who are absent from Great Britain for longer than 4 weeks (previously 13 weeks)	N/K – as we can't predict how many customers will stay outside GB.	Saving

4. **IMPACTS AND IMPLICATIONS**

More details of the options above are shown below explaining the impacts in more detail with mitigation for any financial losses to the customer: -

4.1 **Bereavement allowance disregard**

We currently (as at August 2019) have 13 cases where bereavement allowance is included in both the housing benefit and CTS claim. Currently we treat the lump sum payments for these differently in our CTS local scheme which means the customer's CTS entitlement is adversely affected.

Impact

The low numbers mean that there is minimal impact on customers, but these customers will be affected at what may be one of the most stressful times of their lives. In deciding to disregard these payments we would be aligning with HB and CTS (pensioner scheme).

Mitigation

If the decision is made to disregard this income, financially there will be minimal impact on the CTS scheme due to the low number of cases, however due to the low capital threshold at £3K some of

these customers will have had no CTS awarded due to the capital being included in their calculation for support.

The CTS discretionary scheme is available to customers who are affected by the bereavement allowance lump sums, and in circumstances where there is a bereavement these would generally be awarded in full.

4.2 **We Love Manchester and London Emergency fund awards**

The local scheme doesn't currently specify these in our working age scheme but HB and CTS (pensioner scheme) disregard any payments in full. Hard to quantify how this will impact as can't predict how many claimants we would have. Many of which should have already received payments but may move into our area at some point in time.

Impact

Payments such as this are not identified on the Capita system so we cannot identify the true impact, the numbers will however be low.

Mitigation

Had there been any applications detailing these types of capital awards the CTS discretionary scheme will be used to offset any loss in CTS for the customer.

4.3 **Windrush compensation payments disregards**

On 3 April 2019, the Home Office launched the Windrush Compensation Scheme to compensate individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom. The Home Office has now begun making payments to successful claimants. Prior to the official scheme becoming operational, the Home Office also provided 'urgent and exceptional' payments under a policy for claimants in immediate and urgent need.

The MHCLG wrote to all LA's on 31.7.19 to encourage them to include such disregards in their schemes from 20/21. Where the disregard was not included in the scheme the letter supported the use of the CTS discretionary scheme as described above.

Impact

We do not identify payments such as this on the system so we cannot identify the true impact, the numbers will however be low.

Mitigation

Had there been any applications detailing these types of capital awards the CTS discretionary scheme would have been used to offset any loss in CTS for the customer.

4.4 **Temporary absence from home changes**

These changes were brought into HB 28.7.16. The current rules for CTS working age scheme allow a 13-week absence outside of GB and CTS can still be awarded.

This alignment with the CTS (pensioner scheme) and HB would reduce the absence allowed to 4 weeks.

Impact

There will be an impact for those customers who stay for extended periods abroad. They will potentially lose up to a further 9 weeks of CTS. They are already receiving a reduced amount of HB as the regulation for HB changed in 2016.

We are unable to identify these cases as there are no specific indicators for cases of this type.

Mitigation

If this causes the customer financial hardship they can apply for an award of discretionary CTS. These applications would be considered individually on their merits.

4.5 Infected Blood scheme payments and Thalidomide health grants

From 2.10.17 both awards replaced several other compensation schemes and legislation disregarded them in the calculation of HB. Currently this isn't specified in the local CTS scheme but is specified in the CTS (pensioner scheme).

Impact

We do not identify payments such as this on the system so we cannot identify the true impact, the numbers will however be low.

Mitigation

Had there been any applications detailing these types of grants the CTS discretionary scheme would have been used to offset any loss in CTS for the customer.

5 EQUALITY IMPACT ASSESSMENT

- 5.1 Due to the nature of the proposals, it is possible that there could be some adverse impact for working age people. This analysis is set out in more detail in the EIA (Appendix A).

6 CONSULTATION

- 6.1 The majority of those affected by the proposals will be new claimants rather than people who currently receive the benefit.
- 6.2 It is proposed to write directly to all those who can be identified as being affected by the proposals and to consult with representative organisations (such as CAB) to get views on the proposals for future claimants.

7 VISION 2030

- 7.1 The majority of the proposed changes would result in residents receiving more Local Council Tax Support and so would support the key vision outcomes relating to starting well, living well, ageing well and prosperous.

8 RECOMMENDATIONS

- 8.1 The Executive Cabinet Member/Cabinet is recommended to:
Give approval to consult with residents and other interested parties about changing the council tax support scheme as detailed from 1st April 2020.

Appendix A

Bolton Council

Equality Impact Assessment

Title of report or proposal:
Consultation on proposals to change the Local Council Tax Support Scheme

Directorate:	Chief Executive's Department
Section:	Revenues and Benefits
Date:	

Public sector bodies need to be able to evidence that they have given due regard to the impact and potential impact on all people with 'protected characteristics' in shaping policy, in delivering services, and in relation to their own employees.

Under the Equality Act 2010, the council has a general duty to have **due regard** to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

By completing the following questions, the three parts of the equality duty will be consciously considered as part of the decision-making process.

Details of the outcome of the Equality Impact Assessment must also be included in the main body of the report.

1. Describe in summary the aims, objectives and purpose of the proposal, including desired outcomes.

An alignment of Bolton council's Local Council Tax Support scheme with the Housing Benefit and Council Tax Support (pensioner) schemes. This alignment will simplify the process for customers and will streamline the administration in the back office.

2. Is this a new policy / function / service or review of existing one?

No, this would be an amendment to the current Local Council Tax Support Scheme

3. Who are the main stakeholders in relation to the proposal?

Bolton residents in receipt of Local Council Tax Support

4. In summary, what are the anticipated (positive or negative) impacts of the proposal?

Some Residents will see an increase in their entitlement to Local Council Tax Support, some residents will see a reduction.

Administration of the scheme will be more efficient as some of the current complexity will be removed and the schemes will be aligned.

5. What, if any, cumulative impact could the proposal have?

None

6. With regard to the stakeholders identified above and the diversity groups set out below:

Consider:

- How to avoid, reduce or minimise negative impact (if you identify unlawful discrimination, including victimisation and harassment, you must stop the action and take advice immediately).
- How to **advance equality of opportunity**. This means considering the need to:
 - Remove or minimise disadvantages suffered by people with protected characteristics due to having that characteristic.
 - Take steps to meet the needs of people with protected characteristics that are different from people who do not have that characteristic
 - Encourage protected groups to participate in public life and in any other activity where participation is disproportionately low
- How to **foster good relations**. This means considering the need to:
 - Tackle prejudice; and
 - promote understanding between people who share a protected characteristic and others.

	Is there any potential for (positive or negative) differential impact? Could this lead to adverse impact and if so what?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group, or for any other reason? Please state why	Please detail what actions you will take to remedy any identified adverse impact i.e. actions to eliminate discrimination, advance equality of opportunity and foster good relations
Race (this includes ethnic or national origins, colour or nationality, and caste, and includes refugees and migrants; and gypsies and travellers)	It is not anticipated that the proposals will have a specific impact in relation to race.	N/A	The proposals are subject to consultation with key stakeholders, and effective and timely communication of any changes will be essential.

<p>Religion or belief (this includes any religion with a clear structure and belief system. Belief means any religious or philosophical belief. The Act also covers lack of religion or belief)</p>	<p>It is not anticipated that the proposals will have a specific impact in relation to religion.</p>	<p>N/A</p>	<p>As above</p>
<p>Disability (a person is disabled if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)</p>	<p>The money from the Thalidomide Grant Scheme has been set aside to help meet victim's health needs over the coming years. Therefore, claimants would benefit from this change to the scheme.</p>	<p>N/A</p>	<p>As above</p>
<p>Sex / Gender</p>	<p>It is not anticipated that the proposals will have a specific impact in relation to sex/gender</p>	<p>N/A</p>	<p>As above</p>
<p>Gender reassignment / Gender identity (a person who's deeply felt and individual experience of gender may not correspond to the sex assigned to them at birth, they may or may not propose to, start or complete a process to change their gender. A person does not need to be under medical supervision to be protected)</p>	<p>It is not anticipated that the proposals will have a specific impact in relation to gender reassignment/Gender identity.</p>	<p>N/A</p>	<p>As above</p>
<p>Age (people of all ages)</p>	<p>Claimants of the Windrush Compensation Payment disregards and the Thalidomide Grant Scheme are more likely to be older and would benefit from these changes to the scheme</p>	<p>N/A</p>	<p>As above</p>

Sexual orientation - people who are lesbian, gay and bisexual.	It is not anticipated that the proposals will have a specific impact in relation to sexual orientation.	N/A	As above
Marriage and civil partnership (Only in relation to due regard to the need to eliminate discrimination)	It is not anticipated that the proposals will have a specific impact in relation to marriage and civil partnership.	N/A	As above
Caring status (including pregnancy & maternity)	It is not anticipated that the proposals will have a specific impact in relation to caring status.	N/A	As above
Socio-economic	The proposal will have a financial impact on a small number of residents who may experience a reduction in their entitlement to Local Council Support. These residents would have to pay more towards their Council Tax.	No	Residents that are experiencing financial hardship would be able to make a claim for financial support via the Council Tax Reduction fund.
Other comments or issues.	It is anticipated that only a small number of residents will be affected by the proposals.		

Please provide a list of the evidence used to inform this EIA, such as the results of consultation or other engagement, service take-up, service monitoring, surveys, stakeholder comments and complaints where appropriate.

Evidence used:

- Where relevant data extracted from the Capita benefits system

This EIA form and report has been checked and countersigned by the Directorate Equalities Officer before proceeding to Executive Cabinet Member(s)

Please confirm the outcome of this EIA:

No major impact identified, therefore no major changes required – proceed	<input type="checkbox"/>
Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed	<input checked="" type="checkbox"/>
Positive impact for one or more groups justified on the grounds of promoting equality - proceed	<input type="checkbox"/>
Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification	<input type="checkbox"/>
The EIA identifies actual or potential unlawful discrimination - stop and rethink	<input type="checkbox"/>

Report Officer

Name: **Phil Rimmer**

Date: **8th November 2019**

Directorate Equalities Lead Officer

Name: **Donna Cooper**

Date: **22nd November 2019**
