

28th January, 2016

To the Chair and Members of Council

Proposals for Localised Council Tax Support for 2016/17 (the Local Council Tax Reduction Scheme)

Relevant Cabinet Member(s)	Wards Affected	Key Decision
The Mayor	All wards	Yes

1. EXECUTIVE SUMMARY

From 1 April 2013 Council Tax Benefit was replaced by Local Council Tax Support (LCTS). Under LCTS, billing authorities have to decide for working age claims who is eligible for a reduction in their Council Tax and what level of support they should receive. Pensioners and other aspects of the scheme are prescribed by regulations and the Council has no discretion in relation to these matters.

The Authority is required to consider whether to revise or replace its scheme on an annual basis. The only revisions to the scheme we are proposing from the 1st April 2016 are those we legally have to make under the Prescribed Requirement Regulations which were laid before Parliament on 21st December 2015 and come into force on the 14th January 2016.

In accordance with the legislation, the final revised scheme has to be decided by Full Council by the end of January 2016.

2. EXEMPT REPORT

The Report is not an exempt report.

This report provides Members with the revised scheme.

3. RECOMMENDATIONS

Members are requested to:

- i. Note the protection for pensioners as a result of the annual uprating of allowances, premiums and non-dependant deductions which are prescribed by the Government and the associated change in expenditure which is funded locally.
- ii. Confirm that the Authority should uprate relevant allowances and premiums for those of working age in line with the annual uprating set by the Government and used in the current scheme and in other forms of support including Housing Benefit. The Government has decided to freeze certain allowances for 4 years from April 2016.

- iii. Note that any increase in Council Tax liability for the Council, its major preceptors and local parish preceptors will increase the cost of Local Council Tax Support. The assumptions used in the cost of the scheme are an increase of 1.95% for Doncaster's Council's Tax and that of the major preceptors and parish preceptors. There is also a further 2% Council tax increase proposed and built into the assumptions for the newly introduced Social Care flexibility. The purpose of this flexibility to increase council tax further is to help to fund additional expenditure pressures created by the Governments introduction of the National Living wage which has a significant impact in social care contracts and some of the additional spending pressures created by an increase in older people accessing social care services. Even a further 2% additional increase in council tax does not cover the additional expenditure created from the national living wage.
- iv. Consider the Equality analysis attached at Appendix 1 and Due Regard Statement as part of the decision making.
- v. Approve the revised scheme which is linked at Appendix 2 and has been amended to take into account The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015. These regulations in the main are to ensure consistency with changes to social security legislation. The amendments also increase certain of the figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. These increases relate to pensioner claims and most of the rates used in the calculation of working age claims have been frozen in line with the rates for Housing Benefit. The amendments also abolish the family premium for new pensioner claims from 1st May 2016 with transitional protection arrangements for existing claims. The Regulations were issued on the 21st December 2015 and come into force on the 14th January 2016 for application in the Council's revised local scheme from the 1st April 2016.

4. WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

Localised council tax support is a means tested form of help to assist the poorest of Doncaster's citizens towards reducing the amount of Council Tax they have to pay.

There are over 27,950 households receiving a reduction in their Council Tax from the local support scheme in Doncaster. Of these over 12,620 are of pension age and more than 15,330 are of working age on a low income.

5. BACKGROUND

Under national Welfare Reforms, the Council Tax Benefit scheme was replaced by localised Council Tax Support from 1 April 2013. Once a Local Council Tax Support scheme has been made by the Council, it cannot be revised for at least one financial year. A billing authority must, however, consider whether to revise or replace its scheme with another one on an annual basis. In practice, this requires any options to significantly amend the scheme other than the prescribed requirements to be

considered as part of the budget setting process to enable the decision making processes to be concluded in time for Council Tax annual billing preparations.

Any replacement or revision to a scheme must be made by the Council by 31 January immediately before the financial year in which it is to take effect. The decision to approve the scheme is reserved for Full Council and cannot be delegated.

Consideration is also required to be given to transitional provisions where the support is to be reduced or removed as the Authority thinks fit. The Local Government Finance Act states that a billing authority must have regard to any guidance issued by the Secretary of State.

The abolition of Council Tax Benefit and move to a Local Council Tax Reduction Scheme saw the existing demand-led benefit subsidy scheme replaced by a fixed grant that is at least 10% lower in value than the previous 100% subsidised scheme and probably more in the region of around 19%. This was anticipated to require financial savings in the region of £3.3 million for 2013/14 and subsequent years dependent upon growth in claimant numbers and Council Tax levels, and based upon the Council's share of the reduced funding. A significant proportion of this reduced funding was required to be found from removing Council Tax discounts and exemptions on empty properties and second homes.

In 2013/14, one-off transitional protection funding was made available aimed at those authorities who made the most of opportunities to find savings across their budgets to be able to develop local council tax support schemes that protected the poorest. Doncaster received this funding in 2013/2014, however, the funding then ended meaning the Council had to make some cuts to its scheme in 2014/15 following public consultation. No transitional funding has been made available in 2015/16 or 2016/17.

The loss in Government funding has meant we have less money available in the General Fund to help working age people and, when designing the scheme, we had to make some very difficult decisions about how to reduce the amount of Local Council Tax Support we give to working age people. We know that many people on low incomes have been required to either pay some Council Tax or pay more towards their Council Tax.

Through the Prescribed Requirement Regulations, the Government continue to confirm their commitment to protecting pensioners on low incomes, who it does not want to see disadvantaged as a result of the introduction of local council tax support schemes. The intention has always been that the provisions for pensioners will replicate, as far as possible, the provisions under which pensioner eligibility for Council Tax Benefit was assessed. To ensure that this protection is maintained, the Government has amended the Prescribed Requirements Regulations again to uprate the allowances, premiums and non-dependent deductions for pensioners for 2016/17. We are required to include in our scheme all matters covered by the Prescribed Requirement Regulations.

To deliver this protection, and to keep the allowances and premiums which measure need broadly in line with those for Housing Benefit, the Authority has to meet these costs. The amendments were made in December in line with Pension Credit uprating.

The implementation of Local Council Tax Support coincided with other major reforms to the welfare system; the overall Benefit Income Cap; Housing Benefit restrictions for under-occupation in the social sector; Discretionary Housing Payments and other welfare reform changes such as benefit sanctions. Other changes which are currently on-going are the replacement of Disability Living Allowance with Personal Independence Payments, the review of Employment Support Allowance cases and the introduction of Universal Credit. Some claimants may already have been affected by multiple changes arising from the reforms and be subject to further welfare reform changes in the coming years.

The amount we have awarded in Local Council Tax Support in 2015/16 is lower than initially estimated as the caseload for LCTS has not continued to rise at the levels we experienced in the previous years of the economic downturn. This has contributed to an increased tax base and surplus in the Collection Fund which will be considered as part of the Council's budget and tax setting process.

The Local Government Finance Act 2012 placed a requirement on the Government to conduct a review of all LCTS schemes within 3 years of the Act taking effect. This review was launched on the 2nd December 2015 and is due to report by the 31st March 2016. The review will look into how LCTS schemes are working across the country. The review will also consider whether it should form part of the Universal Credit payment system in the future.

6. OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTIONS

It is proposed that the revised Local Council Tax Support scheme has the following features:-

- i. It continues to provide support for pensioners and other changes in line with the requirements of The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015.
- ii. It continues with a local disregard of various war pensions and war disablement pensions which are only partially disregarded under the national regulations. The cost of this to be borne locally for 2016/17 is estimated at £50,000. This is in line with the Mayor's priority to be a strong voice for our veterans.
- iii. It continues to provide maximum support to the poorest households defined as those on 'passported' benefits (Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance and for those with income below their needs allowance (applicable amount which is the measurement of need).
The amounts of the following will be increased or frozen in line with the increase in rates set out by the Secretary of State in the Housing Benefit regulations (for working age claims) and amendments to the Prescribed Requirement Regulations (for pension age claims).

- iv. All other aspects of the scheme remain as in the previous scheme agreed for 2015/16.

When the scheme for 2015/16 was approved by Council, Members indicated that it was hoped that further local changes to the scheme would not be required in 2016/17 other than those required under the prescribed requirements and the consideration of the annual uprating of allowances and premiums used to calculate support.

7. IMPACT ON THE COUNCIL'S KEY OUTCOMES

	OUTCOME	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>To maintain work incentives within the proposed scheme such as earnings disregards to assist in making work pay.</p> <p>Earnings disregards, taper and extended payments help people into work and to keep more of their earnings.</p> <p>Increased earnings disregards for lone parents and people with disabilities provide extra help to those with more significant barriers to work.</p> <p>Using our discretionary power in our Local Council Tax Support scheme to disregard war widows and war disablement pensions</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Help protect those with the lowest incomes, minimising financial pressures on those with least ability to pay their Council Tax.</p> <p>Disregards and extra premiums for those who receive disability benefits ensure extra costs for those with disabilities are catered for when the amount of Council Tax they must pay is calculated.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Applicable amounts are designed to give families a higher needs allowance than those without children.</p> <p>Disregard of childcare costs for authorised providers ensures families can improve their incomes through work whilst providing adequate care for their children.</p>

	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>To maintain work incentives within the proposed scheme such as earnings disregards to assist in making work pay.</p> <p>Earnings disregards, taper and extended payments help people into work and to keep more of their earnings.</p> <p>Increased earnings disregards for lone parents and people with disabilities provide extra help to those with more significant barriers to work.</p>
	<p>Council services are modern and value for money</p>	<p>Using savings gained from changes to Council Tax discounts and exemptions in the Collection Fund to support the scheme.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>As part of Team Doncaster Strategic partnership we have worked with our partners on the Anti-poverty steering group and Financial inclusion group to deliver outcomes to support those experiencing poverty and subject to welfare reforms.</p>

8. RISKS AND ASSUMPTIONS

The Council is required to have a local Council Tax Reduction Scheme and would not be discharging its duties with regard to equality, disability, child poverty or with regard the Armed Forces Covenant if it did not provide a level of support. Significant hardship would be caused to many of the poorest households in Doncaster who receive full and partial Council Tax Support, meaning their income is so low that they do not have the means to pay Council Tax. It is unlikely that as a billing authority we would be in a position to collect all the Council Tax charge from those who are poorest in Doncaster with the least means to pay.

9. LEGAL IMPLICATIONS

Under Section 13A (2) Local Government Finance Act 1992 as amended, each billing authority in England is required to make a Council Tax Reduction Scheme which specifies the reductions to Council Tax payable, by persons or classes of persons whom the authority considers to be in financial need.

For each financial year, billing authorities must consider whether to either review or revise their schemes and this must take place no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect. Before making a scheme (or revising or replacing it) the billing authority must consult any major precepting authority which has power to issue a precept to it, publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme.

10. FINANCIAL IMPLICATIONS

There are over 27,950 households receiving a reduction in their Council Tax from the LCTS scheme in Doncaster. Of these over 12,620 are of pension age and more than 15,330 are of working age on a low income.

It is estimated that expenditure on LCTS in 2015/16 will be £19.932m compared to £20.551m assumed in the 2015/16 council tax base setting report as the caseload has not risen at the levels experienced in the previous years of the economic downturn. This has contributed to an increase in the Council Tax base and Collection Fund surplus which is being considered as part of the Council's budget and tax setting process.

The estimated cost of LCTS for 2016/17 is £20.672m.

Any reduction in LCTS granted represents additional money that the Council has to collect from Council Tax payers so there is an associated risk of non-collection.

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	X
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

11. HUMAN RESOURCES IMPLICATIONS

There are no direct human resource implications arising from this report other than an increase in council tax and subsequent increase in the number of claims that require processing. It is anticipated that this will be managed within existing resources.

12. TECHNOLOGY IMPLICATIONS

There are no additional technology implications arising from this report that can't be managed through the Northgate revenues and benefits system.

13. EQUALITY IMPLICATIONS

The Public Sector Equality Duty (PSED) was created by the Equality Act 2010 and replaces the race, disability and gender equality duties. The duty came into force in April 2011 and places a duty on public bodies and others carrying out public functions. The new Equality Duty requires public bodies to have due regard to the need to:-

- a. Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected groups are: age, civil partnership and marriage, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation. The Council's Equality and Inclusion Plan 2013-2017 has been developed alongside our financial planning process and has included a significant analysis of equality information to identify the key equality issues across Doncaster. The findings from this analysis have led to the development of our equality objectives which can be viewed on our website.

We have ensured in developing the Local Council Tax Support scheme that we make fair and informed financial decisions, demonstrating our commitment to improving outcomes of the poorest and often vulnerable groups of people living in Doncaster and at the same time showing due regard to the Public Sector Equality Duty. We have used the findings of this extensive review and equality analysis undertaken in 2014/15 which is still relevant for this review of the scheme and we have updated relevant data as part of the process. This information is detailed and provided at Appendix 1 to this report.

14. CONSULTATION

The changes being proposed for the scheme are solely in line with the Prescribed Requirement Regulations. As such, the changes to the scheme for 2016 do not require public consultation.

The anticipated impact of the proposals on the tax base and Collection Fund surplus have been considered which impacts on the major preceptors' budget moving forward.

The billing authority is also required to maintain a surplus on its Collection Fund and we are required to consider the risks of non-collection when developing the scheme. All of these proposals carry significant risks in terms of collecting the tax from low income households who may not have the means to meet all of the additional financial challenges they are facing in these difficult economic times.

15. BACKGROUND PAPERS

Various circulars and legislation, the requirements of The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015.

16. REPORT AUTHOR & CONTRIBUTORS

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DONCASTER METROPOLITAN BOROUGH COUNCIL**EQUALITY AND DIVERSITY IMPACT ASSESSMENT**

Comp Date: 02/12/2013, reviewed annually
Latest review 15/12/2015

Directorate:	Finance and Corporate Services
Department:	Finance
Service Area:	Revenues and Benefits

Title/Name of Initiative:

Review of Local Council Tax Support scheme -
 A scheme that replaced Council Tax Benefit that continues to provide help to low income households in Doncaster with paying their Council Tax.

Type of Initiative: *(Select all that apply)*

Policy/Strategy..... <input checked="" type="checkbox"/>	New or Proposed..... <input type="checkbox"/>
Project..... <input type="checkbox"/>	Changing/Updated..... <input checked="" type="checkbox"/>
Service..... <input type="checkbox"/>	Review of existing..... <input type="checkbox"/>
Function..... <input type="checkbox"/>	

Other *(please Specify)* _____

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SECTION 1: PPSF BACKGROUND

Briefly describe the PPSF:

The Local Government Finance Act 2012 proposed measures that required Doncaster Council, along with all other local authorities in the country, to design a Council Tax Reduction scheme (known as Local Council Tax Support) from 1 April 2013 to support its residents to pay their Council Tax. This replaced the former national Council Tax Benefit scheme.

In designing their local scheme, all authorities were mandated to include certain criteria as set out in the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012. These regulations covered how support must be worked out for people of pension age and certain other matters which the Council has no discretion over.

The funding for the former Council Tax Benefit scheme was provided by the Government through Departmental Expenditure Limits (DEL). This meant that the annual expenditure was covered by the Government, no matter the demand on the scheme.

The funding for the local scheme provided by the Government is through Annually Managed Expenditure (AME), meaning a fixed grant is awarded for the year which does not reflect any changes in demand for the scheme over the year. The grant in the first year of the scheme was based on 90% of the Government's estimate of what the annual expenditure would have been under the Council Tax Benefit scheme. The Government's estimate of expenditure, provided by the Office for Budget Responsibility, was based on overall national Council Tax Benefit expenditure which was expected to fall. However, figures for Doncaster showed an expected rise in expenditure and therefore the reduced funding amounted to around 19% locally and totalled over £3 million.

In order to mitigate some of the loss in funding, the Council changed the way it charges Council Tax on certain properties that are left empty and on second homes. This meant the full extent of the reduced funding did not have to be reflected in the local scheme design and left more money available to support people on low incomes. The Council also successfully applied for a Government one-year transitional grant of £460,247 in 2013/14 as it designed its scheme in a way that met the Government's objectives to protect the poorest households.

Due to the additional revenue raised from the changes to Council Tax on empty properties and second homes and the transitional grant, the Council was able to design its local scheme in a way that largely followed the former Council Tax Benefit scheme. Some changes had to be made to reflect the net funding loss but these were relatively minor.

The Government has confirmed that the Council will not receive any transitional grant and that they will have to uprate the allowances used in the calculation of support for pensioners. In order to manage this shortfall, the local scheme must either:

- Reduce expenditure under the scheme compared to support granted in 2015/16 or take part from reducing the collection fund surplus; or
- Maintain or increase expenditure compared to 2015/16 expenditure on Local Council Tax Support but cut other Council budgets.

What is the aim and intended outcome of the PPSF?

Doncaster Council's intention is to ensure its Local Council Tax Reduction scheme continues to provide support to low income households in Doncaster, whilst managing the decrease in funding.

The aims of this policy are:

- to mitigate cuts to the Council Tax Support of Doncaster residents with the lowest income, to ensure that the most vulnerable are not disadvantaged and that Council Tax is proportionately paid by those most able to pay;
- to manage the cost of the scheme within the available funds, ensuring that additional burdens are not put upon the general fund at further cost to local taxpayers;
- to maintain a scheme that meets the requirements of the Local Government Finance Act and associated legislation and that takes account of the ongoing process of welfare reform so that those most affected by other benefit cuts are not disproportionately affected by changes to Council Tax Support;
- to reduce and mitigate the effects of child poverty and inequality in line with the Council's equality duties;
- to maintain a scheme that has regard for those vulnerable to homelessness and to mitigate the impacts on those people;
- to ensure that the scheme is clear and easy to understand for applicants and to simplify administration where possible.

The Government's policy objective for localising Council Tax Support is:

'To reduce spending on support for Council Tax, in a way which:

- is consistent with Government's localisation agenda, and in particular supports local decision-making and accountability over spending decisions;
- ensures that vulnerable groups, in particular pensioners, are protected from increases in Council Tax as a result of this reform;
- gives local authorities a greater stake in the economic future of their area and creating stronger incentives;
- supports the improved work incentives to be delivered through Universal Credit, as part of Government's programme of welfare reform.'

Who is the PPSF going to benefit or have a detrimental effect on?

Existing and potential Local Council Tax Support claimants will be directly affected by the policy. Those residents who pass a means test defined under the scheme will receive financial benefit from this policy

Doncaster Council has chosen to use the full amount of the funding provided by the Government to fund this scheme. This will have a beneficial impact on residents with low incomes as it will help them to pay their Council Tax.

If the policy does not adequately manage the funding reduction, the Council's general finances will be affected. If the cost of the scheme exceeds the allocated budget, the extra costs will be borne by the general Council Tax payer and may impact on the Council's overall budget and that of the major preceptors of fire and rescue.

The Council's current Local Council Tax Support scheme is based largely on the former Council Tax Benefit scheme. The Council wishes to continue to replicate most of the

former rules to work out support but with some modifications to reflect the loss in Government funding.

By continuing to provide a local scheme similar to the former Council Tax Benefit scheme, the Council will avoid confusion amongst benefit recipients and supporting agencies. This will ensure a general continuation of support for residents in a manner that is familiar and allows the Council to continue to support people on low incomes.

This scheme means tests applicants' incomes against their needs.

The reduction in funding for year 3 means that the local scheme will not be able to support working age people as much as was possible under Council Tax Benefit or under the first year of the local scheme. The Council published a number of proposals as part of its consultation on the review of the local scheme for 2014/15. At that point it was stated that the Council hoped that the scheme could also remain in place for 2015/16 and 2016/17 with modifications only for the prescribed requirements and uprating of allowances and premiums. The proposals were presented as changes to the existing scheme and were adopted from 1 April 2014:

1. Increase the income taper (rate at which Local Council Tax Support is withdrawn where a person has more income than their needs allowance, (also known as their 'applicable amount')) from 25% to 30%.
2. Include Child Benefit received for all children as income in the calculation of Council Tax Support

By adopting these measures in the scheme review and maintaining all other aspects of the scheme we are attempting to ensure any additional amount those currently in receipt of support will be required to pay is kept to a minimum.

1. Those with the lowest incomes comparative to their needs will not be required to pay Council Tax.
2. Those currently paying something towards their Council Tax will be asked to pay more if they are affected by the above changes.
3. Earnings disregards and extended payments for those entering work will be maintained in the scheme to provide work incentives and promote higher income levels.
4. Allowances and premiums used in the calculation of the 'applicable amount' will be uprated in line with the Government amounts used in the calculation of working age state benefits.
5. Prior to October 2009 all Child Benefit was treated as income in the calculation of Council Tax Benefit. Elements in the applicable amount will be kept at levels to ensure that income received for children is lower than the needs allowance awarded for children.

What barriers are there to achieving your aims and intended outcome?

The loss of transitional grant and extra costs of uprating the allowances and premiums used to calculate support is the principle barrier to achieving the aim of fully protecting low income and vulnerable households.

There is no easy solution to dealing with the further shortfall in Government funding for the scheme. The Council has already taken full advantage of its ability to review its policy on

Council Tax discounts and is unable to raise any extra revenue from this area. Funding the further reduction from service cuts would put huge pressure on the Council's already difficult financial position. Passing on the cost to residents would lead to higher Council Tax bills. The Council is also reducing its collection fund surplus to assist in funding the support and balancing its budget.

Although the Government has cut the funding for the scheme they have mandated a scheme for pensioners that must be funded in full by the Council. The pensioner scheme provides support at the level of the former Council Tax Benefit scheme. This means that the Government is directing all of its cuts at people of working age.

The fixed nature of the grant means that any increased demand for support under the scheme must come from reduced resources. This means that any scheme must have facility for coping with increased demand from such potential pressures as increased unemployment or a drop in numbers in full-time work, etc.

The Council introduced changes to its Local Council Tax Support scheme in order to meet the funding pressures for 2014/2015 and to maintain these changes in 2015/16 and 2016/17.

SECTION 2: INFORMATION, NEEDS AND CONSULTATION

Information

What information/data has influenced your PPSF?

This policy is based on the requirements of the Local Government Finance Act 2012, the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 and Amendment Regulations 2013, 2014 and 2015.

The policy takes consideration of the former Council Tax Reduction Schemes (Default Scheme) Regulations 2012 and Department for Communities and Local Government (DCLG)'s guidance papers on vulnerable people and taking work incentives into account.

It takes into account the national Equality Impact Assessment undertaken by DCLG.

All of these documents are available on the DCLG website.

What are the key points/issues to be drawn from this information/data?

The Government's expectations of a fall in benefit recipients as Universal Credit is rolled out are difficult to project in terms of the impact for Doncaster. Universal Credit has started to be rolled out in Doncaster for single people from the 29th September 2015 with full roll out to be completed by 2020/21.

The proposal adopted to increase the taper for those with excess income does not affect those whose income is at or below their applicable amount. Only those with excess income were asked to pay more. It affected 2,415 households set at the rate of 30%.

The proposal to take Child Benefit into account does not affect those whose income is at or below their applicable amount. Only those with excess income and with dependent children in their households are asked to pay more. This affected 1,597 households.

What gaps are there in the information/data?

The detailed analysis of existing support claimants cannot provide significant data on the impact on race/ethnicity, religion/belief, marriage/civil partnership, pregnancy/maternity, gender reassignment or sexual orientation. These characteristics are not collected in the assessment of Local Council Tax Support. Data in many of these areas is available borough wide from the 2011 Census, but comparisons with support claims are not possible.

Information on disabilities is only kept where a disability has a financial impact on the assessment of support. This means that information is not available where people with disabilities who do not receive disability benefits or who receive disability benefits that do not affect their Council Tax Support, such as those also in receipt of Income Support, Income-based Jobseeker's Allowance or Income-related Employment and Support Allowance.

Consultation

Who have you consulted with? When and how?

As part of forming the 2014/15 major review of the scheme a list of potential options for the scheme review was presented to elected members. This helped to reduce the number of variables for effectively managing the funding cut from central government.

The actual consultation included four proposals for change. In addition to those outlined on page 6, two further proposals were included in the consultation:

Proposal 3 to introduce a maximum limit of 80% of the Council Tax charge to the amount of support that could be awarded: This proposal would have affected all 16,707 working age households currently in receipt of support including all the poorest households as well as new claimants. This proposal would also have generated savings of over £2.5 million which is far in excess of the level required.

Proposal 4 to limit the maximum support award to the charge for a Council Tax band B property: This proposal would have affected 1,110 working age households currently in receipt of support including 846 households in receipt of 'passported' benefits such as Income Support and income-based Job Seeker's Allowance.

Formal consultation took place with major preceptors on the draft proposals for the scheme review. This was primarily in relation to the financial implications on those preceptors and does not have significant bearing on this impact assessment.

A wide-ranging consultation with residents took place from 7th October 2013 to 17th November 2013. As the only changes proposed for 2016/17 are those contained in the prescribed requirement regulations (2015) which we are required by law to implement no consultation has occurred during 2015/16.

The major review and consultation in 2014/15 entailed:

- Writing to a selection of working age Local Council Tax Support recipients in the borough who were potentially affected by the proposals, to inform them of the potential changes and inviting them to comment on the proposals;
- A questionnaire available on the Council website;
- Publicising the changes on the Council's website, alongside the questionnaire, including a summary of the proposals for change and case studies showing how people would be affected;
- Information stands in the customer waiting area of the Council's Civic Office;
- A dedicated phone line and answer phone set up by the Benefits Team;
- Presenting to stakeholder groups including the:
 - Doncaster Financial Inclusion Group (FIG) including representation from:
 - DMBC Success Doncaster
 - Department for Work and Pensions
 - JobCentre Plus
 - DMBC Private Sector Housing
 - Doncaster CAB
 - South Yorkshire Centre for Inclusive Living (SYCIL)
 - DMBC Housing Options
 - Doncaster West Development Trust
 - DMBC Trading Standards

- South Yorkshire Credit Union
- St Leger Homes of Doncaster (SLHD)
- Refurnish
- Probation Services
- DMBC Children Services
- DMBC Adult Services
- Doncaster Disability Focus Group
- BME New Settlers Tenants and Residents Association
- A general awareness campaign including press releases to local press, a poster campaign in libraries and the Civic Office, and publicity in HouseProud magazine.
- Publicity on Facebook and the Chief Executive's twitter account.

Staff at libraries, St Leger Homes and the Civic Office were able to provide assistance to complete the web questionnaire. Facility to assist completing the questionnaire was also provided over the telephone.

A report on the outcome of the consultation is available on request.

SECTION 3: IMPACT ON EQUALITY CHARACTERISTICS

Will the PPSF have an impact upon specific groups in the community?

The policy will primarily impact upon low-income, working-age households in the borough. The majority of those affected are in work and all have incomes greater than the minimum they reasonably require to live on.

Those whose income is below the minimum reasonably needed to live on will not be adversely impacted by the review of the scheme. This includes those on Income Support or Income-related Employment and Support Allowance who cannot work due to child care commitments, disability or sickness.

There are 15,330 working age households in Doncaster receiving Local Council Tax Support. Of these households 12,064 will receive maximum support under the revised scheme. Therefore the number affected by the policy from last year is 3,266 (Scheme is not changing so this is not necessary).

Of those working age households currently claiming Local Council Tax Support:

- 11,610 households receive an out of work social security benefit;
- 3,720 households are in work (and do not receive an out of work social security benefit);
 - 2,643 households have earned income;
 - 1,449 households have income above their applicable amount (1,340 have earned income);
 - 1,539 households contain children, (651 have 1 child);
 - 30 households receive a war pension;
 - 1,052 households receive a disability premium in their applicable amount;
 - 1,038 households are lone parents;

Does the PPSF affect any groups in a different way to others?

The policy will not have a significant impact on people of pension age. These people will continue to have their support assessed under national rules that are designed to replicate the former Council Tax Benefit system as much as possible.

The policy contains a number of measures within the means test to provide extra support for certain types of household or in particular circumstances:

Measure in scheme	Impact
Those receiving Income Support, Income-based Jobseeker's Allowance or Income-related Employment and Support Allowance will receive full support.	Ensures that those on a benefit that awards an income that Social Security regulations deem to be the minimum necessary to live on are guaranteed the highest possible support allowed under the scheme.
Personal Allowances in applicable amount which mirror existing Social Security benefits such as Income Support and Jobseeker's Allowance.	Those on incomes at or below the figures set by the Government as the minimum necessary to live on will receive the maximum support under the scheme.

Disability Premium, Enhanced Disability Premium, Severe Disability Premium and Disabled Child Premium in applicable amount	If family members receive certain disability benefits, they are allowed to keep more of their income before their benefit is reduced. This reflects the extra demand on finances for people with disabilities.
Family premium in applicable amount	This extra amount of money in the applicable amount reflects the extra demand on finances for families and is designed to offset the income received for children such as Child Benefit.
Dependent's Allowance in applicable amount	Set at a level designed to offset the basic rate of Child Tax Credit and Child Benefit so that no income intended for care of children is used for paying Council Tax.
Carer Premium in applicable amount	An extra amount of money in the needs allowance designed to reflect the costs incurred when providing full time care.
Disregard of Disability Living Allowance	Protects people with disabilities by ensuring this money can be used to support their needs and does not have to be used to pay Council Tax.
Disregard of War Pension, War Widows Pension, War Disablement Pension	As part of the Armed Forces Covenant, protects former members of the armed forces and their families by not taking any of their war pensions into account when determining how much money they have to pay their Council Tax. This ensures the scheme does not make anyone worse off due to their service in the armed forces.
Earnings disregards are set at : £5 for single people £10 for couples £20 for people with disabilities, carers, and certain special occupations including part-time firemen and members of the Territorial Army £25 for lone parents	Protects people with disabilities, carers, those in special occupations and lone parents by allowing them to keep more of their earnings before applying the means test.
Extended Payments	Provides four extra weeks support for those who stop receiving Jobseeker's Allowance, Income-related Employment and Support Allowance or Income Support due to starting work or working more hours.
No non-dependant deduction for applicants that are registered blind or receiving Disability Living Allowance, Attendance Allowance	Ensures that people who require assistance at home due to a disability do not receive a penalty if someone lives with them.
Disregard of child care costs if household in work	An amount of the applicant or partner's earnings is disregarded to take into account child care costs, ensuring that care for children is not a barrier to entering work.

Does your PPSF either directly or indirectly discriminate?

The scheme does not directly discriminate. See the table above for an explanation of measures that provide extra support to certain groups.

What level of impact does/will this PPSF have on people?

High.....

Medium.....

Low.....

This policy will have an impact on people currently receiving Local Council Tax Support who have income above their assessed needs, and have dependent children. The changes to the current support scheme will mean that some people will have to pay more Council Tax than they have previously paid and some will have to pay Council Tax for the first time.

Characteristic 1: Age

What type of impact does/will this PPSF have on people of different ages? *Select all that apply:* Positive..... Negative..... Neutral.....

Positive -

- Pension Age: The policy will not have a significant impact on people of pension age. These people will continue to have their support assessed under national rules that are designed to replicate the former Council Tax Benefit system as much as possible.

Negative –

- Working Age: 3,266 households were affected by the previous scheme review. The majority are people whose income is above the minimum the government decide people reasonably need to live on (known as the Applicable amount or needs allowance).

Improvements already made:

Pension Age –

- Although the scheme for pensioners is set by the Government, additional support has been awarded by the Council in the form of a total disregard of all forms of war pension in the means test.

Working Age –

- There are a number of measures within the scheme that advantage working age people with particular needs. See the table on page 10 of this report.

SMART actions to be taken:

Review the impact of the new scheme on equality characteristics and monitor the impacts.

Characteristic 2: Disability

What type of impact does/will this PPSF have on people with **disabilities**? (Select all that apply) Positive..... Negative..... Neutral.....

The proposed changes contain a number of measures to ensure that people with disabilities receive support.

Improvements already made:

- Applicants who receive Income Support by virtue of having a disability, or who receive an Income-related Employment and Support Allowance, are automatically entitled to the maximum amount of support.
- Additional premiums are included in the applicable amount for those in receipt of disability benefits. These include a Disability Premium, Enhanced Disability Premium, Severe Disability Premium and Disabled Child Premium and the Support or Work Component for people who receive Employment and Support Allowance. This means that if family members receive certain disability benefits, such as Disability Living Allowance, Personal Independence Payments, Long-term Incapacity Benefit or Employment and Support Allowance, they are allowed to keep more of their income before their support is reduced. This reflects the extra demand on finances for people with disabilities.
- Total disregard of Disability Living Allowance, Personal Independence Payments and War Disablement Pension in the means test. This protects people with disabilities by ensuring this money can be used to support their needs.
- The basic earnings disregard for people with a disability is set at £20, rather than the standard £5 for a single person or £10 for a couple. This ensures that disabled people who work are able to keep more of their earnings as their costs involved in that earning, may be greater.
- For applicants who are blind or who receive the care component of Disability Living Allowance or Personal Independence Payment, no non-dependent deduction is ever taken from their entitlement. This reflects the common situation where a family or other household member provides support and assistance to a person with disabilities, and ensures no penalty is suffered by the household as a consequence.

SMART actions to be taken:

Review the impact of the new scheme on equality characteristics and monitor the impacts.

Characteristic 3: Gender

What type of impact does/will this PPSF have on people of different gender? (*Select all that apply*) Positive..... Negative..... Neutral.....

The means tested scheme is based on income and household circumstances that are not influenced by gender. The scheme itself does not impact anyone differently on grounds of gender.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 4: Race and Ethnicity

What type of impact does/will this PPSF have on people of different race or ethnicity? (*Select all that apply*) Positive..... Negative..... Neutral.....

The means tested scheme is based on income and household circumstances that are not influenced by race and ethnicity. The policy itself does not impact anyone differently on grounds of race or ethnicity.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 5: Religion or Belief

What type of impact does/will this PPSF have on people of different beliefs or religion?

(Select all that apply) Positive..... Negative..... Neutral.....

The means tested scheme is based on income and household circumstances that are not influenced by religion or belief. The policy itself does not impact anyone differently on grounds of religion or belief.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 6: Sexual Orientation

What type of impact does/will this PPSF have on people of different sexual orientation?

(Select all that apply) Positive..... Negative..... Neutral.....

The means tested scheme is based on income and household circumstances that are not influenced by sexual orientation. The policy itself does not impact anyone differently on grounds of sexual orientation.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 7: Marriage and Civil Partnership

What type of impact does/will this PPSF have on marriage/civil partnership? *Select all that apply:-* Positive... Negative... Neutral...

The means tested scheme is based on income and household circumstances that are not influenced by marriage and civil partnership. The policy itself does not impact anyone differently on grounds of marriage and civil partnership.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 8: Pregnancy and Maternity

What type of impact does/will this PPSF have on people experiencing pregnancy/maternity? *Select all that apply:-* Positive... Negative... Neutral...

The means tested scheme is based on income and household circumstances that are not influenced by pregnancy and maternity. The policy itself does not impact anyone differently on grounds of pregnancy and maternity.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Characteristic 9: Gender Reassignment

What type of impact does/will this PPSF have in relation to gender reassignment? *Select all that apply:-* Positive... Negative... Neutral...

The means tested scheme is based on income and household circumstances that are not influenced by gender reassignment. The policy itself does not impact anyone differently on grounds of gender reassignment.

Improvements already made:

Not applicable

SMART actions to be taken:

Not applicable

Other socially excluded groups or communities

What type of impact does/will this PPSF have on people of other socially excluded groups or communities?

Select all that apply:- Positive..... Negative..... Neutral.....

The scheme protects the following groups of people

Of those working age households currently claiming Local Council Tax Support:

- 11,610 households receive an out of work social security benefit;
- 3,720 households are in work (and do not receive an out of work social security benefit);
 - 2,643 households have earned income;
 - 1,449 households have income above their applicable amount (1,340 have earned income);
 - 1,539 households contain children, (651 have 1 child);
 - 30 households receive a war pension;
 - 1,052 households receive a disability premium in their applicable amount;
 - 1,038 households are Lone Parents;

Improvements already made:

See page 10 of this report for details of how aspects of the scheme support people with different household circumstances.

SMART actions to be taken:

Review the impact of the new scheme on equality characteristics and monitor the impacts.

SECTION 4: ACTION PLAN

Please describe how undertaking this EIA is going to feed into improving your PPSF:

By ongoing monitoring and review any improvements will be identified to feed into a subsequent review of the operation of the scheme.

Key actions and targets:

Group	Identified Equality Actions/Targets	Barriers	Deadline	Responsible Officer
	Reviewing the impact of the scheme on equality characteristics and monitoring the impacts.	Time and resources	By October 2016	Benefits team
	Establishing a communication action plan to ensure that enough information is available for people to claim Council Tax Support	Time and resources	March 2016	Benefits team
	Assess the incomes of those in extreme hardship and ensure and what support is required – consider use of section 13A(c) to support such cases	Time and resources	On-going	Revenues and Benefits team
	Monitor and review any complaints and challenges to the scheme	Time and resources	On-going	Revenues and Benefits team

Appendix2

The Local Council Tax support scheme coming into force on the 1st April 2016

<http://www.doncaster.gov.uk/services/council-tax-benefits/what-is-local-council-tax-support>