



COUNCIL CABINET
12 December 2018

ITEM 9

Report sponsor: Don McLure, Strategic Director of
Corporate Resources
Report author: John Massey, Head of Revenues,
Benefits and Exchequer Services

**Approval of the Council Tax Support Scheme (CTS) for
2019/2020**

Purpose

- 1.1 Derby's local Council Tax Support (CTS) Scheme was introduced from 1 April 2013, to replace the national Council Tax Benefit (CTB) Scheme which had been abolished by Central Government. The CTS Scheme assists working age claimants who require financial assistance with paying their Council Tax bills. Pensioners are not affected by the CTS Scheme as they are treated separately under different legislation.
- 1.2 On 11 July 2018 Universal Credit Full Service (UCFS) started to be rolled out in Derby. This has, and will continue to have, significant practical implications for most working aged people on a low income who are entitled to financial help with their housing costs. It means that these claimants will now have to make two separate claims – one for UCFS to the Department for Work and Pensions (DWP), and one for CTS to the Council. This raises the prospect of UCFS claimants failing to claim CTS promptly which means they could lose out on their CTS entitlement.
- 1.3 Under the Council's current CTS Scheme, CTS claims can only be backdated for up to one month from the date that the claim is made. This means that if any claimant delays making their CTS claim they may lose out on receiving help with their Council Tax. This could lead to them getting into financial difficulties and falling into arrears with their Council Tax payments.
- 1.4 On 8 August 2018 Council Cabinet agreed that a consultation would take place about making a change to the CTS Scheme, to take effect from 1 April 2019. The proposal was to extend the maximum backdating time limit from one month to three months. The Scheme must be changed by 11 March 2019 in order to take effect from 1 April 2019.
- 1.5 The purpose of this report is to present the Council's CTS Scheme from 1 April 2019 for approval, following the consultation that has taken place.

Recommendation

- 2.1 To approve the Council's CTS Scheme from 1 April 2019, which is shown at **Appendix 1**. This includes extending the maximum backdating time limit from one month to three months.

Reason

- 3.1 To ensure that those customers who do not claim Council Tax Support at the time they first need help – particularly those claiming Universal Credit Full Service - are

able to receive more help, if they are entitled to it.

Supporting information

- 4.1 Council Tax Support claims are usually paid from the date that they are made. However, if the claimant can show good cause for not claiming promptly when they first needed help, we can backdate their claim to an earlier date. Since 1 April 2017, the CTS Scheme has used the same backdating time limit as the Housing Benefit (HB) Scheme, which is one month. Pensioners are treated differently under legislation provided by the Government; their backdating time limit is three months.

Public/stakeholder engagement

- 5.1 Exploratory discussions about the proposed change to the Scheme took place on 23 July 2018 with the Council's Major Precepting Authorities (MPAs) – that is, Derbyshire Fire and Rescue Service and Derbyshire Police and Crime Commissioner. They were also invited to take part in the public consultation.
- 5.2 A public consultation was carried out for four weeks between 3 September 2018 and midnight 1 October 2018. **Appendix 2** sets out the Consultation Plan. The public consultation was done mainly online, which is the format in which the vast majority of CTS claims are lodged and processed. However, paper forms were made available for those who could not engage online, to ensure all citizens could take part in the consultation.
- 5.3 The material used for the consultation is at **Appendix 3**.
- 5.4 A detailed analysis of the consultation responses is at **Appendix 4**.
- 5.5 During the consultation period an Equalities Impact Assessment (EIA) meeting was arranged and a draft assessment was prepared. However, some participants indicated that there were no concerns about the proposal, so it was agreed that instead of meeting to do the assessment, comments would be collated electronically. Feedback from the participants was then used to compile the final assessment. The resulting EIA is attached to this report at **Appendix 5**, and should be taken into account as part of considering the recommendation for the change to be made to the Scheme.
- 5.6 The public consultation for the proposed changes to the CTS Scheme included an explanation of why we were consulting; explained how the respondent could give their views; sought views on the proposed change and included questions regarding the respondent's circumstances. The consultation document was available online and also in a paper format.
- 5.7 The Consultation Plan at Appendix 2 shows the full timetable of activities that were undertaken to engage the public and other stakeholders. This included publicising the consultation using Derby Newsroom, social media, AV screens in the Council House, and the citizen's panel Reach Out. The consultation was also promoted internally to all Council staff using electronic bulletins.

- 5.8 This comprehensive and inclusive consultation approach resulted in 32 responses, all of which were online. 15% of respondents were receiving CTS at the point of completing the questionnaire. No respondents were receiving Universal Credit. All respondents were residents of Derby.
- 5.9 One of the Major Preceptors – Derbyshire Police and Crime Commissioner – responded to our invitation to take part in the consultation by advising that as the impact of the proposed change looked minimal or non-existent they were supportive of the change.
- 5.10 The online consultation responses can be summarised as follows:

Proposal	In favour	Against	No overall opinion either way	Total
To extend the maximum backdating time limit from one month to three months	84.4%	12.5%	3.1%	100%

- 5.11 Views provided as part of the Equalities Impact Assessment (EIA) concluded that the proposed change would have positive impacts on those claimants affected. No negative impacts for any of the equality groups were identified.

Other options

- 6.1 Do nothing. This has been rejected, because the Scheme would not offer any additional help for those CTS claimants who make late claims with the Council – particularly those also claiming UCFS.

Financial and value for money issues

- 7.1 It is estimated that the proposed change would mean that the annual cost of administering the CTS Scheme could increase by around £11,562 for 2019/20 (based upon 2018/19 Council Tax charges).
- 7.2 Although it appears that this could result in reduced Council Tax income, historically the amount of CTS awarded reduces during each financial year. Therefore, this reduction in Council Tax income may be offset by an amendment to the Council Tax base to take account of this reduction.

Legal implications

- 8.1 The legal requirement to consult before a Local Authority can amend its Council Tax Reduction Scheme is contained in the Local Government Finance Act 2012, Schedule 4.

8.2 The principles of effective consultation require that:

- Consultation must be at a stage when proposals are still at a formative stage;
- The proposer must give sufficient reasons for it so as to "permit intelligent consideration and response";
- Adequate time must be given for consideration and response;
- The product of consultation "must be conscientiously taken into account in finalising any statutory proposals".

8.3 It is therefore essential that the consultation exercise is conducted in a comprehensive way and considered fully before a final decision is made by Cabinet in December 2018. The report to Cabinet must include the outcome of the exercise and the justifications for the decisions made, in light of these outcomes.

8.4 Similarly, Cabinet must have available to it when it makes that decision, an Equality Impact Assessment that demonstrates the extent to which recipients who fall into the equality strands and who may be impacted by the proposals, have had their interests taken account of, so far as it is reasonably possible to do so.

8.5 The Council Tax Reduction Schemes (Amendment)(England) Regulations 2017 amends the Local Government Finance Act 1992 to move the annual deadline for billing authorities to set and agree their local Council Tax Reduction Schemes from 31 January to 11 March.

Other significant implications

Equalities

9.1 An Equality Impact Assessment (EIA) has been done as part of the consultation on the proposed change to identify the impact on affected claimants. Representatives from the Equality Hubs and Derby Advice provided feedback by email to contribute to the assessment. The EIA was reviewed when the outcome of the consultation was known to review if any further equalities impacts had been identified, before making a final recommendation.

9.2 The consultation process was made accessible by using formats other than online as requested, and making an Easy Read version available for people with learning difficulties.

Risk Management and Safeguarding

9.3 The roll out of UCFS introduces the significant risk of fewer customers who need assistance from CTS claiming it promptly, and struggling to pay their Council Tax as a result. This could in turn potentially result in reduced revenue for the Council. The financial and staff resources required to pursue for increased arrears would also increase. The proposed change will help to mitigate the potential impacts of this because claimants would have more time in which to submit their CTS claims and still be able to get help with their Council Tax, backdated to the time they first needed it, if they are eligible.

Corporate objectives and priorities for change

- 9.4 The recommended CTS Scheme from 1 April 2019 aims to provide additional financial help to claimants who are entitled to it. This links into the Council's priorities for Derby to be a safe place where the vulnerable are put first and supported.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Head of Legal Services	Olu Idowu	29/10/18
Finance		
Head of Finance	Toni Nash	23/10/18
Service Director(s)		
Strategic Director of Corporate Resources	Don McLure	30/10/18
Report sponsor		
Strategic Director of Corporate Resources	Don McLure	30/10/18
Other(s)		
Head of HR	Liz Moore	23/10/18
Lead on Equality and Diversity	Ann Webster	24/10/18
Head of Technology and Service Delivery	Mark Walker	29/10/18
Head of Performance and Intelligence	Heather Greenan	02/11/18