

Cabinet Report / Key Decision**Date:** 7th November 2017**Agenda item:**

Title: Council Tax Reduction scheme for 2018/19	
Ward: All	Cabinet lead: Councillor Craig Cheney
Author: Ian McIntyre	Job title: Project Manager – Council Tax Reduction

Revenue Cost: £	Source of Revenue Funding:
Capital Cost: £	Source of Capital Funding:
One off <input type="checkbox"/>	Saving <input type="checkbox"/>
Ongoing <input type="checkbox"/>	Income generation <input type="checkbox"/>

Finance narrative: The estimated future cost of the Council Tax Reduction (CTR) scheme for 2018/19 and subsequent years has been included in the medium term financial plan (MTFP) approved at Cabinet in July 2017 at a level that assumes no change to the current scheme. On that basis there are no additional financial implications resulting from the decision to maintain the existing scheme over and above what has been included in the MTFP.

Finance Officer: Neil Sinclair (Finance Business Partner) 23rd October 2017

Summary of proposal: Following the outcome of public consultation on the CTR scheme for 2018/19, it is recommended that the scheme is unchanged for 2018/19.

Summary of proposal & options appraisal: It is recommended that the CTR scheme is unchanged for 2018/19 and approved by cabinet.

Rationale

- Maintains same level of support as currently for working age households who are on a low income and therefore positive impact on alleviating poverty in the city
- Does not disproportionately impact any groups with protected characteristics
- Protects current recovery rates for council tax
- Widely supported option through consultation process
- Straightforward to administer as scheme is already in place
- No additional resource required for recovery or handling queries

Recommendation(s) / steer sought: To approve continuation of the CTR scheme for 2018/19

City Outcome: Maintains current levels of support to working age households who are on a low income.

Health Outcome summary: Clearly established links between low income and poor health. A Health Impact Statement has been completed for the other options consulted on. The proposal will have neutral impacts on health.

Sustainability Outcome summary: The proposal will have no direct environmental impact, so a full Eco-Impact Assessment is not needed. Economic and social impacts have been included in the Health Outcome and Equalities Outcome summaries and impact assessments (Advice given by Giles Liddell, Environmental Project Manager, Bristol City Council on 4th August 2017).

Equalities Outcome summary: The other options would have had a negative impact on females, disabled households and BME communities if a reduction in funding was implemented. A full Equalities Impact Assessment has been completed and was published alongside the consultation documentation.

Impact / Involvement of partners: The proposal will have a neutral effect on partners. Proposals were subject to a 12 week public consultation that was carried out from 3rd July 2017 to 24th September 2017 and publicised through VOSCUR, the consultation team and various stakeholders within the VCS.

Consultation carried out: See above. Three main options were consulted on that would introduce a minimum payment for working age households who are currently receiving CTR. Two of the options would have resulted in entitlement reducing by 25% and the other introduced a lower minimum payment of 7.5% but would increase over a number of years. More detail of the options is contained in appendix A. Wider engagement with internal teams and services that support and work with households who may be impacted by the proposal has also been undertaken. See appendix B.

Legal Issues: Section 13A of the Local Government Finance Act 1992 ‘the Act’ substituted by section 10 of the Local Government Finance Act 2012 requires each billing authority to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need. Schedule 1A, paras 5(5) and 3(1), of the Act impose a duty on the authority to publish a draft scheme and consult “such other persons as it considers are likely to have an interest in the operation of the scheme.” The Council is under a duty to approve any revisions to the scheme by 31 January before the beginning of the financial year in which the revision is to have effect.

The degree and specificity of information which must be provided to consultees for Council Tax Reduction Schemes will depend on the context, including:

- (i) the identity of the persons being consulted
- (ii) whether the proposal would deprive consultees of an existing benefit
- (iii) the purpose of the consultation, and
- (iv) whether consultees can be expected to be familiar with the decision-making process and reasons.

It is lawful to consult on a preferred option, but consultation on changes to council tax reduction schemes should include reference to other options and why those other options were rejected.

Consultation must take place at a formative stage of the process, be sufficiently clear so that those consulted can understand what they are being consulted on and be able to give a meaningful response, and enough time should be given for consultees to respond. The consultation responses must be conscientiously taken into account in finalising the decision.

Guidance issued in 2014 by the Department for Communities and Local Government provides that in developing local council tax reduction schemes, vulnerable groups should be protected. The guidance does not prescribe the protection that local authorities should provide for vulnerable groups, but refers to the authority’s statutory duties including the public sector equality duty (The Equality Act 2010) and the duty to prevent homelessness (The Housing Act 1996).

The Equality Act requires an authority to have due regard to the need to eliminate discrimination and other conduct prohibited by the Equality Act; advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Due regard should be had as an integral part of the decision-making process. In order to do this Cabinet will need to have sufficient information about the effects of the proposed scheme on people with protected characteristics under the Equality Act. The Equality Impact assessment has been prepared for this purpose, and Cabinet will need to carefully consider the assessment as well as the how the issues set out below have been dealt with, and consultation responses when coming to a decision.

Legal Officer: Sarah Sharland, Team Leader, Community and Litigation Team, Legal Services

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Alison Comley 27 th Sept 2017	John Readman 3 rd Oct 2017	Craig Cheney 25 th Oct 2017

Appendix A – Further essential background and detail on the proposal	YES
Appendix B – Details of consultation carried out – internal and external	YES
Appendix C – Summary of any engagement with scrutiny (included in appendix B)	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities impact assessment of proposal	YES
Appendix F – Eco-impact screening of proposal (see above)	NO
Appendix G – Exempt Information	NO

Appendix A – Further essential background points and detail on the proposal

Bristol City Council's position

CTR is a discount scheme that is operated by all English councils and the Scottish and Welsh Governments (where national schemes operate). It was introduced in 2013, following the abolition of Council Tax Benefit (CTB). Pensioners are protected from any changes under a prescribed national scheme.

Funding in 2013/14 was provided through a grant that was identifiable within the Revenue Support Grant, albeit with a 10% reduction in funding. The following year funding was included within the grant but was not identifiable as a discrete income stream. However, the council made a decision to continue funding for the scheme and has done so ever since.

Bristol's scheme is almost unchanged from the CTB scheme that was abolished in 2013. It retains the same means test, capital limits and utilises the allowances that are used for the assessment of Housing Benefit (HB), a benefit which is assessed alongside CTR by the council. This allows for some administrative savings currently but this will diminish with the replacement of HB by Universal Credit (UC) for working age households. This will also result in the reduction in administration subsidy from the Department for Work and Pensions (DWP).

The decision to continue with the current scheme for 2017/18 was made by cabinet in July 2016 but this was subject to the scheme being reviewed for 2018/19. The council's funding gap for 2018/19 is reported in the MTFP as £25.7million and annual expenditure on CTR in 2016/17 was £37.2million. Current expenditure (August 2017) is £38.2million.

It is forecast that the scheme would cost £40.1million in 2018/19 if current levels of support are maintained. This comes at a time when the council will already have less money to provide services in Bristol over the coming years. The decision was made not to include a fully funded option due to these financial constraints.

The current forecast of £40.1million by 2018/19 and is slightly less than the assumptions used in the MTFP that indicates the scheme would cost £41.9million when the costs to all precepts are included. This is due to an updated forecast being provided in August 2017 using up to date information regarding caseload and cost and reflects a 3% decrease in the CTR caseload since previous modelling exercises. Further sensitivities of +/- 3% change in the caseload would result in a scheme cost of between £38.9million and £41.3million.

Bristol is the only core city to fund CTR at pre-2013 levels of support and one of a handful of English councils to do so. The vast majority of councils have introduced a form of minimum payment that usually ranges from 8.5% to 30% of a household's council tax liability. Many have abolished some features of the old CTB scheme such as support for low income second adults who live with the applicant (known as 2nd Adult Rebate) or have reduced capital limits.

The Local Government Finance Act 2012 requires councils to operate a CTR scheme and review it annually. Any changes to a scheme must be agreed by 31st January each year. For Bristol this means a Full Council decision and proposed changes are subject to a 12 week consultation period. This started on 3rd July 2017 and ended on 24th September 2017. A summary report for responses is included in appendix B.

Three options were approved for consultation on 13th June 2017 by the council's Executive Board.

These options are summarised below with current cost forecast:-

Option	Cost (£million in 2018/19)	Saving (net) (£million in 2018/19) ¹	Average weekly loss (£ in 2018/19)	Additional weekly cost (band B) (£ in 2018/19)
Current scheme with no changes	40.1	0.0	0.00	0.00
Current scheme and 25% minimum payment	35.8	4.3	5.67	7.03
Current scheme and 7.5% minimum payment	38.0	1.3	1.72	2.11
Banded scheme and 25% minimum payment	36.2	3.9	5.47	7.03

Each of the main three options would affect over 24,000 households in Bristol. Further proposals consulted on are summarised below and these affect fewer households but do not significantly reduce the future cost of the scheme:-

Proposal	Annual saving or cost (£k in 2018/19)	Households affected
Removal of 2 nd Adult Rebate from scheme	47	166
Capital limit reduced to £6,000	131	186
Minimum weekly award of £1	1	94

Further proposals were made to align the scheme to national changes will not significantly reduce the cost of the scheme but will reduce the risk of error in assessment. The changes would not impact households who are already receiving CTR based on their current circumstances. These are detailed below:-

- Reduce the maximum period for which an award for CTR can be backdated from six months to one month. This is in line with the HB and other state benefit assessment processes
- Remove the family premium for new claims and births from 1st April 2018. This means households making a new application who would get a partial CTR award could get £3.49 less per week than under the current scheme. This is in line with the HB and other state benefit assessment processes
- Limit support to two children for new claims and births from 1st April 2018. This is in line with HB, UC and tax credits
- Reduce the period for which an applicant can be temporarily absent from Great Britain from 13 or 52 weeks to 4 weeks or 26 weeks (26 weeks is for exceptional circumstances) This is in line with the HB and other state benefit assessment processes

For all of the three options a discretionary fund amount was considered and this has been factored into the cost of the scheme for 2018/19. This is to support households facing severe financial hardship as a result of changes being made to the scheme.

An alternative way of protecting households was also proposed. This would automatically protect households that were in receipt of a certain type of disability benefit (e.g. Personal Independence Payments) or based on households circumstances (e.g. a single parent with a child under three years of age). Further details and costings are included in the options appraisal section below.

¹ This is based on 70% collection rate for households in receipt of Council Tax Reduction, an allowance for a discretionary fund and additional administration and recovery costs as a result of introducing changes to the scheme

The consultation was open until 24th September 2017 and responses were taken into account in making the decision. Further details are included in Appendix B.

Recovery of council tax from households receiving CTR

It is apparent from the experiences of other English councils that have introduced a minimum payment that there will be an adverse impact on the recovery of council tax. Most councils experienced an overall reduction in collection rates of 0.4% in the first year of introducing a minimum payment (for most this was in 2013/14). There was more of an impact for metropolitan districts and Unitary Authorities, where collection rates reduced by 0.8% and 0.6% respectively.

Overall recovery rates have started to recover from 2013/14 levels but are still 0.3% below pre-2013 levels and it is considered that the introduction of CTR is, at least in part, responsible.

All councils that introduced a minimum payment in excess of 20% experienced a fall in their collection rates. Overall collection rates for these councils dropped by up to one per cent and generally higher minimum payments resulted in worse collection rates.

Only 59 councils did not experience a reduction in collection rates for council tax. Of these, 52 had minimum payments set between zero and 8.5%. Evidence suggests that collection does improve over time for councils that introduce a minimum council tax payment.

One aspect of collection identified was that drops in collection coincided with changes to the minimum payment for CTR schemes. Councils that increased their minimum payment in a second year tended to see their collection rates drop again, whereas those who maintained it saw improvements in collection. This suggests falls in collection depend on the minimum payment and any sudden changes to it rather than the payment alone. Almost all core cities maintained their minimum payment from year two onwards²:-

Core city	Percentage minimum payment implemented			
	2013/14	2014/15	2015/16	2016/17
Birmingham	20%	20%	20%	20%
Bristol	0%	0%	0%	0%
Leeds	19%	25%	25%	25%
Liverpool	8.5%	8.5%	8.5%	8.5%
Manchester	8.5%	15%	15%	15%
Newcastle	8.5%	20%	15%	15%
Nottingham	8.5%	20%	20%	20%
Sheffield	23%	23%	23%	23%

Collection rates for CTR recipients ranged from 65% to 75% generally³. This was even where overall collection rates were in excess of 97%. Therefore any reduced scheme costs resulting from reducing CTR entitlement will not be realised entirely and authorities with higher minimum payments continued to have higher overall arrears than in 2012/13⁴.

In Bristol, the impact on collection rates was anticipated to be around 0.85% if a 25% minimum payment was introduced. Introducing a charge at this level would have put Bristol within the higher bands of English councils making such a charge (145 (or 44%) of councils currently make a minimum charge of 20% or more)⁵.

² Taken from NPI's data collected on English schemes see www.counciltaxsupport.org. Note the maximum of 8.5% charged was a requirement to access DCLG transitional funding in 2013/14

³ Much of this information is taken from 'Three Years On: An independent review of Local Council Tax Support Schemes' by Eric Ollerenshaw – March 2016 (OGC)

⁴ See www.npi.org.uk/publications/council-tax/are-cuts-council-tax-support-england-false-economy-councils/

⁵ Ibid

The table below shows how a 25% minimum payment would look for a band B property as at 2017/18. Bristol would have the highest charge of any of the core cities if this applied, despite households having their most incomes fixed nationally (e.g. standard DWP benefit and tax credits rates):-

Core city	Minimum council tax payment	Band B liability (2017/18)	Minimum payment
Birmingham	20%	£1,118.79	£223.76
Bristol	25%	£1,399.80	£349.95
Leeds	25%	£1,157.37	£289.34
Liverpool	8.5%	£1,362.61	£115.82
Manchester	15%	£1,168.30	£175.25
Newcastle	15%	£1,308.48	£196.27
Nottingham	20%	£1,440.24	£288.05
Sheffield	23%	£1,287.60	£296.15

Introducing a minimum charge would have an impact on the cost of recovering council tax from households on a low income. The majority of councils that introduced a minimum payment for their CTR schemes reported an increase in the number of reminders being issued and there is a cost associated with this.

There would be an increase in officer time to deal with arrangements to pay, queries around recovery and referrals to the benefits service to access the discretionary fund.

These costs and impacts for Bristol are detailed in the following sections. It is anticipated that taking a relatively 'business as usual' approach would have resulted in additional costs of £100,000 (including additional staff time) in the event of a 25% minimum payment being implemented as per options 1 and 3.

Other councils that have introduced a minimum charge have also experienced increases in court summonses, with some waiving costs where arrangements are adhered to. Some others are not referring households in receipt of CTR to enforcement agents to recover unpaid council tax. This would lead to an increase in overall administrative burdens on the council.

There is a further issue arising from using attachments to benefits to recover council tax debt. These attachments can be applied following a liability order being granted and allows the council to recover £3.70 per week from benefit payments. This maximum deduction is less than the weekly additional payment for options 1 and 3 consulted upon so would have resulted in debt increasing in the event that other recovery action was not in place.

The total additional costs of recovery were estimated to be £100,000.

Administration costs for the CTR scheme

The cost of administering the scheme is combined with the cost of administering HB with a total cost of £3.8m anticipated in 2017/18. This activity is funded from four sources:-

- Grant income of £1.9million to administer HB from the DWP
- £0.7million from Department for Communities and Local Government (DCLG) to administer the CTR scheme
- A budgeted contribution from the council of £1million
- The £0.2million balance to be met by other government grants anticipated to be received during 2017/18

Budgets have not been set for the service in 2018/19 and the DWP grant is not confirmed until December each year and it is not clear whether this will be reduced as a result of further implementation of UC at this stage. A flat rate reduction was applied more generally in 2017/18 of 5.55%. If this is applied again then the reduction in funding from DWP would be approximately £100,000 for 2018/19.

The majority of any additional cost would be as a result of introducing and administering the discretionary fund. It is expected that this will result in an additional cost of £100,000 if it is administered alongside the current DHP scheme and a joint application form and assessment process was used.

Reports from the Valuation Tribunal for England (VTE) suggest that there has been a limited increase in the number of appeals against CTR decisions. This is likely due to disputes against the schemes themselves being out of their jurisdiction. This will also be a simple administrative process in advising citizens and any appeals made to the VTE would be dealt with by them as out of their jurisdiction.

It is anticipated that there would be new demand in terms of disputes against decisions not to make an award under a discretionary fund if the scheme was changed. Based on these assumptions, the total additional costs of administration would be estimated to be £100,000.

Impact on households receiving CTR

Any major changes to the scheme would adversely impact over 24,000 households who are on a low income and currently receiving support with their council tax under the CTR scheme. The impact depends upon the level of minimum payment implemented and how households are protected.

The table below gives a breakdown of working age households and their income. Households that receive income replacement benefits such as Income Support, Income Based Jobseeker's Allowance and Income Related Employment and Support Allowance generally receive full support with their council tax currently:-

Income type	Households
Income Support	4,002
Income Based Jobseeker's Allowance	1,878
Income Related Employment and Support Allowance	9,651
Standard (includes working households)	8,994

Therefore almost 16,000 households would be required to make a payment where they are not generally required to under the current CTR scheme. 9,000 households receiving a partial discount would be required to pay more towards their council tax or may no longer be entitled to CTR as a result of the minimum payment.

Households with the lowest incomes are generally single person households who are in receipt of either Income Based Jobseeker's Allowance or Income Related Employment and Support Allowance (especially as a result of abolishing the work relate component for new claims in April 2017). There are 4,000 households in this position and have a weekly income of £73.10. The table below shows the weekly cost of housing and council tax for households:-

Household circumstances	Income per week (excludes HB) (£)	Weekly cost of housing and council tax after HB and CTR awarded (£)	
		25% payment	7.5% payment
Single, social sector rent of £100	73.10	4.52	1.36
Single, as above but social sector size criteria applies	73.10	18.52	15.36
Single, private sector accommodation	73.10	40.07	36.91

This shows that households in receipt of these benefits would spend between 6% and 55% of their income on council tax and housing per week if a 25% minimum charge was implemented. The main driver for this would be significant shortfalls between HB available to private tenants and private rents in Bristol⁶. The percentage is lower if a lower minimum payment is implemented.

⁶ See <https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2016-to-march-2017> for data on private sector rents including mean, median and upper and lower quartiles. Local Housing Allowance data is on the BCC website

Other households receiving tax credits and other benefits will have higher weekly incomes in relation to housing costs and council tax but it must be acknowledged that these are payable in respect of higher weekly expenses as a result of disability or children forming part of the household. In addition, many benefits and tax credits have been frozen or capped at a total of £20,000 per annum so will not keep pace with rising costs.

The table below shows the current numbers of working age households who are impacted by the reduced overall benefit cap, social sector size criteria and freezes to Local Housing Allowance (self-contained accommodation only is shown below). It is likely that most of these households would also be impacted by the proposals and almost all of the households receiving CTR will be subject to the freezes that were introduced in 2016.

Benefit change	Households affected	Average weekly loss in HB (£)
Overall benefit cap	677	69.75
Social sector size criteria	3,074	15.80
Local Housing Allowance freeze	7,113	Dependent on rent increases ⁷

Reports from other councils suggest that there is no particular group of households who are easily identified as unable to make payments. Others have highlighted those single persons households described above as the least likely to afford payments.

Research suggests that there was an increase in summonses being issued for council tax of 40% to 50% following the introduction of CTR in 2013/14, with court and administration costs increasing by 10%. If this were applied to Bristol then there would be an additional 10,000 summonses issued at a cost of £103 to the council tax payer. This would result in an additional £1million in debt where households have not made payments and in many cases would represent about a third of the minimum payment originally charged.

Therefore there is a high risk of increasing levels of indebtedness to households who are on a low income and may already have multiple debts with the council and other creditors if a minimum payment was introduced. This would pose particular issues where households are not making payments towards their housing costs, increasing risk of rent arrears and, ultimately, homelessness.

In areas where a minimum charge was introduced there is a little qualitative evidence into the impact on households that have tried to pay it. This suggests that the relatively high recovery rates come at the expense of household spending on other essentials and/or accumulating other types of debt. Some have cut back on essentials, taken out loans from family and friends and reducing spending on non-essential items⁸. Note that this is taken from a number of small surveys and there is an absence of large scale, national research on this topic.

Impact on partner organisations

Increased level of debt or concerns over ability to pay would lead to additional demand on partner organisations who offer welfare and debt advice services. The same can be said for services within the council that provide advice and support (e.g. the Welfare Rights and Money Advice Service and Tenancy Support Services).

There would also be an increase in the use of services such as foodbanks and services that offer charitable payments and goods (there are several examples, including a couple that exist within the council). This also comes at a time where funding more generally is being reduced or is insufficient to meet demand.

⁷ This is not a reduction in the traditional sense but the freeze, along with strong increases in private sector rents in Bristol means that households will experience larger shortfalls between HB/UC and rent in the coming years

⁸ See <http://www.camdenabservice.org.uk/wp-content/uploads/2015/11/FINAL-amended.pdf>

Most, if not all, social landlords will have tenants who are in receipt of CTR would have been affected by any proposed changes to the scheme. There was a risk that, where HB does not meet the rent in full, or UC is in direct payment, council tax would be paid instead of rent and this will increase arrears. Similar impacts would also be experienced within the council's own housing departments and already high shortfalls for some households in Temporary Accommodation have been noted.

Impact on wards

There are more households receiving CTR in areas that are likely to be more deprived with higher than average levels of people in receipt of working age benefits and tax credits. Hartcliffe and Withywood, Lawrence Hill and Avonmouth and Lawrence Weston are the wards with the highest numbers of households receiving CTR. These three wards account for over a quarter of the working age CTR caseload.

Wards are shown below with numbers of working age households receiving CTR (5 most and 5 least affected wards highlighted):-

Ward	Number of households
Ashley	1,373
Avonmouth and Lawrence Weston	1,521
Bedminster	406
Bishopston and Ashley Down	162
Bishopsworth	454
Brislington East	614
Brislington West	465
Central	787
Clifton	277
Clifton Down	163
Cotham	242
Easton	916
Eastville	929
Filwood	1,407
Frome Vale	700
Hartcliffe and Withywood	2,508
Henbury and Brentry	973
Hengrove and Whitchurch Park	856
Hillfields	765
Horfield	647
Hotwells and Harbourside	190
Knowle	615
Lawrence Hill	2,501
Lockleaze	913
Redland	175
Southmead	953
Southville	546
St George Central	777
St George Troopers Hill	171
St George West	420
Stockwood	608
Stoke Bishop	244
Westbury-on-Trym and Henleaze	164
Windmill Hill	622

Additional cost of administration and recovery

These figures have been derived from a variety of sources (including our revenues team and information gathered from external reports and core cities) and can be broken down as follows for both options 1 and 3 (25% minimum charge):-

Measure taken	Cost in 2018/19 (£k)
Bespoke letter to all working age CTR recipients	12.5
Cost of additional reminders and correspondence	27.5
Additional officer time (recovery and frontline)	60.0
Additional officer time (discretionary fund and disputes)	100.0

These are likely to vary for option 2 because the impacts will be lower initially but could go on to exceed those in options 1 and 3. Changes to the minimum payment each year is could impact on recovery and therefore require more officer time than the other options. This is broken down below:-

Measure taken	Cost in 2018/19 (£k)	Cost in 2019/20 (£k)	Cost in 2020/21 (£k)	Cost in 2021/22 (£k)
Bespoke letter to all working age CTR recipients	12.5	12.5	12.5	12.5
Cost of additional reminders and correspondence	12.0	27.5	27.5	27.5
Additional officer time (recovery and frontline)	30.0	60.0	60.0	120.0
Additional officer time (discretionary fund and disputes)	60.0	100.0	100.0	200.0

This figure does not include any costs associated with the implementation of the new scheme, officer time in set up or the development of an online form for DHP and the discretionary fund.

No savings have been calculated for the administration of option 3 because it is anticipated that would be negligible for 2018/19. This is because the same assessment process for the current CTR scheme is used for HB assessment and other authorities that have introduced such a scheme are not expecting savings at this stage (or, at least, are not recording them). The additional cost of administration and recovery would have been the same as for option 1 as it had the same minimum payment and discretionary fund.

Reduction in scheme cost (net)

This is the reduction in scheme cost after the discretionary fund, all impacts on recovery and additional administrative costs are taken into account. This applies to the projected scheme cost for 2018/19.

Proposed scheme cost (net)

This is the cost of the proposed scheme in 2018/19 after the discretionary fund, all impacts on recovery and additional administrative costs are taken into account.

Base budget in 2018/19

This is usually based on CTR actual expenditure in October. The MTFP assumes expenditure (or loss of council tax revenue) for CTR of £41.9million in 2018/19 if all precepts are included.

Difference

This is the difference between the base budget and the proposed scheme cost in 2018/19. Any positive value would represent an actual saving to the scheme but this will be driven largely by changes in the caseload between now and 2018/19.

Number of households affected

This is the number of working age households expected to be affected by a proposed scheme. This will result in a reduction of CTR entitlement of 25% or 7.5% for most households and some would no longer be entitled to CTR as a result of the proposed scheme (see 'numbers taken out of CTR entitlement').

Average weekly loss

This is the average weekly loss for all households affected by the proposed scheme and includes those who are currently in receipt of CTR that is lower than the minimum payment implemented and therefore lose less than the 25% or 7.5% minimum payment.

Additional weekly payment

This has been based on a band B property for 2018/19 and would be the weekly amount payable where households would have otherwise been entitled to a 100% discount under the current scheme. The vast majority of households receiving CTR live in property bands A and B (87% of all households receiving CTR and likely to be an even higher proportion for working age households).

Detail on the proposal

The recommendation is to maintain the current CTR scheme for 2018/19 at a forecast scheme cost of £40.1million. This would continue to provide support to over 24,000 working age households at the current levels of support. Approximately 16,000 households would generally get full support with the cost of their council tax and a further 9,000 would get partial support based on all of their council tax liability. Scheme costs are shown below:-

	£million in 2018/19 (overall)	£million in 2018/19 (cost to BCC)
Projected scheme cost	40.1	34.1
Base budget in 2018/19	41.9	35.6
Difference	1.8	1.5

Further sensitivities of +/- 3% change in the caseload would result in a scheme cost of between £38.9million and £41.3million.

The key advantages and disadvantages for maintaining the current scheme structure and introducing a minimum payment scheme are shown below:-

Advantages	Disadvantages
<ul style="list-style-type: none"> Continues to protect households at levels similar to CTB Reduces risk of increased debt to the council for low income households Reduces overall costs of recovery for relatively small sums from lots of households Aligns to protecting vulnerable households Will not impact disproportionately on any equality group Lower demand for citizen services, fewer queries 	<ul style="list-style-type: none"> Most expensive option Will get more expensive if caseload and/or council tax increases Changing the scheme gives opportunity for future administrative savings Scheme will become more costly for the council to administer once HB ends and is replaced by UC Will directly impact on the provision of other services that could be funded from savings/cost reduction made on the scheme

Rejected options

The following options (including the sections in protecting households and aligning the schemes) were ones that were consulted upon but do not form the recommendation for cabinet's approval.

Option 1 – Minimum payment scheme

The minimum payment scheme is based on the current CTR scheme operated in Bristol but will require all working age households to make a contribution towards their council tax. This will be based on a percentage of their net council tax liability (i.e. after other discounts are applied such as single occupiers).

Approximately 16,000 households that do not currently pay an amount towards their council tax will be required to make a payment. Those households who receive a partial award will be required to make the minimum payment as well as any shortfall between their CTR award and council tax liability. It is likely that many of these households will not qualify for an award. Scheme costs and savings as shown below alongside household impacts:-

	£million in 2018/19
Projected scheme cost to maintain current scheme	40.1
Proposed scheme cost (gross)	33.0
Reduction in scheme cost (gross)	7.1
Less discretionary fund	0.7
Less uncollected minimum payments at 30% ⁹	1.9
Less additional cost of administration and recovery	0.2
Reduction in scheme cost (net)	4.3
Proposed scheme cost (net)	35.8
Base budget in 2018/19	41.9
Difference	6.1
Number of households affected	24,005
Number of households taken out of CTR entitlement	658
Average weekly loss (includes households taken out of CTR entitlement)	£5.67
Additional weekly payment (band B)	£7.03

⁹ This is based on 70% recovery rate for households in receipt of Council Tax Reduction. This is the figure taken from Eric Ollerenshaw's 'Three years on: An independent review of Local Council Tax Support Schemes' – March 2016 (OGC).

The key advantages and disadvantages for maintaining the current scheme structure and introducing a minimum payment scheme are shown below:-

Minimum payment scheme

Advantages	Disadvantages
<ul style="list-style-type: none"> • Has potential to reduce costs or make savings even when recovery rates are considered • Cost reduction or savings made can be used to maintain other services • May be able to simplify by removing certain features of the current scheme and aligning more closely to UC, HB and the pensioner scheme • Targeted support can be given to those most in need through automatic protection or a discretionary fund 	<ul style="list-style-type: none"> • Increases debt to the council for low income households • May not protect all vulnerable households • Will impact disproportionately on some equality groups • Will impact citizens already on a low income and have been affected by benefit changes and freezes to benefits and tax credits • May increase use of foodbanks and/or charitable funds • Increases overall administration for recovery for relatively small sums from lots of households • Increases overall administration for dealing with discretionary fund payments (if implemented) and disputes • Cost involved in developing scheme and training staff • Cost of communications to citizens and stakeholders • Increased demand for citizen services, more queries • Increased transaction costs if minimum payment is not made using cost effective methods (e.g. Direct Debit) • May be unpopular and result in more complaints • Will impact partners in the advice sector (e.g. debt advice) • May impact discretionary funds (e.g. Local Crisis and Prevention fund and Discretionary Housing Payments) • May impact other services where affordability checks are in place (e.g. access to social housing)

Option 2 – Graduated minimum payment scheme

The graduated minimum payment scheme is based on the current CTR scheme operated in Bristol but will require all working age households to make a contribution towards their council tax which increases over a four year period (subject to public consultation and Full Council agreement for each financial year). This will be based on a percentage of their net council tax liability (i.e. after other discounts are applied such as single occupiers).

Approximately 16,000 households that do not currently pay an amount towards their council tax will be required to pay 7.5% of their council tax in the first year (2018/19). This would increase to 15% for the second year etc. For most households this would result in an additional weekly cost for £2.11 in the first year, increasing to £14.84 for the final year based on a band B property. Scheme costs and savings as shown below alongside household impacts:-

	£million (financial year) (minimum payment introduced)			
	Year 1 (2018/19) (7.5%)	Year 2 (2019/20) (15%)	Year 3 (2020/21) (30%)	Year 4 (2021/22) (50%)
Projected scheme cost to maintain current scheme	40.1	40.9	41.7	42.7
Proposed scheme cost (gross)	38.0	36.5	32.9	27.9
Reduction in scheme cost (gross)	2.1	4.4	8.8	14.8
Less discretionary fund	0.2	0.5	0.8	1.3
Less uncollected minimum payments at 30% ¹⁰	0.6	1.2	2.4	4.1
Less additional cost of administration and recovery	0.1	0.2	0.2	0.4
Reduction in scheme cost (net)	1.2	2.5	5.4	9.0
Proposed scheme cost (net)	38.9	38.4	36.3	33.7
Base budget in 2018/19	41.9	41.9	41.9	41.9
Difference	3.0	3.5	5.6	8.2
Number of households affected	24,005	24,005	24,005	24,005
Number of households taken out of CTR entitlement	106	258	747	1,721
Average weekly loss (includes households taken out of CTR entitlement)	£1.72	£3.49	£7.05	£11.82
Additional weekly payment (band B)	£2.11	£4.29	£8.73	£14.84

¹⁰ This is based on 70% recovery rate for households in receipt of Council Tax Reduction. This is the figure taken from Eric Ollerenshaw's 'Three years on: An independent review of Local Council Tax Support Schemes' – March 2016 (OGC). Additional recovery costs are considered minimal if current recovery processes are followed.

The key advantages and disadvantages for a graduated minimum payment scheme are shown below:-

Advantages	Disadvantages
<ul style="list-style-type: none"> • Has potential to reduce costs or make savings even when recovery rates are considered • Cost reduction or savings made can be used to maintain other services or reduce the budget gap • May be able to simplify by removing certain features of the current scheme and aligning more closely to UC, HB and the pensioner scheme • Initially low minimum payments may be more affordable to low income households • Targeted support can be given to those most in need through automatic protection or a discretionary fund 	<ul style="list-style-type: none"> • Increases debt to the council for low income households • Increases overall administration for recovery for relatively small sums from lots of households in initial years (with court costs amounts exceeding net liability in most cases) • Increases overall administration for dealing with discretionary fund payments (if implemented) and disputes • Will impact citizens already on a low income already affected by benefit changes and freezes to benefits and tax credits • May increase use of foodbanks and/or charitable funds • Changing minimum payments each year is likely to impact on collection rates and confuse citizens, officers and advice sector • Recovery of higher levels of council tax from low income households in years three and four may be unrealistic/too high • May not protect all vulnerable households • Will impact disproportionately on some equality groups • Requirement for consultation process for each year that the scheme is changed • Cost involved in developing scheme and training staff for each year that the scheme is changed • Cost of communications to citizens and stakeholders for each year that the scheme is changed • Increased demand for citizen services, more queries • Increased transaction costs if minimum payment is not made using cost effective methods (e.g. Direct Debit) • May be unpopular and result in more complaints • Will impact partners in the advice sector (e.g. debt advice) • May impact discretionary funds (e.g. Local Crisis and Prevention fund and Discretionary Housing Payments) • May impact other services where affordability checks are in place (e.g. access to social housing)

Option 3 – Income banded schemes

A scheme can be developed that is based upon non-benefit income only and awards a percentage discount based on that amount. This would be simpler to administer for the council and easier for citizens to understand as it removes a complex means test but may result in a less fair scheme. This is because entitlement will be more broadly based on household income than need. This is addressed in part below.

A household's total monthly income from earnings and sources other than benefits and tax credits is used to determine a percentage discount. Allowances would not be made for households with children but payments such as Child Tax Credits would not be taken into account as income as they are under the current scheme. Variations of such schemes are in place in a number of other councils but are becoming more popular as UC is implemented further and administrative simplification is sought (e.g. South Gloucestershire and Bath and North East Somerset).

This would deliver similar levels of savings as for option 1. The nature of such a scheme would mean that there are financial increases for households exceeding bands by a small amount but does afford some flexibility in changes in income for households before it affects their CTR award. A possible option is shown below (consistent with a 25% minimum payment):-

Monthly non-benefit income (up to) (annual equivalent in brackets)				Discount applied to net council tax liability
Single person		Couple		
£320	(£3,840)	£500	(£6,000)	75%
£350	(£4,200)	£530	(£6,360)	70%
£400	(£4,800)	£580	(£6,960)	65%
£450	(£5,400)	£630	(£7,560)	55%
£500	(£6,000)	£681	(£8,172)	50%
£550	(£6,600)	£730	(£8,760)	40%
£600	(£7,200)	£780	(£9,360)	35%
£650	(£7,800)	£830	(£9,960)	25%
£700	(£8,400)	£880	(£10,560)	15%
£750	(£9,000)	£930	(£11,160)	10%
£800	(£9,600)	£980	(£11,760)	5%

The income bands above were used to model the scheme for single people and couples and can be adjusted as required. The overall scheme cost for this model would be £33.5million, with a gross saving of £6.6million and net saving of £3.9million.

Households who are not in work or have a non-benefits income that is lower than £320/£500 per month would get the same as they would if they were means tested under the current scheme and a 25% minimum payment was applied (as in option 1). Some households (primarily those in work) would see a change in their CTR award compared to the two schemes. Scheme costs and savings as shown below alongside household impacts:-

	£million in 2018/19
Projected scheme cost to maintain current scheme	40.1
Proposed scheme cost (gross)	33.5
Reduction in scheme cost (gross)	6.6
Less discretionary fund	0.7
Less uncollected minimum payments at 30% ¹¹	1.8
Less additional cost of administration and recovery	0.2
Reduction in scheme cost (net)	3.9
Proposed scheme cost (net)	36.2
Base budget in 2018/19	41.9
Difference	5.7
Number of households affected	24,005
Number of households taken out of CTR entitlement	815
Average weekly loss (includes households taken out of CTR entitlement)	£5.47
Additional weekly payment (based on liability for band B property)	£7.03

The advantages and disadvantages of an income banded scheme are shown below:-

Advantages	Disadvantages
<ul style="list-style-type: none"> Has potential to reduce costs or make savings even when recovery rates are considered Cost reduction or savings made can be used to maintain other services or reduce the budget gap Removes need for means testing process Targeted support can be given to those most in need through automatic protection or a discretionary fund Simplifies scheme aligning more to UC and looks like a discount rather than benefit Has potential to remove most evidence/information requirements from the process (especially once UC has been fully implemented) Flexibility for citizens to earn more within an income band and not lose CTR entitlement Income bands less likely to result CTR having to be recalculated due to minor fluctuations in income Easier for citizens, stakeholders and officers to understand 	<ul style="list-style-type: none"> Increases debt to the council for low income households Increases overall costs of recovery for relatively small sums from lots of households Increases overall administration for dealing with discretionary fund payments (if implemented) and disputes Will impact citizens already on a low income already affected by benefit changes and freezes to benefits and tax credits May increase use of foodbanks and/or charitable funds May not protect vulnerable households Will impact disproportionately on some equality groups Significant cost involved in developing scheme Increased demand for citizen services, more queries Increased transaction costs if minimum payment is not made using cost effective methods (e.g. Direct Debit) May be unpopular and result in more complaints Will result in slight drop in CTR where citizens move between income brackets May impact other services where affordability checks are in place (e.g. access to social housing) May be less fair than current means test

¹¹ This is based on 70% recovery rate for households in receipt of Council Tax Reduction. This is the figure taken from Eric Ollerenshaw's 'Three years on: An independent review of Local Council Tax Support Schemes' – March 2016 (OGC).

Protecting households

Households can be protected either through the use of a discretionary fund or by automatically protecting them based on receipt of a certain type of benefit or payment (e.g. Personal Independence Payments) or households circumstances (e.g. a single parent with a child under two years of age).

Discretionary fund

Where particular vulnerable groups are not already protected, many councils have included a discretionary fund to support their CTR scheme under section 13A(1)(c) of the Local Government Finance Act 1992. The council has the powers to reduce a council tax liability and this is not limited to those who are in receipt of CTR. However, many authorities have developed a specific policy around supporting those in receipt of CTR further.

Most councils require an application to the scheme and have incorporated this into the DHP application process as it would use a similar decision making methodology around household income and expenditure. Awards would then be made as further discount applied to the applicant's council tax account. As previously shown, a fund of £700,000 has been included in the scheme costs for options 1 and 3, with a smaller sum for option 2 in 2018/19.

The advantages and disadvantages of a discretionary fund are shown below:-

Advantages	Disadvantages
<ul style="list-style-type: none">• More flexible• Likely to support those who are unable to pay more effectively• Can be linked into the recovery process• Takes full financial circumstances into account• Can be linked to DHP awards• Opportunity to refer to partner organisations (e.g. employment support and/or advice services)• Less expensive than automatic protection	<ul style="list-style-type: none">• Requirement for application may reduce take up• Will impact advice giving services as demand for assistance in applying will increase• Will increase queries regarding council tax liabilities as all 25,000 households will be issues with a bill• More administration for the council• Risk of less consistent decision making and disputes in decisions• More training for staff• Forms will need to be reviewed and online solution explored

Automatic protection

This would automatically base CTR awards on 100% of the net council tax liability for any households that would be treated as 'vulnerable' and would not experience a change from the current CTR scheme.

If all households where the applicant, their partner or a dependent child was receiving a disability premium or is paid a war pension/payment were protected automatically then this would increase the gross cost of the scheme in option 1 to £37.6million. Therefore it would cost £3.9million to provide that level of automatic protection.

The advantages and disadvantages of automatic protection are shown below:-

Advantages	Disadvantages
<ul style="list-style-type: none">• Easy to administer and reduced demand• Protects vulnerable groups (e.g. children, those with a disability)• Reduces queries regarding council tax liabilities (around 10,000 households protected)• Reduces number of disputes• Does not require application	<ul style="list-style-type: none">• Does not necessarily target those who are unable to pay• More expensive than a discretionary fund• Less would be available for a discretionary fund• Does not take into account full financial circumstances

Appendix B – Details of consultation carried out – internal and external

Analysis of consultation responses

By far the most popular response was to keep the existing scheme (46% of consultees responded to this effect within section 8 of the consultation). Many of the responses implicitly supported the existing scheme by expressing their dissatisfaction with the three options offered and/or the consultation itself.

Only the six responses which suggested that we protect some vulnerable groups seemed to involve the agreement that there should be a reduction in the existing amount of support.

The remainder of the responses suggested as an alternative option that the necessary savings be made elsewhere or that the necessary funds should be raised elsewhere. These responses also implicitly supported the existing scheme.

Public consultation

Schedule 1A 3(1) of the Local Government Finance Act 1992 (as amended) imposes a duty on the authority to publish a draft scheme and consult “such other persons as it considers are likely to have an interest in the operation of the scheme.” The council is under a duty to approve any changes to a scheme before 31st January each year.

Public consultation ran from 3rd July 2017 to 24th September 2017 and was publicised as follows:-

- VOSCUR’s website and bulletins
- Direct e-mail to social landlords, Voice and Influence group contacts (provided by the Equality and Community Cohesion Team), Advice Agencies and other Voluntary and Community Sector (VCS) organisations
- Websites, social media accounts and in newsletters for the above
- Newsletter article for landlord news
- Posters and digital display boards within council buildings, council owned blocks, VCS offices and at Jobcentre Plus
- Bristol City Council’s homepage
- Bristol City Council’s consultation hub
- Ask Bristol e-mail bulletin
- Citizen’s Panel
- Press briefing to BBC Points West, The Post and Made in Bristol Television

Internal consultation

Alongside the public consultation, briefings were also held with teams who supported those who would be affected by the proposed options and/or had an interest in the operation of the CTR scheme. These are as follows:-

- Bristol City Council’s Welfare Rights and Money Advice Service
- Housing Options managers
- Housing Related Support Services managers and coordinators
- Revenues Group Leaders
- HB and CTR teams
- Citizen Services managers
- Housing Services (Rent Management) teams
- Children’s’ centres and early years health practitioners

Member consultation

Members have been engaged in the development of the CTR scheme through the following activities:-

- Three workshops held in March 2017 to discuss the background of the CTR scheme and possible options
- Report to Neighbourhoods Scrutiny Commission on 31st March 2017 with possible options and to gather feedback
- Cabinet member briefings throughout process
- Executive Board attendance in May and June to develop and approve options for consultation
- Party Group briefings in July and August to update on options for consultation, gather feedback and discuss further publicity of the consultation

Key issues raised by internal consultation

- Households will struggle to pay and we would be in danger of increasing debts through court costs and enforcement
- Need to publicise the ability to pay by 12 monthly instalments (default is current 10)
- Late issuing of bills may cause problems for households in meeting new liabilities (i.e. an affordable monthly instalment becomes unaffordable as instalments are missed)
- Need to promote the discretionary fund to households who are affected
- There may be delays in the assessment of discretionary fund payments and council tax recovery will continue
- Make sure that households are getting all of the discounts that apply to them (i.e. ensure liability is minimised at the outset)
- There will be an increase in the need for support work and will impact on the advice sector at a time when budgets are being reduced there
- Increased need for interpreters as a result of introducing a minimum payment
- Reducing backdating will have an adverse impact on those with health issues, dependency on drugs and/or alcohol
- There could be a conflict between council debts and how these could/should be prioritised (e.g. council tax payments and rent for council tenants)

Summary report for consultation responses

There have been **759 responses** to the consultation. Further contact was made with over 5,000 households who currently receive CTR to invite them to complete the consultation online and briefings have been undertaken with various teams within the council.

The consultation has also been advertised to the Voluntary and Community Sector, Voice and Influence groups and through the Ask Bristol, Citizen's Panel and social media.

A range of consultees have taken part (note each consultee can appear in more than one category so the sum is greater than the number of responses):-

- 675 Residents
- 21 Business owners
- 59 Voluntary and Community Sector organisations
- 10 Housing Association
- 43 Council employees
- 15 Private landlords

31% of those who have responded to the question are receiving CTR.

Question 1

Rank the options in order of preference – Option 1 (25% minimum payment)

Preference	Number of consultees and percentage	
1 st	135	18%
2 nd	126	17%
3 rd	154	20%
Not answered	344	45%

Rank the options in order of preference – Option 2 (7.5% minimum payment and increasing each year)

Preference	Number of consultees and percentage	
1 st	144	19%
2 nd	127	17%
3 rd	141	19%
Not answered	347	46%

Rank the options in order of preference – Option 3 (25% minimum payment banded scheme)

Preference	Number of consultees and percentage	
1 st	138	18%
2 nd	157	21%
3 rd	115	15%
Not answered	349	46%

The above shows no clear preference for first choice between the three options.

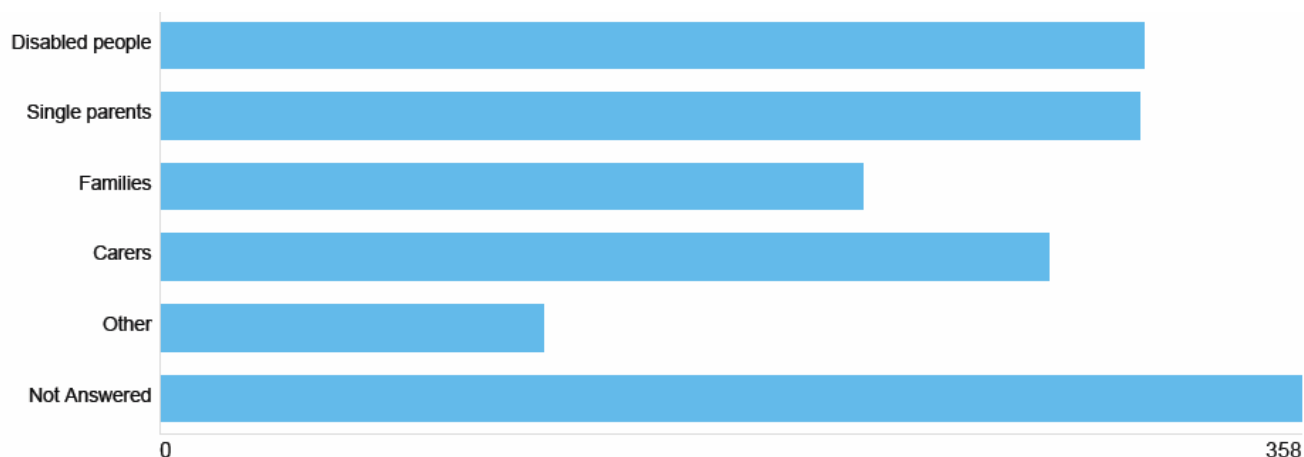
Nearly 350 consultees did not answer these three questions and it should be pointed out that 441 consultees later stated in response to question 8 that none of the three options reflected their views.

Question 2

Do you think that introducing a contribution from all working age households will adversely affect certain groups of people?

54% of consultees thought that introducing a contribution from all households will adversely affect certain groups and these are shown below:

Group identified	Number of consultees and percentage	
Disabled people	308	41%
Single parents	307	42%
Families	220	29%
Carers	278	37%
Other	120	16%



Although 120 consultees gave the answer 'other' to this question, there were 142 free-text answers to the question asking for the group 'other' to be specified; all 142 responses have been analysed.

An analysis of the 142 free-text responses is shown in the following table:

Group identified	Responses
Those with debts	3
Limited potential for work	4
Low income	46
Low wage	9
Means tested benefit	8
No prospect of increasing income in the short term	1
Protected characteristic	2
Single adults with no children	11
Single adults on £73.10 DWP benefits no children	9
Under 25	4
Unemployed	3
Vulnerable	8
Women just under new state pension age	2
Not classifiable/relevant	32
Total	142

'Low income' was by far the most popular grouped response category with the second most popular being single childless adults living alone (20 responses if the two single adult categories are aggregated).

Why would these groups be more adversely impacted than others who are getting a discount under the scheme?

270 consultees responded to this question and an analysis of the free-text responses is shown in the following table:

Reason	Responses
Cost of supporting children	14
Higher living costs	16
Inflation	7
Inflation and welfare reform/cuts/austerity	4
Little or no prospect of work/increasing income	60
Low income	67
Multiple answers	12
Wage insecurity	3
Welfare reform/cuts/austerity	24
Not classifiable/relevant	63
Total	270

'Low income' was the most popular grouped response followed by answers that suggested 'little or no prospect of work/increasing income'. Reasons given in responses around the lack of prospects of work/increasing income included childcare commitments, unavailability of suitable working hours/adequate rate of pay, caring responsibilities, or the health/disability of the respondent.

Question 3

Do you think some households should not make a contribution?

50% of consultees thought that some households should not make a contribution whereas 19% thought that all households should contribute.

When asked about how to protect certain households, 46% were in favour of automatic protection, 12% supported a discretionary fund, and 42% did not give an answer.



A further question asked for a reason to be given for the response and an analysis of the 341 free-text responses is shown in the following table:

Reason	Responses
Discretion - cheaper than protection	1
Discretion - fairer and cheaper than protection	1
Discretion - fairer than protection	32
Discretion - protection should not be automatic	23
Protected - bureaucracy of discretion	48
Protected - bureaucracy and cost of discretion	20
Protected - cheaper than discretion	13
Protected - fairer and cheaper than discretion	4
Protected - fairer than discretion	9
Protected - protection should be automatic	146
Not classifiable/relevant	44
Grand Total	341

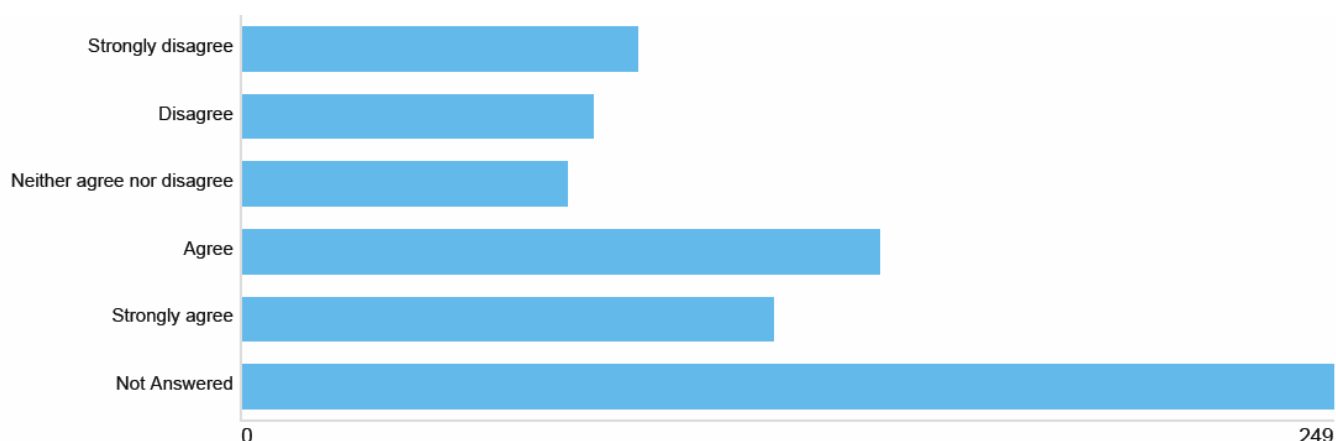
Automatically protecting certain groups because '*protection should be automatic*' was by far the most popular grouped response, followed but those who felt that automatic protection should be given due to the bureaucracy and/or cost of a discretionary process.

Many comments about the preference for automatic protection showed fears that a discretionary application process would effectively be a barrier for vulnerable applicants or would in some way be demeaning to complete.

Question 4

To what extent do you agree or disagree with the following statements? – CTR should end for higher income households who have a person on a low income living with them

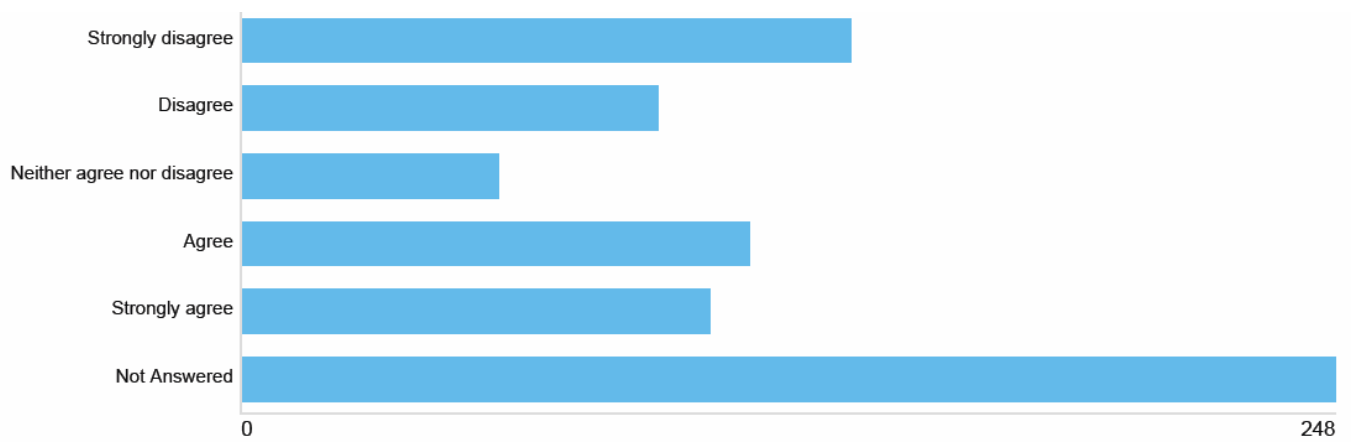
Option	Number of consultees and percentage	
Strongly disagree	90	12%
Disagree	80	11%
Neither agree nor disagree	74	10%
Agree	145	19%
Strongly agree	121	16%
Not answered	249	33%



More consultees agreed than disagreed with ending 2nd Adult Rebate for working age households with 35% of consultees agreeing or strongly agreeing with the statement as opposed to 23% who disagreed or strongly disagreed.

To what extent do you agree or disagree with the following statements? – The amount of savings households can have and still get CTR should be reduced from £16,000 to £6,000

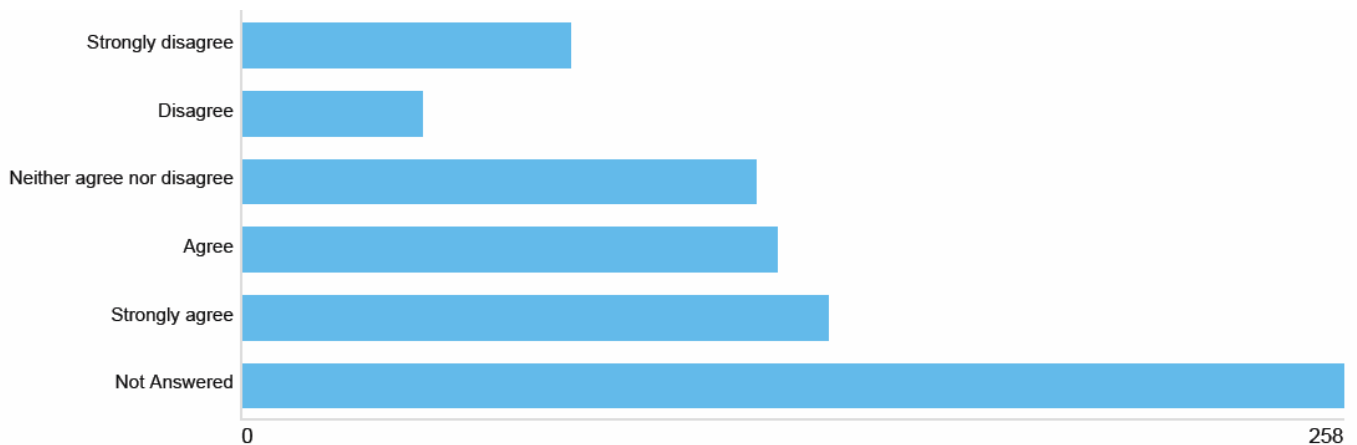
Option	Number of consultees and percentage	
Strongly disagree	138	18%
Disagree	94	12%
Neither agree nor disagree	58	8%
Agree	115	15%
Strongly agree	106	14%
Not answered	248	33%



There was an almost even split in opinion on changing capital limits for working age households, with 29% being in agreement and 30% disagreeing.

To what extent do you agree or disagree with the following statements? – A £1 minimum weekly award should be introduced.

Option	Number of consultees and percentage	
Strongly disagree	77	10%
Disagree	42	6%
Neither agree nor disagree	120	16%
Agree	125	17%
Strongly agree	137	18%
Not answered	258	34%



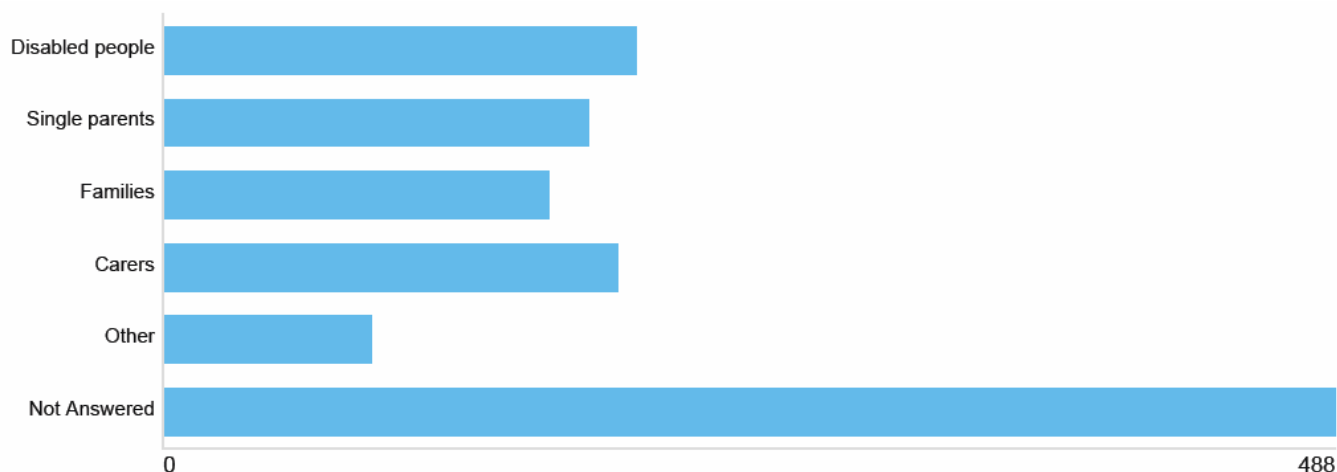
There was strong support for introducing a minimum CTR payment, with 35% of consultees agreeing with the proposal and 16% disagreeing.

Question 5

Do you think introducing any of these measures adversely affect certain groups of people?

Option	Number of consultees and percentage	
Yes	270	36%
No	221	29%
Not answered	268	35%

Those who answered 'yes' to this question thought that the following groups would be adversely affected:-



86 consultees gave the answer 'other' to this question and an analysis of the 76 free-text responses to the question asking these consultees to specify the group 'other' is shown in the following table:

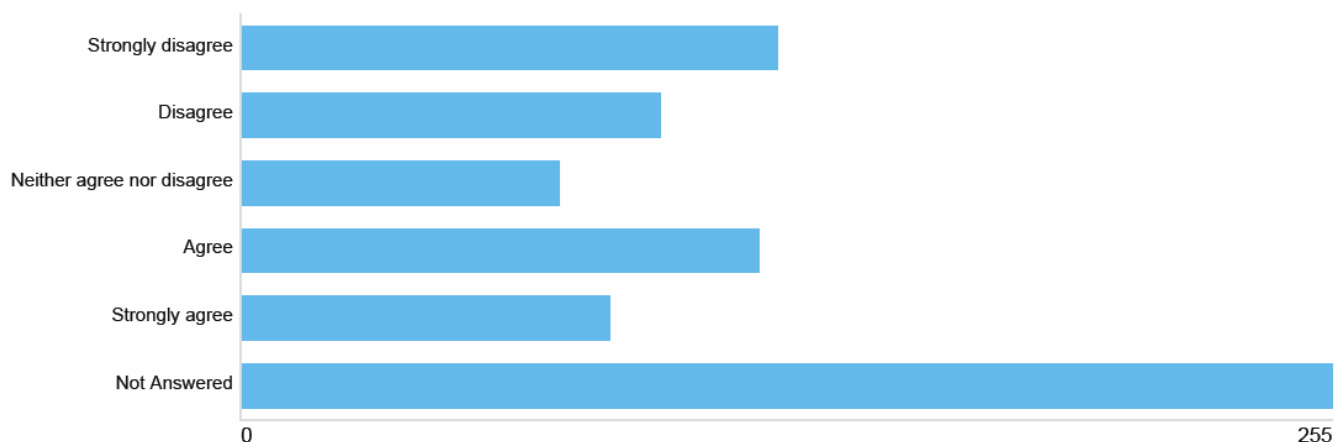
Group identified	Responses
Capital above proposed limit	4
Carers	1
Former Second Adult Rebate cases	20
Low income	29
Single people	5
Vulnerable	1
X not classifiable/relevant	16
Total	76

'Low income' was the most popular category followed by 'former second adult rebate cases'

Question 6

To what extent do you agree or disagree with the following statements – CTR should only be awarded for up to a month before it was applied for.

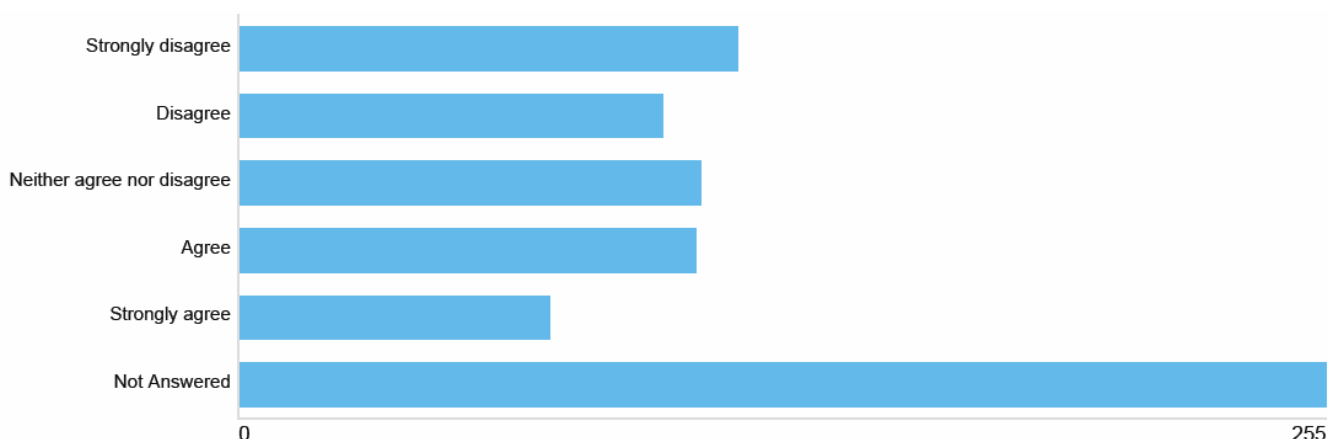
Option	Number of consultees and percentage	
Strongly disagree	125	17%
Disagree	98	13%
Neither agree nor disagree	74	10%
Agree	121	16%
Strongly agree	86	11%
Not answered	255	34%



There was a nearly equal split on this question with 27% of consultees agreeing and 30% disagreeing with the proposal that the backdating of CTR is reduced from six months to one month (this proposal is in line with the current backdating limits within HB and UC).

To what extent do you agree or disagree with the following statements – An additional amount should not be paid for the first child in a household (the family premium).

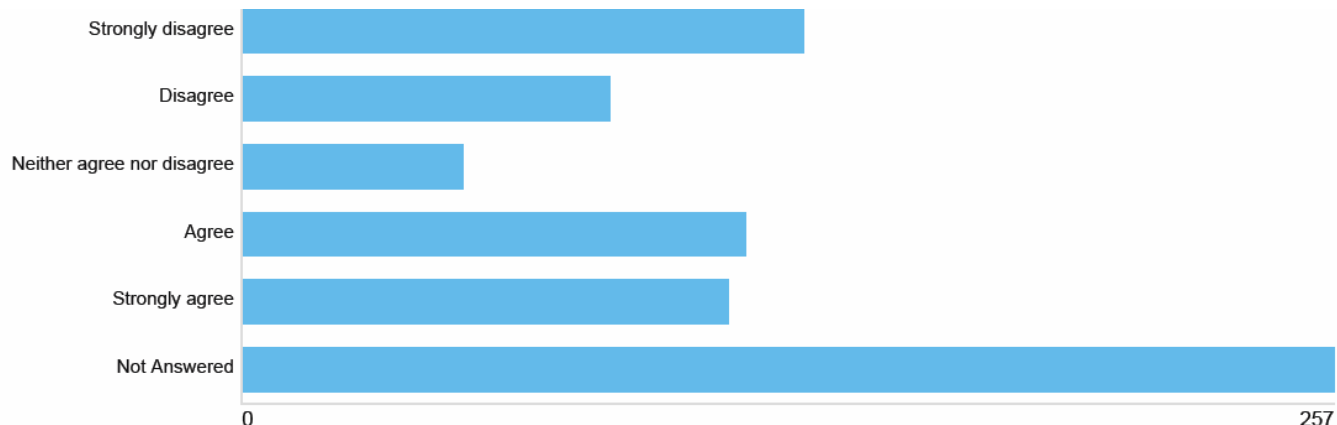
Option	Number of consultees and percentage	
Strongly disagree	117	15%
Disagree	99	13%
Neither agree nor disagree	108	14%
Agree	107	14%
Strongly agree	73	10%
Not answered	255	34%



There was a nearly equal split on this question with 24% of consultees agreeing and 28% disagreeing with the proposal that the family premium should be removed (this proposal is in line with current HB legislation and pension age CTR regulations).

To what extent do you agree or disagree with the following statements: - CTR should only be awarded for up to two children in a household.

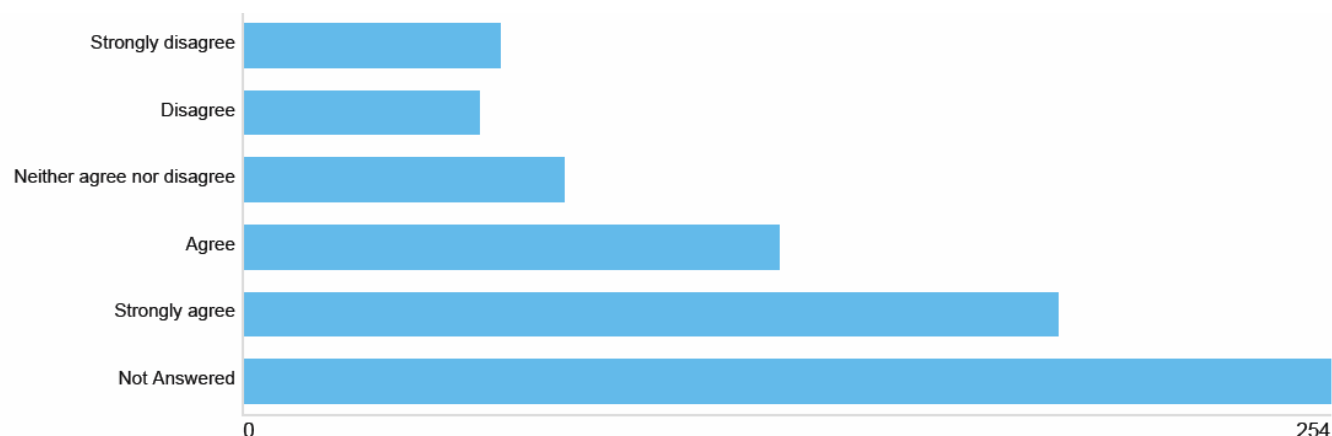
Option	Number of consultees and percentage	
Strongly disagree	132	17%
Disagree	86	11%
Neither agree nor disagree	52	7%
Agree	118	16%
Strongly agree	114	15%
Not answered	257	34%



There was a nearly equal split on this question with 31% of consultees agreeing and 28% disagreeing with restricting an award to two children in a household (this proposal is in line with current HB legislation).

To what extent do you agree or disagree with the following statements – CTR should not be paid for periods of absence from Great Britain generally exceeding four weeks.

Option	Number of consultees and percentage	
Strongly disagree	60	8%
Disagree	55	7%
Neither agree nor disagree	75	10%
Agree	125	16%
Strongly agree	190	25%
Not answered	254	34%



Far more consultees responding to this question were in favour of limiting absences abroad with 41% in favour and 15% disagreeing (this proposal is in line with current HB legislation and pension age CTR regulations).

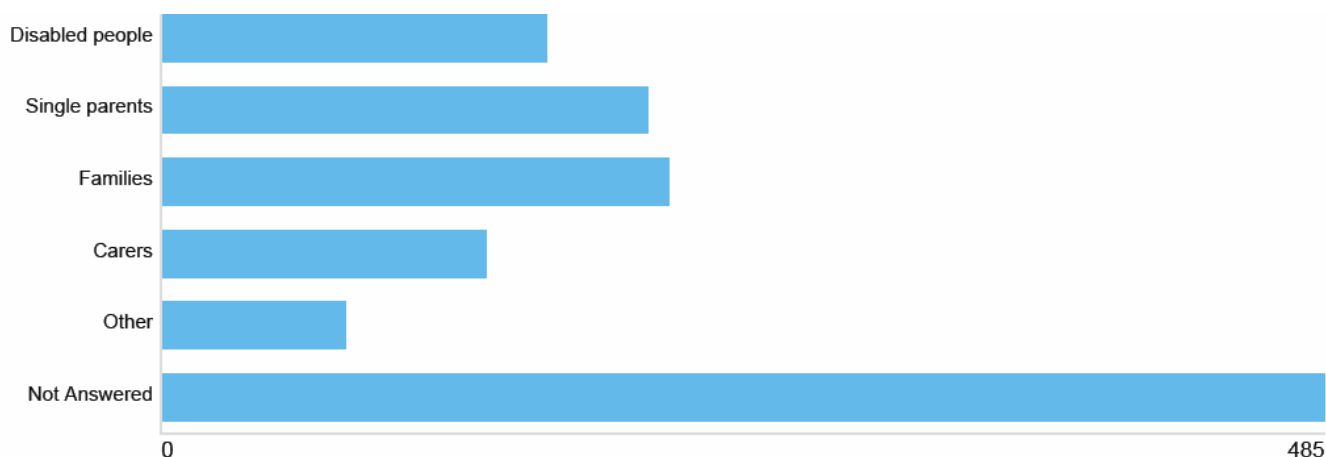
Question 7

Do you think introducing any of these measures adversely affect certain groups of people?

Option	Number of consultees and percentage	
Yes	274	36%
No	210	28%
Not answered	275	36%

The consultees thought following groups would be affected:-

Group identified	Number of consultees and percentage	
Disabled people	160	21%
Single parents	202	27%
Families	211	28%
Carers	135	18%
Other	76	10%
Not answered	485	64%



76 consultees gave the answer 'other' to this question and an analysis of the 64 free-text responses to the question asking these consultees to specify the group 'other' is shown in the following table.

Group identified	Responses
BME	3
BME temporarily absent outside the UK	5
Low income	16
Low income families with several children	3
Multiple groups	9
Those with families outside Great Britain	8
Vulnerable people	7
Young adults	1
Not classifiable/relevant	12
Total	64

'*Low income*' was the most popular category followed by those answers which listed multiple groups and '*those with families outside Great Britain* (this would be in relation to proposal to limit the period of temporary absence from Great Britain).

Question 8

If none of the options reflect your views, please let us know why not and give your views on an alternative

441 consultees have responded to this question and an analysis of the free-text responses to this question are shown in the following table:

Reason given	Responses
Ask central government for more funding	8
Have a national CTR scheme	1
Increase council tax to fund a scheme	15
Make savings/raise money elsewhere	16
Make students pay council tax	9
Raise money from the rich or increase council tax for higher bands only	28
Replace council tax with a local income tax	2
Keep the existing CTR scheme/oppose consultation	303
Fund disabled/carers/lone parents/single people/vulnerable etc.	6
Not classifiable/relevant	53
Total	441

By far the most popular option was to keep the existing scheme. Many of the responses implicitly supported the existing scheme by expressing their dissatisfaction with the three options offered and/or the consultation itself. These responses have been classified as '*keep the existing CTR scheme/oppose consultation*' in the following table.

Only the 6 responses which suggested that we protect some vulnerable groups seemed to involve the agreement that there should be a reduction in the existing amount of support.

The remainder of the responses suggested as an alternative option that the necessary savings be made elsewhere or that the necessary funds should be raised elsewhere.

These responses also implicitly supported the existing scheme but they have been classified separately to the '*keep the existing CTR scheme/oppose consultation*' option because they also suggested a method for raising the necessary funds.

Appendix D – Risk Assessment

The key risks associated with the implementation of the Council Tax Reduction scheme decision:-							
No	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
	Threat to achievement of the key objectives of the report			Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).			
1	Cost of the scheme could increase if there is an economic shock or recession that results in the caseload increasing	High	Medium	Monitoring of caseload on monthly basis for trends and sensitivities has been included in the report at +/-3% of existing caseload. No further mitigation can be applied as schemes cannot be changed in year	High	Medium	Patsy Mellor
2	Scheme cannot be changed in year and therefore difficult to react to issues as they arise (e.g. rollout of UC). Lengthy decision making and consultation process to change the scheme	Medium	Medium	Establish whether scheme is to be reviewed/consulted upon within next few months for the financial year 2019/20	Medium	Medium	Patsy Mellor



Appendix E – Equalities Impact Assessment

Bristol City Council Equality Impact Assessment Form

(Please refer to the Equality Impact Assessment guidance when completing this form)

Name of proposal	Council Tax Reduction scheme for 2018/19
Directorate and Service Area	Neighbourhoods, Benefits Service
Name of Lead Officer	Patsy Mellor

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

We are reviewing our Council Tax Reduction (CTR) scheme for 2018/19 in line with the cabinet decision of 4th July 2016 that the existing scheme is reviewed for 2018/19 and that options are put forward for consideration.

CTR is a means-tested discount that provides support with council tax costs to low income households across Bristol.

Under s13A(2) of the Local Government Finance Act 1992, each billing authority must make a scheme stipulating reductions in the council tax payable by those it considers are in financial need or by those within classes of people it considers are, in general, in financial need.

For those of pension age the amount of CTR support is calculated with reference to nationally prescribed regulations*.

*The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2285).

This means pensioners are protected from any local changes.

These same regulations prescribe which people of working age must not be included in a local scheme (regulations 12 & 13) and some general requirements for all schemes (Schedules 7 & 8).

Our present caseload is approximately 64% working age and 36% pension age.

At present, the scheme provides similar levels of support to those of working age compared to those of pension age and up to 100% discount is available for those on the lowest incomes.

In our assumption in modelling scheme options, council tax is projected to rise by approximately 9.8% by 2018/19 with reference to 2016/17 levels (assuming an annual increase in Council tax of 1.99% and an annual Adult Social Care Precept of 3%). It is to be noted that no decisions have been reached regarding council tax amounts for 2018/19.

Any increase in council tax means a similar increase in the amount of funding for CTR if the existing scheme were to be retained, maintaining current levels of support to working age households.

Options were taken to Executive Board for approval and it was decided that the council would not be consulting on the current scheme as an option due to the council's current financial position. However, the consultation states the reason for doing this and gives consultees the ability to propose any alternative scheme as they see fit.

The following three options have been selected for public consultation:-

Option 1: Maintain the current scheme structure but introduce a minimum payment of 25% for all working age households. This will cost £34.5million in 2018/19. Households who get CTR would pay on average £5.71 a week more than they would if the existing scheme was maintained.

Option 2: Maintain the current scheme structure but introduce a minimum payment of 7.5% for all working age households in 2018/19 and increasing this gradually over a number of years (subject to consultation for each year). Households who get CTR would have to pay on average £1.73 a week more than they would if the existing scheme was maintained. This will increase to £12.03 by 2021/22 if the minimum payment is increased gradually to 50%.

Option 3: Develop a simplified, banded scheme for working age households that is based on non-benefits income and earnings only. A percentage discount will be given according to which income band a household was in. Households with a very low income or getting benefits such as Income Support or Jobseeker's Allowance would get a 75% discount. This means that all households are required to make a minimum payment of 25% in the same way as for option one. Households who get CTR would have to pay on average £5.47 a week more than they would if the existing scheme was maintained.

All three options involve those of working age on the lowest income making a contribution towards their council tax of up to 25% in 2018/19 whereas under the current scheme they may not have had to make any contribution.

Many working age households will also be subject to reductions in their incomes as a result of benefit changes (e.g. the overall benefit cap and under-occupation charge) and a general four year freeze on most benefits and tax credits.

Workload, complaints and increased footfall at Citizen Services will impact staff.

The changes to processing of awards are unlikely to reduce staff numbers in the immediate future.

Protection from reductions in funding for households who cannot pay can be met through defining 'vulnerable' groups or including a discretionary fund to make up shortfalls between council tax and CTR.

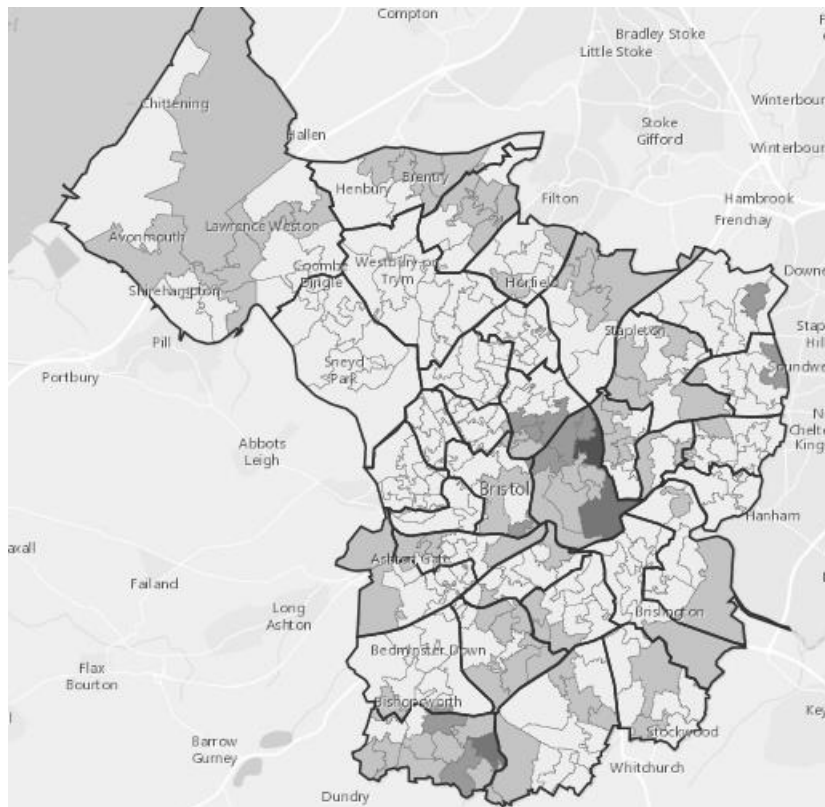
Step 2: What information do we have?

Decisions must be evidence-based and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

Our existing CTR claim database provides accurate data as of June 2016 on the geographical location, household income, age, disability (if specific benefits such as Disability Living Allowance (DLA) or Personal Independence Payments (PIP) are in payment), and sex of the claimant, partner and dependants.

Map 1: This map shows the distribution of our current working age CTR caseload – the darker the shade of grey, the more working age recipients (ward boundaries shown in black).



The areas most impacted by the proposal are generally more deprived areas of the city and are mainly located in the centre or on the periphery.

2.2 Who is missing? Are there any gaps in the data?

Our existing CTR claim database does not hold data on religious belief/lack of belief, sexual orientation, marriage/civil partnerships, pregnancy/maternity, gender reassignment or disability (unless a disability related benefit is in payment).

Some limited data is held on ethnicity but this is of poor quality due to the low response rates to equality questions asked on the CTR application form.

We do hold geographical location data for our current CTR claim database and we have been able to use census and other data to help fill the gaps in CTR data.

The assumption has been made on a very local level at least that some protected characteristics will be evenly distributed across income groups within areas where there is no specific CTR information (for example, race, religion and belief).

2.3 How have we involved, or will we involve, communities and groups that could be affected?

Any changes to the scheme are subject to a 12-week public and Voluntary and Community Sector (VCS) consultation. The public consultation runs from 3rd July to 24th September 2017 and a specific event will be held for the VCS. We will also make specific approaches to organisations and fora that represent households with protected characteristics.

We have developed our approach to consultation with the council's consultation team and will seek the views of equality groups through community groups and organisations: The Bristol Disability Forum, LGBT Bristol, Bristol Women's Voice, The Multifaith Forum and BME Voice. These groups have been contacted to advise that the consultation will take place from 3rd July 2017 and VOSCUR have also been contacted

so that they can publicise it through their networks. Other partners and stakeholders (such as Registered Social Landlords and Advice Agencies) have also been contacted about the consultation.

In addition, members representing all wards were invited to attend workshops on the proposals in March 2017. This included representation from some of the most affected wards as well as members of the various scrutiny commissions. Further briefing sessions are also planned throughout the consultation period and during the development of a final scheme.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

Yes, those working age people on low incomes who currently pay no council tax because they receive 100% CTR will now be asked to pay at least a minimum fixed percentage of their liability.

If those with a particular protected characteristic are overrepresented within the low-income working age group then any change to the scheme is likely to have an adverse impact upon this group.

It is important to bear in mind that not every low-income household of working age will be affected by any changes because not every person in this group will have a council tax liability.

Changes to the local CTR scheme may affect those with protected characteristics who are liable for council tax in the following ways:-

1. Age

The age profile of all households receiving CTR is shown below. Those households who are treated as being 'pensioners' are not affected by the proposal and will include the over 65 households and some of the 55 to 64 households:-

Applicant age	Households
Under 25	1,298
25 to 34	5,665
35 to 44	6,398
45 to 54	6,845
55 to 64	5,491
Over 65	12,368

Changes made to our local CTR scheme can only affect those of 'working age' as defined by legislation – those of 'pension age' will remain unaffected by any local changes.

Because our working age scheme will no longer provide current levels of support after 2017/18, then there will inevitably be differences between the support allowed for pensioner and working age cases. There is an exemption in the Equality Act* which exempts us from the differential treatment of those of pension age by the CTR regulations.

*Equality Act 2010 Schedule 22(1) in relation to part 3 'Services and Public Functions' (CTR is a 'Public Function')

There is no exemption*, however, in terms of the locally defined part of our scheme for those of working age.

*Schedule 18 of the Equality Act 2010 that would apply to the Public Sector Equality Duty in part 11.

It is not currently proposed that any changes to our CTR scheme treat any applicant differently due to age within the working age group.

Certain students are already excluded from CTR by our local regulations* and it is likely that these will predominantly be younger people (note that many students will already be exempt from council tax).

*Part 2(24) of our local scheme 'Classes of persons excluded from this scheme: students'

The exclusion of this group would already have been covered by the EqlA relating to the creation of our local scheme in 2013.

2. Disability

2011 Census data shows that 13% of the Bristol population aged between 16 and 64 have a disability.

Our local CTR working age scheme of 24,584 households has 7,923 household for which DLA or PIP are in payment and 8,448 households where a disability premium exists*

Using the higher figure of 8,448 as the more accurate, just over 34% of our working age caseload has a disability.

This shows that disability is overrepresented by at least 100% within the CTR scheme working age caseload and therefore disproportionately impacted by the proposal to move away from the current scheme.

*An award of DLA or PIP is not always required to receive the various disability premiums however if we move to a banded scheme or change the scheme significantly then it is likely we would need to use the incomes DLA or PIP (or the Support Component of ESA) as indicators of disability.

3. Gender reassignment

We do not hold any data on gender reassignment however there is no reason to suppose that this protected characteristic would be differently distributed across income bands or across the working age CTR caseload as a whole compared to the wider population.

4. Marriage and civil partnerships (note this group is not covered by the Public Sector Equality Duty)

We do not hold any data on marriage and civil partnerships however there is no reason to suppose that this protected characteristic would be differently distributed across income bands or across the working age CTR caseload as a whole compared to the wider population.

5. Pregnancy and maternity

We do not hold any data on pregnancy and maternity however it would be reasonable to assume that this protected characteristic may be overrepresented in our current working age caseload due to the high number of families with children and particularly of female lone parents (see point 8).

6. Race (note the protected characteristic of race includes colour, nationality and ethnic or national origins)*

*Equality Act 2010, part 2(1)(9)

Census data from 2011 carries information on the ethnicity of Bristol's residents as shown in table 1 below.

This shows 16% being Black and Minority Ethnic (BME) and 5.1% being white (other than UK or Ireland).

It is likely that the majority of the 5.1% white group is comprised of European nationals as this correlates with table 2 that shows 4.6% with a European (non-UK) country of birth and Office of National Statistics) ONS data showing 4.7% of Bristol's population hold an EU passport.

**Table 1: Ethnic Group
(KS201EW)**

All Usual Residents	Count	428234	
White; English/Welsh/Scottish/Northern Irish/British	%	77.9	
White; Irish	%	0.9	
White; Gypsy or Irish Traveller	%	0.1	
White; Other White	%	5.1	5.1%
Mixed/Multiple Ethnic Groups; White and Black Caribbean	%	1.7	
Mixed/Multiple Ethnic Groups; White and Black African	%	0.4	
Mixed/Multiple Ethnic Groups; White and Asian	%	0.8	
Mixed/Multiple Ethnic Groups; Other Mixed	%	0.7	
Asian/Asian British; Indian	%	1.5	
Asian/Asian British; Pakistani	%	1.6	
Asian/Asian British; Bangladeshi	%	0.5	
Asian/Asian British; Chinese	%	0.9	
Asian/Asian British; Other Asian	%	1	
Black/African/Caribbean/Black British; African	%	2.8	
Black/African/Caribbean/Black British; Caribbean	%	1.6	
Black/African/Caribbean/Black British; Other Black	%	1.6	
Other Ethnic Group; Arab	%	0.3	
Other Ethnic Group; Any Other Ethnic Group	%	0.6	16%

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&e=62&g=6388788&i=1001x1003x1032x1004&m=0&r=1&s=1491218170352&enc=1&dsFamilyId=2477>

**Table 2: Country of Birth
(KS204EW)**

All Usual Residents	Count	428234
England	%	81.3
Northern Ireland	%	0.4
Scotland	%	1.1
Wales	%	2.4
Ireland	%	0.7
Other EU; Member Countries	%	2.1
Other EU; Accession Countries	%	2.5
Other Countries	%	9.5

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&e=62&g=6388788&i=1001x1003x1032x1004&m=0&r=1&s=1491218170352&enc=1&dsFamilyId=2478>

The CTR caseload is estimated to contain 25% of those from BME communities* a group which is overrepresented by 56% within the caseload when compared to the population of Bristol as a whole where the proportion is 16%. Approximately 13% of council tax payers receive CTR under the working age scheme.

The proposed reductions in support are likely to affect BME citizens disproportionately. Many of those wards that are most affected by the proposal also have more households with a member of a BME community (especially those central wards and those to the inner east of the city).

There is also considerable variability on a more local level as current census data (2011) shows, the highest BME percentage within a Lower Layer Super Output Area (LSOA) in Bristol is 80% and the lowest is 1%.

Data for CTR caseload regarding European nationals is not available and this area is further complicated by the fact that many European nationals will be excluded by CTR regulations from receiving any support; an exclusion which is exempted by the Equality Act 2010 as explained below.

The part of the prescribed CTR regulations* that affect both those of working age and pension age requires us to exclude certain persons from CTR because they are either 'persons subject to immigration control' or 'persons treated as not being in Great Britain'.

*(part 2(12)&(13) of SI 2012/2885 and incorporated into our local scheme as part 5 (21)&(22).

It is highly likely that European nationals and BME individuals are overrepresented within those excluded from CTR. In addition, the vast majority of those excluded will not be British citizens.

There is an exemption in the Equality Act* which exempts us from the differential treatment of those excluded by the CTR regulations.

*Equality Act 2010 Schedule 22(1) in relation to part 3 'Services and Public Functions' (CTR is a 'Public Function')

7. Religion and belief (including a lack of religion/belief)

We do not hold any data on religion and belief for our CTR caseload.

Data from the Office for National Statistics* shows the three largest groups in Bristol to be Christian 47%, no religion 37%, and Muslim 5%

*Percentage column added – remaining data from ONS as of Mar 2011

**Table 3. Religion
(QS208EW)**

All Usual Residents	428234	
Christian	200254	47%
Buddhist	2549	1%
Hindu	2712	1%
Jewish	777	<1%
Muslim	22016	5%
Sikh	2133	<1%
Other Religion	2793	1%
No Religion	160218	37%
Religion Not Stated	34782	8%

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&q=6388788&i=1001x1003x1032x1006&k=religion&m=0&r=1&s=1491217259290&enc=1&domainId=61&dsFamilyId=2579>

By LSOA we see the considerable variation for the top three groups by 2011 Census data as follows:

Christian	20% to 99%
No religion	15% to 58%
Muslim	0% to 16%

<http://profiles.bristol.gov.uk/IAS/dataviews/report?reportId=766&viewId=746&geoReportId=3593&geold=408&geoSubsetId>

The three maps below, maps 2-4 show the distribution within Bristol of these three largest groups within the protected characteristic of 'religion and belief'.

Comparing these with map 1 (distribution of CTR) suggests a correlation between areas with high proportion of Muslim residents and high CTR demand (central areas) but also high demand in some peripheral areas where there are high proportions of Christians or those with no religion.

Whilst it is clear that CTR will affect areas with different proportions of the groups that make up the protected characteristic of 'religion and belief', It is unclear without further research whether any one group will be disproportionately affected.

To do this, we would need to compare the overall percentages of these three groups across Bristol with those within the CTR scheme

Map 2: Distribution of % Christian residents of Bristol from 2011 Census data (the darker the colour the greater the value).



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Map 3: Distribution of % 'no religion' residents of Bristol From 2011 Census data (the darker the greater the value)



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Map 4: Distribution of % Muslim residents of Bristol From 2011 Census data (the darker the colour the greater the value)



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<http://profiles.bristol.gov.uk/IAS/dataviews/report?reportId=1347&viewId=746&geoReportId=5421&geoid=590&geoSubsetId>

8. Sex

Whilst the split between claims for single people of working age without children is roughly equal (6,412 men and 5,058 women), women make up over 95% of single parent households in our current caseload (this is higher than the national average of 86% in 2016)*.

*source Office of National Statistics.

Single parents make up 8,504 of the households currently receiving CTR and the majority of those receiving CTR based on an award for Income Support. Overall single female households make up 54% of the CTR caseload and a further 5,000 females will be receiving CTR a member of a couple.

Therefore, women on low incomes would be disproportionately affected by any changes to the working age CTR scheme.

9. Sexual orientation

We do not hold any data on sexual orientation however there is no reason to suppose that this protected characteristic would be differently distributed across the working age CTR caseload as a whole compared to the wider population.

Summary

The move away from the current scheme will affect those of working age.

Any change is likely to disproportionately affect three main groups with protected characteristics as follows (ranked in order of the percentage of our CTR caseload affected):-

Women (in particular lone parents), those from black and minority ethnic backgrounds, and the disabled.

All of the above are currently disproportionately represented in our current caseload as follows:-

1. Single females make up 54% of our caseload and 74% of households claiming CTR include at least one female
2. Those with a disability make up 34% of our caseload but 13% of working age households in Bristol
3. Those from a BME background make up 25% of the working age CTR caseload but 16% of all households in Bristol

3.2 Can these impacts be mitigated or justified? If so, how?

Justification:

On the basis of overall cost savings.

Continuing the current CTR scheme may be unaffordable since the cost of the scheme is projected to rise to £41.8 million by 2018/19.

We are currently the only core city to fund a working age scheme that provides up to 100% of a household's council tax liability. Other Core Cities have a provision for a minimum amount of council tax to be paid.

Changes to the scheme could generate savings of £7.3 million (gross) if a minimum payment of 25% was introduced for all working age households. This saving is reduced to £4.2million once the projected impact on council tax collection rates and the cost of a discretionary scheme are taken into account.

Mitigation:

Timely communication well in advance of the change would give affected citizens time to prepare and budget for increased payments of council tax.

Section 13A(1)(c) of part 1 of the Local Government Finance Act 1992 gives a billing authority the discretion to reduce (or further reduce if CTR has already been awarded) the amount of Council tax which a person is liable to pay as it sees fit (this includes the power to reduce an amount to nil).

Our present scheme Part 3(11) requires an application to be made for a reduction under 13A(1)(c). Once an application has been made, we could consider each case of hardship on its own merits. Within the consultation we have included the cost of a fund that households can apply to if they are unable to make the minimum payment without causing them severe financial hardship.

Compared to the current scheme no benefits would be created for people with protected characteristics. We could, however, choose to protect certain 'vulnerable' groups of working age persons from a minimum payment of council tax and maintain the level of discount that the current scheme would have given.

If we protected all those in receipt of disability benefits (DLA and PIP) for example – this would not guarantee that everyone who had a protected characteristic by virtue of disability was protected but everyone we defined as 'vulnerable' would have this protected characteristic.

Similarly, we could decide to protect lone parents with children under a certain age because women are overrepresented within this group.

Questions about automatic protection for some groups and a discretionary fund are included in our public consultation.

3.3 Does the proposal create any benefits for people with protected characteristics?

No benefits would be created for people with protected characteristics.

3.4 Can they be maximised? If so, how?

Not applicable.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

There will be a negative effect from 2018/19 when the scheme no longer provides the same levels of support as it does currently. This is unavoidable because some protected characteristics are disproportionately represented in the overall group of those of working age with low incomes.

The discretion to reduce council tax liability given by s13A should ensure that there is a remedy for cases where severe hardship is likely to result.

When we move away from the current scheme we could consider developing (and publicising) our s13A(1)(c) council tax discount discretion in a similar way to our current Discretionary Housing Payment scheme which seeks to mitigate (for those in receipt of Housing Benefit or the Housing Costs Element of Universal Credit) cases of severe hardship resulting from welfare reform.


4.2 What actions have been identified going forward?

Timescales: Key decisions:-

- Public consultation period (3rd July 2017 to 24th September 2017) (stage 1)
- DLT and SLT approval to go to cabinet with final scheme (3rd October 2017) (stage 2)
- Cabinet approval to go to full council for final scheme (7th November 2017) (stage 2)
- Full Council (12th December 2017) (stage 2)
- Scheme agreement deadline (31st January 2018)

4.3 How will the impact of your proposal and actions be measured moving forward?

The CTR scheme is subject to an annual review and may be amended if required (subject to prescribed consultation periods and deadlines being met).

Service Director Sign-Off: 	Equalities Officer Sign Off: Wanda Knight
Date: 17 th July 2017	Date: 17 th July 2017