

REPORT TITLE: COUNCIL TAX SUPPORT SCHEME REVIEW

5 JULY 2017

REPORT OF PORTFOLIO HOLDER: Cllr Guy Ashton, Portfolio Holder for Finance

Contact Officer: Denise Sadler Tel No: 01962 848460 Email
dsadler@winchester.gov.uk

WARD(S): ALL

PURPOSE

It is vital that the Localised Council Tax Support scheme reflects the Council's continuing commitment to meeting the needs of the most vulnerable residents within the borough and providing essential support to those moving into work

The purpose of this paper is to review Winchester City Council's current scheme in order to ensure it remains fit for purpose, continues to meet the needs of local residents and is financially viable against the backdrop of the Council strategy.

RECOMMENDATIONS:

1. That the scheme be renamed 'Council Tax Support', and agrees changes to simplify the administration of the scheme.
2. That no changes be made to the qualifying criteria of the scheme, which means applicants will receive the same level of support but makes the scheme easier to access and administer.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The proposal is aligned to the Winchester City Council Strategy as part of delivering an entrepreneurial approach to public services.

2 FINANCIAL IMPLICATIONS

- 2.1 None – no change to the existing scheme other than administrative simplicity

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Review of current regulations required to change administration process

4 WORKFORCE IMPLICATIONS

- 4.1 Benefits and Welfare Team will carry out the consultation review
- 4.2 Changes in administration provide opportunities for a generic workforce between the Benefits and Welfare Team and Revenues Team.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation with the portfolio holder on the options considered (and these are detailed in the report). The proposal is for the scheme to remain as it is for 2017-18 and so no formal consultation is required on changing the scheme.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None – no impact on the environment from the scheme, though making the scheme more administratively simple, with greater use of online services should reduce paper usage and costs.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None – no change to the scheme.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property- none</i>		
<i>Community Support – administrative simplicity</i>	Change to the scheme process will be communicated to applicants	Easier for residents to access the scheme with a faster and more effective process for applying
<i>Timescales</i>	August to October 2017 informal resident communication (as above)	Encourages comments on Council Welfare support strategy.
<i>Project capacity</i>	Changes to the scheme will be within the current resources of the Benefits and Welfare Team	Changes to the scheme present an opportunity for generic working between Benefits and Welfare Team and Revenues Team.
<i>Financial / VfM</i>	NA	Savings on administration through generic working and reductions postage, document handling.
<i>Legal</i>	No changes to legislation	NA
<i>Innovation</i>	NA	NA
<i>Reputation</i>	None	Provides an opportunity for the Council to reaffirm their commitment to support to their most vulnerable residents
<i>Other</i>		

10 SUPPORTING INFORMATION:

- 10.1 From April 2013 Winchester City Council introduced a localised Council Tax Reduction Scheme.
- 10.2 National regulations define that claimants who have reached pension age must continue to receive the same level of reduction as received through the Council Tax Benefit Scheme. Therefore local changes can only be applied to working age claimants. A breakdown of the current caseload and costs can be found in [Appendix 1](#)
- 10.3 Winchester City Council's scheme is based upon the regulations and procedures of the abolished national Council Tax Benefit scheme and the current regulations for Housing Benefit and remains in place to date.

- 10.4 Councils across the country have continued to review their schemes and a summary of the most common schemes is included in [Appendix 2](#) together with the financial impacts based on WCC caseloads.
- 10.5 Plans to abolish Housing Benefit and replace it with Universal Credit from April 2018 means continuing to base the current scheme on Housing Benefit Regulations will cause issues for both applicants and officers administering the scheme.
- 10.6 The current scheme is difficult for applicants to access, requiring completion of an application form, based on Housing Benefit, and verification through supporting documents, despite the Council having access to Department of Work and Pensions records.
- 10.7 The above procedures also makes administration resource intensive resulting in delays in decision making which has a further impact on correct Council Tax bills being issued and possible delays in collection.
- 10.8 Winchester City Council's current scheme is based on the assessment and administration regulations of the previous Council Tax Benefit scheme with a number of enhanced elements designed to facilitate in work benefits. This means applicants can qualify for up to 100% of their Council Tax liability through the scheme but must complete a complex application process in order to claim.
- 10.9 Applicants on basic and/or disability benefits, without other income or savings, will automatically qualify for 100%. Applicants on a low income or working are subject to a 'means test' where entitlement is based on their income, earnings and savings.
- 10.10 Changes to the administrative process will include online application process (self-serve or 'assisted' self-serve) bespoke to applicants (they will only be required to provide information specific to their circumstances), ability to upload documents with their application including photos from their phone, use of existing identity and residency information held by Revenues, minimum income and benefits documentary evidence based on a hierarchy i.e. those in receipt of income support entitled to 100% support will not be required to provide other evidence relating to their household or other income.
- 10.11 Despite the above the scheme continues to provide up to 100% support for the most vulnerable residents within the district and supports those by providing additional incentives into work.

11. OTHER OPTIONS CONSIDERED AND REJECTED

11.1 There are a number of options. Any changes to the scheme will lead a full consultation exercise; indeed, given the scheme will have been unchanged for five years from 2013-18 it is right for there to be consideration of the options around CTS.

No	Scheme	Advantage	Disadvantage
1	Do nothing	No changes Understood by existing claimants	Administratively costly More complex when UC rolls out further
2	Change the administration of the scheme only	More simple application process for claimants More simple for internal administration providing an opportunity for generic working for Benefits or Revenues staff to administer at point of issuing bills.	More complex when UC rolls out Does not meet the Council Strategy in terms of incentivising work as Welfare Reform moves forward
3	Change the administration of the scheme and provide a minimum payment level for all residents	As above for change in administration Additional revenue from Council Tax depending on the scheme level	May not take account of those who 'can't make that contribution. Would require the introduction of a hardship scheme (budget) to address this Increase in Council Tax arrears Increase in resources required for collection
6	Change the administration of the scheme and move to a taper scheme	As above for change in administration Understood by UC claimants as calculation will be same taper as UC	Administration will be driven by UC evolution which may become administratively complex UC agenda may not meet local strategy for residents.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:- CAB2415 – Localisation of Council Tax Support and Council Tax Changes 05.12.2012

Other Background Documents:-

Details of the current Council Tax Reduction scheme can be found [here](#)

APPENDICES:**Appendix 1**

Scheme	No of claims	Amount of scheme
Vulnerable*	1224	£1,260,272
Household Vulnerable**	539	£518,115
Working Age Employed***	443	£361,214
Working Age Other****	497	£461,800
TOTAL	2703	£2,601,401

*Vulnerable – applicant and/or their partner (if they have one) receive a disability benefit or are classed as disabled.

**Household Vulnerable – applicant and/or partner (if they have one) are responsible for a disabled child.

***Working age employed – applicant and/or partner (if they have one) are in 'remunerative' work or self employed.

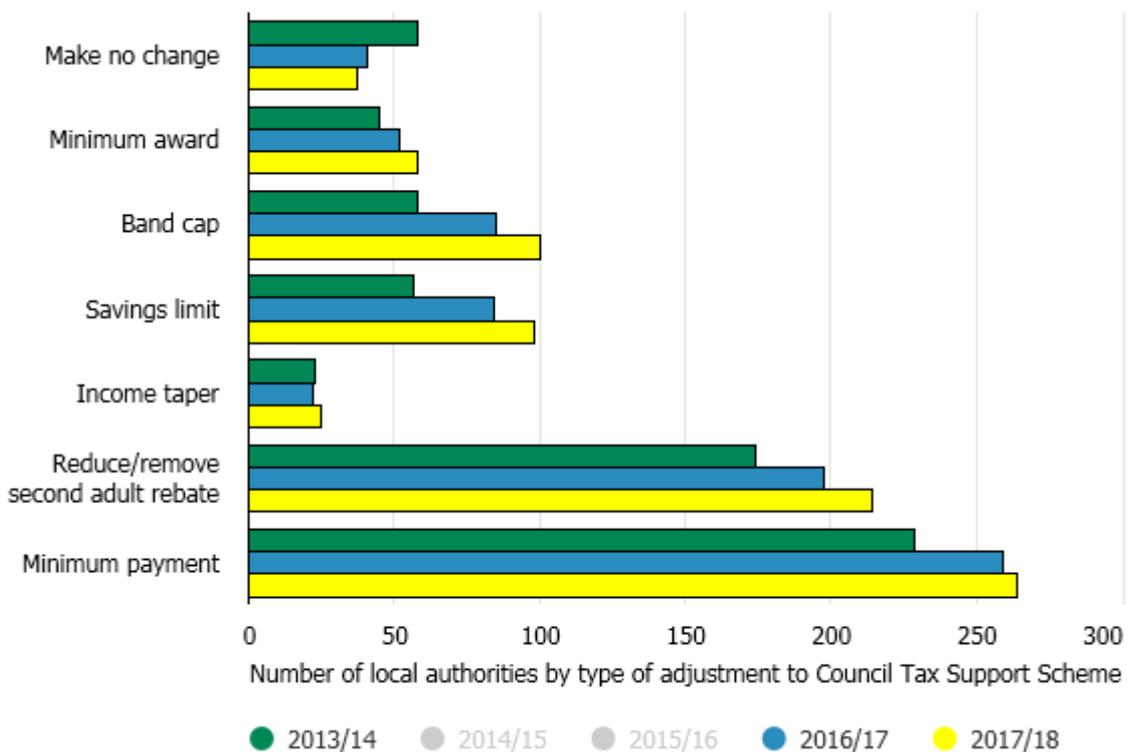
****Working Age other – All other applicants not in the above categories.

Appendix 2

Councils have many different options for their CTS schemes, with the ability to include a minimum payment level or percentage required from all residents, as well as changing different parts of the scheme.

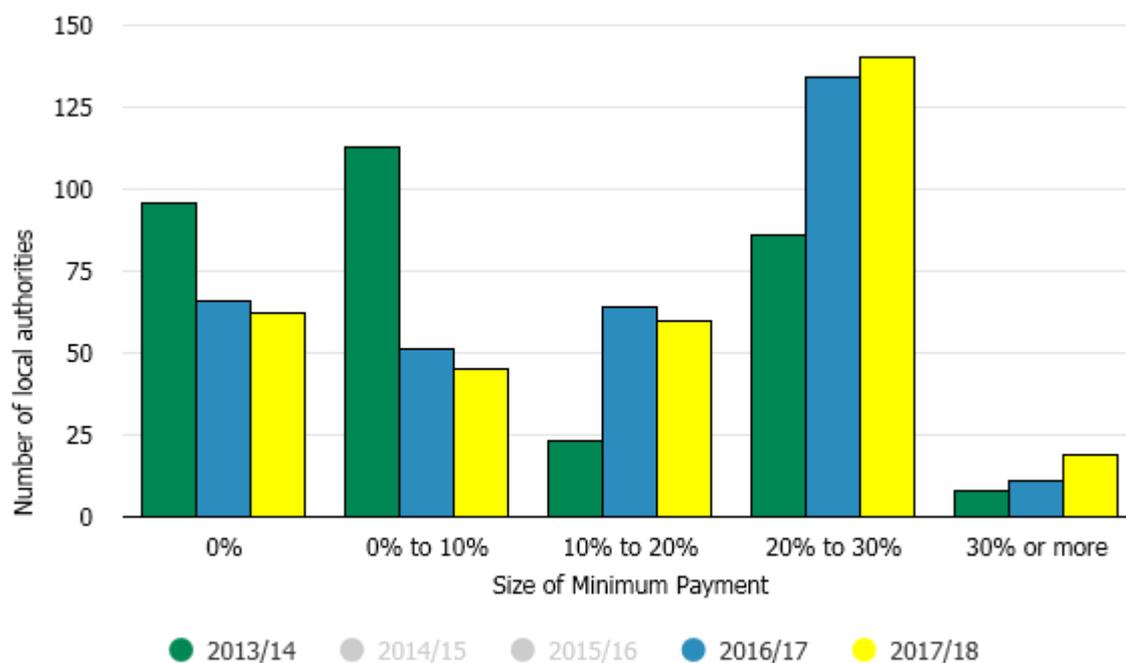
The summary below¹ sets out the current position across the country. Of the 326 councils nationally, over 250 have introduced some form of minimum payment, with 37 councils having made no change to their scheme. There is also a summary in the chart below of some of the other changes as part of the scheme that can be made.

Summary of changes made to schemes



¹ Source: <http://www.counciltaxsupport.org/schemes/>

Summary of minimum payment levels



Summary of WCC costs with a scheme aligned to an 'average' maximum 80% support for applicants.

Scheme	Claims	Amount	Case load reduction	Cost reduction
Vulnerable*	1215	£998,901	9	£261,371
Household*Vulnerable	523	£400,0354	16	£118,080
Working Age Employed*	415	£266,010	28	£95,205
Working Age Other*	493	£364,883	4	£96,917
TOTAL	2646	£2,029,829	57	£571,573

Income taper (align with UC at 62%)

Scheme	Claims	Amount	Caseload reduction	Cost reduction
Vulnerable	1176	£1,213,463	48	£46,809
Household Vulnerable	451	£446,687	88	£71,428
Working Age Employed	288	£256,728	155	£104,486
Working Age Other	479	£449,306	18	£12,494