

# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	5 DECEMBER 2016	13
<b>COUNCIL TAX REDUCTION SCHEME 2017/18</b>			

## PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The purpose of the scheme is to define the entitlement to support that eligible households receive. That support, through the CTRS, reduces the level of Council Tax that is payable by low income households.

The scheme that operates within Fylde borough for 2016/17 was approved by this Council in December 2015 for 2016/17 only.

This report provides the background to the change from Council Tax Benefit to CTRS in 2013/14; the approval of the CTRS for 2016/17; describes the experience to date of the operation of the local CTRS; and sets out the proposals in respect of the scheme for 2017/18.

The Council's Revenue Budget and Financial Forecast for 2017/18 onwards has been prepared on the assumption that the CTRS will be fully self-funding as it is for 2016/17. That is, that the net cost of the scheme to Fylde Borough Council (assuming that central government funding for the scheme is at a similar level as in previous years) will be met by applying reduced levels of support to claimants. The decision proposed within this report will be in respect of the scheme for 2017/18 only.

This matter was considered by the Finance and Democracy Committee at the meeting of 21st November 2016.

### RECOMMENDATION

The Finance and Democracy Committee considered this matter at the meeting of 21st November 2016.

In accordance with those deliberations, and having due regard to the Equality Analysis as detailed in section 3.7 of this report, and the consultation responses, it is recommended:

1. That the Council approve the continuation of the existing CTRS scheme for 2017/18 as set out in section 3 of this report, subject to the minor amendments to the scheme as detailed in paragraph 3.4 of this report;
2. That the Council approve the continuation of Discretionary Hardship Relief for 2017/18 to provide additional support for claimants in exceptional circumstances and the Council's Discretionary Discount Policy which details discounts and reliefs in respect of Council Tax and Business Rates;
3. That the Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial Forecast for 2017/18 onwards.

## SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2016/17 was approved at the Council meeting of 14<sup>th</sup> December 2015. The full scheme is available on the Fylde Borough Council website at:

<http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/>

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	√
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

## REPORT

### 1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2016/17

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 1<sup>st</sup> April 2013.
- 1.2 Each local Council Tax Reduction Scheme must incorporate the national scheme for pension-age claimants. This ensures that pensioners' support will continue at the previous level (i.e. as they were under the Council Tax Benefit regime).
- 1.3 Previously the cost of Council Tax Benefit was met in full by the Department for Work and Pensions (DWP). Under the revised arrangements Councils receive funding for their CTRS as part of the total funding settlement. For 2013/14 this was a separate element within the funding settlement and was identifiable as an amount of 90% of the cost of the Council Tax Benefit regime. From 2014/15 onwards funding for the CTRS has not been a separate identifiable element of the overall funding settlement.
- 1.4 In December 2015 the Council approved a scheme for 2016/17 which aimed to have a neutral financial impact on this Council and the major preceptors, as had been the case in prior years, assuming that central government funding for the scheme remains constant. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means-tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support as operated for 2014/15 and 2015/16.

### 2. Key points arising from implementation of the local CTRS to date

- 2.1 There has been no evidence which has emerged since the inception of the scheme to suggest that it is fundamentally in need of revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience to date indicates that 22.7% maximum reduction in the level of support is the correct level at which the scheme becomes self-funding.
- 2.3 For 2016/17 to 30<sup>th</sup> September 2016 a total of 20 applications for hardship awards have been made but none of these have been awarded additional support from the Discretionary Hardship Fund.

### 3. Proposed CTRS for 2017/18

- 3.1 The Council's Revenue Budget and Financial forecast for 2017/18 onwards currently assumes that the CTRS will be fully self-funding, that is that the assumed net cost of the scheme to Fylde Borough Council will be met by applying reduced levels of support to claimants.
- 3.2 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2017/18 CTRS.
- 3.3 It is further proposed that the scheme for 2017/18 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- 3.4 Although the 2017/18 scheme will, as far as is possible, have the same design principles as that currently in operation a small number of changes are proposed to align the scheme with housing benefit amendments in order that eligibility criteria are consistent for both schemes. The housing benefit changes are:
- Reducing the time period a person can be absent from Great Britain and continue to claim housing benefit from 13 weeks (or 52 weeks in certain cases) to 4 weeks.
  - Recipients of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in the calculation of their housing benefit.
  - Limiting the dependent allowances within the housing benefit calculation to a maximum of two children, which will affect new households who have a third or subsequent child on or after 1<sup>st</sup> April 2017.
  - Treating people in receipt of Universal Credit (carer's element) in the same way as those on Carer's Allowance.

These changes will only apply to working-age claimants and the impact of these changes will mean that the claimant would receive a nil award of Council Tax Reduction as a consequence of the first proposed change and a lower award than under the current scheme for the other proposals.

The full details of the proposed scheme for 2017/18 is available on the Fylde Borough Council website at:

[www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/](http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/)

- 3.5 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in October 2016 seeking their views on the proposed scheme for 2017/18. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2017/18 CTRS set out in this report.
- 3.6 Public consultation has also taken place and both the outcome of the consultation and the Council's response are shown at Appendices B and C to this report.
- 3.7 The Equality Analysis that has previously been carried out for the CTRS scheme has been revisited and updated. This aims to mitigate the impact on protected groups. **As part of their consideration of the CTRS scheme for 2017/18 Members must read the updated Equality Analysis which is available on the Fylde Borough Council website at:**

[www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax](http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/)

### 4 Hardship Relief

- 4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council

Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.

- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The Council's Discretionary Discount Policy is available on the Fylde Borough Council website at:

<http://www.fylde.gov.uk/resident/council-tax/>

- 4.3 It is proposed that for 2017/18 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- 4.4 The Major Preceptor consultation described at 3.5 above also provided the opportunity to comment on the proposals with regard to Hardship Relief. A summary of the responses on this matter is contained within Appendix A to this report.

## **5. Review of the CTRS**

- 5.1 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council is required to approve the scheme each year.

## **6. Equality Analysis**

- 6.1 The Government Equalities Analysis was published in January 2012. It considered equality impacts in relation to age and disability, concluding that protection for pensioners would be a positive impact and the effects on disabled people would depend on how each local authority responded to the reduction in council tax support. No impacts were identified in relation to gender or ethnicity and no other protected characteristics were considered and it was left to individual councils to identify full local impacts, based on local implementation.
- 6.2 The Council has carried out a much more detailed and robust Equality Analysis which is available on the Council's website as described in paragraph 3.7. The impact of CTRS has been considered on people based on the following characteristics:
- Age
  - Disability
  - Sex and sexual orientation
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

## **7. Linkages to Wider Welfare Reform**

- 7.1 The Welfare Reform Act 2012 provides for a major overhaul of the current benefits system. The abolition of Council Tax Benefit was implemented ahead of the commencement of Universal Credit.
- 7.2 Since its introduction in April 2013 the Council Tax Reduction Scheme has run alongside Housing Benefit. Housing Benefit administration will gradually diminish over the coming years. Wider changes to existing benefits during the next few years will mean customers on benefits will have less money available to pay their Council Tax liability.

## 8. Conclusion

- 8.1 The Council is required to adopt a local Council Tax Reduction Scheme for 2017/18 which (as is the case for the scheme currently in operation) will incorporate a reduction in support to working-age claimants.
- 8.2. Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working-age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2017/18. That Schedule forms part of the adopted scheme.
- 8.3 For 2017/18 it is proposed that the percentage reduction made at the end of the assessment for working-age claimants shall remain as for 2014/15, 2015/16 and 2016/17 at 22.7%, the percentage reduction such that the full costs of the Council Tax Reduction Scheme are recovered from the working-age recipients of support.
- 9.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) should be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2017/18 only.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None.
Health & Safety and Risk Management	The elements of the working-age scheme will need to be reviewed annually to avoid increased financial risk to the Council.

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2016	

LIST OF BACKGROUND PAPERS		
Council Tax reduction Scheme 2013/14	28 <sup>th</sup> January 2013	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Council Tax reduction Scheme 2014/15	27 <sup>th</sup> January 2014	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Council Tax reduction Scheme 2015/16	1 <sup>st</sup> December 2014	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

Council Tax reduction Scheme 2016/17	14 <sup>th</sup> December 2015	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
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**Attached documents**

Appendix A - Consultation and responses from major preceptors

Appendix B - Public Consultation

Appendix C - Results of Public Consultation

**Preceptor Consultation Letter – sent to LCC, Police and Fire Authorities - October 2016**

Dear Sirs,

**Fylde Borough Council - Council Tax Reduction Scheme 2017/18 – Consultation with major preceptors on the design of the local scheme.**

**Summary:**

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2017/18.

**Introduction:**

The scheme that currently operates within Fylde borough was approved by this Council in December 2015.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working-age claimants such that the CTRS is self-funding i.e. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2016/17 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

[www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax](http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax).

**The proposed 2017/18 Scheme:**

It is proposed that for 2017/18 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working-age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2017/18.

Council Members will be asked to agree a scheme of Council Tax Support in December 2016.

The principles for the 2017/18 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate

- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

### **Changes to the Scheme for 2017/18**

It is proposed that, as far as possible, the 2017/18 scheme will have the same design principles as that currently in operation. However, the Government has announced the following changes to housing benefit and the Council proposes to do the same for its CTRS for 2017/18 to keep this element of the scheme the same as housing benefit:

- reducing the time period a person can be absent from Great Britain and continue to claim housing benefit from 13 weeks (or 52 weeks in certain cases) to 4 weeks.
- applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in the calculation of their housing benefit.
- limiting the dependent allowances within the housing benefit calculation to a maximum of two children, which will affect new households who have a third or subsequent child on or after 1<sup>st</sup> April 2017.
- treating people in receipt of Universal Credit (carer's element) in the same way as those on Carer's Allowance.

These changes will only apply to working-age claimants and the impact of these changes will mean the claimant would receive a nil award of Council Tax Reduction as a consequence of the first proposed change and a lower award than under the current scheme for the other proposals.

### **It is proposed that the scheme for 2017/18 will:**

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

### **Hardship Fund**

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2017/18 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.



## Consultation Questions

1. Do you agree or disagree that the 2017/18 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working-age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25% for 2017/18? (note: the maximum reduction in the level of support under the scheme for 2016/17 is 22.7%).
2. Do you agree or disagree that the 2017/18 Fylde Council Tax Reduction Scheme should be amended to align with changes made to the housing benefit regime?
3. Do you have any other suggested changes to the 2017/18 Fylde Council Tax Reduction Scheme other than changes proposed?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2017/18 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

## Responses

Please provide your responses by e-mail / hard copy at the contact points shown above by **31<sup>st</sup> October 2016**.

Yours sincerely



Paul O'Donoghue

Chief Financial Officer

## **Summary of Responses from Major Preceptors**

### **A. Neil Kissock, Director of Financial Services, Lancashire County Council (31<sup>st</sup> October 2016)**

It remains the strong view of Lancashire County Council that the proposed scheme for Council Tax Support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In response to your questions I would submit the following:

1 Agree that the scheme should be based on existing rules but with a change to the standard percentage as Lancashire County Council feels that it is fair and appropriate that Fylde Borough Council maintains a cost neutral scheme. At a time when resources are extremely limited and will be reduced significantly in 2017/18 and future years, it is vital that the operation of the scheme does not pass on additional costs to precepting authorities

2. In respect of your scheme for 2017/18 Lancashire County Council understands and agrees with the reasons for continuing to align the Council Tax Support Scheme with the Housing Benefit Scheme. Any scheme should be as efficient as possible whilst continuing to offer protection to the most vulnerable individuals as identified within the existing Council Tax system.

3. The County Council has no further proposed changes

4. The County Council agrees with the continued operation of the Hardship Fund to provide support in exceptional circumstances.

5 The County Council does not object to the additional discretionary award. However it feels that it is fair and appropriate that Fylde Borough Council maintains a cost neutral scheme. At a time when resources are extremely limited and will be reduced significantly in 2017/18 and future years, it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

We thank you for the opportunity to take part in the consultation and are happy to discuss our response with you further should you wish.

### **B. Steve Freeman, Chief Finance Officer, Police and Crime Commissioner for Lancashire (28<sup>th</sup> October 2016)**

#### **Fylde Borough Council - Council Tax Reduction Scheme 2017/18 – Consultation with major preceptors on the design of the local scheme.**

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It remains the strong view of the Commissioner that the proposed scheme for council tax support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In respect of your scheme for 2017/18 the Commissioner agrees that the proposed approach is appropriate as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the Billing and Precepting authorities.

At a time when resources are extremely limited and will continue to reduce in future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

In response to your specific consultation questions please see the following:

1. Do you agree or disagree that the 2017/18 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working-age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25% for 2017/18? (note: the maximum reduction in the level of support under the scheme for 2016/17 is 22.7%).

*Agree*

2. Do you agree or disagree that the 2017/18 Fylde Council Tax Reduction Scheme should be amended to align with changes made to housing benefit?

*Agree*

3. Do you have any other suggested changes to the 2017/18 Fylde Council Tax Reduction Scheme other than the changes proposed?

*None*

4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.

*We agree this arrangement should remain in place*

5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

*We agree this should be in place provided decision making on such awards is the responsibility of elected members*

6. Do you have any other comments to make about the proposed 2017/18 Fylde Council Tax Reduction Scheme?

*None*

We thank you for the opportunity to take part in the consultation and are happy to discuss any of the responses we have provided with you further.

**C. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service  
(by e-mail 6<sup>th</sup> October 2016)**

Responses to consultation questions:

1. Yes, we would hope that any amendment to the level of reduction did not impact upon our overall council tax raised
2. Yes
3. No
4. Yes, in exceptional circumstances
5. Yes, in exceptional circumstances
6. No

### **Public Consultation**

This consultation sets out options for the Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2017/18.

The scheme that currently operates within Fylde borough (for 2016/17) was approved by this Council in December 2015.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working-age claimants. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2016/17 the maximum percentage reduction in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The proposed 2017/18 Scheme:

It is proposed that, as far as possible, the 2017/18 scheme will have the same design principles as those currently in operation. However, the Government has introduced a number of changes to housing benefit including:

- 1) reducing the time period a person can be absent from Great Britain and continue to claim housing benefit from 13 weeks (or 52 weeks in certain cases) to 4 weeks.
- 2) applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in the calculation of their housing benefit.
- 3) limiting the dependent allowances within the housing benefit calculation to a maximum of two children, which will affect new households who have a third or subsequent child on or after 1<sup>st</sup> April 2017.
- 4) treating people in receipt of Universal Credit (carer's element) in the same way as those on Carer's Allowance

The Council proposes to do the same for its CTRS for 2017/18 to keep this element of the scheme the same as housing benefit.

These changes will only apply to working-age claimants and the impact of these changes will mean the claimant would receive a nil award of Council Tax Reduction as a consequence of the first proposed change and a lower award than under the current scheme for the other proposals.

Other than these proposed change the amounts that individuals will be required to pay may also change in the event of changes to a claimant's circumstances or if Fylde Council and/or other preceptors (eg. Lancashire County Council) amend their levels of Council Tax for 2017/18.

Following consultation with interested parties and the public in respect of previous years CTRS the clear preference was for the adopted scheme as described i.e. one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working-age claimants. It is not expected that this element of the design will change for 2017/18.

Council Members will be asked to agree a CTRS for 2017/18 in December 2016.

It is proposed that for 2017/18 a fully self-funding scheme is retained. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%. The Scheme would include the national scheme for pension age claimants for whom there is no reduction in the level of support

- Q1 To what extent do you agree or disagree with the proposal to reduce the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks?
- Q2 Please tell us why you agree or disagree with this proposal.
- Q3 To what extent do you agree or disagree with the proposal to reduce the element of a Work Related Activity Component in the calculation of the current scheme for new ESA applicants?
- Q4 Please tell us why you agree or disagree with this proposal.
- Q5 To what extent do you agree or disagree with the proposal to limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of two?
- Q6 Please tell us why you agree or disagree with this proposal.
- Q7 To what extent do you agree or disagree with the proposal to remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them?
- Q8 Please tell us why you agree or disagree with this proposal.
- Q9 Overall, to what extent do you agree or disagree with the approach to align the Council Tax Reduction Scheme with the Government's proposed changes to the Housing Benefit Scheme?
- Q10 Please tell us why you agree or disagree with this proposal.
- Q11 If the Council does not align the Council Tax Reduction Scheme with Housing Benefit, how should any additional costs be found?
- Q12 Do you have any other suggestions for how the Council could make savings or increase its income?
- Q13 Please tell us what impact, if any, any of the proposed changes set out in this consultation might have on you.

### **Response – Council Tax Reduction Scheme Public Consultation**

#### **Fylde Council Tax Reduction Scheme Consultation Summary**

The Fylde Council Tax Reduction Scheme consultation went live on 22 August 2016 and closed on 15 October 2016, a period of 8 weeks.

The consultation survey was supported by Frequently Asked Questions and Background Information documents to ensure respondents had the necessary information to provide an informed response.

The survey was available to complete on the Fylde Council website, promoted by a series of messages on the council's social media channels. Additionally, paper copies were located at the council's customer service centre in Lytham St Annes for any residents who do not access the internet.

In the final week of the consultation an independent research fieldworker was based at the customer service centre to encourage and assist any customers to complete the survey. However, the lack of footfall and speed of service in the centre was not conducive to this approach with residents often not having the time or interest to complete the survey. Some residents were given paper surveys to take away with them and complete, but none were returned.

Over the consultation period 5 responses were received. In summary:

<b>Proposal</b>	<b>Agree</b>	<b>Disagree</b>	<b>Don't know</b>	<b>Any comments</b>
Absence from Great Britain	4	1	0	One comment noting that 4 weeks is seen as reasonable, particularly if people are in receipt of financial support
Support for Work Related Activity	4	1	0	One comment suggesting it is sensible to align based on the information given
Number of dependent Children	4	1	0	Negative comment about "persecution of women and children" who may not have choices, another comment suggesting it should be based on number of conceptions, citing the example of having twins
Severe Disability Premium	3	1	1	Negative comment suggesting in effect it is a reduction to those giving care, whilst another comment feels it is a reasonable approach to standardise payments
Overall agreement with alignment to Housing Benefit	4	1	0	One comment about the impact of government cuts and that the council "should protect local people", whilst another comment feels any reduction to "the administration burden" seems to have merit

If the council does not align the Council Tax Reduction Scheme with Housing Benefit then 2 of the 5 respondents suggested each of increasing the level of Council Tax, changing the level of Reduction in the scheme and reducing funding/ increasing income in other services. One respondent would suggest using the Council's reserves and one respondent did not know. Final comments in the consultation included providing more financial information to set the context of the consultation and a suggestion that the council could make savings by selling its town hall artwork. No respondents outlined any impact of the proposals on them, but none identified their household as being in receipt of Council Tax Reductions.