

REPORT TO:	Cabinet		
DATE:	12 September 2019		
PORTFOLIO:	Cllr Joyce Plummer, Resources		
REPORT AUTHOR:	Joe McIntyre, Deputy Chief Executive		
TITLE OF REPORT:	Council Tax Support Consultation		
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 This purpose of this report is to seek approval to commence a public consultation on plans to revise Hyndburn Council's Council Tax Support Scheme for 2020/21.

2. Recommendations

- 2.1 This report requests that Cabinet:
- 2.2 Authorises the Deputy Chief Executive to commence a public consultation on plans to revise the current Council Tax Support Scheme from April 2020.
- 2.3 Notes that the consultation will run for 12 weeks the 13th September 2019 to 5th December 2019 and will guide the final recommendations to be placed before Full Council for approval of the Council Tax Support Scheme by 31st January 2020.

3. Reasons for Recommendations and Background

- 3.1 In 2020/2021, Council Tax Support (CTS) will be in its seventh year, having been devolved to Local Authorities nationally in 2013 following the abolition of Council Tax Benefit. In 2013 Local Authorities were given a broad remit to design their own local CTS schemes for working age claimants, with pension age claimants still subject to a national scheme allowing up to 100% CTS.
- 3.2 Prior to 2013 Council Tax Benefit was funded in full by the Government: when Council Tax Support was introduced, the Government reduced Hyndburn's grant by 10% of the previous year's expenditure for all claimants and rolled future funding into the Revenue Support Grant.
- 3.3 Along with the majority of other Local Authorities, we introduced a minimum payment level for working age CTS claimants in 2013/14. The scheme also included four other changes designed to make the scheme fairer and to provide streamlined administration. The Hyndburn scheme otherwise mirrored the old Council Tax Benefit scheme.

- 3.4 Subsequent changes to our CTS schemes have included provisions to mirror national changes to Housing Benefit and Universal Credit and minimum payment level increases from 20% to 27% in 2016/17 and to 30% from 2017/18. Our scheme has been reviewed annually to ensure that it remains sustainable and the minimum payment levels remain at 30% today.
- 3.5 Council Tax Support cannot be considered in isolation: any changes to the scheme must be viewed in the context of national changes to benefits, (Universal Credit in particular), overall Council Tax increases (which increase CTS expenditure) and the end of the Revenue Support Grant from 2020/21. In light of uncertainty around the Local Government Spending Review and the UK's exit from the European Union, it is considered prudent at this point to review our CTS scheme and to conduct a public consultation on potential changes.

Council Tax Increases

- 3.6 Since 2013, Hyndburn Borough Council has increased its Council Tax precept by 6.5% overall with no increases in the four years from 2013/14 and 2016/17.
- 3.7 During the same period, as a result of other preceptor increases, Council Tax bills have increased in Hyndburn by 21%, adding £329.82 to Band D Council Tax between 2013 and 2019 (Appendix 4). The largest of these increases are from Lancashire County Council through the addition of the Adult Social Care precept and Lancashire Police, the precept for which increased 13.5% in 2019/20.
- 3.8 Having a minimum payment level for Council Tax Support means that CTS expenditure increases alongside overall Council Tax increases.
- 3.9 From 2017/18 to 2019/20, the CTS minimum payment level has remained steady at 30%. However over these three financial years, CTS expenditure has increased due to overall rises in Council Tax of 10%. This increase has raised CTS expenditure by £92,897, Hyndburn's proportion of which was £12,541. Any future increases in Council Tax levels will increase CTS expenditure unless the scheme is adjusted.

Universal Credit

- 3.10 When considering CTS in the context of national benefits, Universal Credit (UC) is having the greatest impact. There are three main reasons for this:
1. The calculation of UC is fundamentally different to previous benefits as it is linked to real time earnings information from HMRC and if there is a change to income, then a claim may be assessed every month.
 2. Any change to UC entitlement directly affects CTS entitlement.
 3. As a localised scheme, our current CTS scheme does not align completely with the national prescribed CTS scheme which has adjusted in line with the national UC scheme. The differences between the prescribed scheme and

our scheme prevent automation, creating an increased administrative burden for the Council.

- 3.11 In April 2018 there were 432 CTS claims from UC claimants. By March 2019 this had risen to 1,141, an increase of 709 (164%). This figure is increasing all the time and once the national roll out of UC is completed, we are likely to have around 5,000 working age claimants on UC.
- 3.12 Each change to a UC claim generates a 'notice' from the DWP to our benefits team. Notices issued by the DWP for UC claims rose from 6,189 in 2017/18 to 24,683 in 2018/19, an increase of 18,494 (300%). As claims increase, so will the number of notices issued by the DWP. Based on an estimated 5,000 claims this could be 100,000 notices annually.

Revenue Support Grant and Council Funding

- 3.13 Prior to 2013, Council Tax Benefit was funded in full by the Government. From 2013, CTS was initially funded by a cash limited grant from Central Government at 90% of the previous year's expenditure. The Government maintained funding levels for the first two years of operation and this allowed us to keep the minimum payment level at 20% during 2013/14 and 2014/15. We were also able to maintain the same support rate through the third year of operation in 2015/16 despite a reduction in Revenue Support Grant in 2015/16 of 33%.
- 3.14 Further Revenue Support Grant reductions and service demands have meant that alongside efficiency measures made throughout services for both Hyndburn and its preceptors, the cost of providing the working age CTS scheme has meant that in order to remain available to as many claimants as needed, the minimum payment levels have had to be increased and currently lie at 30%.
- 3.15 Local Government funding is currently facing change and uncertainty on multiple fronts: the pending Local Government Spending Review, the UK's exit from the European Union and the end of the Revenue Support Grant have all contributed to the decision to review the CTS scheme, its affordability and its relevance to our changing claimant base.

Consultation Proposal

- 3.16 This report seeks approval for a public consultation on the current working age CTS scheme for Hyndburn. The changes under review include the funding of the scheme and its impact on the minimum payment level as well as the administration of the scheme in light of the implementation of Universal Credit. A draft scheme is attached at Appendix 1.

3.17 It is proposed that the consultation offers three main funding options to residents with the added facility to suggest any alternatives that they would like to have considered.

Funding Option 1: Increase the minimum payment level

3.18 The consultation will ask for views on raising the minimum payment level above the current 30% with three increases being suggested: 35%, 37.5% and 40%.

3.19 Any change to minimum payment levels would impact all working age claimants of Council Tax Support (currently around 4,300 households) and based on 2019/20 Council Tax levels for a Band A property, would have the following impact:

Full Council Tax bill with two or more adults: £1,242.03			
Minimum payment level	Annual Bill	Annual Increase	Weekly Increase
30%	£372.61	-	-
35%	£434.71	£62.10	£1.19
37.5%	£465.76	£93.15	£1.79
40%	£496.81	£124.20	£2.39

3.20 For households with only one adult resident, the same minimum level increases would have the following impact:

Full Council Tax bill with 25% reduction: £931.52			
Minimum payment level	Annual Bill	Annual Increase	Weekly Increase
30%	£279.45	-	-
35%	£326.03	£46.58	£0.90
37.5%	£349.70	£70.25	£1.35
40%	£372.60	£93.15	£1.79

3.21 Raising the minimum payment level would increase the collectible debit for all Council Tax preceptors. Again using 2019/20 Council Tax figures, the potential increases to income are broken down by preceptor:

% Increase	LCC 72.3%	HBC 13.2%	Police 10.8%	Fire 3.7%	Total
35%	£102,501	£18,714	£15,311	£5,246	£141,772
37.5%	£153,753	£28,071	£22,967	£7,868	£212,659
40%	£205,003	£37,428	£30,623	£10,491	£283,545

3.22 It is important to note that while the net collectible debit will increase, projected additional income for all preceptors is adjusted downwards by 10-20% based on the lower collection rate levels from households in receipt of CTS.

Funding Option 2: Increase Council Tax levels for all taxpayers

- 3.23 Hyndburn Council can raise its proportion of Council Tax by up to 3% without holding a public referendum¹. While it is difficult to predict both Council Tax increases and CTS expenditure, we are able to use recent trends to model for future financial years.
- 3.24 Over the last three financial years, Council Tax overall has increased on average by 4.5% a year.
- 3.25 If Council Tax increases by 4.5% in 2020/21, CTS expenditure for all claimants will increase by £252,558 from £5,612,412 to £5,864,970. Hyndburn's proportion of this shortfall would be £34,095.
- 3.26 To fund a CTS shortfall of £34,095, Hyndburn Council would have to raise its precept by 0.6%. Other preceptors will also need to accommodate their proportion of the shortfall with a 0.6% increase in Council Tax if they choose to fund their proportion of the shortfall in this way.

Funding Option 3: Making savings by cutting or reducing other services

- 3.27 Savings made would have to be equivalent to a shortfall in CTS funding, which as above, will be an estimated £34,095.

Scheme Administration Changes

- 3.28 3.10 – 3.12 of this report highlights some of the impact that Universal Credit is having on CTS.
- 3.29 The current CTS scheme does not align completely with the national prescribed CTS scheme or UC scheme and their differences prevent automation, creating an increased administrative burden for the Council. The consultation will request views on an option to standardise our scheme in Hyndburn with the national UC and prescribed CTS schemes and remove the differences left over from the calculation of Council Tax Benefit and Housing Benefit.
- 3.30 If this change was implemented, we would be removing local income disregards; extra amounts that the current scheme allows claimants to earn before it affects their CTS. These income disregards have been abolished in the calculation of UC and the prescribed CTS scheme and as a result, CTS claims that still have these disregards require manual intervention to assess them.
- 3.31 By March 2019, the UC/CTS case load was 1,141. Of this number, around 300 claims generated over 40% of the changes as a result of the local income disregards and these changes had to be processed manually.

¹ This is subject to change as the Secretary of State announces an annual level each year. 3% was the 19/20 referendum level applicable to Hyndburn Borough Council

- 3.32 Once the national migration to UC is rolled out, the administrative burden of manual changes will have a wider impact on the service. We estimate that with a full roll out of UC, the Council will receive just short of 100,000 changes annually, of which 40,000 will have to be processed manually.
- 3.33 Making this change to the CTS scheme would provide £30k of savings across all preceptors, HBC's share being £4k. This figure is based on the current caseload of UC/CTS claims and will increase as claims increase.
- 3.34 Although these changes would reduce CTS expenditure, the main driver behind this proposal is the potential to prevent an increase in administration costs. FTE in the benefits team has reduced gradually over the last five years in anticipation of both UC and advances in automation. Having a significant increase in manual processing would necessitate more resources at an estimated cost of £70k/year for two members of staff, a cost not shared by our preceptors.

Impact of CTS Scheme Changes and Wider Considerations

- 3.35 When preparing to consult on any change to our CTS scheme, we have accessed research done on a national level on Council Tax Support, in particular the schemes in place and the impact studies that have been produced since 2013. A recent study by the Institute for Fiscal Studies highlights that in 2018/19 the most common level of minimum payment is 20% - adopted by almost a quarter of English Councils. A fifth of Councils have maintained CTS at pre-2013 levels with no minimum payment level and another fifth have minimum payment levels above 20%, the highest being 50%.
- 3.36 In 2018/19 (the most recent figures available to us), Hyndburn's minimum payment level, having remained static for three years was joint 6th highest nationally along with 18 other authorities with a minimum payment level of 30%.
- 3.37 More locally, the most common minimum payment level in Lancashire is 20% and other schemes range from 0% (Lancaster and South Ribble) to 27.1% (Blackpool).

Lancashire Authority	Minimum payment level
Hyndburn	30.0%
Blackpool	27.1%
Fylde	22.7%
West Lancs	22.0%
Pendle	20.0%
Preston	20.0%
Rosendale	20.0%
Blackburn with Darwen	20.0%
Burnley	17.5%

Ribble Valley	12.0%
Wyre	8.50%
Chorley	7.50%
Lancaster	0.00%
South Ribble	0.00%

3.38 To date, a handful of other Councils have begun a consultation on funding options for 2020/21 but too few to determine whether or not our funding options are broadly similar. Based on the trend towards higher minimum payment levels since the introduction of CTS however, we anticipate that more authorities will look to increase minimum payment levels as alternative funding options become harder to find.

3.39 There are currently around 7,200 households claiming Council Tax Support in Hyndburn; 2,900 (40%) are pensioners and 4,300 (60%) are working age. Pensioners are protected under Government legislation and continue to receive Council Tax Support to the same level as they did under the Council Tax Benefit rules, up to a maximum of 100%.

4. **Alternative Options considered and Reasons for Rejection**

4.1 The Council could choose not to consult on the Council Tax Support scheme and as such no changes could be made in 2020/21. This would not allow us to consider the views of the local population or interested parties and this would limit our options to fund the Council Tax Support scheme for 2020/21 to either cutting services or raising Council Tax levels.

4.2 This reports requests only that a consultation is conducted at this stage, any eventual changes to the CTS scheme will be considered in light of responses received. The option to continue with the current scheme remains after consultation.

5. **Consultations**

5.1 The Local Government Finance Act 2012 provides that the Council, as the billing authority, must consider whether to revise its Council Tax Support Scheme or replace it with another scheme by the 31st March every year. However due to constraints of the annual billing process and updating of welfare benefits and our systems, changes to CTS schemes must be agreed by the 31st January in that year.

5.2 Prior to revising or replacing their scheme the billing authority must, in accordance with Government legislation:

- consult with any major preceptors;
- publish a draft scheme in such a manner it thinks fit;
- consult with such other persons it considers may have an interest in the scheme.

5.3 Plans to revise the Council Tax Support scheme will affect all current working age claimants of which there are currently around 4,300 households. Pensioners will not be affected by any changes made to Hyndburn's Council Tax Support Scheme.

5.4 Our duty to consult extends to affected households and major preceptors as well as interested parties. This means our consultation will cover several areas, the main focus being:

- online consultation,
- email consultation,
- consultations by post.

5.5 The Council Tax Support Consultation Strategy is attached to this report at Appendix 2.

6. Implications

Financial implications (including any future financial commitments for the Council)	As detailed in the report, grant income from central government continues to reduce for awards of CTS and action is required to reduce overall expenditure to maintain a balanced budget. The consultation costs will be contained within existing budgets.
Legal and human rights implications	<p>The legislative and consultation requirements are set out in section 5 of this report.</p> <p>A comprehensive legal review of any scheme and all associated policies will be conducted prior to final publication if the scheme is altered.</p> <p>The Council aims to operate a CTS scheme that is fair, legal and resilient to challenge.</p>
Assessment of risk	<p>A risk assessment has been carried out and identified the following:</p> <p>Timescales: the consultation has a limited period in which it must be conducted in order that any recommendations and decisions can be made by the 31 January 2020.</p> <p>Insufficient Responses received, the Council has previous experience of</p>

	<p>consulting on this issue and will use a variety of means to gauge public opinion however there is always the possibility that the issue does not engage with the public and we receive very few responses.</p>
<p>Equality and diversity implications A <u>Customer First Analysis</u> should be completed in relation to policy decisions and should be attached as an appendix to the report.</p>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report, and in respect of a consultation and potential changes to CTS, Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected characteristic and those who don't. <p>For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out as part of the review process and is attached to this report at Appendix 3. Cabinet is advised to consider the Customer First Analysis and its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.</p>

7. Local Government (Access to Information) Act 1985:
List of Background Papers

7.1 Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.

1. [Council Tax Support Scheme Council Report 5th January 2017](#)
2. [Council Tax Support Scheme 2019/20](#)

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.



HYNDBURN

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Council Tax Support

Proposed Scheme 2020/21

August 2019

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1. Introduction

- 1.1 Council Tax Benefit was abolished on 31 March 2013 and Local Authorities in England were given a 31 January 2013 deadline to introduce a Local Council Tax Support (LCTS) scheme to be implemented on 1 April 2013. Hyndburn's current Council Tax Support scheme has been in operation since 1 April 2017 and is available to view on our [Council Tax Support webpages](#).
- 1.2 The Local Government Finance Act 2012 and the Welfare Reform Act 2012 included provision for Local Authorities to make changes to their LCTS schemes providing that they conduct a public consultation exercise on funding options and publish a final scheme by 31 March in any given year.
- 1.3 Hyndburn Borough Council has revised its scheme three times since 2013. These revisions have been in response to reductions in funding for the scheme and national welfare benefit changes.
- 1.4 As of August 2019, there are approximately 7,200 households claiming Council Tax Support in Hyndburn; 2,900 (40%) are pensioners and 4,300 (60%) are working age. Pensioners are protected under Government legislation and continue to receive Council Tax Support to the same level as they did under the Council Tax Benefit rules.
- 1.5 Working age claimants are currently being asked to pay a minimum of 30% towards their Council Tax which for a current Band A property is £372.61 for a full bill and £279.46 with a single occupancy discount. Information held confirms that 75% of Taxpayers in this category are paying their Council Tax on time.
- 1.6 Continued funding reductions, changes to national state benefits such as Universal Credit and the end of the Revenue Support Grant from 2020 has prompted a review of the current Council Tax Support scheme, a proposal for which is covered in this document.
- 1.7 This document sets out the Council's proposals to revise its Council Tax Support Scheme by reducing the minimum payment level for all working age recipients from between 5% and 10% and to revise administration of current assessment criteria to mirror the prescribed CTS scheme and Universal Credit regulations.
- 1.8 This document has been produced prior to a public consultation exercise which will guide the Council's decisions on a final scheme for implementation in April 2020.
- 1.9 Alternative options for funding the Council Tax Support scheme will be proposed as part of our consultation and will be considered again before any final scheme is published.

2. Proposed Scheme for 2020/21

- 2.1 The 2019/20 scheme sets out the rules for working age claimants. Eligibility for Council Tax Support will be calculated on a “means tested” basis and we will take account of the income and capital of the claimant and their partner (if applicable).
- 2.2 This proposed scheme is based on the current Council Tax Support scheme as defined by the terms of the existing regulations with the exception of the following:-

Reduction in Council Tax Support

- 2.3 Council Tax Support currently allows for up to 70% of a working age claimant’s Council Tax to be paid as support. It is proposed that entitlement to Council Tax Support be reduced by either 5%, 7.5% or 10% for all working age claimants, which means that all claimants, whether in work or in receipt of a passported benefit (as defined overleaf) would have to make an increased contribution towards their Council Tax.
- 2.4 By ensuring that all working age CTS recipients pay a contribution towards their Council Tax, the scheme is equitable and does not disadvantage people who are already in work, which would undermine the principles of Universal Credit and welfare reform.
- 2.5 Reducing the level of CTS available to working age claimants would raise the minimum Council Tax payable. Illustrative figures are provided below and are based on Council Tax at 2019/20 levels for a Band A property.

Full Council Tax bill with two or more adults: £1,242.03			
Minimum Payment Level	Annual Bill	Annual Increase	Weekly Increase
30%	£372.61	-	-
35%	£434.71	£62.10	£1.19
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Scheme Administration Changes

- 2.6 When considering CTS in the context of national benefits, Universal Credit (UC) is having the greatest impact. There are three main reasons for this:
- The calculation of UC is fundamentally different to previous benefits as it is linked to real time earnings information from HMRC and if there is a change to income, then a claim may be assessed every month.
 - Any change to UC entitlement directly affects CTS entitlement.
 - As a localised scheme, our current CTS scheme does not align completely with the national prescribed CTS scheme which has adjusted in line with the national UC scheme. The differences between the prescribed scheme and our scheme prevent automation, creating an increased administrative burden for the Council.
- 2.7 In April 2018 there were 432 CTS claims from UC claimants. By March 2019 this had risen to 1,141, an increase of 709 (164%). This figure is increasing all the time and once the national roll out of UC is completed, we are likely to have around 5,000 working age claimants on UC.
- 2.8 Each change to a UC claim generates a 'notice' from the DWP to our benefits team. Notices issued by the DWP for UC claims has risen from 6,189 in 2017/18 to 24,683 in 2018/19, an increase of 18,494 (300%). As claims increase, so will the number of notices issued by the DWP. Based on an estimated 5,000 claims this could be 100,000 notices annually.
- 2.9 The current CTS scheme does not align completely with the national prescribed CTS scheme or UC scheme and their differences prevent automation, creating an increased administrative burden for the Council. The consultation will request views on an option to standardise our scheme in Hyndburn with the national UC and prescribed CTS schemes and remove the differences left over from the calculation of Council Tax Benefit and Housing Benefit.
- 2.10 If this change was implemented, we would be removing local income disregards; extra amounts that the current scheme allows claimants to earn before it affects their CTS. These income disregards have been abolished in the calculation of UC and the prescribed CTS scheme and as a result, CTS claims that still have these disregards require manual intervention to assess them.
- 2.11 By March 2019, the UC/CTS case load was 1,141. Of this number, around 300 claims generated over 40% of the changes as a result of the local income disregards and these changes had to be processed manually.
- 2.12 Once the national migration to UC is rolled out, the administrative burden of manual changes will have a wider impact on the service. We estimate that

with a full roll out of UC, the Council will receive just short of 100,000 changes annually, of which 40,000 will have to be processed manually.

- 2.13 Making this change to the CTS scheme would provide £30k of savings across all preceptors, HBC's share being £4k. This figure is based on the current caseload of UC/CTS claims and will increase as claims increase.
- 2.14 Although these changes would reduce CTS expenditure, the main driver behind this proposal is the potential to prevent an increase in administration costs. FTE in the benefits team has reduced gradually over the last five years in anticipation of both UC and advances in automation. Having a significant increase in manual processing would necessitate more resources at an estimated cost of £70k/year for two members of staff, a cost not shared by our preceptors.

3. Consultation

3.1 The Local Government Finance Act 2012 sets out that billing authorities must:

- consult any major precepting authority, and then;
- publish a draft scheme, and then;
- consult those people who have an interest in how the new scheme will operate.

3.2 Consulting with all interested parties will ensure that we better understand the impact of these proposals on individuals and certain groups. We will consider the feedback we receive together with all suggestions before we decide upon a final scheme.

3.2 A consultation strategy has been produced and is available on request or to download at www.hyndburnbc.gov.uk/counciltaxsupport

4. Legislation

4.1 The Local Government Finance Act 2012 and the Welfare Reform Act 2012 included provision for Local Authorities to make changes to their CTS schemes providing that they conduct a public consultation exercise on the changes and publish a final scheme by 31 March in any given year.

5. Pensioners

5.1 The Government is committed to protecting pensioners on low incomes and as such pensioners are not affected by these proposed changes. In accordance with current legislation, a pensioner becomes eligible for pensioner-related Council Tax Support at the age at which they can qualify for State Pension Credit. From April 2020, the qualifying age will be 65 rising to 66 by the end of the financial year.

6. Vulnerable People

6.1 The Government issued guidance to protect pensioners from increased Council Tax costs but did not prescribe any further action in relation to vulnerable groups. Decisions on how to support these groups were left to local discretion. Hyndburn Council has regard to the following legislation in designing and updating its scheme.

- The Equality Act 2010 – the public sector Equality Duty in respect of protected characteristics.
- The Child Poverty Act 2010 – duty to reduce and mitigate the effect of child poverty in local areas.
- The Housing Act 1996 – duty to prevent homelessness

7. Fair and Equitable Council Tax Support Scheme

7.1 Hyndburn Council's Council Tax Support Scheme is fair and equitable for all claimants.

7.2 The personal allowances and applicable amounts currently used to calculate Council Tax Support are the amounts deemed necessary to provide for basic needs based on household composition and disability. These allowances and applicable amounts already take the claimant's circumstances into account and mean that they are awarded more benefit if their circumstances require it.

7.3 The figures used to calculate Council Tax Support are adjusted annually so that applicable amounts and personal allowances are the same as those used to assess Housing Benefit or Universal Credit.

7.4 Hyndburn's Council Tax Support Scheme reflects the Government's intention to bring all benefits in-line with the Consumer Price Index and any annual uprating will be in line with Consumer Price Index or any other pricing structure used to uprate Housing Benefit or Universal Credit.

7.5 Any annual changes to figures used will take effect from 1 April each year.

8. Class of Persons

8.1 The Government, through regulations, prescribes certain classes of persons who are not eligible to claim Council Tax Support.

9. Working Age

9.1 Working age claimants are defined as a class of persons who have not reached the qualifying age for State Pension Credit, which from April 2020 will be 65 rising to 66 by the end of the financial year.

10. Applications for Council Tax Support

10.1 Our standard application form should be completed in respect of all new claims for Council Tax Support. If this proposed scheme is adopted, CTS claims in payment on 31 March 2020 will be automatically adjusted on 1 April 2020; claimants will not have to reapply.

11. Notifications of Awards

- 11.1 Upon receipt of all relevant information, Hyndburn Council will make a decision on a claim within a reasonable timescale.
- 11.2 Notification of awards will be issued to customers with a detailed breakdown of the calculation used when assessing their Council Tax Support. The decision letter will include information relating to the review and appeals process.

12. Changes to Entitlement

- 12.1 In addition to the review process, all claimants will have a duty to notify Hyndburn Council of changes in their personal or household circumstances. This must be done in writing and within one calendar month of the change occurring.

13. Overpaid Council Tax Support

- 13.1 All overpayments of Council Tax Support will be recoverable with the exception of circumstances where the Council believes it would be unreasonable to expect the customer to know they had been overpaid.
- 13.2 A revised Council Tax demand will be issued and any amount of overpaid Council Tax Support which is to be recovered will be included in an adjusted Council Tax bill.

14. Appeals Process

- 14.1 A formal appeals process has been adopted by Hyndburn Council. Claimants are notified as part of the notification processes how they may appeal a decision and what decisions are appealable.

15. Hardship Scheme

- 15.1 As prescribed within the Local Government Finance Act 2012, the Council has an established Council Tax Support Hardship Scheme to which claimants can apply in circumstances of exceptional hardship.

16. Fraud

- 16.1 The Council will investigate cases where it has reason to believe that an amount of Council Tax Support has been awarded as a result of a fraudulent act by the customer or a person acting on their behalf. This will include situations where the customer fails to notify Hyndburn Council of any changes in household composition, income or capital that results in an overpayment of Council Tax Support.

17. Annual Council Tax Support Scheme Review

- 17.1 The Council Tax Support Scheme is reviewed annually and may be subject to change. The Council will undertake a review of the scheme each year to ensure that the scheme remains fair and equitable as well as affordable.

18. Data protection

- 18.1 Council Tax Support scheme administration and the proposed scheme pays due regard to The Data Protection Act 2018 and the General Data Protection Regulations 2018. [Details of our privacy notice can be found on our website.](#)

19. Equalities

- 19.1 An equality Impact Assessment in the form of a Customer First Analysis has been produced for this proposed scheme and consultation and is available on our Council Tax Support pages.



Council Tax Support Consultation Strategy 2020/21

August 2019

1. Introduction

- 1.1 Council Tax Support replaced Council Tax Benefit on 1 April 2013 and forms part of the Government's continuing wider reforms of the welfare system.
- 1.2 The Local Government Finance Act 2012 and the Welfare Reform Act 2012 gave Local Authorities in England until the 31 January 2013 to introduce a Local Council Tax Support (LCTS) scheme to be implemented on 1 April 2013. Local Authorities were compelled before this deadline to conduct a public consultation exercise on their proposed schemes.
- 1.3 The same legislation, as amended, also included provision for Local Authorities to make changes to their LCTS schemes annually providing that they conduct a public consultation exercise on any proposals and publish a final scheme by 31 March in any given year.
- 1.4 This document sets out Hyndburn Borough Council's Council Tax Support Consultation Strategy for 2020/21.

2. Consultation 2020/21

- 2.1 The Local Government Finance Act 2012 sets out that billing authorities must:
 - consult any major precepting authority, and then;
 - publish a draft scheme, and then;
 - consult those people who have an interest in how the new scheme will operate.
- 2.2 Consulting with interested parties will ensure that we better understand the impact of any proposals on individuals and certain groups. We will consider the feedback we receive together with all suggestions for improving the draft scheme before we decide upon any final scheme for 2020/21.

Appendix 2

- 2.3 We will conduct a fair, balanced and open consultation which will provide as many people as possible with the opportunity to respond to proposals for Hyndburn's Council Tax Support Scheme.
- 2.4 This consultation aims to meet our statutory obligations under the Equality Act 2010 and we will take steps to meet the differing needs of people with protected characteristics. Details on how we will take protected characteristics into account during this consultation are outlined on page 3.

3. Method

- 3.1 We recognise that the rate of subsidy in Council Tax Support is not just an issue for those in receipt of these subsidies, but impacts on all local residents as they are contributing to the subsidiary via the taxes they pay. Our consultation will therefore include tax payers as well as those in receipt of the benefit and other interested parties including the main preceptors.
- 3.2 Consultation will be multi-faceted and will vary in its methods so that we provide a range of opportunities to allow as many people as possible to have their say.
- 3.3 Our methods for consultation will include:
- Online consultation
 - Postal surveys to current Council Tax Support claimants
 - Postal surveys to a selection of Council Tax taxpayers not in receipt of CTS
 - A web link on all emails sent to customers during the consultation period
 - Email surveys to recipients of Council Tax Support and taxpayers not in receipt of CTS
 - Telephone surveys for those unable to access the web or portal form
 - Survey response boxes in our main offices
- 3.4 We will advertise our consultation using:
- press releases to local newspapers,
 - our website,
 - leaflets sent out with other Council correspondence,
 - our telephone queue messages,
 - social media,
 - email

4. Equality Target Groups

4.1 The consultation and advertising methods in this strategy are wide ranging and we aim to consult with as many people as possible while giving different groups the opportunity to respond.

4.2 The methods available to us will be used to consult with:

- Current Council Tax Support claimants
- Current Council Tax payers
- Working age people
- Pension age people
- Groups who support people with financial advice
- Local Charities, Women’s Groups, local Churches and Mosques

This list is not exhaustive.

4.3 We recognise that this consultation will not be fully effective unless it takes into account the different marketing tools and consultation methods which have the most impact on people in certain groups – failure to do so can contribute to greater inequality and a poorer outcome. Some groups can be harder to reach than others and the table below illustrates some of the methods we will use with the aim of reaching a specific group.

Target Group	Consultation Methods to suit group	Advertising Methods to suit group
Age – working age from 18-65	<ul style="list-style-type: none"> • Postal • Online • Email • Telephone • Face to face 	<ul style="list-style-type: none"> • Online • Social media • Telephone messages • Post
Age – older people 65+	<ul style="list-style-type: none"> • Post • Online • Telephone • Face to face • Large print available 	<ul style="list-style-type: none"> • Telephone messages • Post • Social media
People with a disability	<ul style="list-style-type: none"> • Online • Telephone • Face to Face • Large Print Available on request • Web-reader available • Appointments available for help with responses 	<ul style="list-style-type: none"> • Online • Social media • Telephone messages • Post
Black and Minority Ethnic groups	<ul style="list-style-type: none"> • Postal • Online • Email 	<ul style="list-style-type: none"> • Mosques • Community Centres • Online • Social media • Telephone messages

Appendix 2

	<ul style="list-style-type: none">• Telephone (including some other languages via translation services)• Face to face	<ul style="list-style-type: none">• Post
Homeless people or those under threat of homelessness	<ul style="list-style-type: none">• Face to Face• Housing advice appointments	<ul style="list-style-type: none">• Housing Advice team to promote the consultation• Community Groups and local charities

5. Length of Consultation

5.1 This consultation will run for 12 weeks from 13th September to 5th December 2019.

6. Responses

6.1 We will publish our responses on our website and in documentation produced when our scheme is finalised and published.

6.2 Responses received will be considered when finalising a new scheme, if one is to be implemented.

7. Public Sector Equality Duty and Privacy Statement

7.1 The survey will include an optional section to gather equalities monitoring data. This data will be used to ensure that our consultation has reached as many different people as possible as well as to analyse results.

7.2 Hyndburn Borough Council is committed to providing services which are fair and accessible for all. This consultation has considered the public sector equality duty throughout the project and a comprehensive Customer First Analysis has been completed and is available at www.hyndburnbc.gov.uk/counciltaxsupport or by request.

7.3 All responses will be anonymous and no personal data that could be used to identify an individual will be gathered as part of this consultation.



Council Tax Support

Customer First Analysis 2020/21

August 2019

The Council's response to the public sector equality duty is a comprehensive Customer First Analysis.

4. Purpose

- **What are you trying to achieve with the policy / service / function?**

The Council wishes to consult on options for changes to its Council Tax Support Scheme for 2020/21.

- **Who defines and manages it?**

The Welfare Reform Act 2012 and Local Government Finance Act 2012 provide the scope for Local Council Tax Support Schemes.

The consultation will be designed and implemented by Benefits, Revenues and Customer Contact management team.

- **Who do you intend to benefit from it and how?**

This is a consultation only at this stage. Decision makers will benefit by being informed on public opinion and residents will benefit from having the opportunity to provide their views on options.

- **What could prevent people from getting the most out of the scheme?**

Accessibility could be a barrier to being able to participate in the consultation; however the consultation strategy has considered accessibility and all information provided will be available in several formats.

- **How will you get your customers involved in the analysis and how will you tell people about it?**

Consultation on options for a revised Council Tax Support Scheme will take place between 13th September and 5th December 2019. The consultation will be made available to as many people as possible using a variety of methods such as web forms, postal surveys and telephone surveys. A consultation strategy has been written which covers this in more detail.

The Council Tax Support project has dedicated web pages on the Council's website: www.hyndburnbc.gov.uk/counciltaxsupport

5. Evidence

- **How will you know if the policy delivers its intended outcome / benefits?**

The consultation aims to gather responses to enable a meaningful consideration of public opinion to be taken into account if changes are to be made to the 2020/21 Council Tax Support Scheme.

- **How satisfied are your customers and how do you know?**

The proposed consultation will address this.

- **What existing data do you have on the people that use the service and the wider population?**

Data we will use for this consultation includes names and addresses of liable Council Tax payers and current recipients of Council Tax Support.

We hold household and income details of current Council Tax Support recipients but this will not be used as part of the consultation. We have access to wider population statistics which will enable us to assess the range of responses we have received as equality monitoring data will be available (albeit optional) as part of the survey.

- **What other information would it be useful to have? How could you get this?**

It is not possible to future proof a Council Tax Support scheme, our claimant base changes on a daily basis and we cannot always foresee or predict major changes locally or nationally which is why a broad consultation is appropriate before narrowing down potential changes. We will be monitoring the consultations and schemes proposed by other local authorities in order to ensure that our scheme options are broadly consistent with national and local changes.

- **Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?**

Yes – equalities data will be collected throughout the consultation and will be used when analysing data.

Appendix 3

- **Are you using partners, stakeholders, and councillors to get information and feedback?**

Yes – the consultation will be as inclusive as we can manage within our resources and we will consult with partners, groups and councillors.

6. **Impact**

- **Are some people benefiting more – or less - than others? If so, why might this be?**

No.

7. **Actions**

- **If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?**

This consultation is open to everyone.

- **Is it discriminatory in any way?**

No.

- **Is there a possible impact in relationships or perceptions between different parts of the community?**

No, the consultation is open to everyone in our community.

- **What measures can you put in place to reduce disadvantages?**

The consultation will be as accessible as we can make it in order to allow people to have their say.

- **Do you need to consult further?**

Not at this stage.

- **Have you identified any potential improvements to customer service?**

This will be the fourth Council Tax Support consultation since 2012 and we have learned from previous consultations how we can communicate with our residents with clarity and how we can gather enough responses to make the consultation meaningful.

We intend to build on our previous consultation successes to gather a wide range of public opinion.

- **Who should you tell about the outcomes of this analysis?**

Appendix 3

This analysis will form part of the wider Council Tax Support project and will be included with all documents available to the public as part of our commitment to transparency.

- **Have you built the actions into your Business Plan with a clear timescale?**

Yes.

- **When will this assessment need to be repeated?**

If this project progresses to changes to the Council Tax Support scheme for 2020/21, this assessment will be repeated with any changes to the scheme taken into consideration.

Appendix 4

Council Tax Charges 2013/14 – 2019/20					
	HBC	LCC	Police	Fire	Total
2013/14	Band D Charge £230.52	Band D Charge £1086.13	Band D Charge £152.92	Band D Charge £63.65	Band D Charge £1533.22
	Increase from Previous Year £0.00	Increase from Previous Year -£22.17	Increase from Previous Year £2.99	Increase from Previous Year £0.00	Increase from Previous Year -£10.82
	Percentage Increase 0%	Percentage Increase -2%	Percentage Increase 2%	Percentage Increase 0%	Percentage Increase -1%
2014/15	Band D Charge £230.52	Band D Charge £1107.74	Band D Charge £155.96	Band D Charge £63.65	Band D Charge £1557.87
	Increase from Previous Year £0.00	Increase from Previous Year £21.61	Increase from Previous Year £3.04	Increase from Previous Year £0.00	Increase from Previous Year £24.65
	Percentage Increase 0%	Percentage Increase 2%	Percentage Increase 2%	Percentage Increase 0%	Percentage Increase 1.6%
2015/16	Band D Charge £230.52	Band D Charge £1129.78	Band D Charge £159.06	Band D Charge £64.86	Band D Charge £1584.22
	Increase from Previous Year £0.00	Increase from Previous Year £22.04	Increase from Previous Year £3.10	Increase from Previous Year £1.21	Increase from Previous Year £26.35
	Percentage Increase 0%	Percentage Increase 2%	Percentage Increase 2%	Percentage Increase 2%	Percentage Increase 1.7%

Appendix 4

	HBC	LCC	Police	Fire	Total
2016/17	Band D Charge £230.52	Band D Charge £1174.86	Band D Charge £162.22	Band D Charge £65.50	Band D Charge £1633.42
	Increase from Previous Year £0.00	Increase from Previous Year £45.08	Increase from Previous Year £3.16	Increase from Previous Year £0.64	Increase from Previous Year £49.21
	Percentage Increase 0%	Percentage Increase 2%	Percentage Increase 2%	Percentage Increase 1%	Percentage Increase 3.1%
2017/18	Band D Charge £235.52	Band D Charge (Inc Adult Social Care) £1221.74	Band D Charge £165.45	Band D Charge £65.50	Band D Charge £1688.21
	Increase from Previous Year £5.00	Increase from Previous Year £46.88	Increase from Previous Year £3.23	Increase from Previous Year £0.00	Increase from Previous Year £54.79
	Percentage Increase 2%	Percentage Increase 3.9%	Percentage Increase 2%	Percentage Increase 0%	Percentage Increase 3.3%
2018/19	Band D Charge £240.52	Band D Charge (Inc Adult Social Care) £1294.92	Band D Charge £177.45	Band D Charge £67.46	Band D Charge £1780.35
	Increase from Previous Year £5.00	Increase from Previous Year £73.18	Increase from Previous Year £12.00	Increase from Previous Year £1.96	Increase from Previous Year £92.14
	Percentage Increase 2%	Percentage Increase 3.9%	Percentage Increase 7.2%.	Percentage Increase 2.9%	Percentage Increase 5.5%

Appendix 4

	HBC	LCC	Police	Fire	Total
2019/20	Band D Charge £245.52	Band D Charge (Inc Adult Social Care) £1346.59	Band D Charge £201.45	Band D Charge £69.48	Band D Charge £1863.04
	Increase from Previous Year £5.00	Increase from Previous Year £51.67	Increase from Previous Year £24.00	Increase from Previous Year £2.02	Increase from Previous Year £82.69
	Percentage Increase 2%	Percentage Increase 3.9%	Percentage Increase 13.5%	Percentage Increase 2.9%	Percentage Increase 4.6
Overall Increase £	£15.00	£260.46	£51.52	£5.83	£329.82
Overall Increase %	6.5%	24%	32%	9%	21%