

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	12 December 2018
<b>Executive Member/Reporting Officer:</b>	Councillor Bill Fairfoull – Deputy Executive Leader Ilys Cookson – Assistant Director Exchequer Services
<b>Subject:</b>	<b>CONSULTATION OUTCOME AND SETTING LOCAL COUNCIL TAX SUPPORT SCHEME 2019-20</b>
<b>Report Summary:</b>	This report sets out the procedural guidelines to be followed when consulting on changes to a local Council Tax Support scheme. The results of consultation on two proposed changes, impact the changes may have on different claimant groups, equality impact assessment, estimated costs of the scheme and risks are set out in the report.
<b>Recommendations:</b>	A recommendation is made to Council to approve the Council Tax Support scheme for 2019/20, which remains the same scheme as that set effective from April 2017, subject to annual benefit uprating as detailed in the scheme, and the following: <ul style="list-style-type: none"> <li>(i) Award a two week run on for claimants moving from benefit to work</li> <li>(ii) Apply an earnings disregard to self-employed working age claimants</li> </ul>
<b>Corporate Plan:</b>	The Council Tax Support (CTS) scheme assists the most financially vulnerable in the Borough by providing means tested financial support towards Council Tax costs.
<b>Policy Implications:</b>	In line with Council policy and guidance from DCLG.
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The Council Tax Support Scheme is a cost to the Council in the sense that it reduces the amount of Council tax that can be collected. In 2017/18 the value of the Council Tax revenue foregone under the current scheme rules was £14,439k, and is forecast to be around £14,258k in 2018/19 (Forecast as at 27 November 2018). The proposed changes set out in this report are estimated to increase the cost of the scheme by up to £50k.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	Under <b>Appendix 4</b> paragraph 5 (2) of the Local Government Finance Act 2012, the Council must now agree any changes to its discretionary scheme by 11 March each year, which must be in accordance with the Council Tax Reduction Scheme (Prescribed Regulations)(England) Regulations 2012 as amended, as must its appeal process. An equality impact assessment in accordance with the public sector equality duty is continually undertaken every quarter.  Having set a discretionary scheme, the Council must also be mindful of recent case law (including R (Logan) v the London Borough of Havering – 6.11.15) when applying the scheme. In particular, it may not be considered reasonable to refuse hardship funding on the basis that the hardship fund is exhausted (paragraph 9.1 of this report). Any claim for hardship must be considered on its merits only and careful consideration should be given to the impact of any restrictions on those of working age,

and or those that have a disability.

**Risk Management:**

The scheme is legally compliant in the way it has been set and the decision to set the scheme for the future year is part of the scheme setting process.

**Background Information:**

The background papers relating to this report can be inspected by contacting Ilys Cookson:



Telephone: 0161 342 4056



e-mail: [ilyc.cookson@tameside.gov.uk](mailto:ilyc.cookson@tameside.gov.uk)

## **1. INTRODUCTION**

- 1.1 The Welfare Reform Act 2012 contained provision to abolish Council Tax Benefit. The Government replaced it with a power for each local authority to have its own locally set council tax reduction scheme. The necessary primary legislation is included in the Local Government Finance Act, passed on 31 October 2012 which contained provision that Councils wishing to implement a local scheme must have the scheme approved by 31 January each year; however Statutory Instrument 1305 The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 changed this date to 11 March each year.
- 1.2 The local scheme was funded in the first year by way of a fixed grant which the Department of Communities and Local Government (DCLG) have determined as being 90% of the 2011/12 outturn for Council Tax Benefit expenditure. In real terms this reduction in funding equated to 17.3% for Tameside for 2013/14 and a local council tax support scheme was set taking into account the costing envelope available.
- 1.3 Tameside's own local Council Tax Support (CTS) scheme was set at the Council meeting on 21 December 2012. The scheme was adopted to a challenging timescale additionally, the Universal Credit Regulations 2013, on which the principals of the Council Tax Support Scheme were based, was not passed through parliament until 25 February 2013.
- 1.4 From April 2014 the Council has had to fund the council tax support scheme from the general allocation of the central government grant for all the Council's services. The 2013/14 CTS scheme which had been in place since 1 April 2013 was revised after consultation had been carried out with the public from 14 September 2015 until 30 November 2015. The Police Authority and Fire and Rescue Authority precepting bodies were also consulted. The following elements were introduced to the scheme from 1 April 2016:
  - Capping support to a Band A property.
  - Reduce the maximum CTS award to 75%.
  - Align deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age.
  - Non-dependent deductions are disregarded for CTS claimants in receipt of a Staying Put payment.
- 1.6 In consideration of setting the local CTS scheme for 2019/20 this reports sets out:
  - What the Council is required to do in terms of procedural requirements
  - What it has consulted the public and precepting body about
  - What the public and precepting body said
  - The impact of the proposals on the public.

## **2. PROCEDURAL REQUIREMENTS**

- 2.1 In setting the Council Tax Support scheme the Council must adhere to a number of procedural requirements contained in the Local Government Finance Act 2012 and as amended by SI 1305 2017 which are detailed as follows:
  - Adopt a Council Tax Support scheme no later than 11 March before the start of the financial year to which the scheme applies.
  - There are prescribed requirements which must apply to all schemes, which include local schemes. The prescribed scheme applies to persons of state pension credit age. Parts of the prescribed scheme also apply to working age claimants in respect of some procedural requirements in making a claim.
  - Ensure that claimants of state pension credit age continue to receive the same support under the scheme as they receive in council tax benefit.
  - Consider the statutory public sector equality duty in adopting a scheme and the child poverty strategy.

- Consult all major precepting authorities.
- Consult generally on changes to the scheme

2.2 Paragraph 5 (1) of Schedule 1A to the 1992 Act states that:

*‘For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme’*

2.3 On 01 August 2018 the Executive Cabinet considered that, while the same scheme set in 2018/19 should continue, consideration be given to two changes to the scheme which required public consultation. Executive Cabinet approved consultation to take place from 30 August 2018 to 22 November 2018.

### 3. CONSULTATION PROPOSALS

3.1 The Council has consulted on two options from 30 August 2018 to 22 November 2018 detailed at **Appendix 1** and summarised below and as contained in the Executive Cabinet report of 1 August 2018:

- Award a two week run on for claimants moving from benefit to work
- Apply an earnings disregard to self-employed claimants

#### **Proposal A: Award a two week run on for claimants moving from benefit to work**

3.2 This proposal would affect any working age claimant that starts work after being in receipt of benefit such as Job Seekers Allowance contribution based. Awarding an additional 2 weeks adhered to the scheme guidance to provide a work incentive to claimants and is also consistent with Universal Credit guidelines. If implemented this proposal would affect no more than 25 working age claimants per week and the estimated cost of £41k is based on current council tax levels.

#### **Proposal B: Apply an earnings disregard self-employed working age claimants**

3.3 This proposal would affect in work, working age claimants equally whether self-employed or not. If implemented this proposal would affect 15 cases in total and the estimated cost of £6k is based on current council tax levels.

3.4 There are a number of caveats to be considered in consulting on the two proposals above such as the cost of the scheme and those affected. Working age people only are affected by all of the above as pensioners are protected as detailed in the prescribed scheme set in law. The caseload changes daily as claimants move on and off benefit depending on their circumstances and changes in income. More than one proposal may be implemented and claimants may be affected by more than one of the above proposals.

### 4. CONSULTATION METHOD

4.1 The consultation commenced on 19 September 2018 ending on 22 November 2018. The Councils Big Conversation website detailed the questions raised on the two proposals. The consultation was also advertised on the Councils website via Facebook and Twitter. Paper copies of the questionnaire were made available on request. Stakeholders and local voluntary organisations were contacted by letter to inform them of the consultation.

4.2 **Appendix 2** details the timeline of consultation exercise and target audience. The questions raised on the Big Conversation web-site are available as a background report.

## 5. ANALYSIS OF CONSULTATION RESULTS

- 5.1 Precepting Body: Consultation took place with the Greater Manchester Mayor by email. The Mayor's Office response received on 04 October 2018 was supportive of the proposals and raised no concern.
- 5.2 Public and stakeholder consultation: After the consultation close at midnight on 22 November 2019 a total of 43 valid responses were received to the Big Conversation survey. 42 respondents completed the consultation on the Big Conversation website and one by email. All 43 answered the consultation questions, however not all 43 responded to the equalities questions.
- 5.3 Of the 43 responses 38 described their interest in the consultation as follows; 34 were from members of the public, two was from a community or voluntary group and two stated they had other interests in the consultation. A total of 19 respondents were male and 17 were female, 2 preferred not to say and 5 did not answer the question. Of those that responded 34 respondents claimed to be white/English/Welsh/Scottish/Northern Irish/British in terms of ethnicity and one Asian/Asian British – Indian and 2 claimed to be another ethnic group which was not specified.
- 5.4 A total of 26 claimed their day to day activities were not limited in some way due to a health problem or disability, and 10 respondents claimed their day to day activities were limited a lot and a further 1 claimed their activities were limited a little and the remainder did not respond.
- 5.5 26 respondents stated that they did not provide support or help to family members or friends or neighbours due to long term physical or mental health problems or problems due to old age; 11 provided some support, and 6 did not specify.
- 5.6 The age range of the respondents that declared their age is detailed below:

**Table One**

Age range	Number of respondents
Aged 18 – 25	0
Aged 26 – 35	1
Aged 36 – 45	3
Aged 46 – 55	9
Aged 56 – 65	7
Aged over 65	14
Did not specify their age	9

5.7 **Table Two**

Proposal	Agree	Disagree	Neither Agree/ Disagree	Don't know	Total
Award a two week run on for claimants moving from benefit to work	35	6	2	0	43
Apply an earnings disregard self-employed working age claimants	33	7	3	0	43

- 5.8 Eleven of the respondents chose to make additional comments, some of whom made more than one comment and categorised as follows. Three comments specifically referred to the charging of Council Tax on an unoccupied building, Oakglade House, Booth Street, Ashton-under-Lyne. The charge on this building would not be impacted by the two proposals. Four comments were made in relation to the calculation of income of which one comment was made that self-employed earnings are fluid and this could lead to overpayments of CTS

unless actual earnings were provided on a weekly basis and this would require extra staff resource, and a further comment that Council Tax payments should be assessed on recipients real income and their ability to pay. Three comments referred to impact and equality; one comment being that everybody should be treated equally, another that the second proposal would only benefit 15 people and the first proposal would have a much wider impact, and one comment that the current scheme was unfair being aligned to Universal Credit. A comment was received regarding access to the Hardship Scheme and one comment was received which related to the funding of the additional payments of CTS.

## 6.0 CONSULTATION CONCLUSIONS

- 6.1 **Proposal A: Award a two week run on for claimants moving from benefit to work**  
The majority of respondents 35 (81.39% of the total) agreed that a two week run on for claimants moving into work should be awarded with 6 respondents (13.95%) disagreeing. Two respondents (4.65%) neither agreed or disagreed.
- 6.2 **Proposal B: Apply an earnings disregard self-employed working age claimants**  
The majority of respondents 33 (76.74% of the total) agreed that an earnings disregard should be applied to the earnings of self-employed working age claimants. A total of 7 respondents (16.27%) disagreed. Three respondents (6.99%) neither agreed or disagreed.
- 6.3 The conclusions drawn from the consultation analysis is that, in each proposal, the majority of respondents agreed that each of the two proposals be implemented

## 7.0 IMPACT OF PROPOSALS

- 7.1 In considering implementation of any the proposals it is appropriate to consider impact on the claimant groups affected. Both changes are positive in that they are financially beneficial to claimants affected. Data has been taken from the Council Tax Support system to determine impact on different household compositions and circumstances taking into account differing income levels in the scenarios listed below. Table Three below details the amount payable if both of the proposals were implemented assuming Council Tax remains at current levels. Further information on each scenario can be found at Appendix Three.

**Table Three**

Household composition	Weekly Council Tax Support award	Weekly Council Tax payable	Weekly Council Tax Support award if implemented	Weekly Council Tax payable
<b>Self Employed</b>				
Single person, one child and self employed	Nil	£15.96	£8.01	£7.95
Couple with 2 children and Mr self employed	Nil	£21.16	£3.72	£17.44
<b>2 week run on</b>				
Single person with 2 children moving into work	Nil	£15.96	£11.97	£3.99
Couple with Mrs moving into work, one	Nil	£21.16	£6.95	£14.21

nondependent who is working					
--------------------------------	--	--	--	--	--

## 8.0 EQUALITY IMPACT ASSESSMENT

8.1 The Equality Act 2010 makes certain types of discrimination unlawful on the grounds of:

Age	Gender	Race	Gender reassignment
Disability	Maternity	Sexual orientation	Religion or belief

8.2 Section 149 of the Equality Act 2010 places the Council and all public bodies under a duty to promote equality. All public bodies are required to have regard to the need to:

- Eliminate unlawful discrimination.
- Promote equal opportunities between members of different equality groups.
- Foster good relations between members of different equality groups including by tackling prejudice and promoting understanding.
- Eliminate harassment on the grounds of membership of an equality group.
- Remove or minimise disadvantages suffered by members of a particular equality group.
- Take steps to meet needs of people who are members of a particular equality group.
- Encourage people who are members of an equality group to participate in public life, or in any other area where participation is low.
- This specifically includes having regard to the need to take account of disabled people's disabilities.

8.3 The Act therefore imposes a duty on the Council which is separate from the general duty not to discriminate. When a local authority carries out any of its functions, including deciding what Council Tax Support scheme to adopt, the local authority must have due regard to the matters within the section of the Act outlined above. The courts have made it clear that the local authority is expected to rigorously exercise that duty.

8.4 The Government has confirmed that people of state pension credit age are to have their current Council Tax Support levels protected and that the prescribed scheme must apply to them.

8.5 The anticipated impact on customer groups is outlined in this section. The population of Tameside is estimated at 224,119 based on the 2017 mid-year population. Trends show an ageing population. The number of people aged 65 years and over has increased by 6.4% between 2013 and 2017. The gender split of Tameside's overall population is 49.1% male and 50.9% female. There are an estimated 101,730 households in Tameside.

8.6 Tameside has approximately 19,140 CTS claimants (as at October 2018), of these 8,285 have reached pension credit age and are therefore fully protected under legislation contained in the prescribed scheme and will not see any change in their benefit entitlement. Of the remaining 10,855 working age claimants only those affected are 15 self-employed claimants (0.13% of all working age claimants) and an estimated maximum of 25 claimants per week (estimated maximum of 11% of all working age claimants) who move from passported benefits into work. An equality impact assessment on the proposals is detailed at Appendix Four and is in addition to the Equality Impact Assessments in place from the commencement of the CTS scheme in April 2013, as updated in December 2015.

8.7 In addition to considering the effects on the key characteristic groups it is important to also consider that the scheme in place remains largely the same as that in place from 2013/14 with the revisions as detailed in 1.4 of this report, and the affected groups are 15 self-employed cases and any claimant that starts work after being in receipt of a benefit such as

Job Seekers Allowance contribution based and may therefore fall into any equalities category.

## 9.0 SUPPORT IN PLACE

- 9.1 **Hardship Scheme.** The Hardship Fund, introduced in 2013/14 when the local Council Tax Support scheme was set, will remain in place to support claimants in exceptional circumstances, who suffer severe financial hardship as a result of the introduction of the scheme and may apply for additional monies to help pay their council tax. No applications were approved from April 2018 to 30 October 2018. The Hardship Fund will remain at £50k in 2019/20 however this amount does not exclude approved applications being granted should the maximum allocated funding being exceeded. Hardship Funding will be identified from existing budgets and be administered via Tameside Resettlement Scheme. The Hardship Policy is detailed in Appendix Five.
- 9.2 **Advice and assistance.** Residents may also obtain advice and assistance on the Hardship Fund and Council Tax Support scheme from the Council's Benefits Service, Citizens Advice Bureau, Tameside Welfare Rights Service and other local advice services such as MiNT.
- 9.3 The proposals do not affect the mitigations which will continue to be in place to protect the relevant equalities groups and will continue to comply with Government guidance Localising Support for Council Tax (Vulnerable people) 2014 in the following ways:
- 9.4 Workers on low incomes / or reduced means as a result of a previous period of unemployment continue to be protected by virtue of keeping support when moving from benefit into work. The new proposal to award a 2 week additional Council Tax Support aligns with Universal Credit guidelines where an extra 2 weeks Housing Benefit is paid when moving from legacy benefits and onto Universal Credit. Claimants moving from Job Seekers Allowance contribution based (JSAC) and commencing work, would have claimed Tax Credits prior to claiming Universal Credit.
- 9.5 The new proposal is to award the 2 week support for people moving from (JSAC) into work and claiming Universal Credit. The 4 week support rule in the CTS scheme continues to apply when moving from specified benefit into employment after having been out of work for more than 26 continuous weeks or more.
- 9.6 Disabled claimants of working age continue to be protected by the exclusion of Disability Living Allowance from their income taken into account when calculating CTS, which can be up to £145.35 (2018/19 rates) as the 2019/20 rates will not be known until January 2019 at the earliest. This benefits 257 disabled claimants as at October 2018. Claimants (861 in total of which working age) are in receipt of Carer's Allowance are provided with extra support by having an additional element of allowable income in the assessment. Disabled claimants in receipt of war pensions or war widow's pensions are protected as this income is also excluded from the CTS assessment.
- 9.7 Women are affected more by the scheme than men because there are a higher proportion of female claimants. The number of female lone parents has remained static since the scheme was set in 2013 at 94% of all lone parent households. A total of 1,867 female single parent households receive maximum CTS benefit with the remainder being protected by the exclusion of child benefit from the CTS calculation.
- 9.8 Children and Families continue to be protected by disregarding child benefit in full within the CTS calculation and child care costs being disregarded for claimants in work.
- 9.9 War Pensions/war widows continue to be protected as 100% of war pensions and war widows pensions are disregarded for CTS purposes.



- 9.10 Foster carers in receipt of Council Tax Support continue to benefit from the not having a non-dependent deduction applied where the foster carer continues to provide a home for a young person beyond the age of 18 and up to 21 years old under the Staying Put policy.
- 9.11 There are no specific impacts negative or positive on the following protected characteristic areas – ethnicity, marriage/civil partnership, sexual orientation, religion and belief, gender re-assignment.
- 9.12 The scheme was designed to provide extra support for vulnerable people with disabilities claiming benefit, carers and those in receipt of war pensions and to support as many claimants on low incomes as possible taking into account the requirements of the scheme as determined by the Government and affordability.
- 9.13 The caseload is relatively constant. The scheme will continue to use the annual DWP Housing Benefit upratings and the annual uprated UC elements as applicable. Further equalities analysis will continue to take place in each claimant category on a bi-annual basis to enable the scheme to be continually monitored and to identify and investigate any unforeseen negative impacts should they arise.
- 9.14 The Benefits and Council Tax service works closely with housing and voluntary sector colleagues who assist claimants in supported accommodation. There are strong links with local DWP Job Centre colleagues to ensure that claimants of Universal Credit also complete a claim for Council Tax Support at the point of becoming unemployed.
- 9.15 As Universal Credit is rolled out in Tameside and in other parts of the country we will, wherever possible, monitor the effects of the CTS scheme in relation to Universal Credit claimants, however as this benefit is administered entirely by the DWP it may not be possible to do so as the Council has little information on which a comparison between entitlement to CTS using Housing Benefit annual uprated amounts and Universal Credit uprated amounts can be made. The law states that Universal Credit annual upratings must be used for claimants in receipt of Universal Credit.

## **10 EIA CONCLUSION**

- 10.1 There will be no anticipated specific impacts negative or positive on the following protected characteristic areas as a result of proposed changes to the CTS scheme – ethnicity, marriage/civil partnership, sexual orientation, religion and belief, gender reassignment.
- 10.2 The changes proposed will have no impact on claimants of pensionable age as they must be protected in accordance with the requirements of the prescribed scheme. The changes will affect all working age claimants.
- 10.3 Women and families: Women are likely to be affected by the changes more than men by virtue of the fact that there are more female claimants (50.9% as opposed to 49.1% male claimants). Claimants in receipt of maternity payments will not be more affected by the proposed changes than other working age claimants. Lone parent working age females will not be affected by the proposed changes and continue to be offered some protection by the disregard of child benefit in the scheme. Child care costs for employed claimants will continue to be disregarded in line with Universal Credit principles and child benefit will continue to be disregarded in full.
- 10.4 Low income claimants who have previously been unemployed will continue to be supported as in the existing CTS scheme by virtue of keeping support for 4 weeks once back in employment after having been out of work for more than 26 continuous weeks. The proposals to change the scheme do not affect this support.

- 10.5 Disabled claimants: In terms of disability the current CTS scheme offers some protection to the most severely disabled. Some protection will be given to claimants in receipt of sickness related benefits such as Incapacity Benefit, Disability Living Allowance (care element) and disabled claimants of working age are offered some protection by the disregard of war pensions and the exclusion of Disability Living Allowance from income.
- 10.6 The original scheme implemented in April 2013 was designed to provide extra support for vulnerable people with disabilities claiming benefit, carers and those in receipt of war pensions and to support as many claimants on low incomes as possible taking into account the requirements of the scheme as determined by the Government and affordability. In considering changes to the scheme the proposals were deemed to be as equitable as possible with regard to all equality groups.
- 10.7 In terms of mitigation and support a Hardship Fund continues to remain in place administered through the Tameside Resettlement Scheme. The Hardship Fund will remain at £50K in 2019/20. However this amount does not exclude approved applications being granted should the maximum allocated funding be exceeded.
- 10.8 As with the existing scheme, support and advice will continue to be provided by Tameside Welfare Rights Team, the DWP and local Job Centres, housing providers and the voluntary sector including CAB and MiNT in addition to Tameside's Benefits Team.

## 11 COST OF THE SCHEME

- 11.1 The current cost of the CTS scheme is £14,093,685 as at October 2018 however we do not know how much of this sum is covered by Central Government because, from 2013, the Government have not disclosed the figure to be attributed to CTS, as this is a local discretion to be applied in local circumstances, although we do know that from 2013 the figure provided to local authorities was 10% less than in previous years.
- 11.2 The Council is mindful of the effects of welfare reform and austerity on residents of the Borough. The two proposed changes to the CTS scheme have the effect of increasing scheme costs by an estimated £20.2k if both options are implemented. Costs of the scheme and caseload continue to fall and the implications of this increased costs of 0.14% of the scheme costs are detailed in Table Four and the effect on the overall costs of the scheme as detailed in Table Five.

**Table Four**

Option	Detail	Estimated cost
Option A	Award a 2 week run for claimants moving from benefit into work	14.2k
Option B	Apply an earnings disregard to self employed claimants	6k
<b>Total</b>		<b>20.2</b>

**Table Five**

	£m
Current cost of scheme	14.093
Cost of both options	0.020
Scheme costs if CTAX level remains same	14.113

- 11.3 Additional income to the Council arising from a potential increase in Council Tax is not included in the above. Should Council Tax levels increase then Council Tax Support levels will increase which increase the overall cost of the scheme.

## **12 RISKS**

- 12.1 In setting the local Council Tax Support scheme for 2019/20 it is important to consider the risks in doing so. Procedural guidance has been observed. The precepting body, public and stakeholders have been consulted via the Councils Big Conversation web-site.
- 12.2 A local scheme must be set by 11 March 2019 or the default scheme will apply. The default scheme is the same as the Council Tax Benefit scheme, which ceased to exist on 31 March 2013. Costs associated with the default scheme were estimated to be in excess of £3.2m in 2013/14, and increased since then.
- 12.3 There is a continued risk that demand for support could increase if the economic picture worsens and we cannot predict the number of people that may claim Council Tax Support in the future.
- 12.4 Implementation of a local scheme will mean that some people are paying Council Tax for the fifth year as all benefit claimants must pay at least 25% of their Council Tax liability. Small debts are difficult to collect and often take years to clear. This is particularly so where an attachment of benefit is in place to recover Council Tax arrears because the DWP hierarchy of attaching a debt to a benefit from source ranks council tax sixth after utility payments and other housing costs.
- 12.5 There is also a continuing risk concerning provision of appropriate and timely communication of the scheme changes to residents and in particular benefit recipients. To mitigate this communication on the scheme will remain in place, as it is important that claimants are clear that they will have some council tax liability which will need to be paid.

## **13 CONCLUSION**

- 13.1 The public, interested parties and precepting body was consulted on the two proposed changes to the CTS scheme in accordance with procedural requirements.
- 13.2 The consultation was undertaken from 19 September 2018 to 22 November 2018 via the Big Conversation website. A total of 43 responses were received with the majority being in agreement with each the two proposals.
- 13.3 The equality impact assessment considered the impact of the two proposals on the scheme by the key characteristic groups, in addition to the equality scheme assessments undertaken at the time the scheme was set in December 2012 to become effective in April 2013 and updated in December 2014 and November 2018. There is no disproportionate impact on any group.
- 13.4 In terms of mitigation and support the Hardship Fund will remain in place at £50k and continued to be administered by Tameside Resettlement Scheme. This amount does not exclude approved applications being granted should the maximum allocated funding being exceeded.
- 13.5 The two proposals will cost an estimated £20.2k in scheme costs. If Council Tax remains at the same level in 2019/20 the scheme costs are estimated to be £14.128m. Should the Council Tax increase from April 2019 then the estimated costs will increase however this does not include the additional overall income which could be raised as a result of increasing Council Tax.
- 13.6 There is also a continuing risk concerning provision of appropriate and timely communication of the scheme changes to residents and in particular benefit recipients and

it must be clear to claimants that they will have some council tax liability which will need to be paid.

## **14 RECOMMENDATIONS**

14.1 As set out on the front of the report.

Council Tax Support scheme proposals

**APPENDIX 1**

Proposed change to scheme	Scheme now	Rationale	Estimated costs	Impact	Numbers of claimants affected
<p><b>PROPOSAL A</b></p> <p>Award a 2 week run on for working age claimants moving from benefit into work</p>	<p>CTS is awarded using earnings from employment</p>	<p>Adheres to scheme guidance to reward claimants who start work and aligns to Universal Credit guidance. Affects claimants who move from benefit such as Job Seekers Allowance contribution based into work.</p>	<p>41.2k</p>	<p>Financially beneficial as all claimants affected would receive CTS for a further 2 weeks when starting work before salary or wage used to reassess entitlement.</p>	<p>25 per week maximum estimated</p>
<p><b>PROPOSAL B</b></p> <p>Apply an earnings disregard to self-employed working age claimants</p>	<p>Currently the earning disregard is applied to all workers of working age unless they are Self-Employed</p>	<p>Affects in work working age claimants equally whether self-employed or not</p>	<p>6k</p>	<p>Financially beneficial to self-employed working age claimants not currently in receipt of maximum CTS</p>	<p>15 cases</p>