



Special Cabinet

Date **Wednesday 19 December 2012**
Time **10.00 am**
Venue **Committee Room 2, County Hall, Durham**

Cabinet Business

Part A

**Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement.**

1. Declarations of interest

Key Decisions:

2. Local Council Tax Support Scheme, Review of Discretionary Council Tax Discount on Unoccupied Properties and Calculation of Council Tax Base 2013/14 - Report of Corporate Director, Resources [Key Decision: CORP/R/12/02] (Pages 1 - 84)
3. Medium Term Financial Plan (3), Council Plan and Service Plans 2013/14 - 2016/17 - Joint Report of Corporate Director Resources and Assistant Chief Executive [Key Decision: CORP/A/10/12/1] (Pages 85 - 98)
4. Welfare reform update - Report of Assistant Chief Executive [Key Decision: CORP/A/12/12/2] (Pages 99 - 162)
5. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
6. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

Ordinary Decision:

7. Sale of Land at Pont Lane, Leadgate - Report of Corporate Director, Regeneration and Economic Development (Pages 163 - 168)

8. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
11 December 2012

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors N Foster, L Hovvels, M Nicholls, M Plews, C Robson, B Stephens, C Vasey and B Young

Contact: Ros Layfield

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Cabinet

19 December 2012



**Local Council Tax Support Scheme,
Review of Discretionary Council Tax
Discount on Unoccupied Properties &
Calculation of Council Tax Base 2013/14**

CORP/R/12/02

**Report of Corporate Management Team,
Don McLure, Corporate Director Resources
Councillor Alan Napier, Portfolio Holder, Resources**

Purpose of the Report

- 1 To consider the outcome of the consultation on the Local Council Tax Support Scheme (LCTSS) and the proposed changes to Council Tax discounts on empty properties, including second homes, plus the withdrawal of the 'double taxation' payments currently provided to some parish and town councils.
- 2 To make recommendations to Council with regards to the Local Council Tax Support Scheme to be implemented from 1 April 2013.
- 3 To consider implementing changes to a number of Council Tax exemptions and discounts relating to empty properties and second homes in order to generate additional council tax income for the Council with effect from 1 April 2013.
- 4 To consider the withdrawal of double taxation payments currently made to 69 of the parish and town councils.
- 5 To determine the Council's Council Tax Base for 2013/14, taking into account the impact of the Local Council Tax Support Scheme and changes to discounts on empty properties and second homes, which is an important component in the Council's budget setting process for 2013/14.

Executive Summary

- 6 Government funding for the LCTSS will only be 90% of the forecast costs. This results in a circa £5.5m loss of Government funding in total, taking into account the cost to the Council, Police, Fire and local Town and Parish Councils. The expectation from Government is that councils will recover this shortfall by reducing benefit entitlement to working age claimants, seeking efficiencies and by taking up the increased flexibilities afforded through its technical reforms of council tax discounts.
- 7 In Durham, the overall aim of the recommended LCTSS in 2013/14 is to provide the same level of support to council tax payers as the current Council Tax Benefit Scheme would have done. In so doing, the scheme will protect

vulnerable households at a time of great uncertainty over the impact of the wider Welfare Reforms agenda and the ongoing difficult economic conditions in County Durham.

- 8 There is a statutory requirement to publish and consult on the Council's proposals with regards to the new Local Council Tax Support Scheme (LCTSS), which must be approved by Council before 31 January 2013.
- 9 On 12 September 2012 Cabinet agreed to undertake consultation on its proposals for the Durham LCTSS and on withdrawing the council tax discounts currently awarded for Class A, C and L empty properties, plus removing the remaining 10% discount on second homes and charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of up to 150% of the full council tax from 1 April 2013.
- 10 Subsequent to the Cabinet report on 12 September, the Government has firmed up their proposals with regard to giving councils greater discretion over council tax discounts. There are no provisions within the Statutory Instrument issued 30 November 2012 for billing authorities to amend the Class L exemption, so class L exemptions have been excluded from consideration in this report.
- 11 The Council's Hardship Relief Policy has also been updated to take into account the potential for more hardship cases should the council tax discount changes be implemented.
- 12 Parish and town councils have been consulted on the proposed removal of the 'double taxation' grants currently paid to 69 of them.
- 13 The Equality Impact Assessment has been updated in line with feedback and evidence gathered during the consultation period and is appended to this report.
- 14 Since the September Cabinet report, a number of Government policy changes, together with the revised forecast of LCTSS grant and technical changes have had a significant impact on the original financial projections. Updated forecasts of the additional council tax yield and LCTSS grant receivable next year are shown in the body of the report.
- 15 The updated financial forecasts for 2013/14 are considered robust and prudent for budget setting purposes and the forecasts include a provision for LCTSS caseload growth of 1% next year. The forecasts are shown below:
 - Loss of Council Tax yield from Council Tax Base reductions linked to the introduction of the LCTSS = -£42.784m;
 - Council element of the forecast LCTSS Grant 2013/14 = +£37.394m;
 - Additional Council Tax yield from Council Tax Base increases linked to removal of discounts and general growth in the tax base in year = +£5.465m;
 - Net Impact on MTFP in 2013/14 = Balanced (after allowing for a £75k contingency)

- 16 This report includes details of the Council and parish and town Council Tax Bases for 2013/14. Setting and agreeing the tax base is a statutory requirement and these figures are an important component in the budget setting process. The Council Tax Base for the whole county has been calculated to be 128,205.0 Band D equivalent properties in 2013/14.
- 17 The actual cost of the LCTSS will be kept under continuous review and the scheme will be reviewed again ahead of 2014/15 budget setting. Any changes to the LCTSS will need to be consulted on and, should any changes be proposed, a report would need to be brought back to Cabinet in September 2013 before embarking on consultation in autumn 2013.
- 18 As agreed at the September Cabinet, officers have consulted with parish and town councils on the withdrawal of the double taxation grants currently paid to 69 local parish and town councils. The proposal is to withdraw these payments in 2013/14, realising MTFP savings for the Council of circa £246,000 next year. The impact on individual parish and town councils' budgets ranges from between £16 a year to £38,475 a year. For the parish and town councils to make up this shortfall from council tax payers would mean an increase in council tax within a range of less than 1 pence a week to a maximum of 8 pence a week per Band A household.
- 19 The report includes an overview of the impact of these decisions on individual parish and town councils. Discussions are ongoing with representatives from parish and town councils to see how the formula applied to the distribution of the parish element of the LCTSS grant can be best used to offset reductions across the sector. In line with Government guidance, the Council will passport 100% of the parish element of the LCTSS grant to parish and town councils in 2013/14.

Background

- 20 On 18 April 2012 and 12 September 2012 Cabinet have previously considered the implications of the Local Council Tax Support Scheme (LCTSS), which replaces the Council Tax Benefit Scheme from 1 April 2013, and the opportunities to review a range of discounts linked to empty properties and second homes.
- 21 Government funding for the LCTSS will only be 90% of the forecast costs. This results in a circa £5.5m loss of Government funding in total, taking into account the cost to the Council plus the level of precepts levied by Police, Fire and local Town and Parish Councils.
- 21 The expectation from Government is that councils will recover this shortfall by reducing benefit entitlement to working age claimants, seeking efficiencies and by taking up the increased flexibilities afforded through its technical reforms of council tax discounts.
- 22 At the September meeting of Cabinet, it was agreed that:
 - (i) The Council would undertake consultation on introducing a Local Council Tax Support Scheme from 1 April 2013 that retains the same level of support to council tax payers as the current Council Tax Benefit Scheme;

- (ii) The Scheme would be initially introduced for one year only and be kept under continuous review with a further decision to be considered by Cabinet in September 2013;
 - (iii) The Council would undertake consultation on withdrawing all the discounts currently awarded for Class A, C and L empty properties, plus removing the remaining 10% discount on second homes and charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax:
 - a. Class A relates to properties which are empty, unfurnished and undergoing major structural work to make them habitable. Currently, properties falling within Class A are exempt for a maximum period of 12 months after which time, Council tax is charged at 100%. The Government was proposing to allow discretion over the amount of discount awarded, including the ability to withdraw the discount in full, but no discretion to vary the 12 month qualifying period;
 - b. Class C relates to properties which are empty and unfurnished. Currently, properties falling within Class C are exempt for a maximum period of 6 months after which Council tax is charged at 100%. The Government was proposing to allow discretion over both the amount of discount awarded, including the ability to withdraw the discount in full, and the ability to vary the level of discount over time;
 - c. Class L relates to properties which have been repossessed by banks and building societies due to defaults on mortgages and are unoccupied. Currently, properties falling within Class L are permanently exempt until the property is sold or let. The Government was proposing to allow discretion over the amount of discount awarded, including the ability to withdraw the discount in full.
 - (iv) To revise and update the Council's Hardship Relief Policy; and
 - (v) The Council would undertake consultation with the Town and Parish Councils on the potential removal of the current £246k 'double taxation' grant paid to Town and Parish Councils.
- 23 On 28 August, the Government published a consultation document proposing to protect parish and town councils from the impact of the introduction of the LCTSS. This would have had a significant detrimental financial impact on the County Council and Fire Authority budgets from 2013/14, which, based on the updated modelling would have resulted in a circa £553,500 budget pressure in total, of which circa £513,600 would be a budget pressure for the Council.

Government Consultation and Reclassification of Registered Social Landlords

- 24 On 28 September, the Government published a further consultation document relating to the proposed long term empty property premium. This consultation document set out the Government's views on the circumstances in which

dwellings should not be liable for the empty property premium. These revised proposals stated that councils should not apply the premium to a dwelling which is “genuinely on the market for sale or letting”. This change had a significant impact on the previous financial modelling.

- 25 Whilst the Council does not hold data relating to which long term empty properties fall into this category, it would have seemed likely that the majority of owners would be able to justify that they are trying to sell or let their property, therefore making the proposed changes difficult to administer and to raise additional council yield from.
- 26 In addition, it has come to light that Registered Social Landlords as charities should continue to be exempt from council tax for any void properties for the first 6 months under a Class B exemption rather than being liable for council tax from day one on any void properties by the proposed removal of the Class C exemption. Reclassification of RSL Class C exemptions has an adverse impact on council tax yield of £580k included in the previous financial modelling.
- 27 On 26 November, the Government published its response to the consultation regarding the protection of parish and town councils, confirming that it would not be implementing the revised proposals set out in its consultation paper issued on 28 August which would have exempted them from the impact of the local council tax support scheme.
- 28 There is still an expectation however that the Council will pass on the parish and town council share of the LCTSS grant it will receive next year which we estimate to be circa £2.298m, the methodology for doing this is to be determined locally. The Charter Trust for the City of Durham would also be entitled to a share of the LCTSS grant, as their levy has been taken into account in determining the parish and town council element of the LCTSS grant. The Government has indicated that it will monitor increases in local parish and town councils’ council tax precepts and does not rule out applying tax setting controls to “higher-spending” parish and town councils in the future. The Government has not defined what it categorises as the “higher spending” local parish and town councils.
- 29 The Government has made it clear that it expects the two tiers to work together on mitigating the impacts of LCTSS, which the Council will continue to do.
- 30 On 30 November, the Government published the Statutory Instrument enacting the LCTSS and providing the powers to amend the discounts at Class A and C, plus remove the remaining 10% discount on second homes and charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of up to 150% of the full council tax. There was no provision to amend the Class L exemption in the Statutory Instrument and no legislative restrictions placed the empty property premium adopted by a local authority.

Consultation

- 31 Consultation on the Council’s proposed LCTSS; the technical changes to council tax discounts and the withdrawal of the double taxation grants was

carried out in two phases, between 18 June 2012 and 9 November 2012. The impact of the Government's additional consultation paper on long term empty property premium and the treatment of RSLs with regards to Class B versus Class C exemptions were factored into the consultation process as these issues emerged post the September Cabinet meeting.

- 32 During Phase 1, the Council consulted with the Police and Fire Authorities (the major preceptors) and the County Durham Association of Local Councils (CDALC) to identify and understand the potential impacts of the Government's proposals and to raise awareness about how the different aspects of the proposals interrelate. Two member seminars were also held during this period to raise awareness within the Council.
- 33 During this phase it was also made clear to parish and town council representatives that, in response to the significant financial pressures being faced by the Council, we intended to review the continuation of the 'double taxation' payments. Whilst not directly linked to the LCTSS changes, the Council was keen to give parish and town councils as much notice as possible in terms of their financial planning, in light of the potential impacts also brought about by LCTSS tax base changes. The Council gave an early undertaking to work with the parish and town councils over the pass porting of the parish element of the LCTSS grant subsequently received from Government
- 34 Phase 2 consultation, which commenced immediately after Cabinet on 12 September and ran for 8 weeks, concentrated on engaging individuals and groups that could be impacted upon by the proposed changes. A Consultation and Communications Plan was developed and monitored to ensure a robust process was followed. The consultation involved the following:
- Members' Seminars / Presentations to Overview and Scrutiny Committees;
 - Specific meetings with private landlords, social landlords, major preceptors including Fire Authority, Police Authority, Local Councils, and MPs and Lords;
 - A series of focus groups;
 - An on-line questionnaire;
 - Website information and press releases;
 - Encouraging views, opinions and concerns to be expressed in other correspondence;
- 35 The aim of the consultation was to gather the views of local people and key stakeholders on the proposals and to identify potential impacts which would help shape the final modelling and decision making processes.
- 36 256 people were engaged in the consultation process, either as individuals or representing wider groups. 52 people completed the on-line questionnaire; the others took part in meetings, focus groups and forums that were arranged during the Phase 2 consultation period.

- 37 The majority supported the Council's overall proposed approach although there were some stakeholders with group specific issues:
- 60% of total participants agreed with the Council's proposed approach,
 - 28% neither agreed or disagreed
 - 12% of total participants disagreed with the approach.
 - 100% of current Council Tax Benefit claimants taking part in focus groups supported the Council's approach
 - 100% of support and advice agencies participating in meetings and focus groups also supported the Council's approach.
 - 17 Local parish / town councils (13% of the total number of Local Councils in County Durham) responded to the consultation. Whilst mainly supporting the overall approach, they raised objections to the proposed changes to double taxation
 - 100% of private landlords disagreed with the withdrawal of discounts linked to empty properties
- 38 In terms of equality and diversity, no impacts specific to any protected characteristic group were raised during the consultation.
- 39 It was important to identify the views and concerns of current Council Tax Benefit claimants in order to understand their views through their experiences, and identify and understand potential impacts. 11.5% of respondents in the online questionnaire were benefit claimants. The key message from current claimants was:
- That the Council should carefully consider the impacts on claimants in other local authorities where the cuts are being passed on to working age claimants before considering introducing any reductions in County Durham after 2013/14.
- 40 A dedicated focus group was arranged involving the County Durham Residents Association, representatives from the Tenants' Panels and the Social Landlords Forum. In addition a focus group was arranged bringing together a range of young tenants and support workers. 27.5% of respondents in the on-line questionnaire were aged under 35. The key messages from these Young People were:
- There was general agreement to protect all claimants as they were all vulnerable people, not just older people;
 - If cuts were passed on in future, then the Council should be urged to consider that some young tenants are very vulnerable with nowhere else to go for help;
 - There was real concern about what happens after the first year
- 41 A range of agencies were identified and contacted to raise awareness of the consultation, how to participate and were invited to a Focus Group. Key messages from support agencies were:
- There was strong support for the Council's proposal to protect all claimants for at least one year;

- Concern was raised about the possibility of passing on the cuts in 2014/15 and the need to consult early about who to protect if cuts were to be taken;
- The Citizens Advice Bureau stated that the Council's approach struck the right balance in the current economic conditions and in light of the wider welfare reform Agenda; and
- The long term empty property premium was welcomed and would hopefully encourage owners of empty properties to bring them back into use, helping those in housing need.

42 The views of private landlords on the proposed scheme and potential impacts were identified through a range of methods including a focus group, presentations and feedback at two private landlords' forums, direct correspondence to the four forums within County Durham and direct contact with larger private landlords to raise awareness. Key messages from private landlords were:

- The majority disagreed with the Council's proposals to remove discounts on empty properties immediately when they become empty (Class A and C);
- The main concerns included the financial impact on landlords and that as a result private landlords would need to reduce planned property maintenance, which would reduce the quality of housing and could bring an area into decline;
- There was concern about the financial disincentive (need to reduce costs from voids) to carrying out robust vetting and referencing procedures, which could lead to a growth in anti-social behaviour and tenancies are let to people that otherwise wouldn't have been the case.

43 Local parish and town councils are important stakeholders and their views were sought at both phases of the consultation. The consultation period was extended by two weeks at the request of local parish and town councils.

44 In addition to seeking views on the Council's proposed LCTSS and the review of discounts on empty properties, local parish and town councils were consulted on the proposal to remove the double taxation grants. Key messages from the 17 local parish and town councils that responded were:

- 41% appreciated the position that the Council is in, and support the proposed protection of working age claimants in year 1, with the position being reviewed in subsequent years;
- 29% commented that they supported the withdrawal of the discounts on empty properties and second homes;
- 35% felt that the proposals to withdraw the double taxation payments were unacceptable;
- 24% expressed the clear view that it was not right to link double taxation to the impact of LCTSS and that they should be considered separately.

- 45 An on-line questionnaire was available throughout the consultation period, 52 responses were received, including responses from four local businesses and three registered charities. Key messages from the online questionnaire were:
- 54.9% of respondents agreed with the overall proposals;
 - 87.5% of landlords and second home owners disagreed with the overall proposals, particularly the withdrawal of discounts on empty properties;
 - Most objections to the proposals concerned the potential financial impact the protection of Council Tax Benefit would have on non-claimants who would effectively be subsidising the continuation of these benefits

‘Double Taxation’ Grants to Parish and Town Councils

- 46 Since Local Government Reorganisation on 1 April 2009, 69 parish and town councils have been receiving a ‘double taxation’ grant from the Council towards the costs of allotments (£8,066), bus shelter (£44,593), public conveniences (£40,169) and cemetery maintenance (£153,126). Payments total £245,943 in 2012/13, ranging from £16 to £38,475. A full schedule of current double taxation payments is attached at Appendix 2.
- 47 Since 2010, the Council has faced significant challenges in dealing with the Government’s austerity measures and pressures within its Medium Term Financial Plan with forecasted savings of over £180m having to be made through cuts in services. During this period, parish and town councils have remained largely unaffected by the Government’s austerity measures or capping controls to date.
- 48 In preparing MTFP (3), proposals were being developed to withdraw these payments from 2013/14 onwards, which would produce a £245,943 MTFP saving to the Council.
- 49 Given the combined impacts of tax base changes resulting from the introduction of the LCTSS and the proposals on withdrawing the double taxation payments the Council was keen to flag these issues early via the County Durham Association of Local Councils. This was followed up with individual letters to all parish and town councils during the Phase II consultation period.
- 50 The impact on the parish and town councils from the withdrawal of the double taxation grant ranges from £16 a year to £38,475 a year. Parish and town councils affected would be faced with making corresponding budget reductions to compensate or increase their precepts on council tax payers to generate the corresponding additional income. For the parish and town councils to make up this shortfall from council tax payers would mean an increase within a range of less than 1 pence a week to a maximum of 8 pence a week per Band A household.
- 51 Should the parish and town councils decide to cut or withdraw services, there could be implications on the Council should some of the services be statutory services that must be provided for the residents of the county.

Forecast of Council Tax Benefit Claimants and Assumptions

- 52 On 18 October, the Department for Works and Pensions (DWP) published their forecasts and assumptions with regards to Council Tax Benefit claimant numbers and costs to 2016/17. This information will be used by the Office for Budget responsibility (OBR) to update the financial forecasting to inform the LCTSS grant for all Councils.
- 53 The DWP is forecasting a significant fall in working age CTB caseload up to 2016/17, the underlying assumptions being:
- Reductions in the jobseeker claimant count as the economy recovers
 - Reductions in numbers receiving incapacity benefits
 - Reduction in numbers receiving lone parent benefits
- 54 The Government's original forecasts indicated that the claimant count would reach its peak in 2012, but will then fall by 28% by 2016/17. Analysis of the actual claimant figures show that number of claimants nationally has not reached the forecast peak of 1.65m in the first six months of 2012/13 peaking so far, at 1.60m in April 2012.
- 55 The latest national figures for October 2012 indicate that the claimant count has started to rise again. In County Durham the claimant count has seen small month-on-month increases since June 2012. Whilst the growth in claimant count has slowed there are no indications that the large declines in volumes of job seeker allowance claimants has begun. As of October 2012 there were over 16,000 people claiming JSA in the county – the highest number since 1996.
- 56 The DWP estimates forecast reducing numbers of people claiming incapacity benefits (IB) and employment and support allowance (ESA), which would contribute a predicted decline in CTB caseload.
- 57 Since October 2010, IB claimants have been undergoing reassessment to check whether they are fit for work or eligible for ESA. If eligible for ESA they are placed into either the Work Related Activity Group (WRAG), where they receive help and support for a future move into work, or the Support Group (SG) where they will receive unconditional financial support and not be expected to work. However, though these reforms are expected to reduce the overall numbers on these benefits, many may continue to receive CTB as a jobseeker or in-work claimant, and are therefore not expected to deflate the CTB caseload significantly.
- 58 In County Durham, there continues to be large numbers of people on IB and ESA despite an 11% fall since November 2008, with over 11,000 people (around a third of the IB+ESA caseload) being assessed for ESA. As noted above, some of remaining claimants who currently claim IB but do not qualify for ESA, will move onto JSA and even into low paid work therefore any reduction in CTB caseload because of this policy change may be limited.
- 59 Lone parents receiving income support (LPIS) is also cited as a reason for a reducing CTB caseload. Since November 2008, there have been phased

changes in entitlement for Income Support for lone parents, with the age of the youngest child required to qualify being progressively reduced from 15 to 5 years by April 2012. As the roll out is now nearing completion, most of the effects have already filtered through the data, with the caseload being broadly flat from 2013/14 onwards. However, the claimant count is affected by changes to the overall benefits system. For example, since 24 November 2008 several changes in the eligibility rules for LPIS have resulted in fewer lone parents (predominantly women) being able to claim that benefit resulting in more lone parents claiming JSA while they look for work. This has affected the claimant count since December 2008. The number of lone parents claiming JSA in Great Britain (not seasonally adjusted) increased from 9,300 in November 2008 to 143,600 in September 2012.

- 60 Locally, the number of LPIS claimants has fallen by almost 9% – a relatively small decline and many former claimants will have transitioned to JSA are therefore still likely to claim CTB. These benefits policy changes appear to have had very little impact in reducing CTB caseload overall.
- 61 DWP also identify some inflationary factors in CTB caseload. Growth in part-time working means more and more households are likely to satisfy the means testing regime for CTB thereby adding to the caseload though not increasing expenditure by the same factor as they may only receive partial benefit. This would act to reduce the average payment made to claimants. Furthermore the equalisation of state pension age means an increasing proportion of those who would have been pensioner claimants would be re-classified as working age.
- 62 Overall the key drivers of decline in working age CTB caseload are not present locally at this time. The OBR estimates are a national average but for OBR's growth expectations to be realised locally around four and half thousand fewer people of working age would be claiming JSA by 2016/17.
- 63 While this type of shift is not impossible (a decline of this order would take the claimant count levels back to what they were in December 2008) it is unlikely given the scale of recent claimant count growth. County Durham would have to see significant improvements in the local economy over the next five years to register this scale of decline and for this reason it is prudent to forecast an increase in claimant numbers and costs next year, rather than a decrease in line with the OBR forecasts / national assumptions.

Tax Base Setting 2013 / 14 and Overall Financial Implications

- 64 Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended)) require each billing authority to calculate its 'Council Tax Base'.
- 65 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate the changes as a result of the introduction of LCTSS's from 1 April 2013. This was published 30 November 2012.
- 66 The Council Tax Base is a measure of the County Council's taxable capacity, for the purpose of setting its Council Tax. Legislation requires the Council to

set out the formula for that calculation and that the tax base is formally approved.

- 67 Section 84 of the Local Government Act 2003 enables authorities to set their Council Tax Base, other than by a decision of the full Council, therefore, allowing Cabinet to take the necessary decisions to determine the Council Tax Base for 2013/14.
- 68 Appendix 3 shows the number of dwellings in County Durham, allocated across the various Council Tax Bands. At 16 November there were 236,170 dwellings in County Durham. 85% of these are within bands A to C, with 61% of all properties being in Band A. Council Tax for a Band A property is 6/9^{ths} of the Band D council tax; Band B is 7/9^{ths} and Band C is 8/9^{ths}.
- 69 Some of these properties are exempt from council tax (e.g. dwellings occupied solely by students), whilst in single person households only 75% of the tax is payable. The number of dwellings, therefore, needs to be adjusted to reflect these features giving a net property base (chargeable dwellings) for each band. Prior to consideration of the impact of LCTSS and the review of discounts on empty homes, there are 205,135.5 chargeable properties in County Durham.
- 70 The Council Tax varies between the different bands according to proportions laid down in legislation. These proportions are based around Band D, and are fixed so that the bill for a dwelling in Band A will be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each band's net property base produces the number of 'Band D Equivalent' properties for the area. Prior to consideration of the impact of LCTSS and the review of discounts on empty homes, there are 160,557.9 Band D Equivalent properties in County Durham.
- 71 In determining the Council Tax Base for 2013/14, three further issues must be factored into the calculation:
- Forecast increases in the tax base as a result of the removal of discounts currently awarded at Class A and C, plus removing the remaining 10% discount on second homes and charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax, net of the reclassification of RSL properties continuing to qualify for the Class B exemption;
 - Forecast reductions in the tax base as a result of the move to the LCTSS, which is a discount rather than a benefit payment - including a 1% assumed increase in caseload / costs in 2013/14 over the 2012/13 CTB base costs; and
 - Provision for non-collection
- 72 In 2012/13 the provision for non-collection was 1.5%, giving a forecast collection rate of 98.5% and it is proposed to retain the same collection rate for 2013/14.
- 73 Taking into account the forecast collection rate and factoring in the adjustments to the Band D Equivalent properties as a result of the proposed changes to discounts and the proposed LCTSS next year, the Band D

Equivalent Tax Base will be 128,205.0 in 2013/14, which compares to the current 2012/13 tax base figure for the County of 157,295.3 – a reduction of 29,090.3 (18.5%).

- 74 The council tax base for the County Council will be used by the Police and Fire Authorities to set their council tax precepts for 2013/14 and will be included in the council tax bills sent to every council tax payer in the County.
- 75 The parish and town council and The Charter Trust for the City of Durham, council tax bases are set out at Appendix 4 and will be used to calculate the parish and town council and The Charter Trust for the City of Durham precepts in 2013/14. These will be added to the council tax bills and sent to every council tax payer in the respective parish and town council areas.
- 76 On 17 May 2012, the Government published indicative LCTSS grant allocations for 2013/14, based on the Office of Budget Responsibility (OBR) forecasts of what would have been council tax benefit expenditure in 2013/14 had the current scheme continued, less the 10% cut, but factoring in assumed council tax increases up to and including 2013/14. The indicative allocations were as follows:

	LCTSS Grant payable in 2013/14 (£m)	% Total
Durham County Council	38.123	80.31%
Police Authority*	4.405	9.28%
Fire Authority*	2.597	5.47%
Town & Parish Councils	2.344	4.94%
Total	47.469	

* These figures are the estimated figures relating to County Durham – the published data was for the combined authorities, including Darlington.

- 77 These indicative grant allocations will be updated in the Autumn Statement on 5 December and Local Government Grant Settlement on 19 December based on 2011/12 subsidised council tax benefit expenditure levels and revised OBR forecasts, which will also factor in changes to the OBR national forecasts of Council Tax Benefit caseload in 2013/14; plus the impact of the availability of Council Tax Freeze Grant and changes to the capping criteria on council tax increases, which will impact on the previous assumptions on national council tax increases of 2.9%.
- 78 On 17 October, the Government announced that it was making £100m available by way of Transitional Grant in 2013/14 for Councils (billing and major precepting authorities) who chose to design their LCTSS so that:
- those who would be on 100 per cent support under current council tax benefit arrangements pay no more than 8.5 per cent of their council tax liability under the new scheme from 1 April 2013;
 - the taper rate does not increase above 25 per cent;
 - there is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100 per cent support, the taper

will be applied to an amount at least equal to their maximum eligible award.

- 79 Subsequent to the announcement, funding allocations were published indicating that circa £1.292m was available for County Durham, of which £1.094m relates to the Council; £0.123m to Police; and £0.075m to Fire. The transitional grant is to be provided only for 2013/14 and Councils must apply for the grant by 31 January 2013, certifying that their scheme complies with the above criteria. The proposed LCTSS within County Durham complies with these requirements.
- 80 The Autumn Statement and Local Government Finance Settlement will clarify the final LCTSS grant position, but it is expected that there will be a number of changes to the previously published figures. The latest forecasts are as follows:

	Council (Incl. Parish & Town Councils) £m	Police Authority £m	Fire Authority £m	Total £m
Indicative LCTSS Grant (May 2012)	40.467	4.405	2.597	47.469
Reduction in LCTSS due to 2011/12 Subsidised Benefit Position	(0.533)	(0.060)	(0.035)	(0.628)
Reduction in Grant due to revised OBR Forecasts	(1.336)	0.001	(0.002)	(1.337)
LCTSS Transition Grant [2013/14 Only]	1.094	0.123	0.075	1.292
Revised Forecast	39.692	4.469	2.635	46.796
Reduction Anticipated	(0.775)	0.064	0.038	(0.673)

- 81 The above forecasts assume that the £100m available nationally to fund the transition scheme is not 'new' money, and is in effect the sum that will be saved nationally when the OBR update their forecasts to take account the council tax freeze / revised capping criteria now in place for 2013/14. The Councils share of the national LCTSS grant is forecast to decrease based on the fall in the proportion of national subsidised Council Tax Benefit expenditure in Durham in 2011/12 compared to 2010/11, on which the previous allocations were based. This is primarily due to the impact of the Council taking the council tax freeze grant in 2012/13 and the backlog in benefit claims in 2011/12 due to the migration to the new ICT system in December 2011.
- 82 Taking into account the revised forecasts for LCTSS grant and the impact on council tax yield as a result of the tax base changes from the Council's proposed LCTSS (including provision for a 1% increase over 2012/13 CTB entitlement); removing the discounts awarded at Class A and C; removing the remaining 10% discount of second homes; plus charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax (and assuming this applies in only 45% of cases), the forecast position for the Council is as follows:

- Loss of Council Tax yield from Council Tax Base reductions linked to the introduction of the LCTSS = -£42.784m;
- Council element of the forecast LCTSS Grant 2013/14 = +£37.394m;
- Net Impact on MTFP in 2013/14 = Balanced (after allowing for a £75k contingency)

83 The previous financial forecasts have been significantly impacted by Government policy changes; the fact that there is no provision to amend the Class L discount; the reclassification of RSL properties qualifying for Class B exemptions; and anticipated reductions in the LCTSS grant.

84 The tax base forecasts provide for a 1% increase in LCTSS caseload / costs next year and only factor in 45% of the previously forecast yield from the long term empty property premium. There is a balanced position in 2013/14; however, the scheme may not be sustainable into MTFP (4) once the Councils LCTSS Transition Grant (£1.094m) ceases in 2014/15.

85 The situation will need careful monitoring during 2013/14 given the uncertainty and financial burdens and risks around potential increased demand for the LCTSS and the future financial outlook in terms of the wider austerity measures facing the Council over the medium term. In addition, no growth in tax base from any new build properties has been factored into the forecasts at this stage.

86 Withdrawing the double taxation grant from the 69 parish and town councils currently receiving these payments from 1 April 2013 would produce a MTFP saving of £245,943 in 2013/14.

Overall Impact on Parish and Town Councils

87 Appendix 5 summarises the financial impact on individual parish and town councils across the county and The Charter Trust for the City of Durham from the combined effects of the changes to tax base, resulting from the introduction of the LCTSS offset by the changes to discounts, and the withdrawal of the double taxation grants.

88 Appendix 5 shows how the forecast parish element of the LCTSS grant might be distributed to offset these pressures. The LCTSS grant figures will need to be confirmed when the Local Government Finance Settlement figures are received, but the intention is to pass on 100% of the final figure.

89 In Appendix 5, the parish element of the LCTSS has been allocated proportionate to changes in tax raising capacity brought about by year on year changes in the tax parish and town council and The Charter Trust for the City of Durham tax bases. The final method of distribution would need to be discussed and agreed with representatives from the parish and town councils and The Charter Trust.

90 In overall terms the reduction in resource next year for the parish and town councils is circa £799,500 – of which £246,000 relates to the withdrawal of the double taxation grants and £553,500 to the shortfall between the loss of tax raising capacity from the net tax base reduction and receipt of the parish

element of the LCTSS grant. The removal of the discounts awarded at Class A and C; removal of the remaining 10% discount of second homes; plus introduction of the empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax has the effect of protecting tax raising capacity by circa £268,000 for town and parish councils.

- 91 To maintain spending at current levels, and assuming no efficiencies are achievable to offset these pressures, the average increase in town and parish precepts would be 6.50% in 2013/14.
- 92 Because the level of precepts and Band D Council Tax varies significantly across the various areas, the average actual £ increase varies considerably, ranging from a 1 pence per annum increase at Band A to a £19.07 per annum increase at Band A.
- 93 The opportunity exists to adjust the method of distribution of the parish element of the LCTSS grant to smooth out the potential impacts across the County, for example by not transferring grant to those parishes where the impact is less than an agreed percentage. This would need to be agreed with colleagues representing the parish and town councils and The Charter Trust for the City of Durham.

Hardship Relief Policy

- 94 Councils have the power to reduce the amount of council tax a person has to pay. In cases of demonstrable financial hardship or extenuating circumstances, a reduction in liability of up to 100% can be granted where the Council is satisfied that the liable person of an empty domestic property has made their best efforts to sell or let the property and to levy a council tax charge will cause them exceptional financial hardship. These provisions are set out in Section 13A (1) (c) of the Local Government Finance Act 1992.
- 95 Any reduction made in accordance with Section 13 A (1) (c) is effectively a Council decision and as such the Council must fund the total cost of the reduction, with no financial impact on other precepting bodies.
- 96 The current Hardship Relief Policy was approved by Cabinet 7 December 2011, following the decision to reduce the council tax discount on long term empty properties from 50% to 0% from 1 April 2012.
- 97 In the current year there have been 30 applications to date and 17 have been refused, with 13 being awarded other relevant exemptions and discounts to mitigate the liability. Whilst the numbers appear low, the policy is advertised on the Council's website and referenced in the supporting information sent out with council tax bills.
- 98 The revised "Council Tax Discretionary Reduction Policy" maintains its alignment to the Non-Domestic Rates Hardship Relief Policy and is attached at Appendix 6. It has been updated to take into account the proposed changes to council tax discounts; include references to the Local Council Tax Support Scheme and strengthen the decision making process and timescales. The policy has been subject to an equality impact assessment, with no issues arising from the screening.

- 99 Subject to Cabinet approval, the revised policy will be updated on the website; staff briefings will be issued to all frontline employees advising them of the revised policy and the application process; and standard recovery letters / council tax documentation will be updated to draw attention to the availability of this policy. In addition, a briefing will be issued to welfare rights and voluntary sector partners to encourage applications and take up of the scheme.

Equality Impact Assessment

- 100 The Equality Act 2010 aims to advance equality of opportunity and provide protection from discrimination for people based on their 'protected characteristics'. We are legally required under the public sector equality duty (PSED) to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

- 101 In relation to the LCTSS, this means that the Council needs to take account of the available data and broader evidence to actively consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. The PSED does not prevent public authorities making difficult decisions but we must ensure that the decision making process is fully informed by equality impacts and, where there is potential for negative impact, full consideration is given to mitigating actions and implementation of the final decision can be clearly justified.

Government Equalities Impact Assessment (EIA)

- 102 The Government EIA was published in January 2012 and is relatively brief. 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.

Durham County Council LCTSS Equalities Impact Assessment: Summary

- 103 An initial equality impact assessment for the local implementation of the national LCTSS proposals was undertaken in February 2012. The equality impact assessment has been updated and refined as part of the modelling work and the outcome of the consultation process and is attached at Appendix 7.

- 104 The equality impact assessment considers:
- the impact should the council decide to protect the financial position of all claimants by adopting the default scheme in 2013/14;
 - the impact should the council decide to pass on the reduction to working age claimants.
- 105 The assessment does not consider alternative ways of passing on differential reductions to some groups of working age claimants. Protecting council tax support for some working age claimants would require problematic judgements on entitlement and determining which groups were most vulnerable.
- 106 Given the proposals to adopt a LCTSS that seeks to protect current entitlement, then there will be no negative equalities impact, with the financial position of claimants protected in 2013/14, and the position to be revisited next year once the wider impact of the new council tax support scheme and welfare reform are better understood. On the positive side, the move to a discount rather than a benefits payment may improve take up amongst older people as there is some evidence to suggest some feel a stigma associated with claiming a benefit which reduces take up.
- 107 Should the Cabinet decide against adopting the proposals in 2013/14, and elect instead to pass on the reduction in funding to working age claimants, there would be a range of potential negative equalities impacts. These include financial impact for working age claimants and possible additional impacts in relation to health and wellbeing, housing and the consequences of debt or legal action. These impacts are most likely in relation to gender, age and disability with limited impacts for race and sexual orientation and no evidence of impact on transgender status, religion or belief. Further details are provided in the attached equalities impact assessment (Appendix 7).
- 108 There was little additional evidence of equality impact from the consultation undertaken; a small number of respondents identified the positive impact if vulnerable people were protected whilst others suggested the protection could be negative by encouraging reliance on benefit. The equality impact assessment does not include cumulative impacts of the Government's other welfare reforms but the combined financial effect could be significant for some people.

Durham County Council Technical Reforms of Council Tax EIA: Summary

- 109 An equality impact assessment of the impact of withdrawing or reducing discounts from Classes A, C and L along with the remaining 10% discount on Second Homes and increasing the charge on long term empty properties to 150% has been undertaken and is attached at Appendix 8.
- 110 There is potential for financial impact on some individuals who will be required to pay more or are exempt for shorter periods. However there is limited evidence available relating to individuals so it is not possible to specify which equality groups are particularly affected.
- 111 Some empty properties are owned by organisations and landlords with multiple properties but some may be owned by individuals from particular

equality groups. No equality data is collected for these exemptions so it is not possible to assess whether some groups are more numerous under the three exemptions than other groups. In respect of Class L exemptions for repossession there are some sources of evidence which can be used to make assumptions, for example national research by Shelter suggests that women who go through divorce, separation or death of a partner are more likely to suffer financial hardship and be at risk of losing their home through repossession than men in the same situation. Local data on homelessness support shows a higher proportion of women receiving help as a result of mortgage arrears or repossession. Given that there are no provisions within the final regulations covering Class L exemptions this is not an issue at this stage.

- 112 There may also be potential impacts for those who inherit homes and are unable to sell or rent them out in the current financial climate, this may be more likely to affect those over 50 but no data is available. Consultation responses were relatively low with the majority citing increased costs for landlords and potential problems if homes were not maintained properly where there was pressure to re-let them quickly. Some felt there could be a positive for communities if properties did not remain empty for long periods but a small number of people did highlight the difficulties of selling an inherited home and the related financial hardship the increased charge would create.
- 113 The existing mitigating action of a hardship relief policy will continue whatever the outcome of this proposal and the policy has been reviewed to ensure it is fit for purpose going forward. In cases of demonstrable financial hardship, discounts of up to 100% can be granted where the local authority is satisfied that the liable person of an empty domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause exceptional financial hardship. In addition there is a range of other exemptions which will continue to apply and mitigate the financial impact on vulnerable people, including properties where the individual has gone into a hospital or care home, moved away to receive or provide care or where the individual has died.

Next Steps

- 114 Police, Fire and local parish and town councils will be notified of their Council Tax Bases. Local parish and town councils will be notified of the Council's decision to withdraw the current double taxation payments from 1 April 2013 and officers will work with colleagues in parish and town councils to determine the best method of apportioning and distributing the parish element of the new LCTSS grant.
- 115 The Local Government Finance settlement will be scrutinised to verify the planning assumptions with regards to LCTSS grant in 2013/14, with appropriate adjustments being made within MTFP (3) as appropriate.
- 116 A report will be prepared for consideration by Council on 8 January 2013, seeking adoption of a Durham Local Council Tax Support scheme, which protects entitlement to all current Council Tax Benefit claimants in 2013/14.

- 117 The proposals set out in this report with regards to the removal of the discounts awarded at Class A and C; removal of the remaining 10% discount of second homes; plus introduction of the empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% will be incorporated into the MTFP and 2013/14 Budget and council tax setting report to Council on 20 February 2013.
- 118 The Council will submit its application for Transition Grant Funding, in line with the Department for Communities and Local Government (CLG) requirements by 15 February 2013.
- 119 The recently received software / system upgrades will be fully tested in advance of annual billing in late February / early March 2013.
- 120 Phase III of the Communication and Consultation Strategy will be implemented. This focuses on information sharing and awareness raising of the impact of Cabinet / Council decisions on the proposed LCTSS, withdrawal of discounts etc.
- 121 Robust monitoring arrangements will be established to track and monitor the Council tax Base and Collection Fund performance, with a full review of the LCTSS being undertaken in the summer of 2013. This review will draw on experiences elsewhere and the impact of the wider welfare reforms in County Durham.

Recommendations

- 122 It is recommended that Cabinet:
- (i) notes the content of the report, particularly the outcomes of the consultation process, updated equality impact assessments and the revised financial forecasts;
 - (ii) agrees to recommend to Council, adoption of a Local Council Tax Support Scheme in 2013/14 that seeks to protect entitlement to the new discount in line with the level of Council Tax Benefit that would otherwise have been granted had the Council Tax Benefit system continued;
 - (iii) agrees that the Scheme be introduced for one year only and be kept under continuous review with a further decision for 2014/15 to be considered by Cabinet in September 2013;
 - (iv) agrees to recommend to Council the withdrawal of the discounts currently awarded at Class A and C, plus the removal of the remaining 10% discount on second homes and introduction of an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax from 1 April 2013;
 - (v) agrees to passport the parish element of the LCTSS grant, as notified in the Local Government Finance Settlement in December, to local parish and town councils and The Charter Trust for the City of Durham in full and to work with colleagues in these authorities as to the best method of apportioning / allocating this grant;

- (vi) agrees to the withdrawal of double taxation grants to parish and town councils with effect from 1 April 2013;
- (vii) approves the updated Council Tax Discretionary Reduction Policy and Business Rates Hardship Relief Policy attached at Appendix 5.
- (viii) approves the Council Tax Base for the financial year 2013/14 for the County, which has been calculated to be **128,205.0** Band D equivalent properties.

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Background Papers

- Welfare Reform Act 2012.
- Localisation of Council Tax Benefit: Introduction of the Local Council Tax Support Scheme – Report to Cabinet 18 April 2012
- Welfare Reforms – Report to Cabinet 30 May 2012
- Localising Support for Council Tax & Technical Reforms of Council Tax – CLG Consultation Papers & Statements of Intent:
<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax>
- Localising Support for Council Tax - Council Tax Base and Funding for Local Precepting Authorities: Government consultation dated 28 August 2012
- Local Council Tax Support Scheme and Review of Discretionary Council Tax Discount on Unoccupied Properties - Report to Cabinet 12 September 2012
- Technical Reforms to Council Tax - Determining the circumstances in which dwellings should not be liable to the empty homes premium: Government consultation dated 28 September 2012
- Localising Support for Council Tax – Council tax base and funding for local precepting authorities: Government response to the outcome of consultation: Published 26 November 2012
<https://www.gov.uk/government/consultations/localising-support-for-council-tax-council-tax-base>
- Technical Reforms to Council tax – Empty Homes Premium : calculation of Council tax base: Government response to the outcome of consultation: Published 26 November 2012
<https://www.gov.uk/government/consultations/technical-reforms-to-council-tax-calculating-the-council-tax-base-with-the-empty-homes-premium>
- Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI:2012:2914)

Appendix 1: Implications

Finance

The Council needs to adopt a LCTSS scheme by 31 January 2013, effective from 1 April 2013. The Council will receive a 90% un-ring fenced grant based on OBR estimates of what would have been its CTB spend in 2013/14. The grant will be fixed for a number of years. Whilst indicative grant allocations were published on 17 May, updated forecasts, based on recent DWP published would suggest that the Council will see a reduction in this sum when the Local Government Finance settlement is published in mid December 2012.

The Council has developed and consulted on a Local Council Tax Support Scheme that seeks to ensure that entitlement to the new discount for all claimants will be in line with the level of Council Tax Benefit that would otherwise have been granted had the Council Tax Benefit system had continued.

The Council has consulted on and is planning to withdraw the discounts currently awarded at Class A and C, plus the removal of the remaining 10% discount on second homes and introduction of an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax from 1 April 2013. Whilst the Council consulted on its intention to withdraw the Class L exemption, there are no provisions within the regulations published to date to enact those provisions and therefore this cannot be taken forward at this stage.

Whilst prudent estimates and provisions have been built into the forecasts, the Council will be subject to greater financial risk as a result of the changes to Council Tax Benefits. The overall financial impact on the Council can be summarised as follows:

- Loss of Council Tax yield from Council Tax Base reductions linked to the introduction of the LCTSS = -£42.784m;
- Council element of the forecast LCTSS Grant 2013/14 = +£37.394m;
- Additional Council Tax yield from Council Tax Base increases linked to removal of discounts and general growth in the tax base in year = +£5.465m;
- Balanced (after allowing for a £75k contingency)

The Council element of the forecast LCTSS Grant in 2013/14 includes £1.094m of LCTSS Transition grant which drops out in 2014/15.

Staffing

There are no staffing resource implications at this stage. There will be an increased workload for council tax billing and recovery staff as a result of the review of discounts and staffing levels will be carefully monitored. The service is planning to undertake a restructure during 2013/14 linked to the delivery of MTFP savings requirements in 2014/15. The impact of the LCTSS and changes to discounts and exemptions, plus the impact of the Business rate Retention scheme will be factored into the planned restructure.

Risk

The report outlines a range of financial risks surrounding the implementation of the Governments proposals. The most significant with regards to the ability to achieve

an implementation date of 1 April 2013 has been mitigated somewhat. The consultation process has been undertaken to plan and systems software upgrades are due imminently, providing sufficient time for robust testing in advance of annual billing in February / March 2013.

Equality and Diversity / Public Sector Equality Duty

The benefits service provides a service to vulnerable client groups. These include some of the protected characteristics as defined by the Equality Act 2010 such as people with a disability and older persons. Full equality impact assessments have been completed and kept under constant review /update throughout the consultation process.

Accommodation

None

Crime and Disorder

A reduction in Council Tax support, alongside other welfare changes could see an increase in crime if customers seek to increase their income to make up for the benefits lost. The proposals set out in this seek to protect current entitlement in 2013/14 and as such have no implications, though the impact of the wider welfare reforms agenda will need to be kept under constant review.

Human Rights

None

Consultation

In developing this report the Council undertook a two phase consultation process.

During Phase 1 the Council consulted with the Police and Fire Authorities (the major preceptors) and the County Durham Association of Local Councils (CDALC) to identify and understand the potential impacts of the changes and raise awareness about how the different aspects of the proposals interrelate. Two member seminars were also held during this period.

Phase 2, which commenced immediately after Cabinet on 12 September and ran for 8 weeks, concentrated on engaging individuals and groups that could be impacted upon by the proposed changes.

A Consultation and Communications Plan was developed and monitored to ensure a robust process was followed. The consultation involved the following:

- Members' Seminars / Presentations to Overview and Scrutiny Committees;
- Specific meetings with private landlords, social landlords, major preceptors including Fire Authority, Police Authority, Local Councils, and MPs and Lords;
- A series of focus groups;
- An on-line questionnaire;
- Website information and press releases;

- Encouraging views, opinions and concerns to be expressed in other correspondence;

Full details of the outcomes and views expressed during the consultation are disclosed in the body of the report. This evidence has been used to update the equality impact assessments.

Procurement

None

Disability Issues

See above.

Legal Implications

The Council has a statutory responsibility to set its council tax base for the purpose of levying council tax from its council tax payers in order to raise the required amount of council tax income to balance its 2013/14 revenue budget

There is a statutory requirement for the Council to adopt a local council tax support scheme by 31 January 2013. Council will need to approve resolutions to adopt the changes to the discounts and exemptions included in this report as part of the 2013/14 Budget and Council tax setting report on 20 February 2013.

The final regulations / statutory instruments with regards to the withdrawal of the Class A and C exemption, plus the removal of the remaining 10% discount on second homes and introduction of an empty property premium on properties that are long-term empty (i.e. 2 years or more) of 150% of the full council tax from 1 April 2013 was published 30 November 2012.

There is no provision within the regulations published to date to amend the Class L exemption and no legislative restrictions have been placed the empty property premium where adopted by a local authority.

APPENDIX 2 -

DOUBLE TAXATION GRANT PAYMENTS TO PARISH & TOWN COUNCILS 2012/13

	Allotments	Bus Shelters	Cemeteries	Public Conveniences	Total per Parish / Town Council
	£	£	£	£	£
Edmondsley Parish Council	16				16
Witton Le Wear Parish Council	25				25
Kimbleworth & Plawsworth Parish Council	45				45
Tow Law Town Council	52				52
West Auckland Parish Council	67				67
Dene Valley Parish Council	71				71
Witton Gilbert Parish Council	73				73
South Hetton Parish Council	73				73
Barningham Parish Meeting		77			77
Ouston Parish Council	83				83
North Lodge Parish Council	83				83
Urpeth Parish Council	102				102
Wingate Parish Council	107				107
Shotton Parish Council	108				108
Great Lumley Parish Council	110				110
Eldon Parish Council		113			113
Coxhoe Parish Council	118				118
Middridge Parish Council		130			130
Esh Parish Council	134				134
Mickleton Parish Council		164			164
Pelton Parish Council	166				166
Ingleton Parish Council		183			183
Greater Willington Town Council	194				194
Winston Parish Council		194			194
Brancepeth Parish Council	20	214			234
Bowes Parish Council	14		404		418
Bishop Middleham Parish Council		432			432
Bishop Auckland Town Council	447				447
Brandon & Byshottles Parish Council	500				500
Gainford and Langton Parish Council		503			503
Etherley Parish Council		692			692
Shincliffe Parish Council		696			696
Cornforth Parish Council	68	735			803
Evenwood & Barony Parish Council	68	745			814
Croxdale & Hett Parish Council	29		839		868
Cotherstone Parish Council	23	246	653		922
Trimdon Foundry Parish Council	37		1,058		1,095
Kelloe Parish Council	37		1,073		1,110
Burnhope Parish Council			1,191		1,191
Pittington Parish Council	46		1,331		1,377
Sacrison Parish Council	128	1,391			1,519
Waldridge Parish Council	135	1,474			1,609
Lanchester Parish Council	138	1,507			1,645
Shadforth Parish Council	58		1,672		1,730
Cockfield Parish Council	44	481	1,277		1,802
Thornley Parish Council	62		1,777		1,839
Easington Village Parish Council	67		1,940		2,007
Wheatley Hill Parish Council	80		2,313		2,393
Sherburn Village Parish Council	88		2,533		2,620
West Rainton Parish Council		754	2,001		2,755
Fishburn Parish Council	68	737	1,956		2,761

	Allotments	Bus Shelters	Cemeteries	Public Conveniences	Total per Parish / Town Council
Wolsingham Parish Council	90		2,609	1,164	3,863
Cassop Cum Quarrington Parish Council	129		3,736		3,865
Easington Colliery Parish Council	130		3,745		3,874
Chilton Town Council	100	1,093	2,899		4,092
Barnard Castle Town Council	174	1,894		2,242	4,311
Monk Hesleden Parish Council			4,480		4,480
Trimdon Parish Council	122	1,324	3,512		4,957
Murton Parish Council	181		5,238		5,419
Belmont Parish Council			7,956		7,956
Stanhope Parish Council	152	1,659	4,403	1,964	8,179
Horden Parish Council	206		5,964	2,661	8,831
Sedgefield Town Council	177	1,924	5,105	2,278	9,484
Shildon Town Council	262	2,851	7,564	3,375	14,051
Ferryhill Town Council	272	2,962	7,859	3,506	14,599
Seaham Town Council	503		14,537		15,040
Peterlee Town Council	521	5,678	15,064	6,721	27,984
Spennymoor Town Council	544	5,929	15,730	7,018	29,221
Great Aycliffe Town Council	717	7,807	20,711	9,240	38,475
	8,066	44,593	153,126	40,169	245,953

APPENDIX 3 - Durham County Council Tax Base 2013/14

	Band								Total
	A	B	C	D	E	F	G	H	
Number of Dwellings shown on the valuation list for the Authority on 16/11/12	143,286.00	29,534.00	28,495.00	19,424.00	9,531.00	3,624.00	2,016.00	260.00	236,170.00
Discounts, Exemptions and Reliefs	(21,206.75)	(3,538.75)	(2,988.50)	(1,879.75)	(807.00)	(310.25)	(176.00)	(127.50)	(31,034.50)
Chargeable Dwellings before LCTSS and Review of Discounts	122,079.25	25,995.25	25,506.50	17,544.25	8,724.00	3,313.75	1,840.00	132.50	205,135.50
Band D Equivalent prior to LCTSS and review of Discounts	81,341.81	20,218.53	22,672.44	17,544.25	10,662.67	4,786.53	3,066.67	265.00	160,557.90
Band D Equivalent - Exemptions and Discounts to be removed	2,150.60	425.80	359.80	242.00	124.90	88.90	53.90	11.70	3,457.60
Local Council Tax Support Scheme impact on tax base (Band D Equivalent)	(28,568.69)	(2,559.76)	(1,546.40)	(719.12)	(327.65)	(107.79)	(28.68)	0.00	(33,858.10)
Band D Equivalent Properties	54,923.72	18,084.57	21,485.84	17,067.13	10,459.92	4,767.64	3,091.89	276.70	130,157.40

Tax Base (98.5%)	128,205.0
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APPENDIX 4 - Durham County Council & Parish Council Tax Base 2013/14

Locality	Parish Area	Number of Dwellings on the Valuation Office List	Band D Equivalent Properties	Tax Base for Council Tax purposes 2013/14	Increase / (Decrease) in Tax Base from 2012/13
		No.	No.	No.	No.
Barnard Castle	Barnard Castle	2,681.0	1,718.9	1,693.1	(257.4)
Barnard Castle	Barningham	84.0	81.6	80.4	(0.4)
Barnard Castle	Boldron	52.0	51.5	50.7	(2.2)
Barnard Castle	Bowes	197.0	165.2	162.7	3.7
Barnard Castle	Cockfield	790.0	375.3	369.7	(132.0)
Barnard Castle	Cotherstone	280.0	250.7	246.9	(12.8)
Barnard Castle	Eggleston	211.0	183.2	180.4	(7.2)
Barnard Castle	Etherley	983.0	640.0	630.4	(88.4)
Barnard Castle	Evenwood and Barony	1,238.0	639.7	630.1	(148.4)
Barnard Castle	Forest and Frith	81.0	55.7	54.9	(3.7)
Barnard Castle	Gainford & Langton	618.0	481.4	474.2	(45.6)
Barnard Castle	Hamsterley	198.0	182.0	179.2	(7.9)
Barnard Castle	Hutton Magna	48.0	47.2	46.5	(3.3)
Barnard Castle	Ingleton	207.0	181.3	178.6	(11.6)
Barnard Castle	Lartington	59.0	58.7	57.8	(4.2)
Barnard Castle	Lunedale	44.0	42.5	41.8	0.4
Barnard Castle	Lynesack and Softley	592.0	388.9	383.1	(42.6)
Barnard Castle	Marwood	238.0	192.8	189.9	(14.8)
Barnard Castle	Mickleton	217.0	170.9	168.3	(3.5)
Barnard Castle	Middleton in Teesdale & Newbiggin in Teesdale	709.0	460.8	453.9	(45.4)
Barnard Castle	Ovington	68.0	67.1	66.1	(4.6)
Barnard Castle	Rokerby, Brignall and Egglestone Abbey	76.0	69.2	68.1	0.2
Barnard Castle	Romaldkirk	93.0	88.6	87.2	(1.3)
Barnard Castle	South Bedburn	74.0	76.6	75.5	(1.2)
Barnard Castle	Staindrop	605.0	437.6	431.0	(63.9)
Barnard Castle	Startforth	412.0	346.3	341.1	(19.0)
Barnard Castle	Streatlam & Stainton	213.0	154.0	151.7	(9.8)
Barnard Castle	Unparished Areas	408.0	407.1	401.0	(9.9)
Barnard Castle	Whorlton & Westwick	119.0	106.9	105.3	(5.9)
Barnard Castle	Winston	213.0	193.3	190.4	(6.3)
Barnard Castle	Woodland	121.0	78.1	76.9	(11.0)
Chester-le-Street	Bournmoor	920.0	575.6	567.0	(113.9)
Chester-le-Street	Edmondsley	275.0	138.4	136.3	(46.1)
Chester-le-Street	Great Lumley	1,656.0	1,025.7	1,010.3	(196.0)
Chester-le-Street	Kimbleworth and Plawsworth	731.0	419.9	413.6	(90.6)
Chester-le-Street	Little Lumley	710.0	480.1	472.9	(59.3)
Chester-le-Street	North Lodge	1,009.0	914.6	900.9	(43.3)
Chester-le-Street	Ouston	1,267.0	812.2	800.0	(109.6)
Chester-le-Street	Pelton	2,949.0	1,386.2	1,365.5	(465.8)
Chester-le-Street	Sacrison	2,379.0	1,213.0	1,194.8	(275.1)
Chester-le-Street	Unparished Areas	9,654.0	5,410.0	5,328.9	(1,152.4)
Chester-le-Street	Urpeth	1,559.0	1,041.4	1,025.8	(99.4)
Chester-le-Street	Waldridge	1,759.0	1,463.1	1,441.1	(40.9)
Crook	Bishop Auckland	7,838.0	3,943.7	3,884.6	(1,215.6)
Crook	Dene Valley	1,290.0	660.3	650.4	(164.2)
Crook	Greater Willington	3,320.0	1,660.4	1,635.5	(537.6)
Crook	Stanhope	2,388.0	1,555.0	1,531.7	(179.3)
Crook	Tow Law	1,013.0	431.9	425.4	(184.0)
Crook	Unparished Areas	12,591.0	6,720.1	6,619.3	(1,635.4)
Crook	West Auckland	1,239.0	570.3	561.8	(213.1)
Crook	Witton le Wear	325.0	288.4	284.1	(9.2)
Crook	Wolsingham	1,293.0	939.7	925.6	(116.4)
Durham	Bearpark	992.0	522.4	514.6	(119.8)
Durham	Belmont	4,146.0	2,829.3	2,786.9	(258.9)
Durham	Brancepeth	182.0	212.4	209.2	(3.4)
Durham	Brandon & Byshottles	8,840.0	4,578.6	4,509.9	(1,135.1)
Durham	Cassop-cum-Quarrington Hill	2,541.0	1,337.1	1,317.0	(266.2)
Durham	Coxhoe	1,920.0	1,180.3	1,162.6	(141.8)

Locality	Parish Area	Number of Dwellings on the Valuation Office List	Band D Equivalent Properties	Tax Base for Council Tax purposes 2013/14	Increase / (Decrease) in Tax Base from 2012/13
		No.	No.	No.	No.
Durham	Croxdale & Hett	484.0	305.1	300.5	(34.1)
Durham	Framwellgate Moor	2,446.0	1,630.1	1,605.6	(96.1)
Durham	Kelloe	687.0	307.6	303.0	(106.0)
Durham	Pittington	675.0	464.8	457.9	(45.7)
Durham	Shadforth	1,002.0	533.0	525.0	(136.2)
Durham	Sherburn	1,473.0	839.6	827.0	(154.5)
Durham	Shincliffe	704.0	724.2	713.3	(5.2)
Durham	Unparished Areas	11,732.0	7,351.1	7,240.8	(522.1)
Durham	West Rainton	1,159.0	675.8	665.7	(138.0)
Durham	Witton Gilbert	1,197.0	725.9	715.0	(96.5)
Easington	Castle Eden	276.0	308.4	303.8	(7.2)
Easington	Dalton-le-Dale	676.0	484.0	476.8	(45.5)
Easington	Easington Colliery	2,499.0	1,092.6	1,076.2	(377.4)
Easington	Easington Village	1,006.0	680.0	669.8	(72.3)
Easington	Haswell	888.0	451.4	444.6	(138.3)
Easington	Hawthorn	229.0	205.4	202.4	(4.3)
Easington	Hornden	3,938.0	1,557.1	1,533.7	(745.9)
Easington	Hutton Henry	731.0	412.8	406.6	(83.3)
Easington	Monk Hesleden	2,870.0	1,368.2	1,347.7	(413.7)
Easington	Murton	3,527.0	1,669.9	1,644.9	(459.8)
Easington	Peterlee	9,026.0	4,223.8	4,160.4	(1,574.9)
Easington	Seaham	9,128.0	4,377.7	4,312.0	(1,309.7)
Easington	Seaton with Slingley	535.0	410.8	404.6	(27.6)
Easington	Shotton	2,021.0	894.2	880.8	(356.9)
Easington	South Hetton	1,331.0	671.6	661.5	(184.0)
Easington	Thornley	1,161.0	565.3	556.8	(168.9)
Easington	Trimdon Foundry	693.0	332.9	327.9	(115.0)
Easington	Unparished Areas	54.0	54.5	53.6	(3.6)
Easington	Wheatley Hill	1,439.0	601.5	592.5	(292.3)
Easington	Wingate	1,846.0	987.3	972.5	(249.1)
Spennymoor	Bishop Middleham	581.0	405.4	399.4	(45.7)
Spennymoor	Bradbury	55.0	57.7	56.8	(0.1)
Spennymoor	Chilton	1,844.0	849.9	837.2	(280.9)
Spennymoor	Cornforth	1,337.0	595.5	586.5	(208.6)
Spennymoor	Eldon	208.0	83.3	82.1	(42.2)
Spennymoor	Ferryhill	5,073.0	2,235.8	2,202.2	(862.1)
Spennymoor	Fishburn	1,171.0	623.2	613.8	(135.4)
Spennymoor	Great Aycliffe	11,819.0	6,325.3	6,230.4	(1,728.5)
Spennymoor	Middridge	152.0	117.6	115.9	(11.4)
Spennymoor	Mordon	107.0	112.1	110.4	0.3
Spennymoor	Sedgefield Town Council	2,350.0	1,849.2	1,821.5	(141.5)
Spennymoor	Shildon	4,952.0	2,003.6	1,973.5	(950.4)
Spennymoor	Spennymoor Town Council	9,425.0	5,095.0	5,018.5	(1,177.1)
Spennymoor	Trimdon	2,185.0	1,040.2	1,024.6	(325.1)
Spennymoor	Windlestone	116.0	112.0	110.4	1.8
Stanley	Burnhope	744.0	379.3	373.6	(110.5)
Stanley	Cornsay	500.0	246.8	243.1	(76.6)
Stanley	Esh	2,296.0	1,325.4	1,305.5	(212.5)
Stanley	Greencroft	91.0	84.3	83.0	(1.3)
Stanley	Healeyfield	713.0	494.1	486.6	(58.0)
Stanley	Hedleyhope	85.0	55.3	54.4	(4.1)
Stanley	Lanchester	1,928.0	1,435.2	1,413.7	(131.7)
Stanley	Muggleswick	56.0	43.2	42.5	(3.6)
Stanley	Satley	131.0	118.8	117.0	(2.5)
Stanley	Stanley	15,493.0	7,100.3	6,993.8	(2,534.7)
Stanley	Unparished Areas	20,610.0	11,759.4	11,583.0	(2,251.5)
		236,170.0	130,157.4	128,205.0	(29,090.4)

Durham	The Charter Trust for the City of Durham	40,180.0	24,217.2	23,854.0	(3,259.6)
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APPENDIX 5 - Impact on Parish & Town Councils & The Charter Trust for the City of Durham 2013/14

Locality	Parish Area	Increase / (Decrease) in Council Tax Base Band D Equivalent in 2013/14 -	Band D Council Tax 2012-13	Increase / (Loss) of Tax Raising Capacity	Withdrawal of Double Taxation Grant	Net Position Before Distribution of LCTSS Grant	Parish element of LCTSS Grant (Based on Change in Tax Raising capacity)	Net Position After Distribution of LCTSS Grant	Increase / (Decrease) in Band D Council Tax Required to retain current Precept	Increase / (Decrease) in Band D Council Tax Required to retain current Precept	Additional Council Tax Amount payable at Band A to retain current Precept
Barnard Castle	Barnard Castle Town Council	(257.4)	76.21	(19,615.71)	(4,311)	(23,926.71)	15,794.00	(8,132.71)	5.47%	4.80	3.20
Barnard Castle	Barnard Castle Council	(0.4)	7.43	(2.97)	(77)	(79.97)	2.00	(77.97)	13.00%	0.97	0.65
Barnard Castle	Baldron Parish Council	(2.2)	6.14	(13.52)	0	(7.52)	11.00	(2.52)	0.77%	0.05	0.03
Barnard Castle	Bowes Parish Council	3.7	22.37	82.78	(418)	(335.22)	0.00	(335.22)	9.42%	2.06	1.37
Barnard Castle	Cockfield Parish Council	(132.0)	39.86	(5,262.11)	(1,802)	(7,064.11)	4,237.00	(2,827.11)	14.14%	7.65	5.10
Barnard Castle	Cotherstone Parish Council	(12.8)	21.18	(271.08)	(922)	(1,193.08)	218.00	(975.08)	17.73%	3.95	2.63
Barnard Castle	Egleston Parish Council	(7.2)	26.65	(191.90)	0	(165.25)	1,987.00	(1,172.24)	5.84%	1.86	1.24
Barnard Castle	Everwood and Barony Parish Council	(88.4)	27.91	(2,467.24)	(692)	(3,159.24)	2,993.00	(156.24)	7.89%	2.44	1.63
Barnard Castle	Forest and Frith Parish Council	(148.4)	25.05	(3,717.15)	(814)	(4,531.15)	2,993.00	(1,538.15)	7.89%	2.44	1.63
Barnard Castle	Gainford & Langton Parish Council	(3.7)	23.89	(88.40)	0	(88.40)	71.00	(17.40)	1.24%	0.32	0.21
Barnard Castle	Hamsterley Parish Council	(45.6)	36.32	(1,656.09)	(503)	(2,159.09)	1,333.00	(826.09)	4.38%	1.74	1.16
Barnard Castle	Lynedale Parish Council	(7.9)	13.36	(105.56)	0	(92.20)	85.00	(7.20)	0.82%	0.11	0.07
Barnard Castle	Hutton Magna Parish Council	(3.3)	10.04	(33.13)	0	(23.09)	27.00	(6.13)	1.23%	0.13	0.09
Barnard Castle	Ingleton Parish Council	(11.6)	23.66	(274.45)	(183)	(457.45)	221.00	(236.45)	5.25%	1.32	0.88
Barnard Castle	Langton Parish Council	(4.2)	12.66	(53.18)	0	(40.52)	43.00	(3.52)	1.30%	0.18	0.12
Barnard Castle	Lunedale Parish Council	0.4	3.62	(1.45)	0	(1.45)	0.00	(1.45)	-0.97%	(0.03)	(0.02)
Barnard Castle	Lynesack and Softley Parish Council	(42.6)	19.73	(840.59)	0	(820.86)	677.00	(143.86)	1.95%	0.43	0.29
Barnard Castle	Manwood Parish Council	(14.8)	3.76	(55.67)	0	(51.91)	45.00	(6.91)	1.39%	0.06	0.04
Barnard Castle	Mickleton Parish Council	(3.5)	29.10	(101.86)	(164)	(72.76)	82.00	(10.76)	3.68%	1.09	0.73
Barnard Castle	Middleton in Teesdale & Newbigin in Teesdale Parish Council	(45.4)	24.85	(1,128.34)	0	(1,083.49)	908.00	(175.49)	1.78%	0.49	0.33
Barnard Castle	Ovington Parish Council	(4.6)	15.50	(71.31)	0	(55.81)	57.00	(1.81)	1.31%	0.22	0.15
Barnard Castle	Rokerby, Brignall and Egglestone Abbey Parish Council	0.2	19.88	3.98	0	3.98	0.00	3.98	-0.29%	(0.06)	(0.04)
Barnard Castle	Romaldkirk Parish Council	(1.3)	22.60	(29.38)	0	(6.78)	24.00	(17.22)	0.27%	0.06	0.04
Barnard Castle	South Bedburn Parish Council	(1.2)	11.08	(13.30)	0	(2.22)	11.00	(8.78)	0.47%	0.03	0.02
Barnard Castle	Staindrop Parish Council	(63.9)	24.85	(1,588.14)	0	(1,563.29)	1,279.00	(284.29)	2.51%	0.72	0.48
Barnard Castle	Stainforth Parish Council	(19.0)	18.05	(342.96)	0	(324.91)	276.00	(48.91)	1.03%	0.20	0.13
Barnard Castle	Streatlam & Stainton Parish Council	(9.8)	19.81	(194.18)	0	(174.37)	156.00	(18.37)	1.19%	0.25	0.17
Barnard Castle	Whorlton & Westwick Parish Council	(5.9)	24.28	(143.26)	0	(118.98)	115.00	(3.98)	1.05%	0.27	0.18
Barnard Castle	Winstons Parish Council	(6.3)	20.08	(26.51)	(194)	(320.45)	102.00	(218.45)	5.53%	1.15	0.77
Barnard Castle	Woodland Parish Council	(11.0)	12.51	(137.66)	0	(125.15)	111.00	(14.15)	2.42%	0.35	0.23
Chester-le-Street	Bourne Moor Parish Council	(113.9)	19.31	(2,199.71)	0	(2,079.71)	1,771.00	(308.71)	3.26%	0.76	0.51
Chester-le-Street	Edmondsley Parish Council	(46.1)	35.64	(1,642.82)	(16)	(1,658.82)	1,323.00	(335.82)	5.17%	2.46	1.64
Chester-le-Street	Great Lumley Parish Council	(196.0)	16.58	(3,249.61)	(110)	(3,359.61)	2,616.00	(743.61)	3.72%	0.74	0.49
Chester-le-Street	Kimblesworth and Plawsworth Parish Council	(90.6)	17.85	(1,617.22)	(45)	(1,662.22)	1,302.00	(360.22)	4.00%	0.87	0.58
Chester-le-Street	Little Lumley Parish Council	(59.3)	13.15	(779.97)	0	(766.82)	628.00	(138.82)	2.17%	0.32	0.21
Chester-le-Street	North Lodge Parish Council	(43.3)	19.06	(825.46)	(83)	(908.46)	665.00	(243.46)	1.35%	0.27	0.18
Chester-le-Street	Ouston Parish Council	(109.6)	21.99	(2,409.85)	(83)	(2,492.85)	1,940.00	(552.85)	2.76%	0.69	0.46
Chester-le-Street	Pelton Parish Council	(465.8)	59.52	(27,724.68)	(166)	(27,891.18)	22,323.00	(5,568.18)	5.11%	4.08	2.72
Chester-le-Street	Sacriston Parish Council	(275.1)	40.82	(11,229.34)	(1519)	(12,748.34)	9,041.00	(3,707.34)	6.18%	3.10	2.07
Chester-le-Street	Urth Parish Council	(99.4)	27.55	(2,738.54)	(102)	(2,840.54)	2,205.00	(635.54)	2.05%	0.62	0.41
Chester-le-Street	Waldrige Parish Council	(40.9)	20.24	(827.94)	(1609)	(2,437.22)	667.00	(1,770.22)	5.90%	1.23	0.82
Crook	Bishop Auckland Town Council	(1,215.6)	23.49	(28,553.56)	(447)	(29,000.56)	22,980.00	(6,020.56)	5.02%	1.55	1.03
Crook	Dene Valley Parish Council	(164.2)	13.45	(2,208.56)	(71)	(2,279.56)	1,778.00	(501.56)	4.58%	0.77	0.51
Crook	Greater Willington Town Council	(537.6)	27.38	(14,719.62)	(194)	(14,913.62)	11,852.00	(3,061.62)	5.15%	1.87	1.25
Crook	Stanhope Parish Council	(179.3)	19.12	(8,428.12)	(8179)	(11,606.76)	2,760.00	(8,846.76)	27.04%	5.78	3.85
Crook	Tow Law Town Council	(184.0)	48.58	(8,991.13)	(52)	(8,939.13)	7,197.00	(1,742.13)	6.06%	4.22	2.81
Crook	West Auckland Parish Council	(213.1)	28.48	(6,068.50)	(67)	(6,135.94)	4,886.00	(1,249.94)	5.66%	2.22	1.48
Crook	Witton le Wear Parish Council	(9.2)	17.90	(164.68)	(25)	(189.27)	133.00	(56.27)	1.07%	0.20	0.13
Crook	Wolsingham Parish Council	(116.4)	25.25	(2,939.38)	(3,863)	(6,802.47)	2,567.00	(4,235.47)	16.86%	4.79	3.19
Durham	Bearpark Parish Council	(119.8)	22.54	(2,700.41)	0	(2,700.41)	2,174.00	(526.41)	3.68%	1.02	0.68
Durham	Belmont Parish Council	(238.9)	22.65	(5,865.16)	(7,956)	(13,821.16)	4,722.00	(9,099.16)	13.19%	3.26	2.17
Durham	Brancepeth Parish Council	(3.4)	35.18	(119.62)	(234)	(353.62)	96.00	(257.62)	3.44%	1.23	0.82
Durham	Brandon & Byshottles Parish Council	(1,135.1)	25.71	(29,183.83)	(500)	(29,683.83)	23,498.00	(6,185.83)	4.26%	1.37	0.91
Durham	Cassop-cum-Quarrington Hill Parish Council	(266.2)	18.36	(4,887.84)	(3,865)	(8,752.84)	3,990.00	(4,762.84)	16.57%	3.66	2.44
Durham	Coxhoe Parish Council	(141.8)	57.02	(8,085.12)	(118)	(8,203.12)	6,510.00	(1,693.12)	2.28%	1.46	0.97
Durham	Croxdale & Hett Parish Council	(96.1)	29.89	(1,019.13)	(868)	(1,887.13)	821.00	(1,066.13)	10.66%	3.55	2.37
Durham	Framwellgate Moor Parish Council	(34.1)	24.98	(2,400.10)	0	(2,400.10)	1,932.00	(468.10)	1.10%	0.29	0.19
Durham	Kelloe Parish Council	(106.0)	28.61	(3,032.27)	(1,110)	(4,142.27)	2,441.00	(1,701.27)	14.54%	5.61	3.74
Durham	Pittington Parish Council	(45.7)	26.21	(1,197.86)	(1,377)	(2,574.86)	964.00	(1,610.86)	12.20%	3.53	2.35

Locality	Parish Area	Increase / (Decrease) in Council Tax Base Band D Equivalent in 2013/14 -	Band D Council Tax 2012-13	Increase / (Loss) of Tax Raising Capacity	Withdrawal of Double Taxation Grant	Net Position Before Distribution of LCTSS Grant	Parish element of LCTSS Grant (Based on Change in Tax Raising capacity)	Net Position After Distribution of LCTSS Grant	Increase / (Decrease) in Band D Council Tax Required to retain current Precept	Increase / (Decrease) in Band D Council Tax Required to retain current Precept	Additional Council Tax Amount payable at Band A to retain current Precept
		No.	£	£	£	£	£	£	%	£	£
Durham	Shadforth Parish Council	(136.2)	21.17	(2,883.85)	(1,730)	(4,613.79)	2,322.00	(2,291.79)	16.37%	4.37	2.91
Durham	Sherburn Village Parish Council	(154.5)	29.67	(4,583.84)	(2,620)	(7,204.17)	3,691.00	(3,513.17)	12.06%	4.25	2.83
Durham	Shindcliffe Parish Council	(5.2)	16.70	(86.85)	(696)	(783.14)	70.00	(713.14)	5.94%	1.00	0.67
Durham	West Rainton Parish Council	(138.0)	31.11	(4,292.65)	(2,755)	(7,047.46)	3,456.00	(3,591.46)	14.37%	5.40	3.60
Durham	Witton Gilbert Parish Council	(96.5)	36.35	(3,508.01)	(73)	(3,580.89)	2,835.00	(755.89)	2.56%	1.06	0.71
Easington	Castle Eden Parish Council	(7.2)	17.68	(127.33)	0	(127.33)	893.00	(213.33)	0.44%	0.08	0.05
Easington	Dalton-le-Dale Parish Council	(45.5)	24.46	(1,112.98)	0	(1,112.98)	896.00	(216.98)	1.70%	0.46	0.31
Easington	Easington Colliery Parish Council	(377.4)	220.14	(63,082.00)	(3,874)	(66,956.00)	66,894.00	(20,062.00)	6.27%	18.64	12.43
Easington	Easington Village Parish Council	(72.3)	147.02	(10,629.79)	(2,007)	(12,636.79)	8,559.00	(4,077.79)	3.74%	6.09	4.06
Easington	Haswell Parish Council	(138.3)	115.84	(16,020.40)	0	(16,020.40)	12,899.00	(3,121.40)	4.62%	7.02	4.68
Easington	Hawthorn Parish Council	(4.3)	30.48	(131.06)	0	(131.06)	106.00	(25.06)	0.40%	0.12	0.08
Easington	Horden Parish Council	(745.9)	208.64	(155,624.01)	(8,831)	(164,455.01)	125,302.00	(39,153.01)	8.23%	25.53	17.02
Easington	Hurton Henry Parish Council	(83.3)	91.86	(7,651.56)	0	(7,651.56)	6,161.00	(1,490.56)	3.31%	3.67	2.45
Easington	Monk Hesleden Parish Council	(413.7)	147.94	(61,202.42)	(4,480)	(65,682.42)	49,278.00	(16,404.42)	6.30%	12.17	8.11
Easington	Murton Parish Council	(459.8)	154.42	(71,000.62)	(5,419)	(76,419.62)	57,167.00	(19,252.62)	5.92%	11.70	7.80
Easington	Peterlee Town Council	(1,574.9)	256.04	(403,237.34)	(27,984)	(431,221.34)	324,671.00	(106,550.34)	7.26%	25.61	17.07
Easington	Seaham Town Council	(1,309.7)	198.84	(260,420.56)	(15,040)	(275,460.56)	209,680.00	(65,780.56)	5.88%	15.26	10.17
Easington	Seaton with Slingley Parish Council	(27.6)	26.02	(718.29)	0	(718.29)	578.00	(140.29)	1.25%	0.35	0.23
Easington	Shotton Parish Council	(356.9)	85.64	(30,565.89)	(108)	(30,673.49)	24,610.00	(6,063.49)	5.72%	6.88	4.59
Easington	South Hetton Parish Council	(184.0)	111.77	(20,565.35)	(73)	(20,638.38)	16,558.00	(4,080.38)	4.32%	6.17	4.11
Easington	Thornley Parish Council	(168.9)	175.96	(29,719.84)	(1,839)	(31,558.72)	23,929.00	(7,629.72)	5.97%	13.70	9.13
Easington	Trimdon Foundry Parish Council	(115.0)	145.12	(16,803.40)	(1,095)	(17,898.23)	13,529.00	(4,369.23)	6.75%	13.32	8.88
Easington	Wheatley Hill Parish Council	(292.3)	145.68	(42,583.70)	(2,393)	(44,976.72)	34,287.00	(10,689.72)	8.29%	18.04	12.03
Easington	Wingate Parish Council	(49.1)	106.42	(26,508.68)	(107)	(26,615.56)	21,344.00	(5,271.56)	4.06%	5.42	3.61
Spennymoor	Bishop Middleham Parish Council	(45.7)	105.24	(4,809.33)	(432)	(5,241.33)	3,872.00	(1,369.33)	2.92%	3.43	2.29
Spennymoor	Bradbury and The Isles Parish Council	(0.1)	23.31	(2.33)	0	(2.33)	2.00	(0.33)	0.02%	0.01	0.01
Spennymoor	Chilton Town Council	(280.9)	184.71	(51,885.04)	(4,092)	(55,977.04)	41,776.00	(14,201.04)	6.88%	16.96	11.31
Spennymoor	Gornorth Parish Council	(208.6)	119.34	(24,894.00)	(803)	(25,697.00)	20,044.00	(5,653.00)	5.96%	9.64	6.43
Spennymoor	Eldon Parish Council	(42.2)	91.71	(3,870.31)	(113)	(3,983.31)	3,116.00	(867.31)	7.61%	10.56	7.04
Spennymoor	Ferryhill Town Council	(862.1)	204.30	(176,125.20)	(14,599)	(190,724.20)	141,809.00	(48,915.20)	7.81%	22.21	14.81
Spennymoor	Fishburn Parish Council	(135.4)	105.45	(14,277.36)	(2,761)	(17,038.36)	11,492.00	(5,546.36)	7.02%	9.03	6.02
Spennymoor	Great Aycliffe Town Council	(1,728.5)	204.10	(352,784.35)	(38,475)	(391,259.35)	284,048.00	(107,211.35)	6.60%	17.21	11.47
Spennymoor	Middridge Parish Council	(11.4)	52.08	(593.73)	(130)	(733.73)	478.00	(245.73)	3.71%	2.12	1.41
Spennymoor	Mordon Parish Council	0.3	17.58	5.28	0	5.28	0.00	5.28	-0.27%	(0.05)	(0.03)
Spennymoor	Sedgerfield Town Council	(141.5)	121.73	(17,224.36)	(9,484)	(26,708.07)	13,868.00	(12,840.07)	5.37%	7.05	4.70
Spennymoor	Shildon Town Council	(950.4)	229.02	(217,660.10)	(14,051)	(231,711.05)	175,251.00	(56,460.05)	8.43%	28.61	19.07
Spennymoor	Spennymoor Town Council	(1,177.1)	199.29	(234,584.05)	(29,221)	(263,805.06)	188,878.00	(74,927.06)	6.07%	14.93	9.95
Spennymoor	Trimdon Parish Council	(325.1)	116.19	(37,772.01)	(4,957)	(42,728.71)	30,413.00	(12,315.71)	7.85%	12.02	8.01
Spennymoor	Windlesstone Parish Council	1.8	12.89	23.20	0	23.20	0.00	23.20	-1.66%	(0.21)	(0.14)
Stanley	Burnhope Parish Council	(110.5)	11.00	(1,215.25)	(1,191)	(2,406.25)	978.00	(1,428.25)	26.83%	3.82	2.55
Stanley	Corsay Parish Council	(76.6)	41.29	(3,162.72)	0	(3,162.72)	2,546.00	(616.72)	4.67%	2.54	1.69
Stanley	Esh Parish Council	(212.5)	47.54	(10,102.85)	(134)	(10,236.85)	8,134.00	(2,102.85)	2.91%	1.61	1.07
Stanley	Greencroft Parish Council	(1.3)	29.38	(38.20)	0	(38.20)	31.00	(7.20)	0.29%	0.09	0.06
Stanley	Healeyfield Parish Council	(58.0)	15.11	(876.28)	0	(876.28)	706.00	(170.28)	2.07%	0.35	0.23
Stanley	Hedleyhope Parish Council	(4.1)	49.37	(702.41)	0	(702.41)	163.00	(539.41)	1.36%	0.72	0.48
Stanley	Lanchester Parish Council	(131.7)	32.76	(4,314.21)	(1,645)	(5,959.21)	3,474.00	(2,485.21)	4.91%	1.76	1.17
Stanley	Muggleswick Parish Council	(3.6)	26.03	(93.71)	0	(93.71)	75.00	(18.71)	1.56%	0.44	0.29
Stanley	Satley Parish Council	(2.5)	23.85	(59.62)	0	(59.62)	48.00	(11.62)	0.41%	0.10	0.07
Stanley	Stanley Town Council	(2,534.7)	83.96	(212,809.99)	0	(212,809.99)	171,346.00	(41,463.99)	5.18%	5.93	3.95
		(23,515.5)	(2,841,584.77)	(245,950.53)	(245,950.53)	(3,087,534.53)	2,288,025.00	(799,509.53)	6.50%	n/a	n/a

Durham	The Charter Trust for the City of Durham	(3,259.6)	3.80	(12,386.48)	0	(12,386.48)	9,975.00	(2,411.48)	2.34%	0.10	0.07
		(26,775.10)	(2,853,971.25)	(3,095,921.01)	(2,298,000.00)	(801,921.01)					

**Council Tax
Discretionary
Reduction Policy and
Business Rates
Hardship Relief Policy**

Altogether better



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1. Introduction and Purpose of Policy Document

- 1.1 This policy has been designed to ensure that all customers making an application for relief are treated in a fair, consistent and equal manner.
- 1.2 This policy has been written to:
 - Set guidelines for the factors that should be considered when making a decision to award or refuse an application
 - Set out the delegated authority to award relief in appropriate circumstances;
 - Establish an appeals procedure for customers dissatisfied with a decision;
 - Safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way.

2. Council Tax Discretionary Reduction Policy

2.1 Introduction

- 2.1.1 Councils have the power to reduce the amount of Council Tax a person has to pay to such an extent as they see fit. This power includes the power to reduce an amount to nil, and may be exercised in relation to particular cases or by determining a class of property in which liability is to be reduced to an extent provided for by the determination.
- 2.1.2 This will incorporate the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

2.2 Legislation

- 2.2.1 The provisions are set out in Section 13A (1) (c) of the Local Government Finance Act 1992.

2.3 Durham County Council Policy

- 2.3.1 Durham County Council has not defined any specific class of property on which to award a section 13A discount. Applications for a reduction will usually only be considered in individual cases where severe hardship or extenuating circumstances can be demonstrated.

2.4 Criteria

2.4.1 Each application will be considered on its merits with issues that will need to be considered on each occasion including:-

- All applications should be made in writing from the council tax payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form and contain the necessary information including a full financial statement.
- All applications are only intended as short term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing council tax liability indefinitely.
- Hardship relief or remission will be the exception and not the rule.
- There must be evidence of hardship or personal circumstances that justifies a reduction in council tax liability.
- The Council must be satisfied that the council tax payer has taken reasonable steps to resolve their situation prior to application.
- The Council's finances allow for a reduction to be made and it is reasonable to do so in light of the impact on other council tax payers.
- The council tax payer does not have access to other assets that could be realised and used to pay council tax.
- All other eligible discounts/reliefs have been awarded to the council tax payer.
- The liable person for an unoccupied domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause them exceptional financial hardship.

2.4.2 In all cases relief will end in the following circumstances:

1. At the end of a financial year
2. There is a change of liable person
3. The council tax payer enters any form of formal insolvency
4. The council tax payer's financial circumstances significantly change.

2.5 Claiming a Council Tax Reduction

- 2.5.1 A claim must be made on an approved application form (see attached). This application form and any supporting information should be completed and returned to:-

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

- 2.5.2 It is the responsibility of the council tax payer applying for relief to provide sufficient information and documentary evidence to support their applications. If the council tax payer applying does not or will not provide the required evidence; we will still consider the application but only on the basis of the information and evidence provided.

2.6. The Decision Making Process

- 2.6.1 Upon receipt of a signed application, all supporting information must be included for consideration as follows:
- Initial applications will be considered by Revenues Team Manager within 14 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations.
 - Recommendations will then be forwarded to Revenues & Benefits Manager via the Revenues Manager within 7 days.
 - These will then be forwarded to Head of Finance (Financial Services) for approval/refusal within 7 days.
 - Once decision has been approved the council tax payer will be advised in writing of the decision within 28 days of DCC receiving sufficient information and revised council tax demand notices will be issued where applicable.

2.7. Review of Decision

- 2.7.1 Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a request from a council tax payer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director, Resources.
- The Council will consider whether the council tax payer has provided any additional information that will justify a change to its original decision.
- The Council will notify the council tax payer of its decision within 21 days of receiving a request for a re-determination.

3. Policy for the Award of Hardship Relief for Business Rates

3.1 Introduction

- 3.1.1 Councils have the power to reduce or remit the business rate charge where it considers that 'hardship' would otherwise be caused to the ratepayer.

3.2 Legislation

- 3.2.1 The provisions are set out in Section 49 of the Local Government Finance Act 1988.

3.3 Durham County Council Policy

- 3.3.1 Applications to reduce or remit the business rate charge will only be considered where the Council is satisfied that the rate payer would otherwise sustain hardship and that it is reasonable to grant relief having regard to the interest of council tax payers who are affected by decisions under this section. This is because the cost of exercising this power has to be partly funded by the Council through general fund expenditure.

3.4 Criteria

- 3.4.1 Each application for hardship will be considered on its merits with issues that will need to be considered on each occasion including:-
- All applications should be made in writing from the rate payer, their advocate/appointee or a recognised third party acting on their behalf, using the relevant form and contain the necessary information.
 - All applications are only intended as short term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing Business Rate Liability.
 - Hardship relief or remission will be the exception and not the rule.

- The financial interests of the council tax payers will not be the overriding factor e.g. employment and amenities provision will also be taken into account.
- Where the granting of relief will have an adverse effect on the financial interests of the council tax payers, relief may still be granted if the case for relief on balance outweighs the costs to taxpayers.
- The potential amount of any relief may in some cases constitute state aid and therefore adherence to EU regulations must be followed.
- The test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship.
- The assessment of the accounts will identify the cause of the business failings and a simple accounting calculation will be carried out as follows:
 - % of Rates to Sales
 - % of Rates to Gross Profit
 - % of Rates to Expenditure
 - Ratio of Current Assets to Current Liabilities
 - Ratio of Current Assets less Stock to Current Liabilities
 - Relief will normally only be awarded retrospectively. However, where the ratepayer can show that the circumstances will remain the same for a period up to the end of the current financial year relief may be award for the remainder of the year.

3.5 Period of Hardship Relief

3.5.1 In all cases relief will end in the following circumstances:

- At the end of a financial year
- A change of liable person
- The property becomes empty, or become occupied
- The ratepayer enters any form of formal insolvency

- The ratepayer's financial circumstances significantly change (the ratepayer must inform the council if their circumstance change e.g. change in rateable value)

From the assessment of the above criteria, the Council will determine if the business is suffering from financial hardship due to the payment of Business Rates.

3.6 Examples of Appropriate Circumstances

3.6.1 The following examples indicate circumstances where it may be appropriate to award relief. They are included in this policy in the form of broad general guidelines and are not intended to be prescriptive.

- a) Without rate relief the business will close and deprive local residents of an essential service and protecting employment.
- b) The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayers control and that do not constitute part of the normal risks in running a business (e.g. a natural disaster, an unusual or uncontrollable event in the neighbourhood of the business such as a fire making the immediate area of the business unsafe).

N.B. in addition, it must be in the interest of the community as a whole for Hardship relief to be granted.

3.7 Claiming a Reduction due to Hardship

3.7.1 A claim must be made on an approved application form. This application form and any supporting information should be completed and returned to:-

Durham County Council
Revenues and Benefits
PO Box 238
Stanley
Co Durham
DH8 1FP

3.7.2 It is the responsibility of the ratepayer applying for relief to provide sufficient information and documentary evidence to support their applications. If the ratepayer applying does not or will not provide the required evidence, we will still consider the application but only on the basis of the information and evidence provided.

3.8 The Decision Making Process

3.8.1 Upon receipt of written application form, all supporting information must be included for consideration.

- Initial applications will be considered by Revenues Team Manager (NNDR) within 14 days of receipt of a signed application and all supporting information. This will include a review sheet, with findings and financial implications and initial recommendations
- Recommendations will then be forwarded to Revenues & Benefits Manager via the Revenues Manager within 7 days.
- These will then be forwarded to Head of Finance (Financial Services) for approval/refusal within 7 days.
- Once decision has been approved the ratepayer will be advised in writing of the decision within 28 days of DCC receiving sufficient information and revised NNDR demand notices will be issued where applicable.

3.9 Review of Decision

3.9.1 Under the Local Government Finance Act 1988, there is no right of appeal against the Council's use of discretionary powers. However, on individual discounts, the Council will accept a request from a ratepayer for a re-determination of its decision.

- Re-determination of the decision will be by the Corporate Director.
- The Council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision.
- The Council will notify the ratepayer of its decision within 21 days of receiving a request for a re-determination.

Application for Council Tax Reduction under Section 13A of the Local Government Finance Act 1992

*Please note that if a joint bill has been issued then the application must also be made in joint names

Name of applicant/s:

Contact Address:

Telephone:

Email Address

Address of property for which relief is being claimed:

Owners Name/s:

Is the property currently vacant? YES/NO

What is the value of equity in the property? £

Is the property currently marketed for sale? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Is the property currently marketed for rent? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Please provide details of any other properties owned by yourself and value of any rental income you are in receipt of

If you have left a property empty to move to more suitable accommodation or to receive or provide care due to old age, disablement, illness, alcohol or drug abuse or mental disorder, then please provide details below

Please provide the detailed reasons why you are applying for a reduction in Council Tax. This should fully explain the circumstances that are creating financial difficulty and how long you expect these circumstances to continue.

Has an application for Council Tax Support been made? YES/NO

Are you receiving financial assistance from any other source? *YES/NO

*please provide details:

Have you approached any organisation to assist with your current financial situation such as Citizen Advice Bureau/ Welfare Rights etc? *YES/NO

*please provide details?

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please provide any additional information you wish to provide in support of your application

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:-

- Confirmation of all income received
- Bank Statements
- Any additional information to support the application
- Written Details of any Savings/Stocks/Shares

I declare that the information given on this form is, to the best of my knowledge, accurate and complete.

I understand that a copy of this form may also be sent to the Welfare Rights who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of Council Tax due to the Council.

Signed:

Capacity of person signing:

Date:

Daytime telephone number:

**Please return your completed form to:-
Durham County Council
Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP**

If you have any queries relating to completion of the form please do not hesitate to contact us.

For information: In line with Data Protection law we may use information you give us to prevent or detect fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their legal duties.

FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265000
On Line: www.durham.gov.uk/counciltax



CTHARDSHP

Name of Owner 1:
Address of Owner 1:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas/Electricity/Fuel	£	
Housekeeping/Fuel	£	
Telephone/Mobile	£	
TV Rental	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed

Dated

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FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265000
On Line: www.durham.gov.uk/counciltax



CTHARDSHP

Name of Owner 2:
Address of Owner 2:

Income	Amount	Weekly/Monthly
Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas/Electricity/Fuel	£	
Housekeeping/Fuel	£	
Telephone/Mobile	£	
TV Rental	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed

Dated

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Application for Non Domestic Rates reduction under Section 49 of the Local Government Finance Act 1988

*Please note that if a joint bill has been issued then the application must also be made jointly.

Name of applicant/s:

Contact Address:

Telephone:

Email Address

Address of property for which relief is being claimed:

Owner/Leasee Name/s:

Length of time remaining on lease

Is property currently vacant? YES/NO

Date Property became vacant:

To be completed if ratepayer is Owner of Property:

What is the value of equity in the property? £

Is the property currently marketed for sale? *YES/NO

*Please provide details of marketing agent/ estate agent for the property

Please provide details of any steps taken to either let or sell property

To be completed by ratepayer:

What is the main activity of the business?

How many people are employed by the business?

Please detail any other steps taken to reduce rate bill through reliefs with Durham County Council

Please outline the circumstances that are causing financial issues for your business

How are these circumstances affecting your financial situation?

How long do you expect your current circumstances to continue and have you a business plan in place, to improve the situation?*

*Please provide a copy of your business plan.

Are you receiving financial assistance from any other source? *YES/NO *please provide details:

How do you think local residents and or business benefit from the services your business provides?

Please provide details of any other properties owned by yourself or partners

Do you own any other businesses and if so what are their financial circumstances?

Have you approached any organisation to assist with your current financial situation? *YES/NO
*please provide details

Please provide details of any stocks/shares/savings/ money you may have or money you are owed

Please give any additional information you wish to provide in support of your application

Continue on separate sheet if necessary*

Your application will not be processed unless the enclosed financial information sheet is completed and returned.

*All applicants must provide documentary evidence in support of their claim. At a minimum these should include the following:-

- Confirmation of all income received with bank statements
- Copies of professionally prepared accounts
- Cash Flow Statement
- A financial projection of the next trading period with any order books you may have.
- Any additional information to support the application
- Written Details of any Savings/Stocks/Shares

Note: each owner should complete the financial information form. If there are more than 2 owners then each additional owner should supply the information requested.

I declare that the information given on this form is, to the best of my knowledge, accurate and complete.

I understand that a copy of this form may also be sent to the Welfare Rights who may be able to offer me further advice and assistance.

I also understand that whilst this application for relief is pending I am not entitled to withhold payment of council tax due to the Council.

Signed:

Capacity of person signing:

Date:

Daytime telephone number:

**Please return your completed form to:-
Durham County Council**

**Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP**

**If you have any queries relating to completion of the form please do not
hesitate to contact us.**

For information: In line with Data Protection law we may use information you give us to prevent or detect fraud or other crimes. We may also share it with other Council Services or public organisations if they need it to carry out their legal duties.

FINANCIAL INFORMATION SHEET FOR SOLE TRADERS/PARTNERSHIPS

Revenues and Benefits
 PO Box 238
 Stanley
 County Durham
 DH8 1FP

Tel: 03000 265 000
 On Line: www.durham.gov.uk/businessrates



Name Of Ratepayer 1:
Address of Ratepayer 1:

Income	Amount	Weekly/Monthly
Income from Business/Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Council Tax	£	
Business Rates	£	
Water Rates	£	
Life Insurance	£	
House Insurance	£	
Gas/Electric/Fuel	£	
Housekeeping	£	
Telephone	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed
Dated

FINANCIAL INFORMATION SHEET

Revenues and Benefits
PO Box 238
Stanley
County Durham
DH8 1FP

Tel: 03000 265 000
On Line: www.durham.gov.uk/businessrates



Name Of Ratepayer 2:
Address of Ratepayer 2:

Income	Amount	Weekly/Monthly
Income from Business/Wages	£	
JSA/Income Support	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Works Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Incapacity Benefit/ESA	£	
Maintenance	£	
Non Dependant Contribution	£	
D L A	£	
Any Other Income	£	
Total Income	£	

Expenditure	Amount	Weekly/Monthly
Rent/Mortgage	£	
Business Rates	£	
Council Tax	£	
Water Rates	£	
House Insurance	£	
Life Insurance	£	
Gas Electric Fuel	£	
Housekeeping Fuel	£	
TV Licence	£	
Travel Expenses	£	
Car Running Costs (Petrol, Oil etc.)	£	
Car Insurance	£	
Car Tax	£	
Car Repayments	£	
Catalogues	£	
Loans	£	
Credit/Store Cards	£	
Hire Purchase/Credit Repayments	£	
Fines	£	
Child Care	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

I hereby certify that the above information is an accurate record of my present financial position.

Signed
Dated

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments. You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.

Service/team or section: Resources

Lead Officer: Ian Ferguson

Start date: February 2012

Update July/August 2012

Update November 2012

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

Localisation of Council Tax Support

This impact assessment relates to plans for a local council tax support scheme. The scheme must be implemented in 2013 to replace the current national scheme which is operated by the Department for Work and Pensions.

Background:

As part of the Spending Review 2010 the Government announced that the current national Council Tax Benefit (CTB) system would be replaced by localised CTB schemes from 2013-14, the current CTB specific grant is also being reduced by 10% which means that savings must be delivered locally.

Council Tax benefit grant in 2011/12 is around £55m; therefore the saving expected to be made from the localised CTB scheme would be approximately £5.5m in County Durham.

The Government has stated it has two principles in its approach to the localisation of council tax benefits in England:

- Localised schemes should provide support for the most vulnerable, including vulnerable pensioners.
- Localised schemes should assist with lifting the poorest off benefits and supporting them into work.

The Government believes localising Council Tax Benefits will provide local authorities with a financial stake in ensuring these principles are successfully supported.

The Government proposes that low income pensioners should be protected in full from any reduction in support so any savings made can only apply to people of working age.

The Council has undertaken consultation ahead of the final decision. Any proposed scheme must be agreed by Cabinet and Council as part of budget arrangements. The Council's scheme must be approved by 31 January 2013.

The equality impact assessment considers the potential impacts depending on whether Council decide:

- to protect the financial position of all claimants by adopting the default scheme in 2013/14,

or

- to pass on the reduction to working age claimants.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

CTB Claimants, General public, employees, elected members

Is a copy of the subject attached? See Cabinet report
If not, where could it be viewed?

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate : Y = Yes, N = No, ?=Unsure

Gender	Y	Disability	Y	Age	Y	Race/ethnicity	Y	Religion or belief	Y	Sexual orientation	Y
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How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

Potential impacts are dependant on Council's final decision as outlined below:

Protecting the financial position of all claimants by adopting the default scheme in 2013/14

There is no evidence to suggest a negative equality impact should the council decide to protect the financial position of all claimants by adopting the default scheme in 2013/14. The financial position of claimants would be protected in 2013/14 and the position revisited next year once the wider impact of the new council tax support scheme and welfare reform are better understood. The move to a discount rather than a benefits payment may also have a positive impact where take up amongst older people may increase, there is some evidence to suggest that some older people feel a stigma associated with claiming a benefit which currently reduces take up.

Passing on the reduction to working age claimants

If the default scheme is not adopted, and reductions in council tax benefit were passed on to working age people, this would affect people in relation to age (older people would be protected through pension status but working age people including younger people could be negatively affected by reductions in council tax support), disability (in relation to lower incomes and higher costs for some as a result of their disability) and gender (for example, lone parents are most likely to be female and may be affected by reduced support but there are also more older women in the population than men so they would be protected through pension status). There are also potential impacts in terms of race, religion or belief and sexual orientation (for example, through links with younger people at risk of homelessness because they've 'come out' about their sexual orientation and therefore may be living alone and reliant on benefits/support).

The potential negative impacts include:

- Financial – direct impacts of reduced council tax benefit could mean less disposable income; increased pressure to find work or other income; increased reliance on other benefits or services to meet any shortfall in income.
- Wellbeing – stress/anxiety as a result of financial worries.
- Housing - eviction (where people on low incomes pay council tax rather than rent through fear of legal action, this is already mitigated through debt and money management advice but may need additional communication) or move to smaller/cheaper property.
- Legal – legal action against individual may impact on other areas, e.g. employment, financial costs of court action, wellbeing etc.

Potential positive impacts:

- Older people are protected against any reduction in support
- Increased take up of other entitlements
- Increased employment – (this is based on Government assessment, no evidence at local level)

It is important to note that the changes to council tax benefit are being made alongside wider welfare reforms which will have an impact on benefits and financial inclusion across all protected groups. The overall impact for some could be significant reductions in household income.

What evidence do you have to support your findings?

Under the current system CTB is a means tested benefit that is administered by local authorities on behalf of the Department for Work and Pensions (DWP). Claimants in receipt of means tested out-of-work benefits generally receive full assistance; eligible claimants who work or have other income are likely to get partial relief; around 60% of all pensioners are entitled to CTB, although not all who are entitled actually claim. Some key headline statistics are set out below:

- Nationally over 5.8 million people currently claim CTB, more than any other means tested benefit.
- Almost half of all claimants are pensioners
- A quarter of claimants have dependent children
- A tenth are low earners
- Many, who are currently entitled to claim CTB, do not actually claim the benefit.

Link to the Department for Communities and Local Government (DCLG) EIA:

<http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf>

Extract of data from above DCLG EIA:

- 48% of CTB recipients aged under 65 have at least one dependant adult or child who is **disabled**
- 18% of CTB recipients aged under 65 have **caring responsibilities**.
- 17% of CTB recipients aged under 65 require informal care

(Source: Family Resources Survey 2009/10, England)

Durham has over 63,000 claimants:

- almost half are pensioners,
- 72% of working age claimants are on 'passported benefits' currently receiving 100% council tax benefit,
- 15% of working age claimants have dependent children
- 6% of working age claimants receive a disability premium/benefit
- 7% of working age claimants are in employment or are low earners
- 90% of council tax benefit relates to Band A properties

Update November 2012 – Consultation

Response rates to online consultation were relatively low so statistical analysis of those responses is not robust. The proportions recorded in the following sections are of those who provided equality profile information. Those attending focus groups and other meetings were not asked to provide personal equality information but were asked to comment on impacts either for themselves or others who they represented. Further information on consultation responses is included in the conclusion (see section three of this form).

Further local evidence is included in the full assessment - see Section Two.

Decision: Proceed to full impact assessment – Yes/No **Yes** **Date: 15.03.12**

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

<p>Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.</p>		
<p>Identify the impact : does this increase differences or does it aim to reduce gaps for particular groups?</p>	<p>Explain your conclusion, including relevant evidence and consultation you have considered.</p>	<p>What further action is required? (Include in Sect. 3 action plan)</p>
<p>Note: this impact assessment relates to proposals which are subject to a final decision by Council.</p>		
<p>Protecting the financial position of all claimants by adopting the default scheme in 2013/14 There is no evidence of negative impact, the financial position of claimants would be protected in 2013/14 and the position revisited next year once the wider impact of the new council tax support scheme and welfare reform are better understood. The move to a discount rather than a benefits payment may improve take up amongst older people and provide a positive impact as there is some evidence to suggest some older people feel a stigma associated with claiming a benefit which reduces take up. The existing mitigating actions of advice and support to vulnerable people in order to claim entitlements will also continue.</p>		
<p>Passing on the reduction to working age claimants The following section considers the more detailed impacts if Council decided not to adopt the default scheme and to pass on reductions in council tax support to working age claimants.</p>		
<p>Gender</p>	<p>Local evidence suggests that changes to council tax support for working age claimants is likely to impact on a greater number of women than men.</p> <p>Potential impacts where council tax support is reduced include: Male/female <ul style="list-style-type: none"> o Women are more likely to provide care for others including children. Their employment opportunities and income are often limited by care </p>	<p>National evidence from Equality & Human Rights Commission Triennial Review.</p> <p>Local evidence: Analysis of claims in County Durham shows that 39% of working age claimants were male and 61% female. The proportion of female claimants is significantly higher in age groups aged 18 to 39, this may be linked to the number of claimants with dependant children. Figures show that of total working age claims there were 5,692 with dependants aged under 5 which is around 18% and 13,213 with dependants aged up to 18 years, around 42% - (please note: claimants with more</p>
		<p>Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.</p>

	<p>responsibilities, for example they are more likely to work part-time or be unemployed. They also are more likely to have breaks in employment so may have lower levels of savings.</p> <ul style="list-style-type: none"> ○ Lone parents are more likely to be a female primary carer. National evidence shows they are more likely to be unemployed or work part-time, have lower incomes and lower savings. ○ Women also experience greater financial impacts as a result of divorce or separation, national evidence shows that their employment opportunities, income and savings levels are also reduced compared to men. ○ Lone male parents may be more likely to have occasional custody so would not be eligible to child premiums and therefore receive lower levels of support. They may be affected by other national benefit changes such as the shared room rate. ○ National evidence also 	<p>than one child may fall into both categories).</p> <p>Consultation responses: The proportions reported in this section are based on the numbers of people who answered the equality questions. There was no significant difference in proportions of responses from males (46.3%) and females (53.7%) – based on 41 individuals.</p>	
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	<p>shows that male employment has reduced during the recession. Although female employment has also been affected women are more likely to find part-time or seasonal work as an alternative.</p> <p>Transgender – there is no direct evidence of negative impact though national surveys and local anecdotal evidence suggests transgender people may be more likely to be unemployed or self-employed due to concerns about hostile work environments. It is also possible that transgender people have limited savings where they have self-funded surgery.</p> <p>Protection for older people would benefit more women as there is a greater number of older women in the county population than men. Historically older women are less likely to have good pension provision.</p>		
Age	<p>Local evidence shows an increased number of working age claimants aged 40 to 59, this may be linked to loss of employment and difficulties finding employment for older working age people.</p>	<p>Local evidence: Pension age claimants make up almost 50% of the total current caseload. Caseload data shows that 72% of working age claimants receive 'passported' benefits – DWP holds the information on these people so we do</p>	<p>Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt</p>

Potential impacts where council tax support is reduced include:

Older people
 Those of pension age would be protected from reductions in council tax support. They are less likely to have regular income from employment and many rely on pensions/benefits to meet living costs. In recent years increasing numbers of older people have been affected by financial hardship through reduced interest from savings.

There is also potential positive impact for older people as a result of the change to a 'discount' rather than a 'benefit' – anecdotal evidence suggests this may increase applications as many older people are reluctant to seek benefits.

Working age

This group would see a negative impact as a result of reductions in the support they receive.

National evidence shows that people in their fifties are more likely to provide care than other age groups, this age group is also more likely to remain unemployed than others of working age. The financial impact for this age group

not have access to equality profiles.

Of the remainder:

- 15% have dependent children
- almost 2% are families with a disability payment
- 7% are in employment/low earners

Age Band	Working Age Claims	Male	Female	%	%
Total	31,434	12,157	19,277	39	61
18 - 19	362	75	287	21	79
20 - 29	6792	1664	5128	24	76
30 - 39	7063	2354	4710	33	67
40 - 49	8533	3684	4849	43	57
50 - 59	7737	3914	3823	51	49

Figures show that of total working age claims there were 5,692 with dependants aged under 5 which is around 18% and 13,213 with dependants aged up to 18 years, around 42% - (please note: claimants with more than one child may fall into both categories).

Consultation responses:

The highest number of responses were from those aged 25 to 34 and those aged 45 to 54.

	Frequency	Percent
18-24	1	2.5
25-34	10	25.0
35-44	7	17.5
45-54	9	22.5

management is available through appropriate channels, charities and voluntary advice agencies.

	<p>could be significant.</p> <p>Families Those with children aged under 5 are more likely to be unemployed or work part-time hours (mostly female). Families with school-aged children are likely to have lower levels of savings than those without children. Childcare costs are shown in national evidence to be a significant barrier to employment, many rely on family and friends for help (often grandparents or older relatives).</p> <p>Younger people This group is more likely to have lower incomes and limited savings. National evidence shows that younger people are less likely to find employment in the current financial climate. There are other financial impacts related to age restrictions on eligibility for other benefits; links to teen pregnancy, homelessness (e.g. due to fleeing domestic abuse, 'coming out', forced marriage).</p>	<table border="1" data-bbox="97 501 228 1198"> <tr> <td>55-64</td> <td>8</td> <td>20.0</td> </tr> <tr> <td>65+</td> <td>5</td> <td>12.5</td> </tr> <tr> <td>Total</td> <td>40</td> <td>100.0</td> </tr> </table>	55-64	8	20.0	65+	5	12.5	Total	40	100.0	
55-64	8	20.0										
65+	5	12.5										
Total	40	100.0										
<p>Disability</p>	<p>Potential impacts of reduced council tax support could be significant for some disabled people. There are legal requirements to make reasonable adjustments for disabled people which include treating them more favourable than others where</p>	<p>The current caseload data shows that, where we hold information, those receiving a disability premium/benefit make up 6% of working age claimants.</p> <p>Consultation responses</p>	<p>Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is</p>									

	<p>necessary.</p> <p>Depending on their disability they are more likely to be unemployed and may be unable to seek employment. Disabled people are often employed in lower paid or part-time jobs which means they have lower levels of savings to meet extra costs. The additional costs relating to some disabilities mean that some people rely heavily on benefits.</p> <p>National evidence shows that couples with a disabled child are less likely to both be in employment. They are also more likely to provide longer hours of care than parents of non-disabled children.</p> <p>Those people requiring adapted accommodation would be less able to find suitable more affordable housing if they could not meet council tax payments.</p> <p>People with a mental health condition or a learning disability may be particularly vulnerable to changes in council tax support. National evidence shows that these two groups are less likely to be employed and may not seek help for financial difficulties. Tailored advice would help to</p>	<p>87.5% of responses were from non-disabled people and 12.5% from disabled people based on 40 responses.</p>	<p>available through appropriate channels, charities and voluntary advice agencies.</p>
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	ensure negative financial impacts are minimised. They may also be more vulnerable to impacts on wellbeing due to financial concerns.		
Race/Ethnicity	<p>Potential impacts to consider:</p> <ul style="list-style-type: none"> ○ National evidence suggests Traveller communities are less likely to have regular incomes, many are self-employed or reliant on seasonal work. Some do not have birth certificates so are unable to meet certain eligibility criteria. ○ There is no local evidence from council tax caseload of significant numbers of larger families. ○ Forced marriage – there may be a potential link to those fleeing their family, homelessness and reliance on support. 	<p>Current caseload data does not include ethnicity.</p> <p>Consultation responses:</p> <p>Almost 97% of responses were from White British people – based on 31 responses.</p>	
Religion or belief	<p>There is no evidence at this stage of an impact in relation to religion or belief</p>	<p>Current caseload data does not include religion or belief.</p> <p>Consultation responses</p> <p>Almost 56% of responses were from people of a Christian background with around 3% from other religious or belief background and the remaining 41% from those stating no religion or belief – based on 34 responses.</p>	
Sexual orientation	<p>Potential impacts to consider:</p> <ul style="list-style-type: none"> ○ Links to homelessness for those fleeing domestic 	<p>Current caseload data does not include sexual orientation.</p>	

	<p>abuse (particularly young people).</p> <ul style="list-style-type: none"> ○ There is very limited national and local evidence relating to financial inclusion. ○ There is evidence that some lesbian, gay and bisexual people are more likely to live alone which may have an impact on their household income levels. 	<p>Consultation responses A small number of people answered this question and stated they were heterosexual.</p>	
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How will this promote positive relationships between different communities?

Financial inclusion does promote strong communities but financial differences can create tension.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

This equality impact assessment considers Durham County Council's response to national changes in local council tax support which are subject to a final decision by Council.

If Council decide to protect the financial position of claimants by adopting the default scheme in 2013/14:

There is no evidence to suggest a negative equality impact should the council decide to protect the financial position of all claimants by adopting the default scheme in 2013/14. The financial position of claimants would be protected in 2013/14 and the position revisited next year once the wider impact of the new council tax support scheme and welfare reform are better understood. The move to a discount rather than a benefits payment may also have a positive impact where take up amongst older people may increase, there is some evidence to suggest that some older people feel a stigma associated with claiming a benefit which currently reduces take up.

If Council decide not to adopt the default scheme and to pass on the reduction in council tax support to working age claimants:

The main impact of the proposed change to reduce council tax support for working age claimants is financial as they would need to fund the difference against their current entitlement. For some this may be a significant amount of their household income which could lead to additional negative impacts including:

- Health/wellbeing as a result of stress or anxiety over financial difficulties.
- Housing where people are unable to meet other costs as a result of increased council tax contributions or look to move to cheaper alternative accommodation, whilst this is relatively unlikely it is still a potential impact to be considered.
- Legal action as a result of not paying council tax can have a negative impact both in terms of additional costs and stress but also potentially in relation to employment.

These impacts are possible across all protected characteristics but are most likely in relation to gender, age and disability with limited potential impacts for race/ethnicity and sexual orientation. There is no evidence available at this stage to show potential impact on religion or belief. The key impacts are set out in section two above. There would be a positive impact on older people as a result of protecting pensioners, in County Durham this will benefit older women particularly as there are a greater number of older women in the population than older men. Equally there may be positive impacts where working age people are encouraged to find employment, whilst this is the Government's stated aim there is little evidence locally to support it. Some claimants may seek additional income from other benefits or use other services to help deal with the changes, this could have a positive impact where people take up entitlements for which they are eligible but do not already receive them.

Consultation responses – there were relatively low response rates to the online consultation (statistics are included in section two). A very small number of people identified potential impacts in relation to the proposed council tax support scheme, these were the positive protection of vulnerable people and possible negatives of encouraging some people to remain on benefits. The consultation also covered proposed changes to discretionary council tax discounts which received the majority of comments and are the subject of a separate equality impact assessment.

Those attending focus groups and other meetings were not asked to provide equality profile information but were asked about potential impacts, the majority of responses related to financial impacts and the possibility of properties being repaired or maintained to a lower standard in order to minimise empty periods.

This assessment does not include cumulative impacts of the Government's other welfare reforms but the combined financial effect could be significant for some people – for example the payment of a single room rate to those aged under 35 is likely to have a negative impact for younger lone fathers who have occasional access to their children, they may need larger accommodation but this may not be reflected in their allowances because they live alone most of the time.

Action to be taken –	Officer responsible	Target Date	In which plan will this action appear
If Council decide to protect the financial position of claimants by adopting the default scheme in 2013/14:			

Existing mitigating actions would continue to provide advice and support to vulnerable people claiming entitlements.		
If Council decide not to adopt the default scheme and to pass on the reduction in council tax support to working age claimants the following mitigating actions would apply:		
Ensure changes are communicated in a timely and effective way, including particular adjustments for disabled people.	Paul Darby	April 2013
Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.	Ian Ferguson	31.3.2013
When will this assessment be reviewed?	Date: May 2013	
Are there any additional assessments that need to be undertaken in relation to this assessment?	Related impact assessment on proposed changes to discretionary discounts has been completed.	
Lead officer - sign off: Ian Ferguson	Date: 16.8.12 and 12.11.12	
Service equality representative - sign off: Bev Stobbart	Date: 16.8.12 and 12.11.12	
Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.		

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments. You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.

Service/team or section: Revenues & Benefits Service

Lead Officer: Kevin Coad

Start date: 18 July 2012
Updated August 2012
Updated November 2012

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

Technical reforms of council tax – Exemptions relating to Empty Unfurnished Properties

Council Tax legislation has given Local Authorities the discretion to reduce/remove the existing 50% discount on long term empty/unfurnished properties since 2004. In October 2011 proposals to remove/reduce the 50% discount on long term empty/unfurnished properties were impact assessed ahead of the decision to implement. Council tax exemptions are governed by specific legislation and any changes apply to all landlords or those with responsibility for council tax bills.

Under new technical reforms to council tax Durham County Council is now considering proposals to change the discounts for three classes of empty property and second homes and apply an additional charge to long term empty properties from April 2013. The changes would apply to properties which are:
Class A – empty, unfurnished and undergoing major structural work to make them habitable. Currently there is a 12 month exemption from council tax which is then charged at 100%.
Class C – empty and unfurnished. Currently there is a 6 month exemption from council tax which is then charged

<p>at 100%.</p> <p>Class L – repossessed and unoccupied. Currently there is an indefinite exemption.</p> <p>Council tax on second homes which is currently discounted by 10% would be charged at 100%.</p> <p>Long term empty properties (i.e. empty for two years or more) currently receive no discount on council tax but the proposal is to charge a premium of 150% of the applicable council tax.</p> <p>Consultation on proposed changes to local council tax support and the discretionary discounts has been conducted using online questionnaires and meetings. There is a separate impact assessment relating to local council tax support.</p>										
<p>Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify)</p> <ul style="list-style-type: none"> • Local Authority & LSVT Landlords • Social Landlords including RSL & private Landlords • individuals 										
<p>Is a copy of the subject attached? No</p> <p>If not, where could it be viewed? Cabinet report</p>										
<p>Initial screening</p>										
<p>Is there an actual/potential negative or positive impact on specific groups within these headings?</p> <p>Indicate : Y = Yes, N = No, ?=Unsure</p>										
Gender	?	Disability	?	Age	?	Race/ethnicity	?	Religion ? or belief	Sexual orientation	?
<p>There is potential for financial impact on some individuals where they will be required to pay more or are exempt for shorter periods. However there is limited evidence available relating to individuals so it is not possible to specify which equality groups are particularly affected.</p>										
<p>Some empty properties may be owned by individuals from particular equality groups but there is no evidence to</p>										

assess whether some groups are more likely to own properties under these exemptions than other groups. There are some sources of evidence which can be used to make assumptions, for example in relation to Class L exemptions for repossessions, these are considered in Section Two.

What evidence do you have to support your findings?

Figures relating to the number of awards in 2011/12

Class of Exemption	£000	No. of Awards
Class A	488	1,116
Class C	4,682	24,896
Class L	272	727
Second Homes	224	4,597
Long Term Empty	1,200	1,861
Total	6,866	33,197

Note: The figures for awards in Class C may include multiple awards on the same property, for example where a property is empty and unfurnished between lettings.

Those claiming exemptions will include Registered Social Landlords, other organisations and charities, private landlords and individuals.

For example, Registered Social Landlords made up the following proportions of the awards made under Classes A and C in 2011/12:

Class A – 1.97%

Class C – 22.13%

It is likely that individual owners will make up a significant proportion of those affected by Class L exemptions, a high proportion of those with second homes are also likely to be individual owners whilst those in Classes A and C would include private landlords and developers, as well as individual owners. Previous information shows that private landlords are most likely to own long term empty properties, this could include individuals as well as developers, commercial and absentee landlords but it is not possible to determine this from the data available. Equality monitoring information is not collected from those claiming exemptions and therefore it is not possible to quantify the actual/potential positive or negative impact on specific groups. The proposals will apply to all landlords, private and social and in some cases can be viewed as increasing a business charge but for some individual owners, particularly in the case of repossessions and long term empty properties, may increase

financial burdens.
Decision: Proceed to full impact assessment – Yes Date: 18.7.12
If you have answered ‘No’ you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.

	Identify the impact : does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
<p>Impacts: The likely impacts of the changes are financial through increased costs either directly, in relation to Classes A and C or second homes and long term empty properties, or via bank charges in relation to Class L. Changes to Class L are more likely to affect people who are vulnerable and already experiencing financial hardship. Increased costs or financial hardship can also affect housing status, health and wellbeing or result in legal proceedings. Consultation responses: Response rates to online consultation were relatively low so statistical analysis of those responses is not robust. The proportions recorded in the following sections are of those who provided equality profile information. Those attending focus groups and other meetings were not asked to provide equality profile information but were asked about potential impacts, the majority of responses related to financial impacts and the possibility of properties being repaired or maintained to a lower standard in order to minimise empty periods.</p>			
<p>Gender</p>	<p>There is no evidence to suggest a gender difference in relation to Class A or C exemptions</p>	<p>National evidence in relation to repossessions from Shelter and care/employment from Equality & Human Rights Commission Triennial review.</p>	<p>Ensure relevant DCC staff are made aware that advice and</p>

	<p>or second home discounts and increased charges for long term empty properties.</p> <p>Class L exemptions: There is national evidence which suggests women are more likely to suffer financial hardship and have their home repossessed as a result of relationship changes such as divorce, separation or death of a partner. In addition women are more likely to have care responsibilities which limit their employment opportunities and income.</p> <p>Local evidence on homelessness also suggests that a higher number of women are supported due to repossessions.</p> <p>There is no evidence to indicate an impact in relation to transgender status.</p>	<p>Local data suggests that women are more likely to receive homelessness support as a result of mortgage arrears or repossession. In 2011/2012 almost 73% of cases were female.</p> <p>Consultation responses</p> <p>There was no significant difference in proportions of responses from males (46.3%) and females (53.7%) – based on 41 individuals.</p>	<p>guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.</p>
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<p>Age</p> <p>There is no direct evidence to suggest particular age impacts of the proposed changes to exemptions and discounts.</p> <p>Class A and C exemptions, second homes and long term empty property charges: Whilst there is no local evidence to show an age difference there may be potential impacts for those who inherit property from older deceased relatives and are unable or unwilling to sell or rent, typically this is likely to be those aged over 50.</p> <p>Class L exemptions: National evidence shows that those in their fifties are least likely to find new employment if they lose a job. This may increase the risk of repossessions though local evidence suggests those aged 25-44 are most likely to</p>	<p>National evidence on employment from Equality & Human Rights Commission Triennial review.</p> <p>Local data suggests that those in the mid range of working age are more likely to receive homelessness support as a result of mortgage arrears or repossession. In 2011/2012 over 95% of cases were aged 25 to 59 years with the majority aged 25-44.</p> <p>Consultation responses:</p> <p>The highest number of responses were from those aged 25 to 34 and those aged 45 to 64.</p>	<p>Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.</p>																								
<table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>18-24</td> <td>1</td> <td>2.5</td> </tr> <tr> <td>25-34</td> <td>10</td> <td>25.0</td> </tr> <tr> <td>35-44</td> <td>7</td> <td>17.5</td> </tr> <tr> <td>45-54</td> <td>9</td> <td>22.5</td> </tr> <tr> <td>55-64</td> <td>8</td> <td>20.0</td> </tr> <tr> <td>65+</td> <td>5</td> <td>12.5</td> </tr> <tr> <td>Total</td> <td>40</td> <td>100.0</td> </tr> </tbody> </table>			Frequency	Percent	18-24	1	2.5	25-34	10	25.0	35-44	7	17.5	45-54	9	22.5	55-64	8	20.0	65+	5	12.5	Total	40	100.0	<p>A small number of people identified</p>
	Frequency	Percent																								
18-24	1	2.5																								
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65+	5	12.5																								
Total	40	100.0																								

	<p>receive homelessness support as a result of mortgage arrears or repossession.</p> <p>There is no direct evidence of an impact in relation to disability however there may be potential in relation to exemption under Class L, for example when an individual has lost their employment or income as a result of disability and is unable to keep up with repayments.</p>	<p>financial impacts as a result of inheriting a house which they were unable to sell in the current climate.</p> <p>Local homelessness data shows that in 2011/2012 almost 41% of cases were individuals with a disability, the majority stating a mental condition, which could reflect the health impacts of financial hardship.</p> <p>Consultation responses</p> <p>87.5 % of responses were from non-disabled people and 12.5% from disabled people based on 40 responses.</p>	<p>Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.</p>
Disability			
Race/Ethnicity	<p>No evidence is available at this stage to indicate an impact in relation to race or ethnicity.</p>	<p>Consultation responses:</p> <p>Almost 97% of responses were from White British people – based on 31 responses.</p>	
Religion or belief	<p>No evidence is available at this stage to indicate an impact in relation to religion or belief.</p>	<p>Consultation responses</p> <p>56% of responses were from people of a Christian background, almost 3% stated ‘other’ religion or belief and 41% from those stating no religion or belief – based on 34 responses.</p>	
Sexual	<p>No evidence is available at</p>		

<p>orientation</p>	<p>this stage to indicate an impact in relation to sexual orientation.</p>	<p>Consultation responses Less than five people answered this question and stated they were heterosexual.</p>	
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<p>How will this promote positive relationships between different communities? Residents often regard empty properties as having a negative effect on communities, where these measures encourage earlier occupancy this may have a positive impact.</p>

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

Impacts:

The likely impacts of the changes are financial through increased costs either directly, in relation to Classes A and C or second homes and long term empty properties, or via bank charges in relation to Class L. Some of those affected by changes in Classes A and C or through long term empty properties will be organisations and private landlords operating for profit. Changes to Class L are more likely to affect people who are vulnerable and already experiencing financial hardship. Increased costs or financial hardship can also affect housing status, health and wellbeing or result in legal proceedings.

Equality data is not collected in relation to these exemptions and discounts so evidence of impact is limited, national evidence from the Equality & Human Rights Commission and Shelter as well as local data in relation to homelessness were considered during the assessment.

National and local evidence suggests that lone women and those in the mid working age ranges may be more affected by changes to Class L as they are potentially at greater risk of repossession. There is no direct evidence of impact in relation to other protected characteristics or exemptions though some disabled people who lose their employment or income may be at risk of repossession as alternative opportunities may be limited and typically those aged over 50 may be affected by Exemption Classes A and C or long term empty property charges where they have inherited a property from an older relative and are unable or unwilling to sell or rent it.

Consultation responses – there were relatively low response rates to the online consultation (statistics are included in section two). The consultation covered proposed changes to local council tax support and discretionary council tax discounts which received the majority of comments. Some of the feedback identified potential impacts including financial hardship for landlords, housing related businesses and not for profit organisations; the possibility of landlords passing on increased charges to tenants; properties being restored or repaired to a lower standard due to pressures to complete early. In addition a number of responses identified current difficulties in selling or renting empty properties or second homes, particularly for those who inherited properties. There were also responses which supported the proposals as protecting vulnerable people and reducing the length of time houses remained empty.

Mitigating Actions:

Hardship support - Legislation gives the Council power to reduce the amount of tax payable. This power can be utilised to offset potential hardship that may be caused by the change in respect of unoccupied and unfurnished properties. In cases of demonstrable financial hardship, discounts can be granted where the local authority is satisfied that the liable person of an empty domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause exceptional financial hardship. This discretionary power would alleviate any problems in exceptional cases.

Effective advice and guidance – Working in partnership with charities and voluntary/community sector organisations to improve personal financial and debt management would support some individuals with protected characteristics who may be more likely to seek advice from these agencies. Some council services are already providing support to vulnerable people, for example in 2011/2012 18 cases of homelessness were prevented through mortgage arrears intervention or Mortgage Rescue Scheme.

Remaining exemptions – There is a range of exemptions which will continue to apply, including properties where the individual has gone into a hospital or care home, has moved to another residence to receive or provide care or has died. These would continue to mitigate the financial impact on vulnerable people.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Ensure relevant DCC staff are made aware that advice and guidance on financial support and debt management is available through appropriate channels, charities and voluntary advice agencies.	Kevin Coad	31 March 2013	
Review existing Hardship Relief Policy to identify relevant changes or extensions to support fair and equal access.	Kevin Coad	Start date – Sept.2012 Deadline – November 2012	
Develop a communication plan to ensure	Kevin Coad	December	

<p>vulnerable groups and advice agencies are aware of the Hardship Relief Policy</p> <p>Monitor applications for Hardship Relief to gather and analyse equality profile data in order to review its effectiveness as a mitigating action.</p>	<p>Kevin Coad</p>	<p>2012- March 2013</p> <p>Initial review complete & action ongoing</p>	
<p>When will this assessment be reviewed?</p>	<p>Date: May 2013</p>		
<p>Are there any additional assessments that need to be undertaken in relation to this assessment?</p>	<p>A related assessment of local council tax support has been undertaken.</p>		
<p>Lead officer - sign off: Kevin Coad</p>	<p>Date: 16.8.12 and 12.11.12</p>		
<p>Service equality representative - sign off: Bev Stobbart</p>	<p>Date: 16.8.12 and 12.11.12</p>		

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.

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Cabinet

19 December 2012



**Medium Term Financial Plan (3), Council
Plan and Service Plans 2013/14 – 2016/17**

Key Decision CORP/A/10/12/1

Report of Corporate Management Team

**Don McLure, Corporate Director Resources, and Lorraine
O'Donnell, Assistant Chief Executive**

Councillor Alan Napier, Cabinet Portfolio Holder for Resources

Purpose of the Report

- 1 To provide an update on the following:
 - (i) Autumn Statement and Local Government Finance Settlement
 - (ii) 2013/14 Budget.
 - (iii) Development of the 2013/14 – 2016/17 MTFP (3) Model.
 - (iv) MTFP consultation to date.
 - (v) Equality Impact Assessments.

Executive Summary

- 2 The council continues to face significant challenges in setting a balanced budget for 2013/14 and planning effectively across the medium term financial plan due to still awaited key local government finance policy changes. This, along with uncertainty in public finances generally across the medium term due to the ongoing economic recession, is placing all councils in a very difficult position when planning budgets.
- 3 The impact of austerity cuts upon local authorities continues to be uncertain. The Chancellor of the Exchequer's Autumn Statement announcement on 5 December included further funding reductions for local authorities as detailed below:
 - (i) An additional 2% cut in funding for local authorities in 2014/15. This equates to an estimated further £4.5m funding reduction for the Council in 2014/15 increasing the forecast Government grant reduction to £21.9m.

- (ii) Government funding reductions will continue until at least 2017/18. An assumption in this regard will need to be taken into account when the Cabinet considers its next medium term financial plan for 2014/15 to 2016/17 - MTFP 4.
- 4 Although the council is forecasting a balanced budget for 2013/14, the level of savings to be achieved needs to increase from the £20.3m reported to Cabinet on 10 October 2012 to £22.1m. Over the four year MTFP (3) period the savings required have increased from the £89m reported to Cabinet on 10 October 2012 to £97.9m mainly as a consequence of the additional £4.5m funding cut in 2014/15 following the chancellor's autumn statement.
- 5 Having taken these further adjustments into account, the council will have needed to achieve savings across the 2011 – 2017 period of £190.9m which equates to 44% of the council's 2010/11 Net Revenue Expenditure budget. Following the autumn statement, additional savings will also be required in 2017/18 due to continued Government cuts which is likely to result in savings exceeding £200m in total. Although a wide range of savings plans are in place across the MTFP period, savings of £53.0m are yet to be identified for the period 2014/15 to 2016/17.
- 6 The two issues detailed below typify the challenges faced by councils at the present time:
- (i) **Local Government Finance Settlement** – usually the Government's finance settlement is received by the first week in December. Disappointingly, this year the Government only released the content of their Autumn Statement on 5 December with the Finance Settlement not expected until 19 December. This late announcement has left the council with very little time to critically analyse the major changes in local government funding being implemented in 2013/14, due to the introduction of the Business Rate Retention (BRR) scheme and the introduction of the Local Council Tax Support Scheme (LCTSS). This position will be further exacerbated if individual government departments delay publishing their specific grant allocations to the council until January.
- (ii) **Council Tax Freeze Grant and Council Tax Referendum Levels** – the government have recently announced a further council tax freeze grant of 1% for 2013/14 which will be paid up to 31 March 2015, the final year in the current comprehensive spending review period. This announcement was also very late in the council's financial planning cycle and all of the council's financial plans have been based upon a 2.5% council tax increase across the medium term financial plan. The government has also announced that the council tax capping limit for 2013/14 has reduced from 3.5% to 2%. This means that councils can only increase council tax levels by higher than 2% if they gain the support of council tax payers in their area through a referendum process. The council's medium term financial planning up till now has been based upon a 2.5% council tax increase year on year but this has now

been replaced by 2% thus reducing the availability of funding by £0.8m in every year from 2014/15.

- 7 These two major issues above illustrate how the inconsistency and late timing of government policy announcements continue to hinder the council's financial planning processes and how options available to the council to fairly and democratically decide council tax levels are being limited.

Background

- 8 The MTFP report to Cabinet on 10 October 2012 provided details on the following:
- (i) The increases in the forecast grant reductions from Government for 2013/14 and 2015/16.
 - (ii) The expected impact upon the council of the Business Rate Retention Scheme.
 - (iii) The balanced budget position for 2013/14 based upon a savings target of £20.3m.
 - (iv) The shortfall in the MTFP (3) model for the period 2014/15 – 2016/17 of £46m where additional savings would need to be identified.
 - (v) Updates were provided in relation to Council and Service Plans, Equality Impact Assessments and the MTFP (3) consultation process.
- 9 This report provides further updates especially in relation to the timing of the Local Government Finance Settlement, the 2013/14 budget outlook, MTFP (3) and the Business Rate Retention scheme.

Finance Settlement

- 10 It was hoped that the local authority finance settlement would be announced in early December to enable the council to fully understand the impact of funding changes resulting from the introduction of the Business Rates Retention scheme. This would have also enabled Cabinet to have received full details of the impact of the announcement upon MTFP (3) and especially the 2013/14 budget at this cabinet meeting.
- 11 The Government's late Autumn Statement of 5 December included the following key announcements which impact upon local authorities:
- (i) The majority of Government Departments will face an additional 1% cut in funding in 2013/14. Local Government has been excluded from this cut however due to the reduction in Council Tax Freeze Grant to 1% and the Council Tax Capping Level of 2% for 2013/14.
 - (ii) The majority of Government Departments will face an additional 2% cut in funding in 2014/15 including Local Government. The estimated funding reduction for the Council in 2014/15 is £4.5m which will increase the Government grant reductions in that year from £17.4m to £21.9m.

- (iii) From the data provided in the autumn statement, it appears that the 1% Council Tax Freeze Grant will be funded for two financial years only from 2013/14. It is therefore felt prudent to exclude the additional income for modelling purposes beyond 2014/15.
- (iv) Funding cuts are to continue into 2017/18 which is the year beyond our MTFP 3, therefore when MTFP 4 is developed, an assumption will have to be made to take into account a forecasted funding reduction in 2017/18.

12 The latest indications are that the Local Government Finance Settlement will not be announced until 19 December. The full impact of the Autumn Statement and the settlement upon the 2013/14 budget plans and across the whole of MTFP 3 will be fully analysed and reported to Cabinet on 16 January 2013.

Update of 2013/14 Budget Model

13 Since the 10 October 2012 MTFP (3) report to Cabinet, further adjustments have been made to the 2013/14 model resulting from budget reviews and updated information. The key changes are identified below:

(i) Council Tax Freeze Grant (CTFG)

The CTFG has been available to all councils for the last two years. The method of implementation has differed however as detailed below:

- In 2011/12 the CTFG was the equivalent of a 2.5% increase in Council Tax. The grant was also to be paid for a minimum four years for the Comprehensive Spending Review period.
- In 2012/13 the CTFG was also the equivalent of a 2.5% increase in Council Tax. The grant however was only a one-off with no payment in 2013/14 or future years.

The Government have recently announced a further CTFG for 2013/14. On this occasion the grant is the equivalent of only a 1% increase in Council Tax, although the funding is assured for only 2013/14 and 2014/15. The Government have also announced a council tax capping limit of 2% for 2013/14. Any council who wishes to levy a council tax above 2% will need to seek the support of council tax payers in their area through a referendum. In 2012/13 the capping limit was a 3.5% council tax increase.

The 2013/14 budget model assumes the CTFG is accepted for 2013/14 which would mean a reduction in income of **£2.36m** when compared to the previous model which was based on a 2.5% council tax increase. In addition the reduction in the council tax capping limit to 2% has been assumed to continue through the MTFP (3) for 2014/15 – 2016/17.

(ii) Pay and Price Inflation

A full review of pay and price inflation assumptions is now complete with the allowance required for 2013/14 increasing by **£0.281m**. This

increase in the main builds in an additional allowance for the new waste contract annual price increase from 2014/15 which will be at the Retail Price Index (RPI). This additional cost is more than offset however by the reduction in forecasted increased landfill costs that had been included in the previous Cabinet Report in October.

(iii) **Highways Operations**

It is planned to review the Highways Operations work force as a result of forecasted ongoing lower levels of income being achieved from external contracts. In doing so, the Highways Operations income target will be reduced by £3m which, when adjusting for the 27% mark up for overhead cost and 'profit' element will result in an associated lower service cost of £2.4m. It is therefore recommended that this **£0.6m** pressure should be built in to the MTFP model to compensate for the reduction in Highways Operations trading surplus.

(iv) **Investment Income**

A review has been finalised in relation to the cash flow and investment income returns for the council. It is now more certain that bank interest rates are unlikely to increase as quickly as was forecast in the October Cabinet report. It is prudent therefore to reduce the assumption for income on investments in 2013/14 by **£0.213m**.

(v) **Essential Car User Allowance**

The savings associated with the policy of withdrawing the Essential Car User Allowance is part of the ongoing Single Status negotiations. The saving originally associated with this policy was calculated eighteen months ago. Since this time budgets for the allowance have been reduced as qualifying posts have reduced as part of MTFP staffing restructures. There is therefore now a forecast reduction in the saving of **£0.140m**.

(vi) **New Homes Bonus**

The forecast increase in the New Homes Bonus (NHB) in the 10 October 2012 Cabinet MTFP (3) report was £1.6m. The payment of New Homes Bonus is based upon a Council Tax Base (CTB1) return that all councils submit in October of each year, detailing the tax base as at 30 September. This return has been analysed to enable an assessment to be made of the additional NHB to be paid in 2013/14. The estimated figure is £2.248m which is **£0.648m** higher than the forecast in the October Cabinet report.

(vii) **Landfill Tax**

The new waste contract will result in no further waste going to landfill from 1 June 2013. On that basis, the allowance for landfill tax in 2013/14 has been reduced from £1.03m to £0.171m, a reduction of **£0.859m**. The assumed additional costs of landfill for 2014/15

onwards have also been deleted from the remainder of the MTFP model.

(viii) **Concessionary Fares**

Analysis of the 2012/13 forecast of outturn has identified that the **£0.08m** pressure identified for concessionary fares for 2013/14 will no longer be required.

(ix) **Local Council Tax Support Scheme**

The financial forecasts for the impact of the Local Council Tax Support Scheme (LCTSS) and review of discounts on empty properties and second homes, including the introduction of the long term empty property premium are included in the updated MTFP model. The LCTSS grant figures will need to be verified against the settlement.

For budget setting purposes there is an assumed 1% growth in LCTSS caseload next year. The Council is however expecting a growth in the tax base arising from the Single Person Discount Review which is currently underway and new build in 2013/14. The impact of this has not been built into the tax base projections and will provide an element of contingency should the LCTSS caseload grow by more than 1% next year.

The cost of the Durham LCTSS will be kept under continuous review and may prove to be affordable in 2013/14 only when the Government's £1.094m of LCTSS Transition Grant funding will cease. The MTFP model assumes that when the LCTSS grant drops out in 2014/15 the Council will introduce amendments to its LCTSS or factor in additional council tax revenues to offset the loss. The overall financial implications on the Council in 2013/14 from the LCTSS and withdrawal of discounts are as follows:

- Loss of Council Tax yield from Council Tax Base reductions linked to the introduction of the LCTSS = -£42.784m;
- Council element of the forecast LCTSS Grant 2013/14 = +£37.394m;
- Additional Council Tax yield from Council Tax Base increases linked to removal of discounts and general growth in the tax base in year = +£5.465m;
- Net Impact on MTFP in 2013/14 = Balanced

- 14 Based upon the adjustments identified in paragraph 13 this caused a £2m shortfall in the 2013/14 budget. In line with previous reports to Cabinet, research has been carried out into how additional 'corporate' savings could be identified to contribute to MTFP savings shortfalls. These 'corporate' savings were expected to result from procurement reviews, from reduction in consumption of goods and services and from maximizing financial opportunities. Work is being finalised in these areas but there is confidence that the £2m shortfall can be brought into balance.

Medium Term Financial Plan

15 The MTFP (3) report to Cabinet in October identified that the savings shortfall for the period 2014/15 – 2016/17 was £46m. An updated MTFP (3) model is attached at Appendix 2. The key adjustments for the period 2014/15 – 2016/17 are as follows:

(i) Government Cuts

The additional 2% cut in Government funding in 2014/15 has been factored in.

(ii) Council Tax Income

The previous model assumed an annual Council Tax increase of 2.5%. This assumption has been reduced to 2.0% for 2014/15 – 2016/17 in line with the recently announced referendum level. This results in an increase in the shortfall of **£2.557m**. In addition in 2015/16 it is assumed that the Council Tax Freeze Grant from 2013/14 will no longer be received.

(iii) Pay / Price Inflation

The recently completed pay and price inflation reviews have resulted in increased allowances. This has resulted in the 2014/15 – 2016/17 shortfall increasing by **£0.814**.

(vi) Carbon Reduction Commitment (CRC)

The Government has announced that the CRC will be applied to Street Lighting from 2014/15. The additional annual cost is estimated to be **£0.280m**.

(vii) Landfill Tax

The new waste contracts will result in a significant increase in the treatment of waste with no waste going to landfill from 1 June 2013. The previously forecasted future increases in landfill tax will therefore no longer apply. The **£2.81m** included in the MTFP for 2014/15 – 2016/17 will therefore not be required reducing the shortfall.

16 Overall, after taking the adjustments into account from paragraph 15 therefore, the MTFP shortfall has increased from £46m to **£53.0m** for the period 2014/15 – 2016/17. Work will continue to identify the savings required to eradicate this shortfall in the coming months.

Business Rate Retention

17 The MTFP 3 report to Cabinet on 10 October provided details of the Government's Business Rate Retention (BRR) consultation paper. At that time, the council was forecasting that the Government would not be publishing a response to the consultation paper before the financial settlement. Although the Government have subsequently confirmed this will be the case, the Department for Communities and Local Government published a Briefing

Note on 21 November confirming the Government's approach to a number of key issues in relation to the operation of the BRR scheme. The key issues detailed are as follows:

- (i) The share of business rate income retained by councils (the local share) is confirmed as 50% with the Government retaining 50% (the central share)
- (ii) The safety net level will be 7.5%. The Government's consultation had identified a range of 7.5% to 10%.
- (iii) The Government have increased the sums councils can retain from additional business rates it generates from new business start-ups in their areas. The 'levy' will now be 50p in the pound allowing councils to retain a greater proportion of so called 'excessive' increases in business rates.
- (iv) In line with the consultation paper the council will need to pay 2% of the local share to the County Durham and Darlington Fire Service.

MTFP Consultation

- 18 This year's budget consultation continues to build on our on-going approach to involving local people in our decision making processes. The consultation provides a range of opportunities for local people to get involved and have their views heard; including Area Action Partnership (AAP) Forums, the Citizens' Panel, fora that represent people that meet the protected characteristics within equalities legislation and an online questionnaire.
- 19 The budget consultation closes on the 28 December 2012 and a full analysis of all results will be presented to Cabinet on the 16 January 2013.
- 20 At the time of preparing this report, the consultation had recently been completed with the 14 AAPs. Approximately 870 people attended these meetings where they were asked to consider two questions:

Question One - Having listened to the presentation on the Council's approach to funding reductions in its services, how well do you think we have managed the process?

An initial analysis clearly indicates a high level of satisfaction with the way the Council has managed the process. On a scale of 1 to 10, with 10 being excellent, the average score was 8.

Comments indicate an appreciation of the high level of consultation and the involvement of local people in shaping decisions.

The overwhelming view was that the Council had managed the process very well given the difficult circumstances and the tough economic decisions necessary; but it is essential that the involvement of local people remains central to this process.

Question Two - Do you have any comments or suggestions to help us manage further budget reductions?

It was stressed that the Council should, wherever possible, continue to protect frontline services and any future staffing cuts should be applied across all levels including senior management.

A recurring suggestion was to seek opportunities for collaborative working across sectors including the community and voluntary sector, Town and Parish councils and the private sector.

Further ideas included reviewing the use of accommodation, selling council assets and better management of council premises in terms of energy efficiency and usage. Attention focused on the monitoring of procurement and ensuring that all contracts are efficient and represented value for money.

- 21 These findings represent an initial analysis of the results to date. A detailed picture will be available at the end of the consultation period and, as highlighted above, this will be included in the report to Cabinet in January, 2013.

Equality Impact Assessments (EIAs)

- 22 An essential element of the MTFP process is ensuring that equalities implications of all proposed budget reductions are built into the development of savings proposals and decision-making. The purpose of conducting EIAs on MTFP proposals is:

- (i) To identify any disproportionate impact that proposed budget reductions may have on service users or staff based on the 'protected characteristics' of Age, Gender (including pregnancy/maternity and transgender), Disability, Race, Religion or belief, and Sexual Orientation (in line with the Equalities Act 2010);
- (ii) To identify and take mitigating actions to reduce impact where possible;
- (iii) To ensure that unlawful discrimination does not take place as a consequence of MTFP decisions.

- 23 As explained in the July and October Cabinet reports on the MTFP, this is in line with the Equalities Act 2010 which under the public sector equality duty requires us to pay 'due regard' to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 24 Prior to the October Cabinet report, Equality Impact Screenings were developed for all proposals to ensure that equalities considerations inform the development of the MTFP. Services are now working to further develop these screenings in line with the further development of savings proposals. For each savings area services are systematically considering:
- Whether there are service or staffing implications of proposed budget reductions which mean an EIA will be needed;
 - Whether a screening or full assessment will be needed to support members in setting the budget.
- 25 For the January Cabinet and February Council meeting which set the budget, EIAs will be available for all savings proposals. Where a final decision on a proposal is being made then a full EIA will be provided, but in many instances work will be at too early a stage for a full EIA. In these instances, where an in principle decision is being made subject to further detailed development and consultation work, an equalities screening will be provided. The full EIA will be completed as part of the further proposal development, and provided to Cabinet or the delegated decision-maker to inform final decision making.
- 26 Members will also be provided with an update on the ongoing cumulative impact of MTFP decisions in relation to characteristics protected under the Equality Act 2010. This will give decision-makers the opportunity to adjust proposals if feasible to reduce any cumulative impacts that may occur.

Recommendations

- 27 Cabinet are asked
- (i) To note the impact of the Autumn Statement announcements on 5 December upon MTFP 3.
 - (ii) To note that it is expected that the local government finance settlement could be announced as late as 19 December 2012;
 - (iii) To agree the adjustments in relation to the 2013/14 budget and the current expectation that additional 'corporate' savings will be brought forward to balance the £2m budget shortfall;
 - (iv) To note the revised MTFP shortfall for the period 2014/15 to 2016/17 of £53.0m;
 - (v) To note the update in relation to the Business Rate Retention scheme;
 - (vi) To note the update in relation to Equality Impact Assessments.

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Appendix 1: Implications

Finance - The report identifies a forecast balanced budget for 2013/14 although there is recognition of uncertainty relating to the Local Government Finance Settlement. The report highlights a £53.0m budget shortfall for the period 2014/15 – 2016/17.

Staffing - The savings proposals within the MTFP (3) and any additional savings identified could impact upon staff. Due HR processes will need to be followed.

Risk - Risks continue to be assessed with analysis building upon risk assessments in previous MTFP (3) reports.

Equality and Diversity / Public Sector Equality Duty - Equalities considerations are built into the proposed approach to developing the MTFP (3), Council Plan and Service Plans, as a key element of the process.

Accommodation - None

Crime and Disorder - None

Human Rights - Any Human Rights issues will be considered for any detailed MTFP (3) and Council Plan proposals as they are developed and decision made to take these forward. There are no Human Rights implications from the information within this report.

Consultation - Initial feedback is provided in this report with detail to be provided in the January 2013 MTFP (3) report.

Procurement - None

Disability Issues - All requirements will be considered as part of the equalities considerations outlined within the main body of the report.

Legal Implications - None

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Medium Term Financial Plan (MTFP3) 2013/14 - 2016/17 Model

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Government Grant Reductions	11,612	21,900	15,600	9,530
Council Tax Freeze Grant for 13/14 at 1%	-1,645	0	1,645	0
Council Tax Increase (2% each year from 2014/15)	0	-3,290	-3,355	-3,422
Impact of CTax Freeze Grant for 12/13 Being One Off	4,989	0	0	0
Net Reduction in CTax yield from LCTSS and Review of Discounts	37,394	0	0	0
Forecast LCTSS Grant	-36,300	0	0	0
Forecast LCTSS Transition Grant (2013/14 only)	-1,094	1,094		
Review of LCTSS and Council Tax Base Increases	0	-1,094	0	0
PCT Social Care Funding	0	0	5,900	0
New Homes Bonus	-2,248	0	0	0
Use of Earmarked/Cash Limit Reserve in CAS	-1,000	150	3,000	0
Estimated Variance in Resource Base	11,708	18,760	22,790	6,108
Pay inflation (1% - 1% - 1.5% - 1.5%)	1,908	1,851	2,746	2,746
Price Inflation (2% - 1.5% - 1.5% - 1.5% - Waste Contract at RPI)	2,470	2,212	2,137	2,137
Corporate Risk Contingency Budget	0	-1,000	-1,000	-900
Base Budget Pressures				
Landfill Tax	171	0	0	0
Highways Operations	600	0	0	0
Carbon Reduction Commitment - 'Carbon Tax'	100	280	0	0
Disturbance Allowances re Accommodation Strategy	0	-220	0	0
Additional Employer Pension Contributions	1,300	1,100	1,000	1,000
Concessionary Fares	0	400	400	400
Energy Price Increases	0	500	500	500
Community Building running costs	0	-180	0	0
Housing Benefit Lost Admin Grant	0	-100	-100	0
AWH Demographic and Hyper Inflationary Pressures	1,000	1,000	1,000	1,000
Community Governance Reviews	-50	0	-50	0
Prudential Borrowing to fund new Capital Projects	2,000	2,000	2,000	2,000
Capital Financing for current programme	1,250	1,250	1,500	0
Investment Income	-323	0	0	0
TOTAL PRESSURES	10,426	9,093	10,133	8,883
SUM TO BE MET FROM SAVINGS	22,134	27,853	32,923	14,991
Savings				
MTFP 2 Savings	-19,391	-15,744	-7,073	0
Corporate Savings	-2,007	0	0	0
Running Expenses Savings	-636	0	0	0
Withdrawal of Essential Car User Allowance	-100	0	0	0
TOTAL SAVINGS	-22,134	-15,744	-7,073	0
Surplus(-)/Deficit	0	12,109	25,850	14,991
SHORTFALL			52,950	

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Cabinet

19 December 2012

Welfare reform update



CORP/A/12/12/2

Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Councillor Simon Henig, Leader of the Council

Purpose of the Report

- 1 On 30 May 2012, Cabinet considered a report on the government's welfare reforms. This report updates Members on policy developments since then, what action the council is taking to prepare for the implementation of the reforms and seeks approval to the proposed approach to the localisation of the Social Fund in County Durham.

Executive Summary

- 2 The government brought forward the Welfare Reform Act 2012 to implement the Coalition's commitment to simplify the benefits system, make it fairer and to encourage people into work.
- 3 As reported to Members in May, the scale of reform is significant and involves over 40 changes. There is no single point of contact or document for the changes which makes it difficult to analyse the overall impact.
- 4 The Department for Work and Pensions is now at the stage where it is mapping out the detail of its initial policy reforms and since the last report to Members in May 2012, the government has made a number of further policy announcements relating to welfare reform, in particular:
 - a) **Localisation of Council Tax Support** funding allocations, statement of intent and draft regulations on default schemes;
 - b) pilots and guidance and draft regulations relating to the introduction and operation of **Universal Credit**;
 - c) indicative funding allocations for 2012/13 to 2014/15 to replace the **Social Fund**;
 - d) proposed assessment criteria and guidance for **Personal Independence Payments** and policy proposals relating to the **future of the Independent Living Fund**;
 - e) consultation on **Discretionary Housing Payments** and proposals relating to the removal of subsidised rents from high income households living in subsidised social housing ('**Pay to Stay**');
 - f) **Benefit Cap** guidance for local authorities.

- g) **limits to the future uprating of benefits** to achieve £3.7 billion of savings in 2015/16, announced in the Chancellor's Autumn Statement.
- 5 The Chancellor's Autumn Statement made on 5 December 2012, confirmed welfare expenditure reductions to 2015/16 only, by limiting future increases in benefit payments. Confirmation and detail are therefore still awaited on whether, when and how these future policy suggestions may be implemented.
- 6 Independent commentators such as the Institute for Fiscal Studies are still suggesting that further reductions in welfare will be required to avoid significant spending reductions in other government departments and the Chancellor has confirmed that a spending review will be held in the first half of next year to determine departmental spending limits for 2015-16 and 2016-17.
- 7 In relation to the abolition of the Social Fund, it is clear that this will leave a gap in assistance of last resort for vulnerable people in times of need, unless the council intervenes to provide help. It is at the council's discretion whether it should do so, however in the light of the withdrawal of the Social Fund, it is suggested that the council should step in to provide assistance of last resort to people in need, within the available funding devolved from government.
- 8 Members are recommended to:
- a) note the contents of this report and further developments in government welfare reform;
 - b) note the latest assessment of impacts and implications for residents in the county;
 - c) agree that in the light of the abolition of the Social Fund, the council should step in to provide assistance of last resort to people in need, within the funding devolved from government;
 - d) introduce the draft Welfare Assistance Fund policy and criteria attached as Appendix 2;
 - e) seek external support to assist with the administration of the proposed Welfare Assistance Fund;
 - f) delegate authority to the Assistant Chief Executive in consultation with the Leader, to make any final amendments to the proposed scheme and agree the method of delivery in line with the commencement date of 1 April 2013.

Background

- 9 Welfare reform is a key element of the Coalition's *Programme for Government*, published in May 2010. Cabinet considered a comprehensive report on the government's welfare reform programme at its meeting of 30 May 2012. At that time, officers were authorised to prepare for the implementation of the reforms alongside other changes such as the localisation of Council Tax benefit and its replacement with local Council Tax support schemes (LCTSS).

- 10 Since May 2012, the government has made a number of further welfare reform policy announcements which are outlined in more detail below. Increasing detail is being provided on the roll-out and operational implementation of the changes and the next phases of welfare reform.
- 11 Over 40 changes have been made to welfare, however, there is no single point of contact or document for the changes which makes it difficult to analyse the overall impact.
- 12 In addition, the Welfare Reform Act 2012 included proposals to abolish the Social Fund, which currently provides emergency support to those in most need. In future, local authorities will receive an element of the funding and will be free to decide what, if any, local support they wish to provide. The report goes on to outline how much funding the council will receive from April 2013 onwards and recommends an approach for how the council can step in to provide emergency and crisis support of 'last resort' for the most vulnerable and needy people in the county.

Update

- 13 The most significant policy announcements since the last report to Members in May 2012, relate to the following, which are outlined in more detail below:
 - a) Localisation of Council Tax Support funding allocations, statement of intent and guidance on taking work incentives into account in the determination of localised Council Tax support;
 - b) draft regulations on Localised Council Tax Support default schemes;
 - c) £100 million of additional support to councils to help support the development of Council Tax Support Schemes and incentives into work;
 - d) proposals relating to the removal of subsidised rents from high income households living in subsidised social housing (the 'Pay to Stay' proposals);
 - e) draft regulations relating to the introduction and operation of Universal Credit;
 - f) Social Fund replacement indicative funding 2012/13 to 2014/15;
 - g) proposed assessment criteria and guidance for Personal Independence Payments;
 - h) policy proposals relating to the future of the Independent Living Fund;
 - i) local authority Universal Credit pilots;
 - j) Discretionary Housing Payments consultation;
 - k) Benefit Cap guidance for local authorities;
 - l) new financial products to help Universal Credit claimants;

- m) consultation on claimant count statistics for Universal Credit;
- n) changes to the WaterSure support scheme as a result of the introduction of Universal Credit;
- o) limits to the future uprating of benefits to achieve £3.7 billion of additional savings in 2015/16, announced in the Chancellor's autumn statement.

Local Council Tax support

- 14 On 17 May 2012, the government published a consultation paper on the funding arrangements for the Localisation of Council Tax Support which is set to replace Council Tax Benefit from April 2013.
- 15 This was followed on 21 May 2012 by guidance on taking work incentives into account in the determination of Council Tax Support within the context of the Government's wider welfare reforms and local authority duties in relation to vulnerable people.
- 16 In addition, draft regulations on Local Council Tax Support were published in May for local authorities which may opt initially to adopt a default scheme as opposed to developing an entirely new local scheme and policy in the first year of operation. The final regulations were laid before parliament on 22 November 2012 and came into force on 18 December 2012. To coincide with this, the government published guidance with worked examples on how account should be taken of Universal Credit income in localised Council Tax Support schemes.
- 17 In June, the government published an updated impact assessment of its policy to localise Council Tax Support.
- 18 On 16 October 2012, it announced that it would be making available a further £100 million to support councils in developing local Council Tax Support Scheme and positive incentives into work. In part, the additional funding is to ensure that those who currently receive 100 per cent support, pay no more than 8.5 per cent of their Council Tax liability under localised schemes and that those entering work, do not experience a sharp increase in their Council Tax liability because support is withdrawn.
- 19 Cabinet considered a more detailed report on the Localisation of Council Tax Support at its meeting of 12 September 2012 and a further report which considers the recommended approach to Council Tax Support in the county is also included on the agenda for this meeting of Cabinet.

Pay to Stay

- 20 On 13 June 2012, the Department for Communities and Local Government launched a consultation on addressing the issue of households earning high incomes who occupy subsidised housing. The Government proposes to introduce a 'Pay to Stay' scheme whereby landlords could charge a fair rent to tenants on high incomes who want to stay in their social homes. The consultation sought views on how the proposal might be delivered, including

the income threshold above which high income tenants might be asked to pay a higher rent; what the higher level of rent should be; disclosure of income by tenants and whether the policy should be voluntary or compulsory for social landlords. The government has advised that it expects to respond to the consultation by the 2013 Budget.

Universal Credit

- 21 The key feature of the government's changes to welfare is the introduction of Universal Credit, which is intended to simplify benefits, increase the incentive to work and contribute towards Comprehensive Spending Review reductions on welfare of £18 billion by 2015.
- 22 The Universal Credit is a new all-encompassing benefit for both those in and out of work, which will be paid on a monthly basis. It replaces a number of existing benefits including Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit.
- 23 Changes are also to be made to the contribution-based Employment Support Allowance, limiting the amount of time claimants in the work-related activity group or assessment phase can claim to 365 days. The 'Youth' provision which enables disabled young people to qualify for the benefit without paying National Insurance contributions is also to be removed.
- 24 On 15 June 2012, the Government began to publish draft regulations for the current welfare reform proposals associated with the introduction of Universal Credit in October 2013. Draft regulations published thus far include:
 - Housing Benefit (benefit cap) Regulations 2012;
 - Employment and Support Allowance Regulations 2012;
 - Jobseeker's Allowance Regulations 2012;
 - Universal Credit, Personal Independence Payment and Working-age Benefits (Decisions and Appeals) Regulations 2012;
 - Universal Credit, Personal Independence Payment and Working-age Benefits (Claims and Payments) Regulations 2012;
 - Housing Benefit (Amendment) Regulations;
 - Jobseeker's Allowance (Sanctions) (Amendment) Regulations 2012.
- 25 Consultation on the draft regulations was via the Social Security Advisory Committee and the Council responded highlighting a number of instances where the proposed regulations would have detrimental implications for current welfare recipients or vulnerable people in need.
- 26 On 31 August 2012, the government announced 12 local authority pilot projects to support people to claim Universal Credit. The pilots will run from Autumn 2012 exploring how local expertise can support residents under Universal Credit, by for example helping claimants to learn how to claim

Universal Credit online, manage their own finances as well as look for employment.

- 27 The 12 local authorities areas chosen to run pilots include Bath and North East Somerset, Birmingham, Caerphilly, Dumfries and Galloway, Lewisham, Melton and Rushcliffe Borough Councils, Newport, North Dorset, North Lanarkshire, Oxford, West Dumbartonshire and West Lindsey.
- 28 The pilots will explore a range of support around Universal Credit implementation, for example:
- Birmingham will introduce a digital logbook of government services for residents and highlight those who need extra support with financial skills and digital literacy;
 - Melton and Rushcliffe Borough Councils will identify the most vulnerable members of the community in order to provide support in increasing financial inclusion and get customers ready for work, working with the local voluntary sector and the county council;
 - Oxford will build on their work as a Direct Payment Demonstration Project to work with residents not in contact with Jobcentre Plus;
 - North Dorset will work with a credit union, Citizens Advice, the Department of Work and Pensions (DWP) and the social housing provider Spectrum to provide money advice, budgeting support and employment skills for people living in remote areas.
- 29 In the main, the government's intention is that Universal Credit will be run as an online service, but two further 'pathfinder' pilots run by Oldham and Wigan are being established to examine how face to face services can help people to become digitally independent.
- 30 As part of the piloting process, the government has confirmed that Universal Credit will go live in parts of Greater Manchester and Cheshire in April 2013, six months before the planned national roll-out. Tameside, Oldham, Wigan and Warrington will be the first areas to go live which will enable the government to test the service and use claimants' feedback to make final improvements before the national launch in October 2013. It is understood that the national roll-out will 'start small' with relatively simple benefit claims such as Job Seeker's Allowance and that by April 2014, all new claims across the country to the current benefits and credits will be phased out and replaced by Universal Credit.

- 31 In addition, the government has announced its intention to procure a range of online financial products to help benefit claimants manage their finances. In particular the government is looking for online products which will provide:
- support for claimants to budget and manage their money;
 - regular payments for housing and other main bills;
 - options for multiple income streams from work and benefits;
 - access to all claimants, irrespective of credit history;
 - options to build up a credit rating;
 - availability to people once they have moved off Universal Credit.
- 32 The government has also established a Universal Credit implementation task force and the council is involved in a wider reference group of local authorities informing the task force's work.
- 33 On 3 October 2012, the government launched a consultation on the production of claimant count statistics for Universal Credit when it is introduced and on 18 October consequential changes to the WaterSure support scheme, whereby the water industry helps low income households with their water bills were announced as a result of the introduction of Universal Credit.
- 34 In his Autumn Statement, published on 5 December 2012, the Chancellor announced that the key parameters regarding Universal Credit will be included in regulations to be published on 10 December 2012. These will set the earnings disregards for April 2013, which will subsequently be increased by one per cent in April 2014 and April 2015. The Chancellor expects that these measures will result in savings of £640 million a year by 2015-16.

Personal Independence Payments

- 35 Under the Welfare Reform Act 2012, the Disability Living Allowance (DLA) is to be replaced for all working-age people by Personal Independence Payment (PIP). There will be no automatic transfer from one benefit to the other, so people currently receiving DLA will have to make a fresh claim for the new benefit and be re-assessed in line with its new assessment criteria.
- 36 Claimants in the county will be amongst the first in the country to experience the new benefit, with new claims in North East and North West England transferring to PIP in April 2013, with the rest of the country following in June 2013. All other existing DLA claims will be re-assessed and where supported, transferred to PIP between October 2013 and Spring 2016.

- 37 Earlier in the year, the government consulted on the proposed assessment criteria for PIP and its response to the consultation has been awaited since this autumn. The associated draft regulations to implement PIP were due to be laid before parliament in November 2012.

Independent Living Fund

- 38 In July 2012 the government consulted on the future of the Independent Living Fund, which provides support to help people with disabilities to live as independently as possible in their home.
- 39 The government proposes to close the fund from 2015, devolving responsibility to local authorities for providing care and support and promoting the use of personal budgets and direct payments so that people with disabilities who receive support, have more choice and say in how their care is managed and provided.
- 40 The consultation closed on 12 October 2012 and the council submitted a response. The final outcome and the government's response to the consultation have been due since Autumn 2012.

Discretionary Housing Payments

- 41 During August 2012, the government consulted on changes to Discretionary Housing Payments, in the light of the introduction of Universal Credit and the replacement of Council Tax Benefit with more localised council tax support from April 2013.
- 42 Since 2001, local authorities have been able to make Discretionary Housing Payments to benefit claimants in receipt of Housing Benefit and or Council Tax Benefit where they consider that additional help with housing costs is required.
- 43 In the light of welfare reform, the government has increased the amount provided to local authorities to make discretionary housing payments, in order to help mitigate the impact of welfare changes on specific groups. Funding has increased from £20 million per annum to £65 million in the current year, £165 million for 2013/14 and £135 million for 2014/15.
- 44 Although local authorities will still have a large degree of discretion in how discretionary housing payments are administered, revised guidance has been issued on who should be given priority when considering claims for DHPs, in order to ensure that the increased funding provided is used for its intended purpose to support those affected by welfare reform. Under the revised guidance, local authorities are encouraged to direct support towards those affected by the introduction of the benefits cap, the occupancy/size criteria in the social rented sector and by reductions in Local Housing Allowance.

- 45 The outcome and the government's response to the consultation on Discretionary Housing Payments is expected shortly. However, it is already clear that the increase in funding to local authorities for discretionary payments is relatively limited compared with the demand which will be created by the government's wider changes to welfare and is likely to be insufficient to help all those affected by welfare reform.
- 46 In addition, it should be noted that in his Autumn Statement, the Chancellor announced that the funds available for Discretionary Housing Payments will be reduced by £30 million from 2013 to 2017 in order to fund other more targeted welfare measures.

Benefit cap guidance

- 47 Under the Welfare Reform Act, from April 2013 a cap will be introduced on the total amount of benefit that working age people can receive, in order to ensure that workless households no longer receive more in benefits than the average earnings of working households.
- 48 The benefits which will be taken into account when calculating the cap include Bereavement Allowance/ Widowed Parent's/Mother's Allowance, Carer's Allowance, Child Benefit, Child Tax Credit, Employment and Support Allowance (ESA) (contribution-based and income-related) except where the Support Component has been awarded, Guardian's Allowance, Housing Benefit, Incapacity Benefit, Income Support, Jobseeker's Allowance (contribution-based and income-based), Maternity Allowance, Severe Disablement Allowance (SDA) and Widow's Pension.
- 49 If an individual, their partner or any children they are responsible for and who live with them in a household are entitled to Working Tax Credit or are in receipt of certain benefits such as Attendance Allowance or Disability Living Allowance/Personal Independence Payments, they will be exempt from the cap.
- 50 In addition, to protect those who have who have recently fallen out of employment, the government is proposing a 'grace period' whereby the benefit cap will not be applied for 39 weeks to anyone who has been continuously in work for the previous 12 months.
- 51 In the first instance, it is proposed that the cap will be administered jointly by the Department for Work and Pensions and local authorities through deductions from Housing Benefit payments. In the longer term, it will form part of the new Universal Credit system, which in due course will incorporate housing benefit.

Future direction of welfare policy

- 52 The overall context for the future direction of welfare policy is that in his 2012 Budget speech, the Chancellor advised that if departmental spending reductions are to be maintained in the next Spending Review at the same rate as in the current review which runs to 2014/15, the government would need to save £10 billion from welfare by 2016. In the Autumn Statement, the government confirmed that it will operate on the principle that departmental resource budgets will continue on the same trajectory in 2015-16 as over the period of Spending Review 2010 (with spending on health, schools and overseas development assistance protected) and that a spending review will be held in the first half of next year to determine departmental spending limits for 2015-16 and 2016-17.
- 53 The main announcement of the Chancellor's Autumn Statement on welfare was that a further £3.7 billion would be saved in 2015/16 by limiting the future uprating of a number of benefits to one per cent for the next three years, as opposed to uprating in line with inflation, which is the current policy.
- 54 The principal announcements in relation to welfare were as follows:
- a) Most working age benefits (this will apply to Jobseeker's Allowance, Employment and Support Allowance, Income Support, applicable amounts for Housing Benefit, Maternity Allowance, Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay and Statutory Adoption Pay) will be uprated by one per cent for three years from April 2013;
 - b) Child Benefit will be frozen in April 2013, as set out in the June Budget 2010, but will be uprated by one per cent for two years from April 2014;
 - c) Uprating by one per cent will also extend to the Child Tax Credit and Working Tax Credit (excluding disability elements). The couple, lone parent and child elements will be uprated by one per cent for three years from April 2013. The basic and 30 hour elements will not be uprated in 2013-14 as set out in Spending Review 2010, but will be uprated by one per cent in 2014-15 and 2015-16. All disability elements will continue to be uprated by prices each year;
 - d) The Additional State Pension and those specifically for disability and carers, will continue to be uprated in line with prices, as will the disability elements of tax credits. The government confirmed that the basic State Pension will increase by 2.5 per cent in April 2013, higher than both average earnings and inflation, in line with previous policy commitments. As a result, pensioners will see a cash increase of £2.70 a week to the basic State Pension in 2013-14;
 - e) There will be a reduction in the pensions tax relief available to the top two per cent of earners. Lifetime allowance will be reduced from £1.5 million to £1.25 million and the annual allowance from £50,000 to £40,000;
 - f) Local Housing Allowance rates will be uprated in line with the previously announced policy in April 2013, but will cap increases to one per cent in most areas in 2014-15 and 2015-16;

- g) 30 per cent of the potential savings from the Local Housing Allowance rates will be used to exempt rates in those areas where rent increases are highest, in recognition of the fact that rental markets differ across the country;
- h) Housing payments for those in supported exempt accommodation will be disregarded for the purpose of the benefit cap. Funds available for Discretionary Housing Payments will be reduced by £10 million in 2013-14 and 2014-15, and by £5 million in 2015-16 and 2016-17, to fund this measure.

55 Implementing many of these changes will require primary legislation and the Chancellor confirmed that a Welfare Up-rating Bill will be brought forward for parliamentary consideration.

Impact of changes

56 As reported to Members in May, the government's proposed changes to welfare will have significant implications and impacts on large numbers of people in the county and the council as a service organisation.

Universal Credit

57 The most significant change is the introduction of Universal Credit, which is to be rolled-out nationally between 2013 and 2017. Initial estimates suggest that this will affect at least 32,000 existing benefit claimants who will transfer to the new benefit. In addition, a further 24,000 Incapacity Benefit claimants may transfer, depending upon how Incapacity Benefit and Employment and Support Allowance migrations develop.

58 58,000 families in receipt of Families Tax Credits will be affected and 47,000 Housing Benefit claimants will transfer to Universal Credit.

59 Taking into account that under the current system, some claimants may be in receipt of multiple benefits, overall we estimate that the introduction of Universal Credit will affect approximately half of all households within the county, amounting to around 120,000 households. Impacts include affected households having to re-apply online for the new benefit and having entitlement and the level of support re-assessed, which could lead to a change in the amount of benefit received. In addition, Universal Credit will be paid monthly and claimants will be expected to take more responsibility for managing their own finances, as opposed to for example, having benefit paid direct to their landlord or housing provider to cover their housing costs.

60 The government has sought to respond to growing concerns about the need to provide people with significant support during the transition and the 12 local authority pilots and early roll out in the north west are intended to identify and demonstrate good practice and test the system before it is rolled out nationally from October 2013 onwards.

61 The invitation to suppliers to come forward with online products to help claimants manage their finances more easily and effectively is part of this effort. However, it provides little time for such systems to be tested and for support agencies to familiarise themselves with the products so that they are

able to help new and existing benefit claimants get to grips with the new approach.

- 62 In terms of the national roll-out between 2013 to 2017, new claimants will be amongst the first to receive Universal Credit and it is understood that existing claimants will move across to the new benefit on a council by council basis. The government is yet to confirm when existing claimants in Durham will move across, although indications are that this will not be in 2013.

Localised Council Tax Support

- 63 In total, the council estimates that 63,000 Council Tax Benefit claimants will be affected by the move to local Council Tax Support in the county next April.
- 64 While government guidance has sought to protect certain groups, and in particular pensioners, under the move, the council has consulted on introducing a scheme which would ensure that no one is any worse off as a result of the transition.
- 65 A more detailed report which considers the proposed approach to local Council Tax Support is also included on this agenda for Cabinet.
- 66 The announcement that a further £100 million is to be made available to support local authorities to develop local Council Tax Support schemes is welcome. However to put it in context, the overall budget for Council Tax Support transferred to local authorities has been reduced by approximately £5 billion a year, compared with the overall budget for Council Tax Benefit which it replaces. In Durham, this amounts to a reduction of £5.5 million a year. In addition, it should be noted that local authorities will need to wait until 31 January 2013 to apply for support from the scheme, which is approximately two months before local Council Tax Support Schemes need to be in place.

Housing

- 67 From April 2013, the government is implementing changes to Housing Benefit, with size criteria to be applied to social sector housing, meaning that working-age households deemed to be under-occupying their homes would have part of their Housing Benefit removed from their overall benefit calculation. This is likely to affect around 8,300 households in the county, who at the very least will have their benefit entitlement reviewed and potentially reduced depending upon the outcome of the reassessment.
- 68 Housing Benefit claimants are also the most likely to be affected by the introduction of the benefit cap from April 2013, as well as separate capping arrangements for Local Housing Allowance which apply in the private rented sector.
- 69 In addition, most working-age claimants will be expected to manage their own housing benefit and will no longer be allowed to have that element of benefit paid directly to their landlord.

Support for people with disabilities

- 70 The reform of Disability Living Allowance (DLA) will mean that DLA will be replaced by a Personal Independence Payment (PIP) for those of working age from April 2013. Currently DLA is split between two different components: Care Awards and Mobility awards. Each component has rates of award depending on which eligibility criteria are met. People can be eligible for one or both components of DLA. Overall, there are around 21,000 working age people claiming DLA in total in County Durham which is around 6.3 per cent of the working age population, higher than the regional average of 5.8 per cent and the national average of 4.4 per cent. All corresponding Care Award Types (Higher rate etc) are more prevalent in County Durham. In addition, we also have relatively more nil rate care award claimants than the national average. Generally, these are people who qualify for mobility awards but not a care award.
- 71 PIP will have many similarities with DLA. In particular, it will have two components: a daily living component (which has two levels of award compared to the current care component which has three) and a mobility component. Overall, the government intends to cut the DLA budget by 20 per cent, delivering savings of up to £1.5 billion a year by 2016-17. Nationally, it is estimated that 500,000 fewer people will receive PIP by 2015-16 compared with the current DLA, which is likely to mean significant changes in income for some working age claimants.
- 72 Government modelling of the impact of the new eligibility criteria for PIP shows, in terms of transition from Care Awards to Daily Living Components, the number of higher rate/enhanced rate recipients increases slightly by 2 per cent, the number of middle/lower rate recipients more than halves and nil rate recipients more than doubles. So nationally, the number of people receiving any Care award will fall by nearly 40 per cent. In addition, the scale of the impact to individuals can be large.
- 73 There are around 13,000 people receiving middle and lower rate care awards in County Durham, at £51.85 per week and £20.55 per week respectively. Under PIP, using assumptions from the government modelling, the equivalent number receiving an award is around 6,000 people. Around 19,000 people in County Durham receive a mobility award. Around 12,000 people receive a higher mobility award (£54.05 a week) and around 7,000 receive the lower mobility award (£20.55 per week). According to the government modelling, this may fall by 20 per cent to around 15,000.
- 74 In addition, the changes to care award caseloads are also likely to have knock-on-effects for council budgets as some people currently receiving DLA also receive social care support. DLA is taken into account in terms of their individual financial assessments for social care support and any reduction in incomes, through DLA being reduced, will mean that council funds will be needed to meet this loss of income to pay for services.
- 75 Members should also note that disabled people will be affected by a number of the government's wider welfare reforms and not just those which relate specifically to disability.

- 76 The announcement that housing payments for those in supported exempt accommodation will be disregarded for the purpose of the benefit cap, will be to the benefit of some disabled people, however it should be noted that this is to be funded by reducing the funds available for Discretionary Housing Payments by £10 million in 2013-14 and 2014-15, and by £5 million in 2015-16 and 2016-17. The government had previously proposed that local authorities should use DHP to help those affected by its wider welfare reforms.

Equality impacts of the government's welfare reforms

- 77 The report to Cabinet on 30 May 2012 included a summary of the potential impacts identified by government and indications of the scale of change in County Durham. There have been a number of national research reports published on the equality implications of the changes, particularly in relation to the impact on disabled people.
- 78 Whilst much of the current research into equality impact is predictive, there is existing evidence which supports the view that some groups will be disproportionately affected. Whilst the government's stated mitigation is that the changes will provide an incentive to seek employment, there are many for whom employment is not an option, including some disabled people and those with full-time caring responsibilities. For others the need for benefit support may be sudden or of varying degree, which can also be affected by an equality characteristic. Loss of employment or lower wages, costs of childcare, changes in relationship status, health or caring responsibilities are all common causes of financial difficulties. In response, many households turn to benefit support in addition to borrowing through formal and informal routes, including from family members.
- 79 Some of those protected under the Equality Act are more likely to be in receipt of support or benefits. For example national research by the Equality and Human Rights Commission states that disabled people, people from some ethnic minorities and lone parents who are often women are less likely to be in paid work than other groups and where they are in work are more likely to be in low paid or part time jobs. Those aged 55 and over are less likely to find new employment if they lose their job and younger age groups are less likely to have savings which they can rely on if their circumstances change. Research in 2011 suggested that 10 million people in low income households have unsecured debt and three quarters in the lowest income quintile have no cash savings.
- 80 In November 2012, the House of Commons Work and Pensions Select Committee published its third report '*Universal Credit implementation: meeting the needs of vulnerable claimants*', which looked at the implications for disabled people, homeless people and those struggling to manage their finances.

- 81 The report highlighted several concerns over the effect of proposed changes on particular groups:
- a) Online systems as the main access for applications and content will be a potential barrier for some older or disabled people who may not have access to IT or be proficient in its use;
 - b) Monthly payments are not the norm for those currently receiving benefit or in low paid work so may make budgeting difficult;
 - c) Single recipient in each household could result in one person controlling finances and cause or exacerbate gender imbalances or increase domestic abuse;
 - d) Direct housing payments to the recipient rather than the landlord could create a risk for some who are unable to manage rent payments, for example people with learning disabilities or mental health problems;
 - e) Bank account requirements may be a barrier for some vulnerable people and could lead to exploitation;
 - f) Additional disability payments – although the government have given assurances that disabled people will be no worse off there are concerns that transition arrangements will not maintain this position effectively;
 - g) Benefit caps may impact on those in temporary accommodation, for example those fleeing domestic violence, and there is lack of clarity around the effect of other statutory payments such as maternity or sick pay on the benefit cap;
 - h) Additional passported benefits such as free school meals may also be affected though the initial results from Pathfinder projects suggest that linked entitlements were protected.
- 82 Other evidence suggests that the changes to Housing Benefit are likely to have a greater impact on lone parents and those aged under 35. For example, a single father aged under 35 whose children stay occasionally may only be entitled to a shared room rate, which would not take account of the need for additional bedrooms.
- 83 In addition, the reforms may have unintended impacts on looked after children as potential foster carers may be impacted by the introduction of the under-occupancy criteria and no longer be able to afford the extra room which would enable them to accommodate foster children.
- 84 Information from the Bevan Foundation highlights that under-occupancy changes mean that couples would not be able to have separate bedrooms if they choose to sleep apart for health or other reasons. Excluding homes with more than four bedrooms means that multiple generations of a family may not be entitled to Housing Benefit if they live together

Impacts on disabled people of national changes

- 85 The impacts on disabled people have been considered in a number of national reports. Households with disabled adults or children tend to receive a combination of benefits so the current changes are likely to affect them over a period of time. There are also specific issues which mean the government's key mitigation of encouraging work does not apply to many disabled people. Some have multiple or complex needs which makes work impossible, others are limited by the availability of appropriate support in the workplace or the attitudes of employers and some have fluctuating conditions which mean that they cannot work on a permanent or full-time basis. Disabled people in employment are more likely to work in low paid or part-time jobs. Carers face similar issues - depending on the level of care they provide, it can be impossible for them to work or choose to work additional hours if they are in employment.
- 86 Changes to eligibility and assessment criteria have focussed narrowly on the medical model of disability and an individual's physical capability, rather than the social model which presents a combination of issues affecting the individual's quality of life.
- 87 The move from DLA to PIP will have a direct financial impact for some who will lose their current entitlement. The changes may also impact in other financial areas through loss of linked entitlements such as motability vehicles or the effect on carers' allowances where the carer also has a disability.
- 88 Current allowances for some disabled children under DLA will also change, added to the frequently higher costs of raising disabled children or availability of appropriate affordable childcare, this means that those families will be worse off.
- 89 In addition to DLA, there are changes to Housing Benefit which limits under-occupancy of homes. Although the change allows for a spare room where a disabled person is assessed as requiring overnight care, it does not allow for those who may need a spare room for treatment or who have fluctuating needs which require overnight care.
- 90 The cumulative impacts of the changes mean that some disabled people will be financially poorer, and may rely more heavily on emergency support and be at greater risk of social isolation. Where a family member has previously been able to provide care they may now be under pressure to seek employment to meet the income gap. This may increase the numbers of people in work but could have implications for their own health and wellbeing or the person they care for and some will not be able to earn enough to pay for additional care whilst they are at work.
- 91 Overall there is growing evidence that those groups which traditionally face barriers to employment are more likely to be disproportionately affected by the combination of changes in financial terms and as a result of changes to eligibility and application processes. There is potential for knock-on effects in relation to linked entitlements which may be lost - even temporary delays in the process could create significant hardship for some people. There is evidence that some disabled people and carers could be particularly disadvantaged in monetary terms or in impacts on their health and wellbeing.

In addition, there is evidence that the welfare reform changes are affecting community relationships, as lack of understanding that some people are unable to work, increases local tensions and may contribute to the increased reports of disability hate crime.

Replacing the Social Fund

- 92 The Welfare Reform Act abolishes the Social Fund, which provides additional financial assistance to people in times of need. From April 2013, the government will provide some elements of assistance centrally, while other elements will be left to the discretion of local authorities, who will receive a non-ring fenced grant to provide whatever crisis support they deem appropriate in line with local circumstances and priorities.
- 93 The regulated elements of the Social Fund, that is, funeral payments, cold weather payments, winter fuel payments and Sure Start maternity grants, will remain the responsibility of the Department for Work and Pensions (DWP).
- 94 The discretionary part of the fund currently consists of three separate schemes: Crisis Loans, Community Care Grants, and Budgeting Loans.
- 95 Crisis Loans are split into various elements:
- One off items such as cookers, fridges and beds ('items');
 - Living expenses, including day to day items such as monies for food, travel expenses and energy reconnection/charges;
 - Rent in advance;
 - Alignment Payments.
- 96 The Community Care Grant and the items and living expenses elements of the Crisis Loans will become the responsibility of local authorities who will be free to decide what, if any, support they wish to provide.

Existing Crisis Loan provision

- 97 The DWP describes Crisis Loans as interest-free loans available to anyone (whether on benefit or not) who cannot meet their immediate short-term needs in an emergency or as a consequence of a disaster. Repayments are made directly from benefit where possible. Separate arrangements are made for people not in receipt of benefits.
- 98 The loan must not be for 'excluded items', cannot exceed £1,500 and it is expected that it should be repaid.
- 99 In order to reduce expenditure on crisis loans from April 2011, crisis loans for items such as cookers and beds are now only available following a disaster such as flooding, the rate paid for living expenses has reduced from 75 per cent to 60 per cent of the personal allowance benefit rate, and a cap of three Crisis Loan awards for general living expenses in a rolling 12 month period has been implemented.

Existing Community Care Grant provision

- 100 The DWP describes Community Care Grants as non-repayable grants awarded for a range of expenses including household equipment. They are primarily intended to support vulnerable people to remain in or return to the community or to ease exceptional pressure on families. Eligibility is conditional on receipt or imminent receipt of an income related benefit.
- 101 Eligible expenditure and household equipment includes:
- furniture, cookers, beds, bedding and household equipment, floor covering, curtains and heaters;
 - moving expenses, including removal costs, fares and storage charges;
 - connection charges when setting up or moving home;
 - reconnection charges for fuel when you have been disconnected (though the DWP might only accept this where you are also having direct deductions from your benefit to pay off your debt);
 - items which will improve your living conditions such as minor repairs, redecoration, installation of a pre-payment meter, washing machine;
 - clothing and footwear;
 - maternity and funeral expenses that are arguably not covered by the regulated social fund;
 - items needed because of disability (including wheelchairs, stair lifts, special clothing, an orthopaedic mattress or an upright armchair).
- 102 To date, the DWP has declined to provide the council with detailed information on existing claims and client numbers, arguing that the existing Social Fund scheme will not be comparable to any local financial assistance scheme the council develops, as this would be based on local as opposed to national criteria. We have been able to determine a profile of successful claimants from DWP data and the overall and average amount of Social Fund payments. This suggests that the funding to be devolved is less than that currently distributed in the county. However, it has proved very difficult to anticipate the precise nature of claims people are making, the size of the potential client group and therefore the number of staff we may need to deploy to support such people.

Existing administration

- 103 Applications are administered centrally by the Department of Work and Pensions. Where an award is made, the recipient has to attend a Job Centre office to collect the payment. The DWP only uses Job Centre offices with adequate security including two security officers, because of the risk of verbal and physical violence to staff from desperate claimants.
- 104 The staff who make the decision on whether to make an award are not based locally, for the same reasons.

Funding to be devolved

- 105 No ring fencing has been attached to the money that is to be devolved to local authorities to deliver these services, nor, will there be any duty to provide a particular type of service.
- 106 On 6 August 2012, local authorities were sent an indicative 'settlement letter', with the final settlement to be announced later in the year, setting out the expected level of funding for 2013/14 and 2014/15 and the purposes for which the money is intended to be spent.
- 107 The level of indicative funding is:

2012/13

Set Up funding	£ 15,921
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2013/14

Programme Funding	£1,592,057
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Administrative Funding	£ 336,414
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2014/15

Programme Funding	£1,592,057
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Administrative Funding	£ 308,359
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- 108 This funding was based on the first six months expenditure for 2011/12 and equates to 1.104 per cent of England's expenditure. However, if we take the average expenditure for the three years 2009/10, 2010/11 and the first six months of 2011/12, the expenditure average equals 1.3 per cent of total expenditure.
- 109 If this average was used, then the council would expect to receive an additional £564,587 Programme Funding and £114,327 Administrative Funding over the two years.

Developing a local scheme

- 110 The council has researched proposed approaches elsewhere and explored a number of practical issues in considering whether to provide a local scheme.
- 111 Other councils are pursuing mixed approaches.
- 112 Hampshire has decided against providing an alternative scheme, arguing that there is no statutory duty to do so. Instead, they intend to support existing advice networks rather than providing direct financial support to mitigate the withdrawal of Social Fund assistance. All councils in the North East are currently developing alternative schemes for the provision of welfare assistance.

- 113 A number of other authorities including East Sussex, Lancashire and Northamptonshire are looking to provide alternative schemes, with some elements administered in-house and others delivered externally. In the North East it is understood that around a quarter are seeking to use external providers, with the remainder developing in house services.
- 114 Several local authorities including Oxfordshire, Cumbria, North Yorkshire, Plymouth, Suffolk, Essex are looking at external provision options for the full administration of the support schemes they are able to fund.
- 115 Compared with previous funding, the level of funding for 2013/14 has reduced considerably and if the council agrees to introduce a scheme, we need to be mindful that the level of funding being made available to us, may well not be sufficient to meet current demand.
- 116 In addition, the DWP is not proposing any transition period, so the reduction in funding available could constitute a 'cliff edge' of support for applicants from the old scheme, who will turn to the council for assistance from 1 April 2013.
- 117 The DWP operated a limited out of hours service for the scheme and the ability for a potential applicant to contact us in an emergency outside normal working hours will need to be considered, in the light of the limited funding available.
- 118 Another key issue to consider, is that this type of funding is the last stop for many desperate people and if refused, the situation can become very emotive. As outlined above, Social Fund decisions are not made in the local office and customers have no face-to-face contact with the decision makers, with decisions notified in writing or by phone. The council therefore needs to think very carefully about how it handles customers who due to the reduced funding, may be turned down whereas they may have received support under the current scheme.
- 119 In addition, given that this will be the council's first experience of administering this type of scheme and we do not know the extent to which the amount of funding devolved will fall short of local demand, it would make sense to agree a transition scheme, while demand is assessed and a longer term solution developed.
- 120 Given that the government is devolving less funding to the council to administer than is currently available from the Social Fund, the council will need to develop and agree funding criteria which balance the funding available and the needs of this particular client group. Officers have consequently developed a set of funding criteria for a successful application for resettlement payments and daily living expenses and qualifying criteria for how we might classify people as being vulnerable and therefore entitled to assistance. The criteria have been developed in consultation with interested parties and stakeholders including the Citizens Advice Bureaux and local food bank and welfare organisations.
- 121 The eligibility criteria were developed using existing Social Fund criteria and expenditure levels and in consultation with stakeholders and relevant council services such as Welfare Rights and Adult Social Care Commissioning. In addition, approaches by other local authorities were considered and best

practice identified and incorporated into the final criteria and policy, attached as Appendix 2 as a Draft Welfare Assistance Fund policy. An equality impact assessment, attached as Appendix 3 has also completed to ensure the proposed criteria are as fair as possible.

- 122 In the light of the uncertainty around demand compared to funding and in line with approaches being pursued in other councils, officers have explored whether external expertise could be contracted in to handle the initial administration of the scheme.
- 123 The principal benefits of such an approach are that an external provider would be able to vary the resources deployed to deal with the number of claims and that the council would avoid having to invest in the specialised customer services and security, which experience has shown is required for this type of scheme.
- 124 To determine whether external administration is a viable option, a soft market testing exercise has been undertaken, which has demonstrated that there is commercial and third sector interest in providing such support and that some of the potential providers have a track record in this area.
- 125 It is therefore proposed that the council should explore the optimum method of providing a welfare assistance fund scheme externally.
- 126 In order to be able to implement the scheme by 1 April 2013, it is proposed that authority be delegated to the Assistant Chief Executive in consultation with the Leader, to make any final amendments to the proposed scheme and agree the optimum method of delivery.

Council preparations and planning

- 127 The implementation of welfare reform cuts across all of the council's strategic themes and has implications across the entire council. As a result, the council's preparations are being overseen by all Cabinet Members, supported by an officer project group, reporting to the Assistant Chief Executive. The officer group oversees the work of a number of workstreams, which have been set up to focus on particular aspects of welfare reform including the Social Fund, housing implications, policy analysis and community resilience. The group also coordinates planning with the parallel preparations for the localisation of Council Tax Support, which is overseen by a Member/officer steering group, chaired by the Corporate Director, Resources.
- 128 Government policy announcements and regulations are being monitored and analysed and where appropriate, the council is responding to consultations and calls for evidence where they provide an opportunity to inform government policy formation and implementation. The council responded to the Communities and Local Government Select Committee call for evidence on the implementation of welfare reform.
- 129 A Housing Welfare Reform Group has been established to work with local housing providers to assess housing implications and develop policy accordingly. As agreed by Cabinet on 14 November 2012, the Durham Key Options letting policy has been reviewed and priority awarded to people suffering financial hardship as a result of welfare reform. In addition, a

protocol is being developed with social landlords for the use of Discretionary Housing Payments.

- 130 A comprehensive communications plan has been developed to coordinate communications on a multi-agency basis and to make benefit claimants aware of the impending changes, which are likely to affect them and to point them towards sources of help and advice.
- 131 The approach to communications is phased, with the initial phase through to January 2013 aimed at raising awareness of the proposed changes with staff, Members, residents and partners. Customer Services staff and other front line staff have received awareness training on the changes. In addition, an article has been included in Durham County News, and over 8,300 social housing tenants who are likely to be affected by the introduction of the under occupancy change have received a letter outlining the changes and implications, checking their personal circumstances and providing advice on what their options might be and where they can go for help.
- 132 In addition, a leaflet on the welfare reform changes has been prepared for Members and staff and this leaflet will be distributed over the next few weeks.
- 133 Further guidance is being developed for front facing staff and community and voluntary sector agencies so that they are able to respond effectively to detailed enquiries and to support the introduction of the Social Fund changes. This more detailed communication will occur as part of phase two of the communications plan to be run in the New Year. There is also a Members' seminar planned for 10 January 2013.
- 134 As part of the community resilience work, a review of advice services has commenced to ensure that the council and community and voluntary services are fully informed and provide the public with consistent and coordinated advice and support. A financial inclusion action plan is also being developed which will include a review of concessions on fees and charges for council services.
- 135 With regards to the localisation of Council Tax support, the council has consulted on a default Council Tax Support Scheme which would ensure that current claimants are not detrimentally impacted during the transition from Council Tax Benefit to local Council Tax Support. This is the subject of a more detailed report on this agenda.
- 136 Finally, the council is also working with partners to agree a monitoring framework so that we can track and evaluate the impact that welfare changes have on the county, local communities and the local economy. This will be key in assessing the impact and effectiveness of policy changes and making the case to government for further support where it can be afforded and is required.

Conclusions

- 137 As reported to Members in May 2012, the proposed changes to welfare will have a significant impact on people in the county when they are implemented from April 2013 onwards.

- 138 We estimate that half of all households in the county, amounting to around 120,000 households will be affected and will have to re-apply for support under the new system of benefits and potentially experience a change in their entitlement:
- Universal Credit will affect 32,000 existing benefit claimants and a further 24,000 Incapacity Benefit claimants may be affected depending on the further development of the scheme.
 - Changes to Families Tax Credits will affect 58,000 families and 47,000 people will be affected by changes to Housing Benefit entitlements. 8,300 will be affected by the under-occupancy charge.
 - Currently, there are 63,000 Council Tax Benefit claimants in the county who will be affected by the introduction of a local Council Tax Support scheme. In spite of a reduction in government funding, the council is however seeking to ensure that existing claimants are not detrimentally affected during the transition, as outlined in the more detailed report on local Council Tax Support elsewhere on this agenda for Cabinet.
 - Although as yet to be confirmed, the proposal to remove Housing Benefit from people under 25 would affect around 4,400 people.
 - Currently, there 21,000 working age people claiming Disability Living Allowance who would be affected by the move to Personal Independence Payments. Estimates suggest that 40 per cent may experience a reduction in assistance, which indirectly may increase the costs incurred by the council in providing social care and support.
- 139 Overall, it is estimated that the quantum impact of the government's welfare reforms will lead to a loss of £150 million to the local economy in 2013/14.
- 140 This is based on the confirmed current national reduction in welfare expenditure of £18 billion within the current spending period and does not take into account the additional £3.7 billion welfare savings in 2015/16 announced in the Autumn Statement.
- 141 In spite of the uncertainty and as best it can, the council is anticipating and planning for the implementation of the reforms through the programme management approach described in paragraphs 127 to 136 above.
- 142 In addition, it is clear that the abolition of the Social Fund, will leave a gap in assistance of last resort for vulnerable people in times of need, unless the council intervenes to provide help.
- 143 It is at the council's discretion how it designs such a scheme if it chooses to do so, and we need to be mindful of the amount of funding to be devolved compared with current estimates of government expenditure on Social Fund schemes. Officers have taken this into account, in designing the proposed eligibility criteria in the draft Welfare Assistance Fund policy attached as Appendix 2, and the associated equality impact assessment attached as Appendix 3.

Recommendations

144 Members are recommended to:

- a) note the contents of this report and further developments in government welfare reform;
- b) note the latest assessment of impacts and implications for residents in the county;
- c) agree that in the light of the abolition of the Social Fund, the council should step in to provide assistance of last resort to people in need, within the funding devolved from government;
- d) introduce the draft Welfare Assistance Fund policy and criteria attached as Appendix 2;
- e) seek external support to assist with the administration of the proposed Welfare Assistance Fund;
- f) delegate authority to the Assistant Chief Executive in consultation with the Leader, to make any final amendments to the proposed scheme and agree the method of delivery in line with the commencement date of 1 April 2013.

Background papers

[Cabinet 30 May 2012, Welfare Reform – report of Assistant Chief Executive](#)

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Appendix 1: Implications

Finance – The council will receive additional support from the government in 2013/14 to provide a local Council Tax Support Scheme and to develop local alternatives to the elements of financial assistance currently provided by the Social Fund, which the government will withdraw in April 2013. As well as affecting the individuals concerned, the move from Disability Living Allowance to Personal Independent Payments is likely to have financial consequences for the council, which received income from Disability Living Allowance payments to meet individual's health and social care needs. Although the government has significantly increased the amount of funding for local government to make Discretionary Housing Payments to specific groups affected by welfare reforms, the council is likely to receive less than initially indicated in 2013/14 and 2014/15, given the £30 million spending reduction between 2013 and 17 announced in the Autumn statement.

Staffing – not applicable.

Risk – the implementation of welfare reform is to be included as a strategic risk in the corporate risk register.

Equality and Diversity – impact assessments have been undertaken on the Localisation of Council Tax Support Scheme and the draft Welfare Assistance Fund policy.

Accommodation – not applicable.

Crime and Disorder – not applicable.

Human Rights – the council will have to be mindful of Humans Rights issues in agreeing the proposed Welfare Assistance Fund policy.

Consultation – interested parties and stakeholders including citizens' advice bureaux, food banks and local welfare organisations have been involved in the development of the proposed draft Welfare Assistance Fund policy and criteria.

Procurement – the proposed approach to the localisation of welfare assistance funded through the Social Fund involves the procurement of specialist support to administer the proposed Welfare Assistance Fund.

Disability Discrimination Act – the government's changes to welfare will have significant implications for disabled people. The council is taking steps to communicate and advise disabled people about the reforms.

Legal Implications – legal advice has been sought about the implications of the localised Council Tax Support Scheme and proposed Welfare Assistance Fund and further legal advice will be sought on any proposed delivery options.

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Durham County Council

**Draft Welfare Assistance Fund Policy
V7**

2013/2014

Welfare Assistance Policy

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1. Introduction and aims of the Welfare Assistance scheme

Background

The Welfare Reform Act 2012 abolished the discretionary elements of the DWP Social Fund.

The Government have allocated each upper tier and unitary authority a grant to deliver a local scheme to meet local priorities. There is no requirement for local authorities to set up the scheme in a particular way, and local authorities are encouraged to:

- Work in partnership with the local Third Sector to develop schemes.
- Explore a range of in-kind support, and to link to advice, information and advocacy.
- Explore a full range of models for delivery.

The main features of the scheme are that

- The scheme will be operated at the Council's discretion
- There is no statutory right to a Welfare Assistance Fund award
- The amount of Welfare Assistance Fund awards in any given year will be limited by the budget set for each individual scheme

The Local Authority will have the discretion to award a Welfare Assistance Fund payment to any claimant who meets the criteria set out in this policy.

The scheme is designed to assist the most vulnerable in meeting their immediate short term needs or maintaining their independence in the community in accordance with Durham County Council's equality and child poverty duties.

There are two elements to the Welfare Assistance Scheme:

- **Daily Living Expenses** which aims to help meet an applicants immediate short term needs for goods or services that arise because of a disaster or unforeseen circumstances. In particular if the inability to afford the goods/services will result in a deterioration of the health or well being of the applicant or a member of their household. This includes direct payments to utilities and prepayment card/voucher for food and travel.
- **Settlement Grant** which aims to help applicants remain in the community or move back into the community after a period in supported or unsettled accommodation. This will be achieved by providing access to a range of standard items such as beds, bedding, furniture and white goods.

The above awards are discretionary and will be awarded to applicants whose circumstances meet the criteria outlined in this policy. **All applications will be assessed in line with the qualifying conditions in this policy and be subject to the amount of grant available at the time of application.**

2. Links to Durham County Council priorities

The Policy links to the following Council outcomes:

Priority theme: Altogether Better Council

Outcome: The effects of the Welfare Reform agenda are effectively managed

Outcome: People are treated fairly and differences respected

Priority theme: Altogether Safer

Outcome: Improved safety of victims and reduce repeat incidents of domestic abuse

Outcome: Safeguarding adults whose circumstances make them vulnerable and protect them from avoidable harm

Priority theme: Altogether Wealthier

Outcome: An improved housing offer across County Durham

Outcome: Improved access to employment and welfare services

Priority Theme: Altogether Better for Children and Young People

Outcome: Children are safeguarded and protected from harm

Priority theme: Altogether Healthier

Outcome: Improved independence and rehabilitation

Outcome: Maximised independence

Outcome: Increased social inclusion

3. Daily Living Expenses (DLE)

An applicant must be resident in County Durham, must be able to show evidence of hardship and meet the qualifying conditions set out below:

There will be two stages to the assessment of a DLE application:

- 1) An assessment of need - to establish if the applicant meets all of the qualifying conditions set out in 3.1 below.
- 2) A financial assessment - to establish if the applicant has immediate access to any other form of financial assistance or funding.

3.1 Qualifying conditions

To qualify for a DLE Grant, the applicant must meet all of the following conditions:

1) As a direct result of the inability to afford the goods or services requested, either the health or well being of the applicant or a member of their household will immediately deteriorate. In addition the applicant or a member of their household who lives with them should also meet at least one of the following:

- a) Have a serious physical health problem for which treatment is being received
- b) Have a dependent child who normally lives with them and that child is at immediate risk
- c) Have a substance or alcohol misuse problem, for which treatment or support is being received
- d) Are on probation or receiving support relating to previous offences
- e) Are affected by, or at risk of domestic abuse or hate crime
- f) Have a learning disability
- g) Have a physical or sensory impairment
- h) Have a mental health problem, for which treatment or support is being received
- i) Are an older person (over 60) with support needs
- j) Are pregnant
- k) There is a serious risk to the health and safety of the applicant

2) Exceptional circumstances - An immediate need for items and services has arisen following the occurrence of an exceptional event or unforeseen circumstances, for example sudden misfortune involving the destruction or loss of property or possessions or the death of a family member.

3) The applicant has no other form of immediate financial assistance, for example family, friends, employer, own resources or other available funding streams.

3.2 DLE Budget

Please note that even if the applicant meets the above conditions an award will not always be given. Consideration will also be given to the balance available in the DLE Grant budget. In doing this, the priority of each case will be compared to other applications. There is a duty not to overspend the annual budget and consideration will be given to each application on its individual merits.

3.3 What is covered by Daily Living Expenses?

The following is covered by DLE:

- Living expenses such as food including baby milk and nappies
- Emergency pre-payment for heating, lighting solid fuel or reconnection charges
- Travel expenses to hospital, residential care, emergency accommodation, and funerals

The methods of support will include:

- Supermarket vouchers
- Pre-payment cards
- Direct payment to utilities
- Payment to travel operators (eg bus companies, train companies, taxis)

Support will **not** include:

- Cash payments

3.4 Amount of award

A DLE award is intended to cover immediate short-term needs that arise because of a disaster or unforeseen circumstances for those meeting the qualifying criteria. An award may be for a specific item or service or to meet immediate living expenses for a short period, usually up to seven days.

If the applicant has received a DLE grant for the same item or service within the previous 12 months, then a further award will not normally be allocated.

The above list is provided to give a set of examples and a DLE will not be appropriate in every case. Similarly, if a situation is not mentioned, it does not mean the applicant would not be entitled to help. The individual circumstances of an application will be considered on its merits. The application will be considered only if a DLE award is the only means by which serious harm or serious risk to the applicant or applicant's family may be prevented.

A DLE award is intended to help the applicant for short term requirements. It may not necessarily solve the crisis altogether. There is no minimum amount that can be paid, however the maximum an individual applicant or couple can receive is a

voucher or prepayment card to the value of a lump sum of £60.00 plus an additional premium for each child of £25.00.

The amount of money the applicant is applying for may be queried if it seems too much for his/her needs.

3.5 Application and assessment process (direct presentation by the applicant, their appointee, their carer, or their advocate)

- 1) Applications can be made by telephone, on-line or in writing. Reasonable adjustments will be made where the applicant is unable to complete the on-line form without assistance.
- 2) Applications can be made by the applicant, appointee, carer, or advocate acting on their behalf. Proof will be sought that they acting on behalf of, and with the consent of the applicant.
- 3) Evidence will be sought from the applicant, appointee, carer, or advocate to ensure that at all of the qualifying conditions set out in 3.1 have been met.
- 4) A financial assessment will be made, which will involve a series of questions to establish if the applicant has immediate access to any other form of financial assistance or funding.
- 5) Once the application has been processed, the applicant will be informed of the outcome of the application within 2 hours of the initial telephone call. (providing this is prior to 3pm, otherwise this will be the following working day). This will then be followed up in writing within 24 hours. If successful, the decision may be pending the provision of evidence by the applicant, appointee, carer, or advocate.
- 6) If successful:
 - a) The award will be issued to the applicant on the same day if a decision is made before 3.00pm that day.
 - or
 - b) If a decision is made after 3.00pm then the award will be issued to the applicant on the following working day.
- 7) If unsuccessful, the applicant will be notified of the right to appeal by the telephone. Applicants will have the right to appeal in writing or verbally. (See Decision Making and Appeals: Section 6).
- 8) A letter (which will be made available in different formats/language), text or e-mail will be sent within 24 hours explaining the award decision and the appeals process.
- 9) The applicant will be provided with any welfare advice and signposted to other advice agencies where possible.

10) For successful applicants, relevant evidence (of need and/or identity) will need to be provided. Acceptable evidence will be agreed with the applicant during the application process.

3.6 Application and assessment process (referral from a specialist referral organisation as outlined in Appendix A)

- 1) Applications will be made by telephone, on-line or in writing from the specialist referral organisation. Confirmation will be accepted verbally that the organisation is acting on behalf of, and with the consent of the applicant.
- 2) A decision will be made as to whether one of the qualifying conditions set out in 3.1 have been met. Evidence will be required from a specialist referral organisation that the applicant meets all of the qualifying conditions set out in 3.1. No details of the treatment, support or care being provided, or whether the applicant is currently engaging with services are required.
- 3) A financial assessment will be undertaken, which will involve a series of questions to establish if the applicant has immediate access to any other form of financial assistance or funding.
- 4) The application will be processed and the specialist referral organisation will be informed of the outcome of the application by telephone.
- 5) The applicant will be provided with any welfare advice and signposted to other advice agencies where possible.
- 6) If successful:
 - a) The award will be issued to the applicant on the same day if a decision is made before 3.00pm that day.
 - or
 - b) If a decision is made after 3.00pm then the award will be issued to the applicant on the following working day.
- 7) For the majority of successful applicants, relevant evidence (of identity) will need to be provided. Acceptable evidence will be agreed with the specialist referral organisation during the application process.
- 8) If unsuccessful, the applicant will be notified of their appeal rights by telephone. Applicants will have the right to appeal in writing or verbally.
- 9) A letter (which will be made available in different formats), e-mail or text will be sent within 24 hours explaining the award decision and the appeals process.

4. Settlement Grant

There will be two stages to the assessment of a Settlement Grant application:

- 1) An assessment of need - to establish if the applicant meets all of the qualifying conditions set out in below.
- 2) A financial assessment - to establish if the applicant has any excess income or capital that could be used to meet some or all of the required support or funding.

4.1 Qualifying conditions

To qualify for a **Settlement Grant**, the applicant must meet **all** of the following conditions:

- 1) The applicant requires support for at least one of the following:
 - a) Support to move back into the community after a stay in supported or temporary accommodation or prison
 - b) Support to move out of inappropriate accommodation
 - c) Support to stay in the home and prevent a move into residential care or hospital
 - d) Disasters - including events of great or sudden misfortune, the result of which will normally be significant damage to, destruction or loss of possessions or property. Eg Floods, Fire

- 2) As a direct result of the inability to afford the goods or services requested, either the health of the applicant or a member of their household will immediately deteriorate. In addition the applicant or a member of their household who lives with them should also meet at least one of the following:
 - a) Have a serious physical health problem for which treatment is being received
 - b) Have a dependent child who normally lives with them and that child's health is at immediate risk
 - c) Are homeless, or at risk of homelessness
 - d) Have a substance or alcohol misuse problem, for which treatment or support is being received
 - e) Are on probation or receiving support relating to previous offences
 - f) Are affected by, or at risk of domestic abuse or hate crime
 - g) Have a learning disability
 - h) Have a physical or sensory impairment
 - i) Have a mental health problem, for which treatment or support is being received
 - j) Are an older person (over 60) with support needs
 - k) Are pregnant

- 3) The applicant should be in receipt or about to be in receipt of a qualifying benefit including:
- Income Support
 - Income-based Job Seekers Allowance
 - Income-related Employment and Support Allowance
 - Pension Credit
 - Universal Credit
 - Housing Benefit and Council Tax Support*

* Please note that both benefits will change from 1 April 2013

4) The applicant must have applied for a budgeting loan, if they are eligible to do so and have been declined.

5) The applicant has no other form of immediate financial assistance, for example family, friends, employer, own resources or other available funding streams

4.2 Settlement Grant Budget

Please note that even if the applicant meets the above criteria an award will not always be given. Consideration will also be given to the balance available in the Settlement Grant budget. In doing this, the priority of each case will be compared to other applications. There is a duty not to overspend the annual budget and consideration will be given to each application on its individual merits.

4.3 Settlement

Settlement includes leaving long term hospital stay, residential or nursing care; prison or foster care; help to remain in the community or to help set up home at part of a planned resettlement programme.

Consultation must be undertaken with a social worker or other specialist referral agency (see Appendix A) about the application.

Whether a grant can be awarded depends on all of the conditions being met and on the needs being of sufficient priority to warrant a payment from limited funds. As part of the decision as to whether a Settlement Grant is awarded consideration will be given to all the circumstances of the application.

Settlement categories include:

4.3.1 Support to move back into the community after a stay in supported or temporary accommodation

Applicants may receive a Settlement Grant if they are leaving accommodation in which they have received significant and substantial care and supervision. Examples of such accommodation are:

- Hospital or other medical establishment
- Care or nursing home
- Hostel
- Staff intensive sheltered or supported housing
- Local authority care
- Prison or detention centre
- Short term supported housing
- Bed and breakfast accommodation with a high level of floating support

Not only must applicants be leaving one of these places, they must be establishing themselves in the community. Account is taken of both the length of time the applicants were receiving care or support within the accommodation, and the level of individual care and supervision that they received while they were living there in order to assess the level of support required.

If applicants are looking after someone they may be entitled to expenses to assist them to establish themselves in the community if necessary. For example, if they have to move home to look after someone in these circumstances, then they may get help with, for example removal expenses. Applicants would need to be receiving a qualifying benefit or due to receive it even if the person they are caring for does not.

4.3.2 Support to stay in their home and prevent a move into residential care or hospital

Applicants may receive a Settlement Grant if this will help them stay in the community, rather than enter residential care or hospital. Some of the factors considered when making a decision will include:

- How immediate is the likelihood of going into such accommodation
- How long they are anticipated to remain in such accommodation
- Whether the type of item or service required would prevent or delay entering such accommodation
- If the support will reduce the frequency of stays in such accommodation

Some examples are:

- Help with expenses for improving their home to maintain living conditions
- Help to move to a more suitable place to live or to be nearer someone who will give them care and support.

Applicants may also get a Settlement Grant if they are caring for someone and it is agreed that a payment to them will help the person they care for to remain in the community rather than enter accommodation to receive care. Applicants would need to be receiving a qualifying benefit or due to receive it irrespective of whether the person they were caring for does.

4.3.3 To help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life

People who have been without a settled way of life may have been:

- Using a night shelter
- Staying in a hostel
- Sleeping on the streets or in a make-shift shelter on the streets
- Using an emergency winter shelter
- Using a temporary supported lodging scheme
- Staying in temporary accommodation provided by the Home Office pending a decision on their application for asylum in this country
- Using a combination of these

If applicants are about to move into their own accommodation as part of a resettlement programme, they may be able to get a Settlement Grant.

The grant may be given to help applicants set up home in their own accommodation, if they are on a planned resettlement programme following an unsettled way of life. For example, they may have stayed in a night shelter before they were on a resettlement programme.

4.4 What a Settlement Grant covers

Awards will be made for the provision of:

- Beds
- Bedding
- Chairs/Sofas
- Tables
- Wardrobes
- White goods
- Pans, utensils, crockery and cutlery
- Floor coverings
- Curtains
- Storage or removal costs

4.5 Amount of award

The value of the Settlement Grant will be discretionary up to a maximum of £500, in relation to the needs being presented and the financial situation of applicants. A full income and expenditure calculation of applicants and their household will be undertaken to determine if they have any excess income that could be used to meet

all or part of the cost of the support and this will be reduced, on a pound for pound basis, by any savings the applicants or their partners have over £500 (£1000 if applicants and/or their partners are aged 61 or over).

Awards will be made via a prepayment card or voucher up to a maximum value of £500 or goods will be provided up to this amount for the purposes of removal, storage and essential non fixed household items, such as those listed above.

4.6 Application and assessment (direct presentation by the applicant, their appointee, their carer or their advocate)

- 1) Applications will be made by online, by telephone or in writing. Applications can be made by the applicant, or an appointee, carer, or advocate acting on behalf of the applicant. Reasonable adjustments will be made where the applicant is unable to complete the on-line form without assistance. Assistance will be available to help the applicant complete the application form, if required.
- 2) A decision will be taken to assess if all of the qualifying conditions set out in above have been met.
- 3) Evidence will be required to show all of those qualifying conditions have been met by either:
 - a) Confirmation by telephone with a specialist referral organisation (as defined in appendix A), or
 - b) Other evidence provided by the applicant, appointee, carer, or advocate based on the individual circumstances of each case.
- 4) A financial assessment will also be made which will involve an assessment of the income and expenditure of the applicant to establish if he/she has any excess income or capital that could be used to meet some or all of the required support.
- 5) The application will be processed and the applicant informed of the outcome of his/her application. If successful, the decision may be pending the provision of evidence by the applicant, or confirmation with a specialist referral organisation.
- 6) The applicant will be provided with any relevant welfare advice, or signposted to other advice agencies where possible
- 7) The application will be processed as follows:
 - a) If the application is fully complete, the applicant will be contacted within five working days with a decision
 - b) If the application is incomplete, the applicant (or third party, where permission has been given) will be contacted for further information. Once all relevant information and evidence has been received, the applicant will be contacted within five working days with a decision.

- c) If successful, awards will be provided in line with the applicants' needs but usually not within 48 hours of the award decision
- 8) A letter (which will be made available in different formats and languages) will be sent within five working days explaining the award decision and the appeals process. (See Decision Making and Appeals: Section 6)

4.7 Application and assessment process (referral from a specialist referral organisation)

- 1) Applications will be made online, by telephone or in writing from the specialist referral organisation. (see Appendix A). Confirmation will be accepted on the application form that the organisation is acting on behalf of, and with the consent of the applicant.
- 2) A decision will be made as to whether all of the qualifying conditions set out have been met. Written evidence from a specialist referral organisation that the applicant meets all qualifying conditions set out in 4.1 only will be required. Details of the treatment support or care being provided, or whether the applicant is currently engaging with services will not be required.
- 3) A financial assessment will be undertaken which will involve an assessment of the income and expenditure of the applicant to establish if he/she has any excess income or capital that could be used to meet some or all of the required support.
- 4) The application will be processed and the applicant and the specialist referral organisation informed of the outcome of his/her application.
- 5) The applicant will be provided with any relevant welfare advice, or signposted to an advice agency, where necessary.
- 6) The application will be processed as follows:
 - a) If the application is fully complete, the applicant and the specialist referral organisation will be contacted within five working days with a decision.
 - b) If the application is incomplete, the specialist referral organisation will be contacted for further information. Once all relevant information and evidence has been received, the applicant and the specialist referral organisation will be contacted within five working days with a decision.
 - c) If successful, awards will be provided in line with the applicants' needs but usually not within 48 hours of the award decision.
- 7) A letter (which will be made available in different formats and languages) will be sent within five working days explaining the award decision and the appeals process. (See Decision Making and Appeals: Section 6)

5. Evidence required as part of the application process

Information or evidence may be requested in support of an application for a Welfare Assistance award.

For Daily Living Expenses, the information and evidence to be provided will be identified during the telephone application and evidence will be provided as part of the application process.

For the Settlement Grant, the information and evidence required will be outlined on the application form and should be provided when the application form is submitted. If evidence is not provided, the applicant or the specialist referral organisation will be contacted, requesting the information and evidence required. Applicants or specialist referral organisations will be expected to provide the requested information and evidence within five working days and a final decision will be made within five working days, once all requested information and evidence is received.

Any information or evidence provided by the applicant will be verified if required. Any such request will be essential to the decision making process and will only be used in connection with the Welfare Assistance Fund. If the applicant is unable to or does not provide the required evidence, the application will be considered on the available information and evidence.

The online application form for both applications will include a set of security questions, including one requiring them to provide evidence that the applicant lives in county durham.

Examples of evidence that may be required include:

- Passport, driving licence or other evidence of identity eg birth certificate
- Wage slips or self-employed accounts
- Benefit or Tax Credit letters
- Bank statements or other evidence of savings
- Receipts, utility bills or other evidence of expenditure
- Doctors letters confirming health conditions or prescriptions for relevant medication
- Contact details for support worker in relevant support agencies (eg Social workers)
- Police crime reference number, where the application relates to an alleged crime.

6. Decision making and appeals

6.1 Notification of decisions

Once a decision on the Welfare Assistance application has been made, the applicant (and specialist referral organisation, if relevant) will be notified of the outcome in writing. For Daily Living Expenses, the decision will also be notified verbally by telephone.

The notification letter will be available in alternative formats and languages and will include the following:

- Where Welfare Assistance is awarded, the item(s) and value to be provided
- Where the Welfare Assistance awarded does not provide all support requested, the reasons for this decision
- Where Welfare Assistance is not awarded, the reasons for this decision
- The applicant's appeal rights
- Information on who to contact if they need further information or advice
- The duty to notify of any changes in circumstances, which may affect either a DLE or Settlement Grant award.

6.2 Daily Living Expenses appeals

An appeal can be lodged about a Daily Living Expenses decision as follows:

- An appeal about a Daily Living Expenses application should be made within five working days of the notification of the decision being made, or a longer period if considered reasonable
- The appeal can be made in writing, verbally or by e-mail.
- The appeal can be made by the applicant, appointee, carer, advocate or a third party, with the applicant's consent where appropriate.
- Where an appeal is made, a dedicated officer will conduct a review of the decision and contact the applicant within one working day of the appeal being received. This will be done by an officer different to the one who made the initial decision and the outcome will be notified verbally by telephone and confirmed in writing.

6.3 Settlement Grant appeals

Appeals about Settlement Grants will be dealt with as follows:

- An appeal about a Settlement Grant decision should be made within one calendar month of the notification of the decision being made.
- The appeal can be made in writing, verbally or by e-mail
- The appeal can be made by the applicant, appointee, carer, their advocate or a third party, with the applicant's consent where appropriate
- Where an appeal is made, a Senior Officer will conduct a review of the decision and contact the applicant within five working days of the appeal being received. This will be done by an officer different to the one who made the initial decision and the outcome will be notified in writing. This will be a vigorous process involving liaison with partner agencies.

7. Factors used to decide the financial need for support

When deciding the potential support to be provided, the following may be taken into account: (this list is not exhaustive):

	You	Your Partner	Children
Cash Savings			
Bank Savings			
Building Society Savings			
Premium Bonds			
National Savings Certificates			
Stocks and Shares List Name and Number held			
Value of any other property that you own, other than your home			
One off Payments received in the last 12 months: Please give details			
Other savings not specified above (Please give details)			
If you have no Capital or Savings Please state 'none'.			

Please can you state the amount that you receive for:	You		Your Partner		How often do you receive this amount?	OFFICE USE ONLY
	£	p	£	p		
Wages						
Salary (Take Home Pay)						
Self Employed Earnings						
Pensions						
Occupational / Private / Personal Pension						
State Retirement Pension						
Guarantee / Savings Pension Credit						
War Disablement Pension						
Benefits						
Universal Credit						
Child Benefit						
Child Tax Credit						
Working Tax Credit						
Income Support						
Maternity/Paternity Pay / Maternity						
Adoption / Custodian Allowance						
Payments for Foster Children						
Employment and Support Allowance						
Incapacity Benefit						
Severe Disablement Allowance						
Statutory Sick Pay						
Disability Living Allowance						
Attendance Allowance						
Industrial Injuries Disablement Benefit						
Carer's Allowance						
Job Seekers Allowance						
Widowed Allowance / Payments						
Bereavement Benefit						
Other Income						
Personal Injury Payments						
Rental Income from other properties						
Student Grant						
Student Loan						
Cash In lieu of coal						
Educational Maintenance Allowance						
Income from Boarders / Lodgers						
Maintenance Payments Received						
Any other Income (please specify)						
TOTAL INCOME						

Please state the amount that you pay out each <u>month</u> on the following: <u>If paid by direct debit please state exact amount as on bank statement</u>	You		Your Partner		Office Use Only
	£	p	£	p	
Housing Costs:					
Mortgage repayments					
Mortgage Endowment					
Council Tax					
Ground Rent					
House insurance - buildings					
House insurance - contents					
Life insurance and health cover					
Utility Costs:					
Gas					
Electricity					
Water rates					
Coal/Oil/Paraffin					
Calor Gas					
Telephone (including internet)					
Mobile telephone					
Other Important Costs:					
TV Licence					
Court Fine Payments/CCJ					
Maintenance/Child Support (documentary proof required)					
Pension Contributions (do not include if deducted from wage & shown on payslip)					
Other Life Assurances					
HP Conditional Sale					
Loan Repayments:					
Bank or building society loan -secured against your home					
Other loans -secured against your home					
Other loans -not secured against your home (catalogue payments etc)					
Hire Purchase payments					
Credit Card Repayments					
Travel Costs:					
Travelling to Work					
Travelling to School					
Travelling to the Shops					
Other Fares					
Road Tax					
Vehicle Insurance					
Vehicle Fuel					
MOT/Maintenance					
Breakdown Cover					
Parking Charges/Road Tolls					

Expenditure

Please state the amount that you pay out each <u>month</u> on the following: <u>If paid by direct debit please state exact amount as on bank statement</u>	You		Your Partner		Office use
	£	p	£	p	
Housekeeping:					
Food					
Cleaning/Toiletries					
Newspapers/magazines					
Cigarettes/Tobacco/Sweets					
Alcohol					
Laundry/Dry Cleaning					
Clothing/ Footwear					
Other Expenditure:					
TV, Cable, Sky etc					
Postage					
Hairdressing/Haircuts					
TV/Satellite/Cable Packages					
Other appliance rentals					
Pub/Outings					
Lottery					
Hobbies					
Religious / Charities					
Gifts (eg Christmas/Birthdays)					
Student Course fees					
Student Tuition Fees					
Home Repairs and Maintenance:					
Repairs					
Household maintenance					
Window Cleaning					
Boiler, pipes, electrical etc insurances					
Children:					
Childcare fees					
Nappies/Baby care Items					
School Fees					
School Meals					
Pocket Money					
Health:					
Dentist/Medical Prescriptions/Glasses					
Medical/Care services other than Childcare					
Pets:					
Pet Food					
Vets Bills/Pet Insurance					
TOTALS:					

In addition the following is also taken into account:

- Whether other funds such as Discretionary Housing Payments or Section 17 payments would be more appropriate to meet the items or services being requested
- Other funding sources have been explored/finished
- The amount of Welfare Assistance Fund budget available for the remainder of the financial year
- Other Welfare Assistance Fund requests and awards being made and the overall impact on the remaining Welfare Assistance Fund budget available.

A Welfare Assistance Fund award does not necessarily make the applicant eligible to receive a further award if, for example the initial Daily Living Expenses award runs out, as each application is decided on the individual merits at that time. This applies even if the applicant's circumstances remain the same.

8. Exclusions

Support will **not** be awarded for the following items or services as in most cases signposting to other agencies who can provide support will be given.

- A need which occurs outside County Durham, unless the need is for a person who is in the process of moving into County Durham, having previously resided in Durham for 3 months prior to the application or have been in hospital for a long stay and that item or service will assist him/her in the move
- An educational or training need including clothing and tools
- school uniform or sports clothes for use at school or equipment to be used at school
- Travelling expenses to or from school
- Meals taken during school holidays by children who are entitled to free school meals
- Expenses in connection with court (legal) proceedings such as legal fees, court fees, fines, costs, damages, subsistence or travelling expenses (other than emergency travelling expenses when stranded away from home)
- Removal or storage charges if the applicant is being re-housed following a compulsory purchase order, a redevelopment or closing order, a compulsory exchange of tenancies, or under a housing authority's statutory duty to the homeless
- Domestic assistance and respite care⁰
- A medical, surgical, optical, aural or dental item or service (these needs can be provided free of charge by the National Health Service, if the applicant is getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance, Pension Credit or Universal Credit)
- Work related expenses
- Debts to Government departments or Local Authorities
- Investments
- Purchase, installation, rental and call charges for a telephone
- Mobility needs
- Holidays
- A television or a radio, or a licence, aerial or rental charges for a television or a radio
- Garaging, parking, purchase, and running costs of any motor vehicle, except where the payment is being considered for emergency travel expenses
- Housing costs (other than minor repairs and improvements)
- Council Tax or Council Tax arrears

The following people **cannot** be supported by the Welfare Assistance Fund

- People who normally reside outside of County Durham
- People who are deemed by a specialist referral organisation to have no local connection to the County of Durham
- Care home residents and hospital in-patients, unless the need is for a person who will be discharged as part of a planned resettlement programme
- Persons who are members of and fully maintained by a religious order

- People in full-time education unless they are entitled to:
 - Income Support
 - Income based Jobseeker's Allowance
 - Income related Employment and Support Allowance
 - Pension Credit
 - Universal Credit
- Prisoners who are in prison or released on temporary licence
- A person who is, or would be, treated as a person from abroad for the purpose of Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance, Universal Credit and Pension Credit, and has no entitlement to those benefits, including:
 - Foreign nationals with limited immigration status,
 - Foreign nationals with no recourse to public funds
 - Non-economically active European Union individuals
 - United Kingdom nationals who are not habitually resident in the United Kingdom

9. Monitoring arrangements for the Welfare Assistance Fund

The on-line application service offered will be integrated with Durham County Council's current revenues and benefits system, thus ensuring that identity checks can be undertaken as part of the Council's monitoring arrangements to ensure the validity of applications.

Durham County Council will monitor the number, amount and period of Welfare Assistance Fund awards in relation to the available Welfare Assistance Fund budget. The sum paid each month from the annual Welfare Assistance budget will be a set amount that should be apportioned between Daily Living Expenses and Settlement Grant. In addition, monitoring will be undertaken to assess performance against a set of key management information and performance indicators included in Appendix B. The purpose is to ensure that there are sufficient funds to meet current and future demands on the Welfare Assistance Fund budget throughout the financial year and the Council's aims and objectives are being met.

In addition a sample of cases will be audited at random to ensure consistency in assessment and decision making.

The Council will also monitor the type of referrals, which organisations are making referrals and the type of awards to ensure, where possible, they are meeting positive outcomes for the applicant, in accordance with the aims the Welfare Assistance Fund scheme.

All findings from monitoring checks will be included within the Durham County Council quarterly performance report to Cabinet.

Compliance with Equality Duties

It is Durham County Council's overall policy to meet equality law requirements and to treat people fairly. Every employee and council representative has a responsibility to treat other people in a fair and lawful way. Durham County Council also takes steps to meet the public sector equality duty which aims to stop unlawful discrimination, advance equality and foster good relations. The Council will monitor where a Welfare Assistance Fund Application has been refused, to ensure decisions are being made fairly and consistently, in accordance with our Equality duties. This policy will be implemented to provide fair treatment and take account of the needs of people protected under the Equality Act on the grounds of age, disability, gender (including pregnancy and maternity), race, religion or belief, sexual orientation and transgender.

Appendix A: Specialist Referral Organisations

For the purpose of this policy, specialist referral organisations are those organisations who either assess the needs of clients or who provide treatment, care or support to those groups listed in 3.1 and 4.1 of this policy.

The following is a list of council services, voluntary organisations and other third parties, which will be classed as specialist referral organisations, for the purpose of this policy:

- Durham County Council Housing Solutions
 - Family Intervention project (FIP)
- Durham County Council Housing Regeneration
- Durham County Council Children and Adult Service Grouping Teams including:
 - Commissioning/ Supporting People Team
 - Adult Social Care Team
 - Children's Services Teams
 - Welfare Rights
- Durham and Darlington Probation Service
- Durham County Council Youth Offending Service
- Durham Drug and Alcohol Action Team
- GPs and other medically qualified professionals who are providing treatment to the applicant or a family member
- Durham County Council Civil Contingencies Unit
- Durham Citizens Advice Bureau

Appendix B: Monitoring Management Information and Performance Indicators

Performance Indicators	
1	Number of applicants applying for Settlement Grant by equality strands and client group (where provided)
2	Number of applicants awarded Settlement Grant by equality strands and client group
3	Number of applicants applying for Daily Living Expenses by equality strands and client group
4	Number of applicants awarded Daily Living Expenses by equality strands and client group
5	Number of unsuccessful applications by equality strands and client group
6	Number of repeat applications
7	Number of referrals received
Management Information	
A	Number of applications received by postcode
B	Referral source – number received in relation to: <ul style="list-style-type: none"> • Debt advice • Welfare rights advice • Applications for account with Credit Union • Specialist referral organisations
C	Numbers signposted to other statutory or non-statutory services
D	Numbers helped to leave hospital or residential care
E	Numbers helped to stay in the community
F	Numbers applying as part of a planned move via care co-ordination
G	As part of future complaints/review procedures measure turnaround times in dealing with challenges and appeals (could consider DCC corporate time limits)

Please ask us if you would like this document summarised in another language or format.

العربية (Arabic) (中文 (繁體字)) (Chinese) اردو (Urdu)
polski (Polish) ਪੰਜਾਬੀ (Punjabi) Español (Spanish)
বাংলা (Bengali) हिन्दी (Hindi) Deutsch (German)
Français (French) Türkçe (Turkish) Melayu (Malay)



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Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments. You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening
Section overview: this section provides an audit trail.

Service/team or section: Resources

Lead Officer: Ian Ferguson

Start date: September 2012

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

Localisation of Social Fund

This impact assessment relates to plans for a local discretionary payments scheme in County Durham following devolution of funding relating to replace two elements of the Social Fund which is currently administered by Department for Work and Pensions (DWP). The scheme would be implemented from April 2013 to replace the current national arrangements for crisis loans and community care grants. The proposed scheme would provide for 'Daily Living Expenses' (formerly Crisis Loans) and a 'Settlement Grant' in place of the current Community Care Grant.

Background:

The Social Fund currently seeks to meet a range of needs that are not met by regular benefit or tax credit payments. It came into operation in 1988, following the 1986 Social Security Act, and replaced single payments of what was then Supplementary Benefit for one off needs.

Crisis Loans are interest-free loans available to anyone (whether on benefit or not) who cannot meet their immediate short-term needs in an emergency or as a consequence of a disaster. Crisis Loan items include one off items such as cookers and beds and Crisis Loan Living Expenses cover day to day items such as monies for food, travel expenses and energy reconnection/charges. The loan cannot exceed £1,500 and applicants must be likely to be able to repay the loan.

From 4 April 2011, the following changes were introduced by DWP to try to limit expenditure:

- Crisis Loans for items such as cookers and beds are now only available following a disaster such as flooding, this has significantly reduced the expenditure on these items;

- the rate paid for living expenses has reduced from 75 per cent to 60 per cent of the personal allowance benefit rate; and
- a cap of three Crisis Loan awards for general living expenses in a rolling 12 month period has been implemented.

Community Care Grants (CCG) are non-repayable grants awarded for a range of expenses including household equipment. They are primarily intended to support vulnerable people to remain in or return to the community or to ease exceptional pressure on families. Eligibility is conditional on receipt or imminent receipt of an income related benefit.

Type of CCG payment	% of total amount
People moving out of institutional or residential care	7.2%
Helping people stay in the community	28.5
Families under exceptional pressure	56.7
Prisoner or young offender on release on temporary license	0.2
People setting up home as part of a planned programme of resettlement	6.2
Travelling expenses	1.1

The funding to be delegated to the council is not ring-fenced and development of a local scheme is at local discretion for each authority.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

Social Fund applicants, General public, employees, elected members

Is a copy of the subject attached? See Cabinet report
If not, where could it be viewed?

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure											
Gender	Y	Disability	Y	Age	Y	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
How will this support our commitment to promote equality and meet our legal responsibilities?											
Reminder of our legal duties:											
<ul style="list-style-type: none"> ○ Eliminating unlawful discrimination & harassment ○ Promoting equality of opportunity ○ Promoting good relations between people from different groups ○ Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people ○ Involving people, particularly disabled people, in public life and decision making 											
<p>Potential impacts are dependant on Council's final decision to implement a discretionary payments scheme. Any local scheme would be available to people from all protected characteristics to ensure fair and equal access but evidence suggests that some groups are more likely than others to apply or receive awards under the current Social Fund arrangements. The proposals for a local scheme seek to take account of varied needs in order to respond effectively to all groups although eligibility criteria will reflect the limited funding available. Some data is available on current arrangements in relation to age, gender and disability, there is none for the other protected characteristics including transgender so whilst we assume there could be an impact we do not have access to any evidence.</p>											
<p>If a local scheme is not adopted this could affect people in financial hardship – this can be linked to lower income on the grounds of age, disability and gender (for example, lone parents are most likely to be female and may be affected by reduced support but there are also more older women in the population than men). There may be potential impacts in terms of race, religion or belief and sexual orientation (for example, through links with younger people at risk of homelessness because they've 'come out' about their sexual orientation and therefore may be living alone and reliant on benefits/support) but there is no evidence available from DWP on these equality characteristics.</p>											
<p>The potential negative impacts of not adopting a scheme or an ineffectual scheme include:</p> <ul style="list-style-type: none"> ○ Financial and standard of living – for example, inability to make payments for essential items or services. ○ Health and wellbeing – for example, inability to pay for food, medical or personal care items, stress or anxiety as a result of financial worries. ○ Housing – for example, inability to meet housing costs or resettle in community when leaving care or institutions. 											
<p>Potential positive impacts of adopting an effective local scheme:</p> <ul style="list-style-type: none"> ○ Urgent needs are met which may prevent the need for further long-term support or interventions. ○ Support for vulnerable people to remain in or return to communities. 											

- Increased take up of other entitlements.
- Opportunities to provide financial or debt management advice and support to vulnerable groups.

It is important to note that the changes to the Social Fund are being made alongside wider welfare reforms which will have an impact on benefits and financial inclusion across all protected groups. The overall impact of welfare reforms for some people could be significant reductions in household income.

What evidence do you have to support your findings?

The Government's equality impact assessment identified that the majority of Crisis Loans decisions were made in relation to applications from single males (58%) with 38% in respect of single females and 8% for couples. However the success rates were similar for all three groups with 76% of single males and single females making a successful application and 74% of couples. The decisions made in relation to Community Care Grant applications show a higher proportion of single females applying (49%) with 36% for single males and 15% for couples. The success rates were highest for couples at 53% with single females at 49% and single males at 42%.

In terms of age, the highest proportion of decisions on Crisis Loan applications were made for customers aged 18 to 24, those aged 35 to 59 had the highest success rate at 79% with over 65 year olds having the lowest success rates, particularly those aged 80 and over. Community Care Grant decisions show a higher proportion for those aged 18 to 45 but a higher success rate for those over 50 which increases with age.

National research published by the Joseph Rowntree Foundation in 2006 looked in more detail at success rates of certain applicants for the Social Fund, see table below.

Applicant group	Community Care Grants % of total expenditure	Crisis loans % of total expenditure
Pensioners	8.4	1.3
Unemployed	17.4	54.2
Disabled	30.8	18.5
Lone Parents	30.4	14.9
Others	13.0	11.2

They found that:

- Pensioners received a disproportionately small proportion of social fund expenditure compared to their presence in the eligible population. The report suggests that a lack of knowledge, the stigma of applying, communication difficulties, high

<p>repayment rates for budgeting loans and an antipathy to borrowing all hold pensioners back from applying.</p> <ul style="list-style-type: none"> • Couples with children and single parents were significantly more likely to have accessed the social fund than those without children. • Those in rented accommodation were more likely to receive awards than those who owned their own home, particularly those in Council or Housing Association properties. • Disabled people were significantly more likely to receive a community care grant or budgeting loan
<p>Decision: Proceed to full impact assessment –Yes Date: 20.9.12</p>
<p>If you have answered ‘No’ you need to pass the completed form for approval & sign off.</p>

<p>Section two: Identifying impacts and evidence- Equality and Diversity</p> <p>Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.</p>			
<p>Identify the impact : does this increase differences or does it aim to reduce gaps for particular groups?</p>	<p>Explain your conclusion, including relevant evidence and consultation you have considered.</p>	<p>What further action is required? (Include in Sect. 3 action plan)</p>	
<p>Gender</p> <p>Potential impacts where discretionary support may be needed include: Male/female</p> <ul style="list-style-type: none"> ○ Women are more likely to provide care for others including children. Their employment opportunities and income are often limited by care responsibilities, for example they are more likely to work part-time or be unemployed. ○ There is a greater number of older women in the county 	<p>National evidence from Equality & Human Rights Commission Triennial Review.</p> <p>Local evidence:</p> <ul style="list-style-type: none"> • Crisis Loans were split fairly evenly between single male and female recipients whereas over half of all CCGs went to single females. • Around a fifth of Crisis Loan awards go to lone parents (Crisis Loans Items 19%, Crisis Loans Living Expenses 20%) but almost a third (31%) of Community Care Grants go to lone parents. These proportions are all relatively high 	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p>	

	<p>population than men. Historically older women are less likely to have good pension provision.</p> <ul style="list-style-type: none"> ○ Lone parents are more likely to be a female primary carer. National evidence shows they are more likely to be unemployed or work part-time, have lower incomes and lower savings. ○ Women also experience greater financial impacts as a result of divorce or separation, national evidence shows that their employment opportunities, income and savings levels are less than men. ○ National evidence also shows that male employment has reduced during the recession. Although female employment has also been affected women are more likely to find part-time or seasonal work as an alternative. <p>Transgender – national surveys and local anecdotal evidence suggests transgender people may be more likely to be unemployed or self-employed due to concerns about hostile work environments. It is also possible that transgender people have limited savings where they have self-funded surgery.</p>	<p>compared to the proportion of lone parent families in the UK population (11%).</p> <ul style="list-style-type: none"> • Community Care Grants also tended to be awarded more frequently to families with children, especially those with young children aged 0-5. <p>Support would be available for those with dependent children, for pregnancy/maternity, affected by domestic violence if they meet the relevant criteria. The support would include the needs of babies and children, e.g. nappies and milk.</p> <p>The application process would enable carers to make or support an application as well as other third party organisations.</p>	
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<p>Age</p>	<p>Local evidence shows a higher rate of support currently goes to younger people.</p> <p>Potential impacts where discretionary support may be needed include:</p> <p>Older people are less likely to have regular income from employment and many rely on pensions/benefits to meet living costs. In recent years increasing numbers of older people have been affected by financial hardship through reduced interest from savings.</p> <p>There is also potential positive impact for older people where support can be targeted more locally through advice and other agencies – anecdotal evidence suggests that many older people are reluctant to seek benefits or financial support until they are in extreme hardship.</p> <p>Families</p> <p>Those with children aged under 5 are more likely to be unemployed or work part-time hours (mostly female).</p> <p>Families with school-aged children are likely to have lower levels of savings than those without children.</p> <p>Younger people</p> <p>This group is more likely to have lower incomes and limited savings. National</p>	<p>Local evidence:</p> <ul style="list-style-type: none"> • Awards for relevant Crisis Loans and Community Care Grants predominantly went to younger people. Over half go to people aged under 35 (Crisis Loans Items – 65%, Crisis Loans Living Expenses – 69%, CCG – 53%) • A small proportion of CCG awards also went to older people, 6% of awards to people aged 65+, compared with no Crisis Loans to this age group. <p>One aim of the fund is to support older people to remain in or return to their local community. Those with dependent children would also be eligible if they meet the relevant criteria.</p> <p>Other payment and support schemes are already available for young people in need.</p>	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p>
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	<p>evidence shows that younger people are less likely to find employment in the current financial climate. There are other financial impacts related to age restrictions on eligibility for other benefits.</p>		
<p>Disability</p>	<p>Potential impacts where discretionary support may be needed include:</p> <p>Depending on their disability they are more likely to be unemployed and may be unable to seek employment. Disabled people are often employed in lower paid or part-time jobs which means they have limited capacity to meet extra costs. The additional costs relating to some disabilities mean that some people rely heavily on benefits, proposed changes to welfare will potentially mean more disabled people in financial hardship.</p> <p>National evidence shows that couples with a disabled child are less likely to both be in employment. They are also more likely to provide longer hours of care than parents of non-disabled children.</p> <p>People with a mental health condition or a learning disability may not seek help for financial difficulties. Tailored advice would help to ensure negative financial impacts are minimised. They may also be more vulnerable to</p>	<p>Local evidence is not available but national research in Section One suggests that disabled people were more likely to receive a CCG and had high rates of Crisis Loan support.</p> <p>The proposed scheme would include specific disability and health related costs for those meeting the relevant criteria. Mental health or learning disability may prevent people from applying or benefiting equally so the application and assessment process would allow carers and other third parties to act on behalf of an individual.</p> <p>The current Government scheme is operated by telephone, any local scheme would provide alternative communication methods as a reasonable adjustment.</p>	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p> <p>Support in accessing the funds available through third party advice organisations to help with financial changes.</p>

	impacts on wellbeing due to financial concerns.		
Race/Ethnicity	<p>Potential impacts to consider:</p> <ul style="list-style-type: none"> There may be specific needs relating to an individual's ethnic background – e.g. in terms of health or dietary requirements. 	<p>Current caseload data from DWP does not include ethnicity.</p> <p>Support under the proposed policy would include specific requirements related to ethnicity/race where individuals met the relevant criteria.</p>	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p>
Religion or belief	<p>Potential impacts to consider:</p> <ul style="list-style-type: none"> There may be impacts in relation to religion or belief. 	<p>Current caseload data from DWP does not include religion or belief.</p> <p>Support under the proposed policy would include specific requirements related to religion or belief – for example, dietary requirements, attendance at funerals where individuals met the relevant criteria.</p>	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p>
Sexual orientation	<p>Potential impacts to consider:</p> <ul style="list-style-type: none"> Links to homelessness for those fleeing domestic abuse (particularly young people). There is very limited national and local evidence relating to financial inclusion. There is evidence that some lesbian, gay and bisexual people are more likely to live alone which may have an impact on their household income levels. 	<p>Current caseload data from DWP does not include sexual orientation.</p> <p>Whilst there are no specific provisions in the proposed policy would support those fleeing domestic abuse and take into account the needs of people in same sex relationships.</p>	<p>Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.</p>

How will this promote positive relationships between different communities?

This will not directly promote positive relationships between different communities. Financial inclusion does promote strong communities but financial differences can create tension. Supporting people to return to or remain in their homes may also

contribute to strong community relations.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

This equality impact assessment considers Durham County Council's response to national changes in administering two elements of the Social Fund. Implementation of a local scheme for discretionary payments is subject to a final decision by Council.

If Council decide to adopt a local scheme providing Daily Living Expenses and Settlement Grants from 2013/14 this will be administered and monitored in order to provide fair and equal access to those meeting the relevant criteria. The proposed policy has taken into account the specific needs of people with protected characteristics in order to prevent unintentional exclusion. The proposal also seeks to improve on current arrangements by responding to different communication needs and enabling support from carers or other third parties. There are potential positives where individuals accessing support will also have access to advice on financial management. The proposed scheme includes limitations on the number and type of application to address misuse.

If Council decide not to adopt a local scheme the level of financial hardship for some of the most vulnerable is likely to increase. This could have direct and immediate impacts for some in relation to health and safety but there may also be other impacts:

- o Health/wellbeing as a result of stress or anxiety over financial difficulties.
- o Housing where people are unable to meet other costs as a result of increased council tax contributions or look to move to cheaper alternative accommodation, whilst this is relatively unlikely it is still a potential impact to be considered.
- o Legal action as a result of debt can have a negative impact both in terms of additional costs and stress but also potentially in relation to employment.

Action to be taken –	Officer responsible	Target Date	In which plan will this action appear
Equality statements and monitoring to be included in policy or any relevant contract to ensure fair treatment – applies to all characteristics.	Ian Ferguson	TBA - If approved by Cabinet	
Support in accessing the funds available through third party advice organisations to help with financial changes.	Ian Ferguson	TBA - If approved by Cabinet	
When will this assessment be reviewed?	Date: April 2014		
Are there any additional assessments that need to be undertaken in relation to this assessment?	None		
Lead officer - sign off: Ian Ferguson			Date:27.11.12
Service equality representative - sign off: Bev Stobbart			Date:27.11.12

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.

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