

Cabinet

11 July 2018

Medium Term Financial Plan(9), 2019/20-2022/23 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs



CORP/R/18/01

Report of Corporate Management Team

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Purpose of the Report

- 1 To provide an update on the development of the 2019/20 budget and the Medium Term Financial Plan (MTFP(9)) . The report also considers reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Rates Discretionary Rate Relief.

Executive Summary

- 2 Local Government is operating in a period of significant financial uncertainty brought about by a combination of on-going austerity, pressures in social care services and other unfunded pressures arising from pay and price inflation. The financial outlook for the Council will continue to be extremely challenging for the foreseeable future, with government funding reductions confirmed as continuing until at least 2020.
- 3 The Fair Funding review is scheduled for implementation from April 2020 alongside a move to 75% Business Rates Retention (BRR). There is no certainty as to future local authority funding allocations beyond this point and there is no clarity on how funding will be distributed at this stage. It is clear however that there are significant risks to the Council's funding depending on the principles that are agreed for fair funding distribution and how the move to 75% BRR is implemented. It is also clear that the Council is likely to face further unfunded cost pressures in the future.
- 4 Early indications from the Fair Funding review discussions are that there is a growing risk that government may adopt the Advisory Council for Resource

Allocation (ACRA) methodology for apportioning Public Health Grant from April 2020, and from this date Public Health Grant will form part of BRR. This is a significant financial risk - the Council would be the biggest loser of Public Health funding of any authority in the country losing a forecast £19 million (circa 35%) of current public health funding. Based on the modelling undertaken, the major beneficiary of these changes would be Surrey County Council who would benefit from an increase of circa £14 million. In the main, the ACRA formula sees a significant shift in Public Health funding from deprived areas to more affluent areas.

- 5 It is likely that any variance in government grant allocations resulting from the Fair Funding review will be implemented across a five year transition period. If the Council were to lose funding therefore, it is expected this will be implemented across a five year time frame. Assumed losses of government funding resulting from the Fair Funding review have been included in the MTFP for the first time.
- 6 At this stage, the Council is planning on the basis of a Revenue Support Grant (RSG) reduction of £14.24 million in 2019/20. This will be the final year of the current four year settlement. The Council has taken into account assumed government funding reductions, forecast increase in other income streams and assumed base budget pressures in developing a four year MTFP(9) plan.
- 7 Although the settlement from government is unchanged to that reported to Council in February 2017, in line with previous practice the MTFP Model has been reviewed. Savings of £35.3 million are forecast to be required to balance the budget over the 2019/20 to 2022/23 period. Savings are forecast to be required in all years of MTFP(9) as budget pressures and the impact of funding reductions outstrip the Council's ability to generate additional income from business rates and council tax.
- 8 The achievement of an additional £35.3 million of savings over the next four years will be extremely challenging – more so given the savings that have already been made. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions. This is becoming much more difficult however, as the scope for further savings in managerial and back office efficiencies is becoming exhausted following the delivery of £224 million of savings up to 31 March 2019.
- 9 The total savings required at this stage for 2019/20 to balance the budget amount to £8.8 million, which is 25% of the £35.3 million estimated to be required over the next four years. Savings plans have been developed for 2019/20 in addition to those agreed by Council on 21 February 2018. These savings are detailed in this report. A significant proportion of the savings identified for 2019/20 are generated from the Transformation Programme which aims to support the MTFP in the coming years and to protect front line services wherever possible. Savings plans will continue to be developed in the coming months to seek to balance the budget beyond 2019/20. The Council will also consider how best to utilise the Budget Support Reserve

(BSR) across the MTFP(9) period to ensure the impact of all savings plans are carefully considered and consulted on. The current balance on the BSR as reported to Council on 21 February 2018 is £29.6 million.

- 10 The Council, along with Northumberland, are the only two local authorities in the North East to have retained entitlement levels for Council Tax support within the Local Council Tax Reduction Scheme (LCTRS) in line with that which applied under the national Council Tax Benefit regime prior to 2013/14. The policy has protected vulnerable residents at a time when welfare reform changes have had a significant adverse impact. This report recommends that the current LCTRS is retained for a further year into 2019/20. Should the Cabinet agree, the Council will need to formally adopt this policy at Full Council prior to 11 March 2019.
- 11 This report also considers the annual review of the Council Tax Discretionary Discounts (Hardship Relief) Policy and the Council Tax Exemption for Care Leavers Policy, plus the updated Local Discretionary Rate Relief Policy.

Background

- 12 To ensure MTFP(9) can be developed effectively and savings targets delivered in time to produce a balanced budget, it is important that a robust plan and timetable is agreed and followed.
- 13 The current MTFP(8) forecast that the Council agreed on 21 February 2018 covers the four year period 2018/19 to 2021/22. It is recommended at this stage that MTFP(9) covers a four year period 2019/20 to 2022/23 which takes plans up to the end of current four year confirmed settlement in 2019/20, plus a further three years. During this period the Council will continue to face significant budget pressures, especially relating to the National Living Wage and Social Care whilst facing the uncertainty over the impact of the Fair Funding review. Planning across the medium term in this way ensures that decisions can be made in the knowledge of the likely financial position of the Council and provides a basis for effective decision making taking account of the best estimates of income and expenditure.
- 14 At this stage of the planning cycle for MTFP(9) the following areas are presented for consideration by Cabinet:
 - (a) an update on the development of the 2019/20 budget since the Council agreed its MTFP(8) strategy on 21 February 2018;
 - (b) details of savings plans for 2019/20;
 - (c) an update on the MTFP(9) savings forecast for the period 2019/20 to 2022/23;
 - (d) a draft MTFP(9) decision making timetable;
 - (e) proposed approach for consultation of MTFP(9);

- (f) workforce implications;
- (g) equality considerations;
- (h) consideration of the proposed Local Council Tax Reduction Scheme (LCTRS) for 2019/20;
- (i) consideration of the annual review of the Council's Council Tax Discretionary Discounts (Hardship Relief) Policy and the Council Tax Exemption for Care Leavers Policy;
- (j) consideration of updated Local Discretionary Rates Relief Policy.

Review of MTFP Model

- 15 As set out earlier in the report, the financial outlook for the Council continues to be extremely challenging with government funding reductions confirmed as continuing until at least 2020. The national finances are forecast to be in deficit until at least 2022/23 and as such there is still a possibility that government funding reductions could extend beyond 2019/20. In addition there is uncertainty in relation to the impact of the 2019 Comprehensive Spending Review (CSR), the Fair Funding review and the move to 75% BRR.
- 16 The national finances continue to face significant uncertainty as the performance of the economy is not meeting expectations. There is also the significant uncertainty in relation to the impact of Brexit.
- 17 The Council will need to continually review the MTFP(9) projections and savings requirements over the coming months in light of future announcements.
- 18 The Council will receive additional Improved Better Care Fund monies in 2019/20 of £5.7 million although there is a subsequent reduction of £4 million in 2020/21. The government has always indicated that the Improved Better Care Fund was short term support for Adult Social Care. At this stage there is no clarity as to whether the Council will receive further Improved Better Care Fund allocations in the future.
- 19 In line with previous years, a thorough review of the Council's budget has taken place subsequent to the approval of MTFP (8) by the Council on 21 February 2018. This has resulted in a number of changes to the assumptions built into 2019/20 and where necessary future years' budget models. The key adjustments and major areas for consideration are detailed below:

(a) Revenue Support Grant (RSG) / Fair Funding Review

Reductions in RSG for 2019/20 of £14.2 million were confirmed by the government as part of the Council's current four year settlement. For planning purposes at this stage it is assumed that there will be no further core funding reductions across the MTFP(9) period as a result

of further austerity reductions. The picture may become clearer in this regard after the 2019 CSR outcome is published.

There are major risks to the Council of changes to the public health grant formula (ACRA) which is being considered as part of the Fair Funding review although there is no clarity on the wider impact of the review outcomes. At this stage it is prudent to build in an assumption of a £2 million per annum reduction in government funding from 2020/21 for a five year transition period as a result of the Fair Funding review. This represents at this stage, a forecast of a total loss of £10 million of funding for the Council from the Fair Funding review outcomes. Clearly, the Council will lobby throughout the review process however at this stage this provision is considered prudent. This position will need to be continually reviewed across the MTFP(9) period.

(b) Housing Benefit Administration Grant

This grant has been reduced annually for a number of years although there has been no significant reduction in workload in terms of housing benefit processing. Workloads over the coming years however will be impacted due to the introduction of the Universal Credit. Although the workload will reduce it is forecast that the reduction in grant will far outstrip the council's ability to reduce costs. Reductions in the grant have been built into the MTFP for 2019/20 and 2020/21.

(c) Council Tax – Adult Social Care Precept

MTFP(9) includes an assumption that the Council will utilise the adult social care flexibility to increase council tax by an additional 2% on top of the forecast 3% referendum level in 2019/20. There is no firm confirmation from government however that the referendum limit will be 3% in 2019/20 although an increase of 3% was included in the government's core spending power published calculations for 2019/20. In MTFP(9) it is assumed that the adult social care precept flexibility will end after 2019/20 and that the Council will continue to increase Council Tax at 1.99% across the remainder of MTFP(9).

(d) Council Tax / Business Rate Tax Base Increases

An assumption had been built in MTFP(8) of a £1.5 million annual increase in the tax base for both council tax and business rates across the period 2019/20 to 2021/22. Regular reviews are carried out on tax base increases and at this stage it is forecast that the assumptions can be amended as follows which will support MTFP(9):

	£m
2019/20	2.5
2020/21	3.0
2021/22	1.5
2022/23	1.5

(e) **National Living Wage (NLW)**

MTFP(8) assumptions were based upon the Low Pay Commission's November 2018 report. The report forecast that the future increases in the NLW would be as follows:

	£ per hour	% increase
2018/19	7.83	4.4%
2019/20	8.18	4.5%
2020/21	8.57	4.8%
2021/22	8.83	3.0%

Base budget pressures have been included across the MTFP(9) period for the impact of the NLW based upon the above position. This impact in the main relates to price increases the Council will be required to pay to private sector providers to take account of their increased costs across the MTFP(9) period. The Council includes a 1.5% annual price inflation allowance across the MTFP(9) period but this is unlikely to suffice when private sector provider costs can be increasing due to 3% - 4.8% increases in the NLW. The major impact in this regard relates to the private sector social care providers.

The MTFP(9) NLW budget pressure assumes an additional increase in 2022/23 and also takes into account the possible likely impact upon the Council's own pay structure.

(f) **Children's Social Care Staffing**

A £0.4 million base budget pressure has been included in 2019/20 to enable investment to be made in an employee retention strategy for key Children's social workers which brings the Council in line with many others across the region and will enable social work to flourish within managed caseloads and good outcomes for children, young people and their families.

(g) **Job Evaluation**

Higher Principal Officer (HPO) grades will be job evaluated to ensure the pay structure reflects the changing demands and expectations of these roles. Savings of circa £3 million have previously been made from management structures across the council. As has been the case with previous job evaluation exercises, provision is being made for the estimated costs of implementing the outcome of this evaluation process, estimated at £500,000.

(h) **Prudential Borrowing**

A review has been carried out in relation to the profiled spend of the capital budget, the timing of borrowing and the timing of when the Council is required to make a Minimum Revenue Provision (MRP) charge. This has enabled a reduction in the forecast additional revenue budget required to support the capital programme through prudential borrowing. The reductions are as detailed in the table below:

	MTFP (8)	MTFP (9)	Difference
	£m	£m	£m
2019/20	1.0	0.25	(0.75)
2020/21	2.0	0.75	(1.25)

2019/20 Savings Forecast

- 20 Based upon the revised assumptions detailed in this report, the savings requirement for 2019/20 is forecast to be £8.8 million, slightly lower than the MTFP(8) forecast of £9.9 million. The reduction in the main, relates to the review of the tax base and prudential borrowing requirement detailed previously in the report. The 2019/20 £8.8 million saving figure is inflated due to the need to recover the £0.339 million of the BSR utilised in 2018/19 to balance the budget and delay the impact of savings upon front line services.
- 21 In MTFP(8) a range of savings of £2.445 million were approved which would be achieved in 2019/20. As part of the MTFP(9) process these savings have been reviewed and reduced by £0.155 million to £2.290 million. This reduction relates to a review of business support services in Children and Young People's Services. This saving has been subsumed into a broader review of business support services as part of the Transformation Programme and is referenced later in the report.
- 22 In addition to the £2.29 million of savings detailed above, additional savings of £5.637 million have been identified at this stage for 2019/20. These savings are detailed in **Appendix 2**. A number of these savings relate to commercial developments considered as part of the Transformation Programme. The current forecast position for 2019/20 is as follows:

	£m	£m
2019/20 Savings Requirement		8.845
MTFP (8) Approved Savings	(2.290)	
Additional MTFP Savings	<u>(5.637)</u>	
Total Forecast Savings		<u>(7.927)</u>
SAVINGS SHORTFALL		<u>(0.918)</u>

- 23 The table above highlights a current savings shortfall in 2019/20 of £0.918 million. Work will continue in the coming months to seek to identify additional savings to address the shortfall. It is expected that if there is still a shortfall in savings at the time Council agree the budget in February 2019, then the BSR will be utilised.

- 24 Savings driven through the Transformation Programme will continue to contribute to the achievement of savings across MTFP(9) with prospective savings for the period 2020/21 to 2022/23 detailed later in the report.

MTFP(9) – 2019/20 to 2022/23 Update

- 25 The adjustments to MTFP(9) planning detailed in this report have impacted upon the forecast savings requirements for the 2019/20 to 2022/23 period. This is especially the case in relation to the forecast loss of £6 million of funding relating to the transfer of Public Health grant into BRR.
- 26 The current forecast of savings required for the period 2019/20 to 2022/23 are detailed below:

Savings Requirement	
	£m
2019/20	8.845
2020/21	12.372
2021/22	7.447
2022/23	6.650
TOTAL	35.314

- 27 This report has previously identified that £7.927 million of savings have been identified for 2019/20 leaving a shortfall of £0.918 million in 2019/20. In addition, however, MTFP(8) approved a range of savings for 2020/21. These savings originally amounted to £1.383 million. The viability of achieving these savings has been reviewed with the outcome being that there is confidence that these savings will be achieved.
- 28 The Transformation Programme has been considering a range of options to improve service provision, identify efficiencies, reduce costs and also increase income. Savings of this nature will ensure the Council is able to protect front line services. In addition to the Transformation Programme savings of £4.25 million included in 2019/20 plans, a range of further savings have been identified for 2020/21 and 2021/22. Details of these savings are included in **Appendix 2** with the sums available detailed below:

	£m
2020/21	3.8
2021/22	0.8
TOTAL	4.6

- 29 A review of Council Business Support functions across the next couple of years is expected to generate a 2020/21 saving of £3.1 million which subsumes the £0.155 million CYPS business support saving previously referenced in this report.
- 30 In addition to savings identified from the Transformation Programme it is expected that the Council will realise a £0.275 million saving in 2022/23 when

the new Council HQ is fully up and running. This forecast saving was reported to Cabinet previously as part of the HQ report.

- 31 The savings total included in **Appendix 2** of £14.245 million across the MTFP(9) period reduces the savings shortfall to £21.129 million as detailed below.

	Savings Required £m	Savings Identified £m	Savings Shortfall £m
2019/20	8.805	(7.927)	0.918
2020/21	12.372	(5.183)	7.189
2021/22	7.447	(0.800)	6.647
2022/23	6.650	(0.275)	6.375
TOTAL	35.314	(14.185)	21.129

- 32 The table above highlights that additional savings of £21.129 million will be required across MTFP(9) to balance the budget. This must also be considered alongside the considerable uncertainty facing local government at this time especially in relation to the outcome of the CSR, the Fair Funding review and the implementation of the next stage of BRR. The Transformation Programme will continue to review service provision with the key aim of reducing costs and increasing income wherever possible to ensure the Council can protect front line services.
- 33 It is more likely that savings plans in the future will become more complex and as such will require significant planning and consultation. It will be vital that timeframes for delivery are planned effectively to ensure the Council continues to balance the budget across the MTFP(9) period
- 34 The realisation of additional £35.3 million of savings will have resulted in the Council being required to save £259 million from 2011/12. The MTFP(9) Model is attached at **Appendix 3**.

MTFP(9) Timetable

- 35 A high level timetable up to Budget setting is detailed below:

Date	Action
11 July	MTFP report to Cabinet
14 September	Corporate Overview and Scrutiny Management Board consider 11 July Cabinet Report
17 October	MTFP/Council Plan report to Cabinet
October/November	MTFP Consultation period

Date	Action
1 November	Corporate Overview and Scrutiny Management Board consider 17 October Cabinet Report
14 November	Tax Base/Collection Fund report to Cabinet
Early December	2019/20 Finance Settlement announced by DCLG
12 December	MTFP/Council Plan report to Cabinet – consultation outcomes
17 December	Corporate Overview and Scrutiny Management Board consider 12 December Cabinet Report
16 January	MTFP/Council Plan report to Cabinet – (if required)
6 February	Budget Report to Cabinet
13 February	Corporate Overview and Scrutiny Management Board consider 6 February Cabinet Report
20 February	Council Budget and MTFP report

Proposed Consultation Programme

- 36 In recent years the Council has carried out extensive consultation on its budget proposals. In the face of unprecedented budget reductions, these consultations have focussed primarily on seeking views on proposed changes to specific frontline services, as well as periodically requesting views on priority and non-priority services. Given that the majority of savings in this report have been previously agreed and consulted upon, it is proposed that consultation for 2019/20 is primarily targeted at informing partner agencies and the public of the proposed approach to achieving the total MTFP(9) savings requirement of £35.3 million of which £14.2 million of savings are detailed in this report. It is proposed that details of the approach will be outlined to the public through a series of presentations to the 14 Area Action Partnerships as well as providing an opportunity for comment on the Council's website.

Workforce Implications

- 37 The Council originally estimated 1,950 reductions to full time equivalent posts by the end of 2014/15. By 31 March 2019, it is forecast that there will have been a reduction of 2,900 posts, of which 750 will have been via the deletion of vacant posts. It is forecast that the number of post reductions will increase over the coming years as savings plans are developed and agreed to achieve the MTFP(9) required saving of £35.3 million.

- 38 The Council will continue to take all possible steps to avoid compulsory redundancies and minimise the impact upon the workforce. This will require a continued focus on forward planning, careful monitoring of employee turnover, only undertaking recruitment where absolutely necessary and retaining vacant posts in anticipation of any required service changes, seeking volunteers for early retirement and/or voluntary redundancy and maximising redeployment opportunities for the workforce wherever possible.
- 39 In addition, the way that work is organised and jobs designed will continue to be reviewed by service groupings, with the support of Human Resources, to ensure that changes that are made to maximise the use of the workforce numbers and skills and introduce flexibility into the way work is organised to maximise the capacity of the remaining workforce.
- 40 These actions will ensure that, wherever possible, service reductions continue to be planned well in advance of commencing the exercises, employees are able to consider their personal positions and volunteer for ER/VR prior to the start of the exercise should they wish to, thereby enabling, in a number of situations, the retention of sustainable employment in the County for those who wish to remain in the workplace.

Equality Impact Assessment of the Medium Term Financial Plan

- 41 Consideration of equality analysis and impacts is an essential element that members must consider in approving the savings plans at Appendix 2 for consultation. This section updates Members on the outcomes of the equality analysis of the MTFP (9) savings proposals to date.
- 42 The aim of the equality analysis process is to:
- (a) identify any disproportionate impact on service users or staff based on the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation;
 - (b) identify any mitigating actions which can be taken to reduce negative impact where possible;
 - (c) ensure that we avoid unlawful discrimination as a result of MTFP decisions;
 - (d) ensure the effective discharge of the public sector equality duty.
- 43 As in previous years, equality analysis is considered throughout the decision-making process, alongside the development of MTFP(9). This is required to ensure MTFP process decisions are both fair and lawful. The process is in line with the Equality Act 2010 which, amongst other things, makes discrimination unlawful in relation to the protected characteristics listed above and requires us to make reasonable adjustments for disabled people.

- 44 In addition, the public sector equality duty requires us to pay ‘due regard’ to the need to:
- (a) eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 45 Savings options presented at Appendix 2 have been subject to equality impact analysis where applicable. All proposals with equality implications have been subject to equality analysis in previous years as they all relate to a residual saving or continuation of a saving.
- 46 A number of successful judicial reviews has reinforced the need for robust consideration of the public sector equality duty and the impact on protected characteristics in the decision making process. Members must take full account of the duty and accompanying evidence when considering the MTFP proposals.
- 47 Throughout the period of MTFP planning through to setting the MTFP(9) budget in February 2019, the equality analysis for all savings proposals will continue to be reviewed and updated with results of consultation and further information as it becomes available. Final equality analysis will be considered in decision-making processes.
- 48 In terms of the ongoing programme of budget decisions the Council has taken steps to ensure that impact assessments:
- (a) are built in at the formative stages so that they form an integral part of developing proposals with sufficient time for completion ahead of decision-making;
 - (b) are based on relevant evidence, including consultation where appropriate, to provide a robust assessment;
 - (c) objectively consider any negative impacts and alternatives or mitigation actions so that they support fair and lawful decision making;
 - (d) are closely linked to the wider MTFP decision-making process;
 - (e) build on previous assessments to provide an ongoing picture of cumulative impact;

Impact Assessments for 2019/20 Savings Proposals

- 49 A total of nine savings proposals as listed at Appendix 4, have equality implications. These listed proposals include potential service user impacts across all protected characteristics, but, most commonly around age, sex and disability. Staffing reviews have potential impacts across all protected characteristics and fair treatment of staff will be ensured through applying agreed corporate HR change management procedures.
- 50 The remaining proposals have no equality implications and therefore do not require an equality impact assessment.
- 51 Key analysis from these impact assessments are summarised below and Members are asked to note this equality analysis and that detailed at Appendix 4 when considering the impact of savings proposed in this report.

Adult and Health Services (AHS)

- 52 Adult and Health Services savings proposals all reflect ongoing savings agreed in previous years. These include the ongoing reviews of direct provision of remaining in-house care and support services, adult social care charging and adult social work functions.
- 53 At this stage, changes to be made to the operating models for in-house adult social care services are not anticipated to affect the level of service provided. Those eligible for support will continue to receive that support subject to ongoing annual review and consistent application of eligibility criteria.
- 54 Ongoing savings continue to be made via changes to adult social care charging policy for new cases in respect of disability related expenditure disregards and minimum income guarantee thresholds. Assessment of new cases could lead to an adverse financial impact for some due to additional charging as a result of these policy changes. Full consultation was carried out prior to the introduction of both policy changes and no complaints have been received to date. Ongoing support is provided to service users where necessary as changes are implemented.
- 55 Service users affected by AHS proposals tend to be older and/or have a disability. In addition, a higher proportion of older service users are female and furthermore women are more likely to be affected in their role as primary carers.
- 56 Other changes involve staffing reviews across a range of services. These reviews have potential impacts across all protected characteristics. Fair treatment of staff will be ensured through agreed corporate HR change management procedures.

Children and Young People's Services (CYPS)

- 57 There is a small continuing saving in relation to the education review for Children's and Young People Services where there is no service impact. Fair

treatment of affected staff will be ensured through agreed corporate HR change management procedures.

Regeneration and Local Services (REAL)

- 58 The proposals in Regeneration and Local Services all reflect continuation savings agreed in previous years in relation to ongoing reviews of culture and sport, buildings and facilities management, garden waste charging and environmental health and consumer protection.
- 59 The ongoing review in culture and sport involves changes to development services in sport and the arts, with further operational reductions across the service. The nature of service delivery in this area mainly involves targeted interventions. Whilst this saving may result in fewer new programmes being introduced, it is unlikely to affect existing users. There are potential impacts in terms of reduced access to targeted interventions for future users which are more likely to affect gender, and or age disability related characteristics.
- 60 Ongoing savings are being made from an increase in charging for garden waste as previously agreed at MTFP(8). To help mitigate the impact there is the option of a discounted multi-year deal and households have been reminded that they can share garden waste bins with neighbours to cut costs. There is also a small increase in charges for bulky waste collection. These changes are likely to have a greater impact on older or disabled residents who may have limited means to access alternative ways of disposing of their garden or bulky waste. Changes mitigated, in part, by the introduction of a points system which means customers can mix smaller and larger bulky items in a single collection which may make some collections cheaper, where the number of items is low.
- 61 The ongoing review of buildings and facilities maintenance does not have a negative impact on service users, with a minimal impact upon staff.
- 62 Environmental health and consumer protection proposals are likely to have both a staff and service provision impact and further information will be made available as the proposal develops.

Resources (RES), Corporate (COR), Transformation and Partnerships (T&P)

- 63 Resources and Transformation and Partnerships have achieved all savings targets set as part of the MTFP process. Savings in these service groupings are accelerated wherever possible to protect front line services. Proposed Corporate savings have no equality implications and therefore do not require equality analysis.

Local Council Tax Reduction Scheme for 2019/20

- 64 The government abolished the national Council Tax Benefits System on 31 March 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a Local Council Tax Reduction Scheme

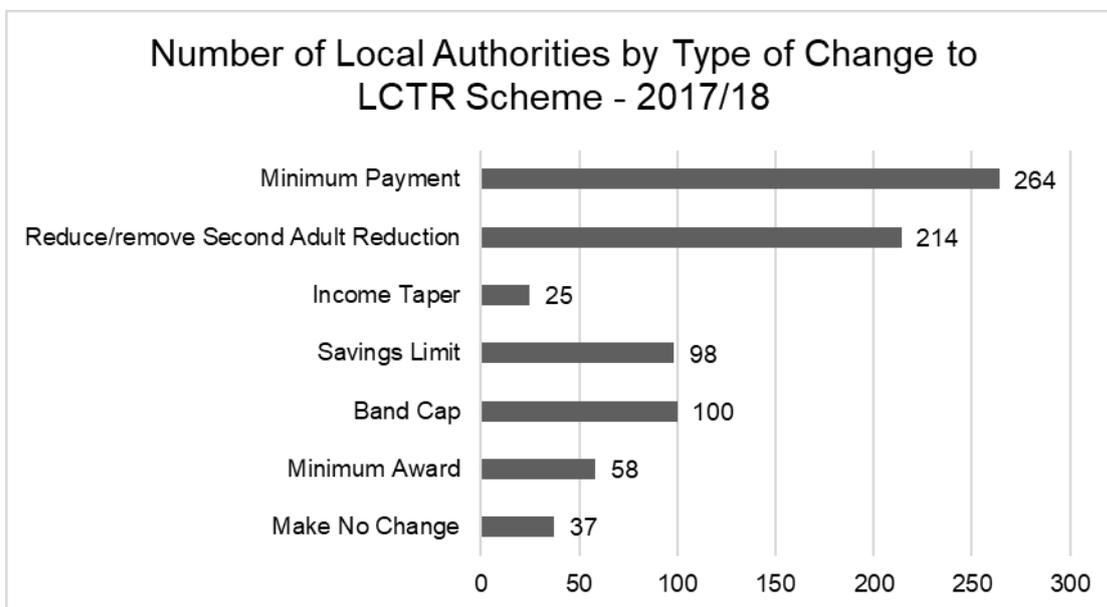
(LCTRS) with effect from 1 April 2013. The LCTRS provides a ‘discount’ against the Council Tax charge, rather than a benefit entitlement.

- 65 The Council Tax Reduction Scheme Grant replaced Council Tax Benefit subsidy and from April 2013 is paid directly to the Council and the major precepting bodies (Police and Fire).
- 66 Government funding towards Council Tax support was reduced by 10 per cent nationally in 2013/14. By so doing, the government also transferred the risk of any growth in the system through more council taxpayers becoming eligible for support with their council Tax to local authorities as the government grant was a fixed amount.
- 67 The funding made available to support the Local Council Tax Support Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council’s formula funding arrangements. Whilst separate figures were published for this in 2013/14, there is no longer any visibility over what level of funding is actually contained within the formula now for Council Tax Reduction Schemes.
- 68 The Council’s formula grant includes an element relating to Town and Parish Councils and whilst the Council passed the grant on to the Town and Parish Councils in the last three years, there is no statutory requirement to do so.
- 69 Following discussions with the Town and Parish Councils’ Working Group, and in the spirit of partnership working, recognising the important role Town and Parish Councils play in providing local services to communities, it is proposed to continue to pass on the Town and Parish element of the formula grant in 2019/20. In doing so, it is proposed that the Council continues to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils in 2019/20 in line with reductions in the overall formula funding made available to the Council and this is reflected in the updated MTFP model.
- 70 Local Council Tax Support Grant payments to Town and Parish Councils is forecast to be £1.308 million in 2019/20, which is around a £93,000 reduction on the amount paid in 2018/19.
- 71 In the North East region, Durham and Northumberland have schemes that continue to mirror entitlement under the former Council Tax Benefit (CTB) system, whilst the other 10 councils have schemes that cap the maximum entitlement to working age claimants. The table below summarises the key features of the schemes in place across the North East in 2018/19 and how their in-year Council Tax collection rates have changed between 2012/13 and 2016/17 (which is the latest published data available):

Local Authority	Basis of Scheme	Minimum Payment	Second Adult Reduction Offered?	Change in in-year council tax collection rate between 2012-13 and 2016-17
Durham	CTB	No	Yes	+1.80%points

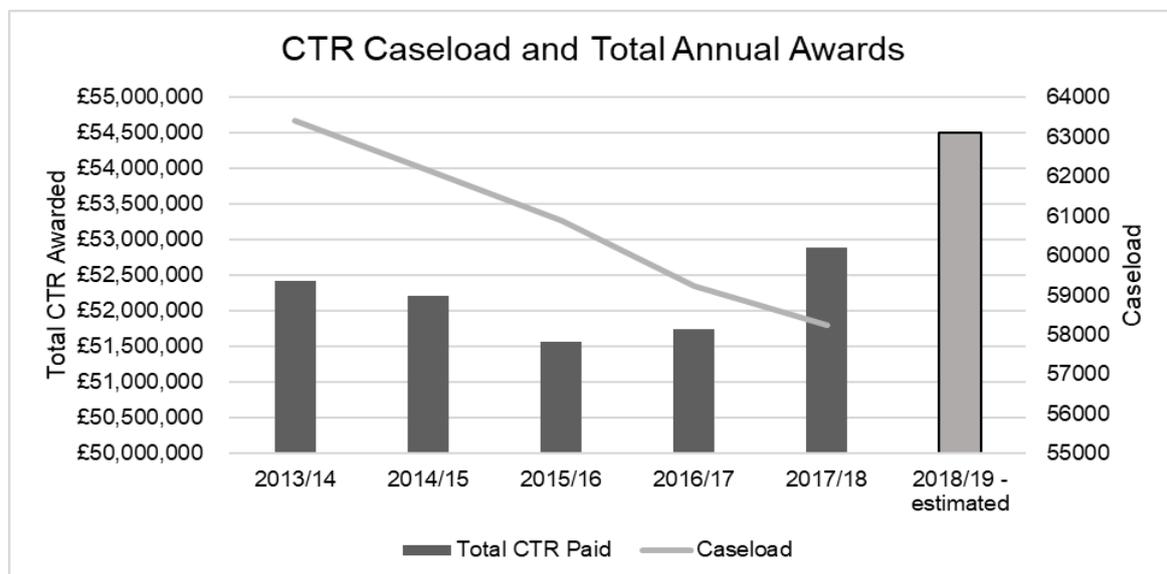
Local Authority	Basis of Scheme	Minimum Payment	Second Adult Reduction Offered?	Change in in-year council tax collection rate between 2012-13 and 2016-17
Darlington	CTB	20%	No	-0.30%points
Gateshead	CTB	8.5%	No	-0.70%points
Hartlepool	CTB	12%	No	-1.30%points
Middlesbrough	CTB	15%	No	-3.20%points
Newcastle	Income Banded	10%	No	-0.20%points
North Tyneside	CTB	15%	No	-0.70%points
Northumberland	CTB	No	Yes	+0.30%points
South Tyneside	CTB	30% or 15% if vulnerable	Yes	-1.50%points
Stockton	CTB	20%	No	-2.40%points
Sunderland	CTB	8.5%	Yes	-1.30%points

72 In 2017/18, Durham was one of just 37 authorities nationally which continue to mirror entitlement under the former Council Tax Benefit system (11%), with 277 out of 326 (89%) having cut the amount of support available to claimants. The latest published data available shows the most common change implemented elsewhere have been the introduction of a minimum payment level and reducing or removing the Second Adult Reduction. The chart below shows the most common types of changes / restrictions implemented to schemes across the country:

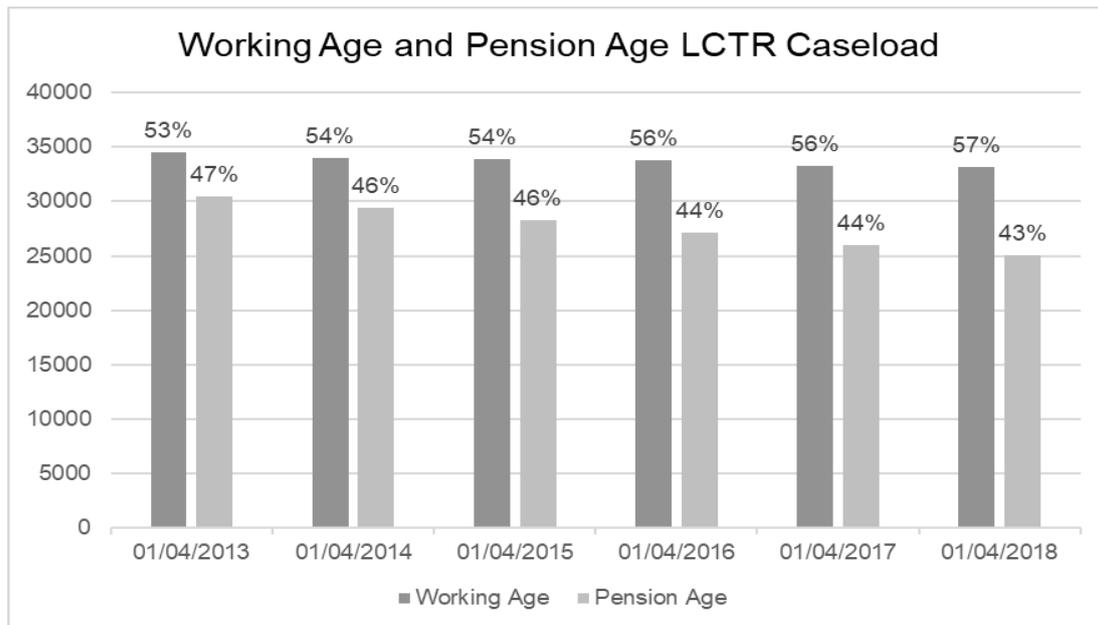


73 In some local authorities, like Durham, low-income households continue to be exempt from paying Council Tax whilst in other local authorities they are required pay up to 50% of their bill regardless of their financial circumstances. There is therefore a wide disparity of support available across the country.

- 74 In 2017/18, around two million families across the country were being adversely affected by the change from Council Tax Benefit. On average these families were paying £191 additional Council Tax in 2017/18 in comparison with what they would have paid under the national CTB scheme. The number of LCTRS claimants paying £200 or more had increased to 825,000 in 2017/18.
- 75 There are currently 58,300 LCTRS claimants in County Durham, of which 24,350 (42%) are pensioners and 33,950 (58%) are working age claimants, with 21,075 working age claimants on 'pass ported' benefits i.e. also in receipt of either Job Seekers Allowance, Employment Support Allowance or Income Support. 27,071 (79.77%) of all claimants currently receive 100% LCTRS discount, with LCTRS support forecast to be approximately £54.5 million in 2018/19.
- 76 Despite a steadily falling caseload in Durham over recent years, in cash terms the annual total amount of LCTRS awards has remained broadly static:



- 77 The LCTRS caseload in Durham has reduced by 8.76% between 2013/14 and 2017/18, reflecting a national trend which is in part attributed to improved economic conditions (reduced unemployment) across this period and the increase in the state pension age. The reduction in LCTRS caseloads nationally has been 16.49% over the same period, which will reflect the fact that many local authorities have made their schemes less accessible, meaning fewer applicants now qualify for support.
- 78 In Durham, there are now over 4,000 claimants currently classed as working age that would have been treated as pensionable age claimants prior to 2010, when the process of moving state pension credit age from 60 to 66 began. This process is expected to be completed in 2020 with a further move up to 67 between 2026 and 2028, then to 68 between 2044 and 2046. As the chart below shows, over the last five years there has been a four percentage point increase in the proportion of working age applicants within Durham:



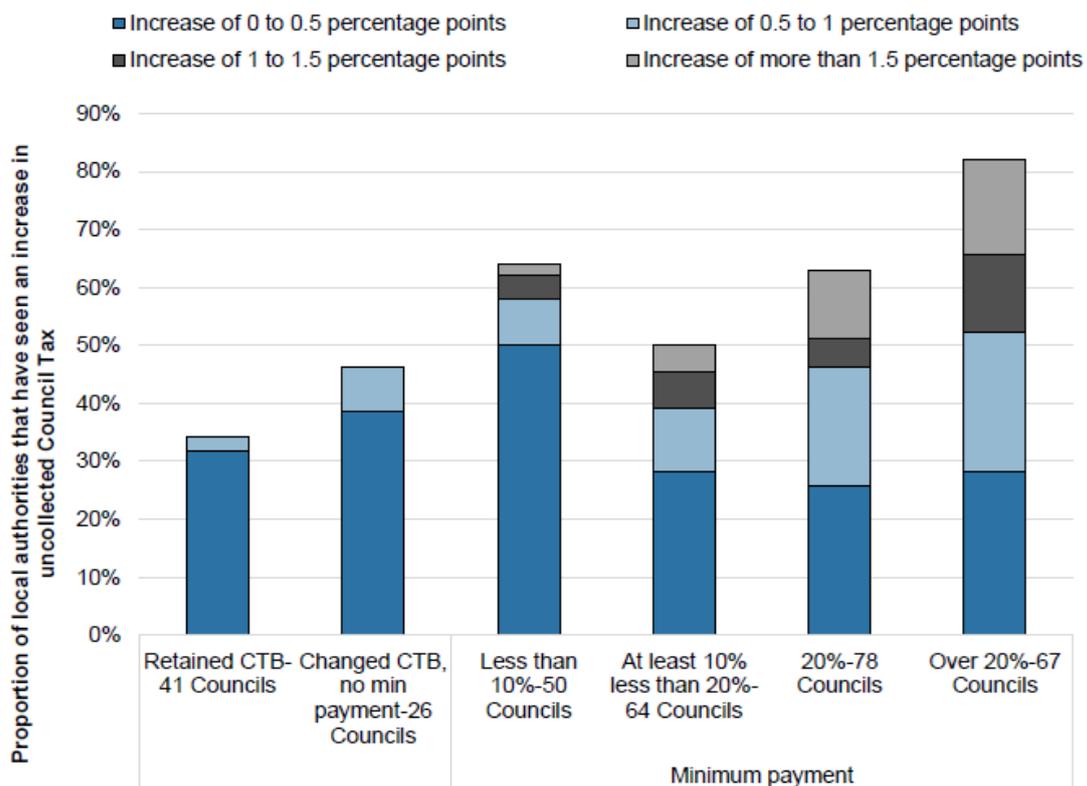
- 79 This means a higher proportion of our caseload is coming under the part of the LCTRS scheme that the Council has control over. Working age customers also carry a greater administrative burden as they have more frequent changes in their circumstances.
- 80 As Members will be aware, if any changes are made to the scheme, these must be consulted on and be subject to an equality impact assessment. Councils are required to review and approve their schemes annually and have this agreed by a Council Meeting before 11 March each year (previously it was 31 January, but has recently been changed).
- 81 Pensioners, have to be protected from any changes, with any reductions applied to working age claimants only.
- 82 Six years after the government abolished the national Council Tax Benefits System the Council continues to have a Local Council Tax Support Scheme which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No LCTRS claimants have therefore been financially worse off in the last six years (including the current year) than they would have been under the previous national scheme.
- 83 The Council has been mindful of the continuing impacts of the wider welfare reforms which are having a detrimental impact on many low income households and the fact that the additional Council Tax liabilities for working age households could have a significant impact on affected household budgets by around £100 to £130 a year based on a scheme whereby entitlement for working age claimants is set at a maximum of 90% entitlement. This would make collection of council tax more difficult and costly to recover from these low income households.

84 To give a national context, in August 2017 the National Policy Institute published a review in to the impact of LCTRS on Council Tax recovery rates, which concluded that councils with higher minimum payments generally continued to have higher overall arrears than in 2012/13 and that:

This could be seen as evidence that some councils have raised taxes beyond sustainable levels for low-income households. Minimum payments that are set too high may result in an increase in uncollected taxes and increasing administration and court costs (for both the claimants and the local authority) as councils seek to recover the taxes.

85 The same report contained the chart below, illustrating that those authorities with higher minimum payment levels were more likely to see an increase in uncollected council tax:

Proportion of Local Authorities that have seen an increase in uncollected tax in 2016/17 compared with 2012/13



Source: NPI analysis of collection rates and receipts of council tax and non-domestic rates in England, DCLG; the data is a comparison of 2016-17 with 2012-13.

86 In approving the scheme for 2018/19, the Council (1 November 2017) gave a commitment to review the scheme on the grounds of MTFP affordability and on-going austerity causing further MTFP pressures.

- 87 Based on tax base assumptions, the estimated net cost of retaining the scheme in 2018/19 is around £5.1 million – this reflects the reduction in Government Grant support towards maintaining these schemes in the first year. To recover the full £5.1 million cost by reducing the benefit awarded to working age claimants, which currently totals around £31.5 million, and factoring in a prudent collection rate of 80%, would require us to reduce the maximum entitlement from 100% to 79.8%.
- 88 Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted Council Tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.52 million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.1 million (based on a scheme that awarded maximum entitlement of 79.8% with a prudent collection rate of 80%). This would impact around 33,950 working age households across County Durham, where 7,088 (21%) are actually in low paid jobs rather than being unemployed.
- 89 Following careful consideration of the current financial position of the Council and in light of further cuts to the Welfare Budget planned by government, including the continued roll out of Universal Credit Full Service, which commenced in October 2017 in County Durham; it is proposed that Cabinet recommend to Council that the current scheme should be extended for a further year into 2019/20 and, therefore, that no additional Council Tax revenues or pressures are built into the MTFP projections from a review of the LCTRS at this stage.
- 90 The reasons for extending the current scheme are due to the current scheme remaining within existing cost parameters for the Council. In addition, whilst the full impacts of the government's Welfare Reforms are complex and difficult to track, demand for Discretionary Housing Payments, Social Fund Applications and Rent Arrears statistics in County Durham compared to others across the region, would suggest that the Council Tax benefit protection afforded to working age claimants, in addition to the wide ranging proactive support that has been put in place, is continuing to have a positive impact on these households.
- 91 The Council will need to continue to review the national situation and track what is happening in local authorities that have reduced LCTRS entitlement to their working age claimants in terms of impacts and performance in terms of recovery of the Council Tax due.
- 92 The Council will also need to keep track of the impact of the roll out of Universal Credit (UC). This presents new challenges for the administration of LCTRS as it results in a much higher number of changes in circumstances (experience is that the UC earned income element changes frequently as the person moves through the claimant commitment with their Work Coach) and removes the administrative economies of scale currently achieved by administering Housing Benefit and LCTRS claims side by side.

- 93 More significantly however, UC changes results in multiple reworking and changes to LCTRS entitlement throughout the year and multiple bills being issued to individual households resulting in numerous changes to their net liability and instalment plans for any Council Tax balance they are responsible for. In areas where UC Full Service has been fully rolled out and has been in place for some time there has been reports of significant reductions in in-year recovery rates in 2017/18 as a consequence, though the data is not yet available to examine in detail.
- 94 To counter this local authorities are increasingly looking to introduce banded schemes, though many have a cap on the maximum amount of support that can be gained. Officers will be modelling options in terms of a banded scheme for consideration for 2020/21, whereby a banded scheme for UC claimants could run alongside the existing scheme for non-UC claimants, with no restriction on the maximum support that can be claimed. The existing scheme needs to be maintained for pensioners in any event.

Review of the Council Tax Discretionary Discounts (Hardship Relief) Policy

- 95 The Local Government Finance Act 1992 section 13a makes the provision for Billing Authorities to reduce the amount of tax payable by awarding a discretionary relief of Council Tax in exceptional circumstances, including hardship.
- 96 In July 2017, Cabinet considered the outcome of a comprehensive review of the Council Tax Discretionary Reduction (Hardship Relief) Policy, which had been updated in April 2013 following the introduction of the Local Council Tax Reduction Schemes, but not reviewed since that date.
- 97 The policy was amended in July 2017 as follows:
- (a) inclusion of a better explanation of the legislation covering hardship awards, i.e. section 13A of the Local Government Finance Act 1992;
 - (b) clarity over the process i.e. that all other reasonable steps should be taken first and how an application for Hardship Relief should be a last resort;
 - (c) clarity over the fact that awards for Hardship Relief would normally be for temporary, short and fixed periods;
 - (d) clarity over the evidence required to substantiate a claim for Hardship Relief and how the Council will meet the costs associated with the award;
 - (e) clarity over the decision making process for assessing claims received and the process for reviewing decisions and the rights of appeal;
 - (f) detail on how fraudulent or misleading applications will be treated;

(g) a revised and updated application form.

- 98 The updated policy reflecting the above changes is available on the Council's website (www.durham.gov.uk/counciltax).
- 99 In approving the updated Policy, Cabinet agreed that in the future a review of the Council Tax Discretionary Reduction (Hardship Relief) Policy would be undertaken on an annual basis and aligned to the review of the Local Council Tax Reduction Scheme.
- 100 The number of applications submitted under this policy continues to be low with only 152 from April 2013 to the end of March 2018, with only four applications being successful. Of the four that were successful, three of these were within the last financial year and were applicants who could no longer occupy their rented properties due to fire damage. However, it should be noted that customers claiming hardship are often unaware or unfamiliar with the Council's LCTRS. In the majority of cases customers are directed towards the LCTRS and asked to submit a claim under that route first and many are subsequently successful in securing support that way.
- 101 The policy, as updated in July 2017, is considered to be fit for purpose and reflects customer needs with only nominal changes proposed at this stage. The Policy has however been amended to state that applications are not accepted from organisations who take payment or commission in respect of Hardship applications.
- 102 Citizens Advice County Durham have been consulted as part of the annual review of this policy and have provided positive feedback on the Council's existing policy and approach. They did however make comment that they felt the Hardship Relief should not be limited to a specific financial year, as outstanding debt could span more than one financial year.
- 103 They also suggested that applicants could be encouraged to seek independent financial advice prior to making an application, via Citizens Advice, who are able to provide this service free of charge and that their contact details should be included in the updated policy.
- 104 Both these suggested amendments have been included in the updated Policy, which is attached at Appendix 5. In addition, the application form has been updated to include other welfare benefits, i.e. Universal Credit, and makes provision for the customer or third party applicant to provide further relevant information.

Council Tax Discretionary Discounts – Council Tax Exemption for Care Leavers

- 105 The government's publication Keep on Caring, Supporting Young People from Care to Independence (July 2016), identified five key outcomes for care leavers. One of these was to support care leavers to achieve financial

stability. Councils were encouraged to consider exempting care leavers from Council Tax using existing discretionary powers.

- 106 The Children's Society supported this view and made calls for councils to exempt care leavers from paying Council Tax up to the age of 25 and in August 2016, the Communities and Local Government Select Committee recommended that care leavers be exempted from Council Tax up to at least age 21.
- 107 In response to this agenda, in July 2017, following a period of consultation, Cabinet approved the introduction of a Council Tax Discretionary Reduction (Relief) For Care Leavers Policy, which exempted care leavers living in County Durham from Council Tax up to the age of 25 and provided a 50% discount to the liable person where the care leaver was residing with an extended family member (or another adult) who had previously lived on their own and received a single person discount. The policy was effective from 1 April 2017.
- 108 In approving the policy, Members agreed that it would be reviewed on an annual basis alongside the review of the LCTRS Scheme and Council Tax Discretionary Reduction (Hardship Relief) Policy.
- 109 Initial modelling to inform the policy introduced last year suggested that each day there re would be on average 53 care leavers with a liability for Council Tax living in County Durham, with the Council Tax charges for these being around £51,000 per annum.
- 110 It was also estimated that each day there would be a further 17 care leavers living with an extended family member (or another adult) who had previously lived on their own and received a single person discount. The policy introduced last year provided for a 50% discount to be applied where a care leaver was residing with an extended family member (or another adult) who had previously lived on their own and received a single person discount, at an estimated cost of £10,600 per annum.
- 111 In 2017/18 there were 147 separate awards to Care Leavers under the new policy, with £67,009 of Council Tax exemptions applied to these accounts. In the current year, 116 awards have been made to Care Leavers, with exemptions applied totalling £87,575. The following table provides a breakdown of the Care Leavers exemptions applied last year and in the current year (position to 31 May 2018):

	2017/18		2018/19	
	No. Awards	Value (£)	No. Awards	Value (£)
100% Care Leavers Exemption	80	42,263.08	60	52,470.61
50% Care Leavers Exemption	67	24,746.29	56	35,104.19
TOTAL	147	67,009.37	116	87,574.80

- 112 The policy is widely communicated and promoted via the Leaving Care Teams in Children and Young People's Services. It has been well received and is providing much needed support to families and young people to help them become independent. It is helping care leavers become financially independent, breaking down some of the barriers that may prevent them from progressing into opportunities, including opportunities to break away from the 'benefits trap' where starting an apprenticeship or other form of employment may leave them at a financial disadvantage.
- 113 It must be noted that without examining in detail the individual circumstances of each care leaver who has been supported, it is not possible to accurately determine the total net impact and costs of the policy to exempt care leavers living in County Durham. Whilst the overall forecast cost was originally estimated to be around £62,000 (actual support was £67,009), the application of single person discount, LCTRS and other exemptions meant that the net costs were originally forecast to be around £24,000. Applying these proportions would suggest a total net costs of around £26,000 in 2017/18.
- 114 A number of councils in the region are actively considering proposals to exempt care leavers living in their area from Council Tax and officers have received several requests for copies of the Council's policy and had conversations with colleagues from other areas also.
- 115 No changes to the Council Tax Discretionary Reduction (Relief) For Care Leavers Policy / Application Form and process are proposed at this time. A copy of the policy is attached at Appendix 6.
- 116 The policy will continue to be reviewed on an annual basis alongside the review of the LCTRS Scheme and Council Tax Discretionary Reduction (Hardship Relief) Policy, to ensure that it continues to be fit for purpose and reflects customer needs.

Discretionary Rate Relief - Review of Local Discretionary Rate Relief Policy

- 117 The government announced in the Spring Budget in March 2017 the establishment of a £300 million discretionary fund over four years from 2017/18 to support those businesses that face the steepest increases in their business rates bills because of the 2017 revaluation.
- 118 Every billing authority in the country was provided with a proportion of the £300 million to support their local businesses and were expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers.
- 119 The gross funding made available to County Durham to fund the new discretionary relief scheme in 2017/18 was £663,000, reducing to £322,000 in 2018/19; £133,000 in 2019/20; and £19,000 in 2020/21. Funding cannot be carried over between financial years. Any underspending against the grant funding provided in each year must be returned to government.

- 120 The initial local policy was approved by Cabinet in July 2017 and incorporated into the Council's Discretionary Rates Relief and Business Rates Hardship Relief Policy, which was also updated at that time. The Local Discretionary Rates Relief Policy was reviewed and updated in January 2018, with the amended policy being agreed by Cabinet in February 2018. To be eligible for this relief under the Council's approved local policy, businesses need to meet the following criteria:
- (a) have a rateable value of less than £200,000 (i.e. is classed as a small or medium sized businesses);
 - (b) have had an increase in rateable value following the 2017 revaluation;
 - (c) the ratepayer has a continuing liability i.e. was liable for business rates on 31/03/17 and continues to remain liable for business rates (to ensure the support is targeted to those small and medium sized businesses adversely impacted by the business rates revaluation);
 - (d) as a result of the above the rate payer has seen a net increase of over £600 in their rates bill in 2017/18.
- 121 Due to the dynamics of the rating list, i.e. changes in rateable values due to alterations and appeals, ratepayers vacating premises in February 2018, Cabinet gave delegated authority to the Corporate Director, Resources, in consultation with the Cabinet Member for Finance, to vary the percentage awards to small businesses retrospectively should we need to in order to maximise spend against the available grant in year and to vary the rates applied to new applications should the need arise.
- 122 The government had written to all local authorities with regard to the measures set out in the Spring Budget encouraging them to grant the relief to those meeting the relevant eligibility criteria as any underspent monies will be returned to central government following the close of the 2017/18 financial year.
- 123 On 11 March 2018 the Corporate Director of Resources, in consultation with the Cabinet Member for Finance exercised his delegated powers and changed the percentage discounts awarded to properties that continue to meet the policy criteria set out above to the following levels:
- (a) 2017/18 - 66% of the increase above £600;
 - (b) 2018/19 - 27% of the increase above £600;
 - (c) 2019/20 - 15% of the increase above £600;
 - (d) 2021/22 - 5% of the increase above £600.
- 124 The updated policy reflecting the above changes is available on the Council's website (www.durham.gov.uk/businessrates).

- 125 The policy includes the changes and updates agreed by Cabinet in February 2018, which incorporated the Autumn Budget 2017 announcements relating to the extension of the £1,000 discount for public houses into 2018/19, whereby eligible pubs with a rateable value of below £100,000 continue to receive up to a £1,000 discount on their rates bill. In 2017/18 there were 224 pubs eligible for this support in County Durham, receiving £171,418 in discounts against their rates liabilities. In the current year, 51 pubs have been eligible for this support to date, with £164,330 of discounts having been awarded in 2018/19 (as at 4 June 2018).
- 126 The changes to the Local Discretionary Rates Relief Policy implemented in March 2018 ensured that the full grant provided was fully expended and allocated to local businesses in 2017/18 and that the Council was not in the position of returning any funds allocated back to central government. The 2017/18 outturn on these discounts was £670,579 against grant funding provided of £663,000, with 517 local businesses receiving this support. In 2018/19 the discounts applied under this policy total £346,758 (as at 4 June 2018), against the grant funding of £321,808, with 457 businesses currently receiving this support. The scheme is being kept under review to ensure that the full amount of government funding provided is expended each year.
- 127 Members will recall that the government introduced a national scheme of support for small businesses losing Small Business Rate Relief or Rural Rate Relief as a result of the revaluation in April 2017. Unhelpfully, this scheme was introduced by government after annual billing for 2017/18. The scheme limits increases in bills to the greater of £600 or the real terms transitional relief cap for small businesses each year where they had lost Small Business Rate Relief or Rural Rate Relief as a result of the revaluation.
- 128 In 2017/18 there were 61 local businesses eligible for this support in County Durham, receiving £85,215 in discounts against their rates liabilities. In the current year, 51 businesses have been eligible for this support to date, with £75,423 of discounts having been awarded to date (as at 4 June 2018).

Recommendations and Reasons

- 129 Cabinet is asked to:
- (a) note the requirement to identify additional savings of £35.3 million for the period 2019/20 to 2022/23;
 - (b) note the £14.185 million of prospective savings detailed in **Appendix 2** to support MTFP(9);
 - (c) note that the £7.927 million of savings included for 2019/20 if agreed would result in a £0.918 million savings shortfall for 2019/20;
 - (d) agree the high level MTFP(9) timetable;
 - (e) agree the approach outlined for consultation;

- (f) note the workforce impact resulting from the need to realise additional savings of £35.3 million over the 2019/20 to 2022/23 period;
- (g) agree the proposals to build equalities considerations into decision making;
- (h) agree that Cabinet recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2019/20;
- (i) note the review of Council Tax Discretionary Reduction (Hardship Relief) Policy as attached at Appendix 5, and agree the updates to the Policy as outlined in the report;
- (j) note the review of the Council Tax Discretionary Reduction (Relief) For Care Leavers Policy, as attached at Appendix 6 and agree that the policy remain unchanged;
- (k) note the changes to the Local Discretionary Rate Relief scheme, made under a delegated decision in line with delegations agreed by Cabinet in February 2018, which ensured that the full amount of Government funding for such schemes was awarded to local businesses in 2017/18 and again in 2018/19;
- (l) note that the Discretionary Rate Relief scheme will continue to be monitored and reviewed, with delegated approval continuing for the Corporate Director of Resources, in consultation with the Cabinet Member for Finance, to vary the percentage awards to small businesses retrospectively should we need to in order to maximise spend against the available grant in year and to vary the rates applied to new applications should the need arise.

Background Documents

- Welfare Reform Act 2012.
- Local Council Tax Reduction Scheme 2018/19 – report to Council 1 November 2017.
- Changes to Council Tax Support in 2017/18 – Report of the New Policy Institute (commissioned by Joseph Rowntree Foundation) April 2017.
- Are Cuts to Council tax Support False Economy – Report of the New Policy Institute August 2017.

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Appendix 1: Implications

Finance – The report highlights that at this stage £8.8 million of savings are required to balance the 2019/20 budget with £35.3 million across the next four years. Work will continue over the coming months to identify savings to balance the budget across the MTFP(9) period.

The funding made available to support the Local Council Tax Reduction Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements.

The Council has continued to pass on the Town and Parish element of its formula grant over the last five years but in doing so continue to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils. Local Council Tax Support Grant payments to Town and Parish Councils is forecast to be £1.308 million in 2019/20, a circa £93,000 reduction on the amount paid in 2018/19.

The Council is now responsible for the costs of any increase in caseload as the level of Government support is fixed within formula grant.

Prudent estimates and provisions were built into the tax base forecasts at budget setting, and whilst the Council is subject to greater financial risk now, the current scheme remains within the budget provisions.

Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.52million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.1million (based on a scheme that awarded maximum entitlement of 79.8% with a prudent collection rate of 80%). This would impact circa 33,950 working age households across County Durham, where 7,088 (21%) are actually in low paid jobs rather than being unemployed.

There has only been 152 applications submitted under the provisions of the Council Tax Discretionary Reduction (Hardship Relief) Policy and only 4 award made since April 2013. Whilst the number of applications would appear to be low, it should be noted that customers claiming hardship they are often unaware or unfamiliar with the Council's LCTRS. In the majority of cases customers are directed towards the LCTRS and asked to submit a claim under that route first.

In 2017/18 there was 147 separate awards to Care Leavers under the new Policy, with £67,009 of Council Tax exemptions applied to these accounts. In current year 116 awards have been made to Care Leavers, with exemptions applied totalling £87,575.

Without examining in detail the individual circumstances of each care leaver who has been supported, it is not possible to accurately determine the total net impact and costs of the policy to exempt care leavers living in County Durham. Whilst the overall forecast cost was originally estimated to be circa £62,000 (actual support was

£67,009 in 2017/18 and is currently £87,575 in 2018/19), the application of single person discount, LCTRS and other exemptions meant that the net costs were originally forecast to be circa £24,000. Applying these proportions would suggest a total net costs of circa £26,000 in 2017/18.

The Government announced in the Spring Budget in March 2017 the establishment of a £300 million discretionary fund over four years from 2017/18 to support those businesses that face the steepest increases in their business rates bills because of the 2017 revaluation. Every billing authority in England was provided with a share of the £300 million to support their local businesses.

The gross funding made available to County Durham to fund the new discretionary relief scheme in 2017/18 is £663,000, reducing to £322,000 in 2018/19; £133,000 in 2019/20; and £19,000 in 2020/21. The 2017/18 outturn for these discounts was £670,579 and in 2018/19 the discounts applied as at 4 June 2018 total £346,758 in the current year. The scheme is being kept under review to ensure that the full amount of government funding provided is expended each year

The sum total of discounts applied under the £600 cap on rates bills for those losing Small Business Rate Relief / Rural Rate Relief as a result of the revaluation and the £1,000 relief for public houses with a rateable value up to £100,000 in County Durham was £256,633 in 2017/18 and is currently £239,753 in 2018/19. The Council is fully compensated, by way of s31 grant, for the loss of business rates income arising from these measures.

Staffing – The savings proposals in MTFP(9) will impact upon employees. HR processes will be followed at all times. It is now expected that the forecast reduction in full time equivalent posts in the 2011/12 to 2018/19 period will be 2,900 with more reductions expected over the next four years. In terms of the reviews of Council Tax Discounts and Business Rates Hardship Relief Policies, there are no additional implications associated with this report. Processing applications under both policies is managed from within existing resources within the Assessments and Awards Team within Financial and Support Services, Resources

Risk – The report outlines a range of financial risks surrounding the Local Council Tax Reduction Scheme. These are being effectively managed at this time. Given that the proposal is to extend the current arrangements into 2019/20 there are no system development issues or risk associated with these proposals as the systems were amended in advance of 2013/14.

The Council will need to keep track of the impact of the roll out of Universal Credit (UC). This presents new challenges for the administration of LCTRS as it results in a much higher number of changes in circumstances (experience is that the UC earned income element changes frequently as the person moves through the claimant commitment with their Work Coach) and removes the administrative economies of scale currently achieved by administering Housing Benefit and LCTRS claims side by side.

More significantly however, UC changes results in multiple reworking and changes to LCTRS entitlement throughout the year and multiple bills being issued to individual households resulting in numerous changes to their net liability and instalment plans for any Council Tax balance they are responsible for. In areas where UC Full Service has been fully rolled out and has been in place for some time there has been reports of significant reductions in in-year recovery rates in 2017/18 as a consequence, though the data is not yet available to examine in detail.

To counter this local authorities are increasingly looking to introduce banded schemes, though many have a cap on the maximum amount of support that can be gained. Officers will be modelling options in terms of a banded scheme for consideration for 2020/21, whereby a banded scheme for UC claimants could run alongside the existing scheme for non-UC claimants, with no restriction on the maximum support that can be claimed. The existing scheme needs to be maintained for pensioners in any event.

There is a risk that applications under the Council Tax Discretionary Reduction (Hardship Relief) Policy will increase in the coming years as Welfare Reforms continue to impact households.

Furthermore, although appeals to the Valuation Tribunal remain rare there is a potential that they may increase and re-determinations may result in decisions being overturned.

The award of a Council Tax exemption to Care Leavers where 100% LCTRS support is not being awarded reduces the Tax base. There is a risk that applications under the Council Tax Discretionary Reduction (Relief) For Care Leavers Policy exceed modelling / MTFP assumptions. This risk is considered manageable within the existing projections, but will need careful monitoring going forward.

The proposals set out in this report seek to ensure that the Councils Policy is in line with legislative requirements and announcements made in the March 2017 Budget. There is a risk that applications received / awards made under the Discretionary Rate Relief and Hardship Relief Policies would not be in line with modelling assumptions.

The financial implications arising from the application of the Policy will be monitored and reviewed, with increases to the awards to small businesses retrospectively applied should we need to in order to maximise spend against the available grant in year. This risk is considered manageable within the existing projections, but will need careful monitoring going forward.

Equality and Diversity/ Public Sector Equality Duty – Equality considerations are built into the proposed approach to developing MTFP(9), as detailed in the body of this report. Appendix 4 summarises the impact of continuing savings proposals where there are equality implications.

Six years after the Government abolished the national Council Tax Benefits System the Council continues to have a Local Council Tax Support Scheme which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No

council tax benefit claimants have therefore been financially worse off in the last four years than they would have been under the previous national scheme and if the proposals set out in this report and ultimately agreed by Council in the autumn this will continue to be the case.

The Government EIA on the Local Council Tax Reduction Scheme 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.

Given the proposals to extend the current LCTRS into 2019/20, thereby continuing to protect current entitlement, then there will be no negative equalities impact, with the financial position of claimants protected in 2019/20.

Should the Council decide against extending the current scheme into 2019/20, and elect instead to pass on reductions 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

Council Tax Discretionary Reduction (Hardship Relief) and the Council Tax Discretionary Reduction (Relief) For Care Leavers Policies as appended to this report – The proposal is to retain the existing policy provision, as updated and agreed by Cabinet in July 2017. Positive impacts were identified for care leavers with particular beneficial impact in relation to age (younger), gender (proportionately more males) and pregnancy and maternity. No negative impact was identified and the published equality impact assessment (July 2017) remains unchanged.

Local Discretionary Rates Relief Policy – The report merely sets out details of the delegated decisions taken by the Corporate Director, Resources in consultation with the Cabinet member for Finance to vary the percentage support given to local businesses meeting the Councils policy criteria, which ensured that the full amount of Government funding for such schemes was awarded to local businesses in 2017/18 and again in 2018/19. An equality impact assessment was published in respect of this policy in July 2017 and impact was neutral.

Accommodation – None specific within this report.

Crime and Disorder – Any 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 2019/20 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 – Any human rights issues will be considered for any detailed MTFP(9) and Council Plan proposals as they are developed and decisions made to take these forward.

Consultation – The approach to consultation on MTFP(9) is detailed in the report.

Town and Parish Councils have been consulted on the proposals to continue to passport an element of the Councils formula grant, equivalent to the Town and Parish share of the Local Council Tax Reduction Scheme grant funding, with pro-rata reductions applied in line with government grant cuts applied to the County Council.

No consultation is required in terms of the changes made to the Council Tax Discretionary Reduction (Hardship Relief) Policy as these are largely to improve transparency and clarity, based on feedback from Citizens Advice.

Similarly, no consultation is required on the Council Tax Discretionary Reduction (Relief) For Care Leavers Policies appended to this report, as the proposal is to retain the existing policy provision, as originally approved by Cabinet in July 2017.

The Grant Determinations published on the Local Discretionary Rate Relief Scheme adopted last year stated that there was a requirement to consult with the major precepting authorities (Police and Fire) and the Combined Authority on our proposed scheme. In approving the original scheme in July 2017, these statutory requirements were met. The changes made to the percentage support given to local businesses meeting the Councils policy criteria, have been taken under delegated decisions to ensure that the full amount of Government funding for such schemes was awarded to local businesses in 2017/18 and again in 2018/19 and requires no further consultation..

Procurement – None specific within this report.

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

Legal Implications – There is a statutory requirement for the Council to adopt a local council tax support scheme for the ensuing financial year by 11 March (until recently this was 31 January). Where the Council is proposing any changes to its scheme, there is a statutory requirement to consult on these proposals in advance of making any changes.

Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 Clause 69, of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.

Statutory guidance states that any discretionary rate relief or local discount scheme must be in the interests of the wider council taxpayer.

The proposals set out in this report seek to ensure that the Councils Policy is in line with legislative requirements. Any changes to the Discretionary Rate Relief and Hardship Relief Policies need to be approved by Cabinet.

The Local Government Finance Act 1992 section 13a makes the provision for Billing Authorities to reduce the amount of tax payable by awarding a discretionary relief of Council Tax in exceptional circumstances, including hardship.

The proposed amendments / updates to the Council Tax Discretionary Reduction (Hardship Relief) Policy need to be approved by Cabinet before they can be implemented.

Appendix 2 – MTFP(9) Savings Plans

MTFP REF	Savings Proposal	Description	2019/20 MTFP Savings	2020/21 MTFP Savings	2021/22 MTFP Savings	2022/23	Total
			£	£	£	£	£
AHS 1.1	Review direct provision of remaining in-house services	Relates to phased savings arising from review of reablement and supported living and restructuring of Extra Care (previously agreed by Cabinet September 2016 and in 2018/19 budget).	1,098,810	477,190	0	0	1,576,000
AHS 3.1	Review of Adult Social Care Charging	Phased savings arising from changes to ASC charging policy in respect of Disability Related Expenditure disregards in new cases only (previously agreed by Cabinet March 2017 and in 2018/19 budget)	167,000	0	0	0	167,000
AHS 3.2	Review of Adult Social Care Charging	Phased savings from changes to ASC charging policy in respect of the Minimum Income Guarantee thresholds in new cases only (Agreed in 2018/19 budget).	266,667	266,667	0	0	533,334
AHS 4.4	Review of Adult Social Work Function	Review of Social Work related posts (Full year impact of 2018/19 budget decision)	103,863	0	0	0	103,863
Total - Adults & Health Services			1,636,340	743,857	0	0	2,380,197
CYPS 3.2	Education - Service Review	Restructure of Education Services across all teams, together with non staffing budget reductions and increased income generation (Full year impact of 2018/19 budget decision).	30,000	0	0	0	30,000
Total - Children & Young People Services			30,000	0	0	0	30,000

MTFP REF	Savings Proposal	Description	2019/20 MTFP Savings	2020/21 MTFP Savings	2021/22 MTFP Savings	2022/23	Total
			£	£	£	£	£
RES07	Restructure in HR	A restructure of HR	0	128,123	0	0	128,123
RES13	Restructure of Legal & Democratic Services	A restructure of Legal & Democratic Services	0	153,469	0	0	153,469
RES16	Review of Digital & Customer Services	Review of Digital & Customer Services structures and service delivery arrangements, including a further review of ICT systems / licensing / non-staffing budgets		357,094	0	0	357,094
Total - Resources			0	638,686	0	0	638,686
COR35	Commercial Activity	As part of the Transformation Programme a wide range of reviews will be carried out in relation to the Council's current income streams. Reviews will consider if the Council is currently covering full costs, whether charges could be increased and whether new markets could be explored. In addition new Commercial deals will be explored which could generate a stable financial return for the Council.	0	500,000	500,000	0	1,000,000
COR36	Prudential Borrowing	The Council supports the capital programme via prudential borrowing. Interest rates are at historically low levels at the present time and alternate investors are entering the market to provide loans to local authorities. The Council will seek to take advantage of this position to secure low long term interest rates on the Council's current borrowing requirement.	750,000	0	0	0	750,000

MTFP REF	Savings Proposal	Description	2019/20 MTFP Savings	2020/21 MTFP Savings	2021/22 MTFP Savings	2022/23	Total
			£	£	£	£	£
COR37	Investment Income	A review of current investment income streams has identified that there is scope to increase the current budget. Investment income is presently generated from the investment of cash balances and dividend returns from Council owned companies.	500,000	0	0	0	500,000
COR38	Minimum Revenue Provision Review	The Council continually reviews the minimum revenue provision (MRP) as part of the Treasury Management Strategy. A recent review has identified that annual savings could be achieved by varying the Council's approach.	3,000,000	0	0	0	3,000,000
COR39	Carbon Reduction Commitment (CRC)	The CRC process is expected to end as of 31 March 2020. The government intends at that point to increase the Climate change Levy (CCL) which is presently recovered via energy bills. Based upon current forecasts it is expected that the increase cost of CCL will be lower than the current cost of the CRC generating a saving	300,000	0	0	0	300,000

MTFP REF	Savings Proposal	Description	2019/20 MTFP Savings	2020/21 MTFP Savings	2021/22 MTFP Savings	2022/23	Total
			£	£	£	£	£
COR40	Strategic Services Review	The deep dive exercise undertaken by PWC highlighted that the Council could make better use of digital business intelligence data as part of its strategic planning process. Greater efficiencies can be created across the Council through the reduction of paper based performance and data systems, whilst better digital intelligence can support the more efficient use of resources, consolidating and targeting services on community needs.	0	200,000	300,000	0	500,000
COR41	Business Support Review	The deep dive exercise undertaken by PWC last year highlighted that the Council would benefit from a modernised, single business support function with digital capability, organised as a hub and spoke model. As part of the Transformation Programme a new business support function will be created, with efficiencies created through a series of business process reviews.	0	3,100,000	0	0	3,100,000
Total - Corporate Savings			4,550,000	3,800,000	800,000	0	9,150,000
Total Savings - MTFP 9			7,927,618	5,182,543	800,000	275,000	14,185,161

Appendix 3 - Medium Term Financial Plan - MTFP (9) 2019/20 - 2022/23 Model

	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Government Funding				
Government RSG Funding Reduction	14,240	0	0	0
Reduction in Public Health Grant	1,286	0	0	0
Reduction in resource due to Fair Funding Review	0	2,000	2,000	2,000
Reduction in Benefit Admin Grant	300	300	0	0
Town and Parish Council RSG Adjustment	-93	0	0	0
Impact of Business Rate Revaluation	341	0	0	0
Bus. Rates - CPI increase (2%/1.75%/1.5%/1.5%)	-1,000	-900	-800	-800
Top Up - CPI increase (2%/1.75%/1.5%/1.5%)	-1,400	-1,200	-1,000	-1,000
Section 31 Grant adj. and inflation uplift (19/20 2.9% RPI)	-1,300	-150	-100	-100
Improved Better Care Fund	-5,700	4,000	0	0
New Homes Bonus	347	800	250	250
Other Funding Sources				
Council Tax Increase (2.99% 18/19 and 19/20 then 1.99%)	-6,300	-4,400	-4,500	-4,600
Council Tax Adult Social Care Precept (2% increase)	-4,200	0	0	0
Council Tax/Business Rate Tax Base increase	-2,500	-3,000	-1,500	-1,500
Estimated Variance in Resource Base	-5,979	-2,550	-5,650	-5,750
Pay inflation (2.5% - 2% - 2% - 2%)	5,000	4,300	4,400	4,500
Price Inflation (1.5% - 1.5% - 1.5% - 1.5%)	3,000	3,100	3,200	3,300
Base Budget Pressures				
Costs Associated with National Living Wage	3,250	4,000	2,500	1,500
Additional Employer Pension Contributions	0	1,000	0	0
Energy Price Increases	250	250	250	250
Pension Fund Auto Enrolment - Employer Contributions	600	0	0	0
SSID Replacement Licences	0	300	0	0
Adults Demographic Pressures	1,000	1,000	1,000	1,000
Adults - Winterbourne	535	372	0	0
Childrens - Demographics	500	500	500	500
Childrens - LAC Pressures	-500	-500	-500	-500
Childrens - Social Care Staffing	400	0	0	0
Job Evaluation	500	0	0	0
ReaL - Empty Homes	0	0	-103	0
Unfunded Superannuation	-300	-150	-150	-150
Prudential Borrowing to fund new Capital Projects	250	750	2,000	2,000
TOTAL PRESSURES	14,485	14,922	13,097	12,400
Use of One Off funds				
Adjustment for use of BSR in previous year	339	0	0	0
Savings				
Savings Agreed in MTFP(8)	-2,290	-1,383	0	0
Transformation Savings	-4,250	-3,800	-800	0
Additional Savings Identified	-1,387	0	0	-275
Savings Shortfall	918	7,189	6,647	6,375

Appendix 4 - MTFP 9 Table of Equality Impacts

AHS

MTFP Ref / Savings Proposal	Description	Impact	Mitigation
<p>AHS 1.1 Review direct provision of remaining in-house services</p>	<p>Relates to phased savings arising from outsourcing of reablement and supported living and restructuring of Extra Care clients/service users who are eligible will continue to receive services (previously agreed by Cabinet September 2016).</p>	<p>Service users affected by the change are predominantly older and disabled people. There are likely to be higher numbers of women than men impacted, and more carers are likely to be female than male.</p> <p>Changes to operating models are not anticipated to affect the level of service provided as service users will continue to receive services to address their needs however some service users may experience a change of provider.</p> <p>Saving will involve potential changes to staffing which will include, in some instances, TUPE transfer.</p>	<p>Services will continue to operate, and the principles of the review work are that eligible service users will continue to receive support, subject to ongoing annual review and consistent application of eligibility criteria.</p> <p>Transition arrangements, including individual care plans will be sensitively planned to mitigate any issues connected to a change of provider. Service users and staff will receive communication on a timely basis and alternative means of communication will be provided where required.</p> <p>Any changes relating to staff will be carefully planned and implemented to promote fairness and equality in line with DCC procedures by following the Change Management toolkit.</p> <p>Consideration of ER/VR, where possible, and deletion of vacant posts will minimise impact on staff.</p>

MTFP Ref / Savings Proposal	Description	Impact	Mitigation
<p>AHS 3.1 Review of Adult Social Care Charging (Disability related expenditure)</p>	<p>Phased savings arising from changes to ASC charging policy in respect of Disability Related Expenditure disregards in new cases only (previously agreed by Cabinet March 2017)</p>	<p>This is a continuation of a saving agreed in 2017 with full public consultation carried out April-June 2016 prior to the decision.</p> <p>Current applicants (at the time of implementation) were not affected, only new applications/clients. Previous profile suggested that people most affected are more likely to be older, female and will have some form of severe disability. The policy change led to a negative impact for some due to increased financial contributions as a result of ending the automatic 50% disregard in relation to service users in receipt of the severe disability premium.</p>	<p>Ongoing support is provided to service users where necessary as changes implemented. This includes advice and support to help maximise income and benefit entitlement where possible during the financial assessment. Social work support is available if required. Service users unhappy with the financial contribution they are assessed to make will be offered a further fast track review.</p> <p>Since the policy was introduced no complaints or issues for consideration have been raised with regard to the charging policy.</p>
<p>AHS 3.2 Review of Adult Social Care Charging (Minimum income guarantee)</p>	<p>Phased savings from changes to ASC charging policy in respect of the Minimum Income Guarantee thresholds in new cases only.</p>	<p>It is anticipated that this policy will implement consistency across all new service users post April 2018.</p> <p>The adverse effect will derive from the increase in care costs predominantly affecting older and disabled people and greater proportions of women.</p> <p>The decision to implement proposal was made by Cabinet on 14 March 2018.</p>	<p>Ongoing support is provided to new clients. This includes advice and support to help maximise income and benefit entitlement where possible during the financial assessment. Social work support will be available if required. Service users unhappy with the financial contribution they are assessed to make are offered a further fast track review.</p>

MTFP Ref / Savings Proposal	Description	Impact	Mitigation
AHS 4.4 Review of Adult Social Work Function	Review of social work related posts.	No service impact is expected. Staff impact in terms of a management review.	The review will be completed following change management guidelines to ensure fair treatment.

CYPS

MTFP Ref/ Savings Proposal	Description	Impact	Mitigation
CYPS 3.2 Education - Service Review	Restructure of Education Services across all teams, together with non-staffing budget reductions and increased income generation.	Staff impact in terms of a restructure.	The review will be completed following change management guidelines to ensure fair treatment.

REAL

MTFP Ref/ Savings Proposal	Description	Impact	Mitigation
REAL 1.20 Review of Culture & Sport	This proposal will see a general scaling down and re-structuring of a range of development services in both sport and the arts together with further operational reductions across the service	Change will mainly affect targeted interventions. Service recipients by nature are therefore transient depending upon specific programmes operating at any one time. Whilst this saving may result in fewer new programmes being introduced it is unlikely to affect existing users. Impact is likely to relate to gender, age and disability	Monitor impact going forward and update of the equality impact assessment as the proposal develop. Staffing changes would be completed following change management guidelines to ensure fair treatment.

MTFP Ref/ Savings Proposal	Description	Impact	Mitigation
		<p>going forward with reduced access to targeted interventions for these groups.</p> <p>Proposals will result in changes to staffing levels.</p>	<p>Consideration of ER/VR, where possible, and deletion of vacant posts will minimise impact on staff.</p>
<p>REAL 3.92 Review of Building and Facilities Maintenance</p>	<p>Reductions across a range of service areas in Building and Facilities Maintenance, R&M Budgets and in out of hours services.</p>	<p>No negative impact on external service users as proposal will bring about more efficient ways of working.</p> <p>Impact on staff expected.</p>	<p>Staffing changes would be completed following change management guidelines to ensure fair treatment.</p> <p>Consideration of ER/VR, where possible, and deletion of vacant posts will minimise impact.</p>
<p>REAL 6.06 Review of garden waste charges</p>	<p>Savings proposal includes a £5 annual increase on garden waste charging each year in 18/19 and 19/20 (to £30 and then £35 - three year discounted offer to be made available)</p>	<p>An increase in charging has a negative financial impact for all those accessing the service. However there is likely to be a disproportionate impact on disabled and older residents accessing the garden waste service as they may be restricted in the means by which they can otherwise dispose of their waste.</p> <p>There is an option of a discounted multi-year deal to pay for this service which will ease the impact of increased charging for all customers.</p>	<p>The service will ensure the change to the charge is comprehensively communicated; including ensuring that the service information is accessible to all residents. Residents needing help to present and pull in their waste bin (often due to disability) are able to access the 'assisted collection' service.</p> <p>Households are reminded that they can share garden waste bins with neighbours (as publicised on the Council website) which will cut costs and help to mitigate financial impact for some. Multi-year discounted payment plans will ease impact for some.</p>

MTFP Ref/ Savings Proposal	Description	Impact	Mitigation
REAL 37 Environment, Health and Consumer Protection and Planning	Phase 2 of review of service delivery within EHCP and increased income from planning fees.	Staff impact in terms of a restructure. It is unclear at this stage if there will be any service impact and the equality impact assessment will be updated as the saving proposal progresses.	The restructure/staffing changes would be completed following change management guidelines to ensure fair treatment. Consideration of ER/VR, where possible, will minimise impact on staff.

**Council Tax
Discretionary
Reduction (Hardship
Relief) Policy**

Altogether better



Reviewed JULY 2018

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Appendix 1 Application Form

1. Purpose of Policy Document

- 1.1 This policy sets out the Council's approach to the awarding of discretionary hardship relief in respect of Council Tax liability. It 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 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. There is a cost to the Council in respect of any hardship relief awarded and is met by the Council's collection fund.
- 2.1.2 This policy will incorporate the Localised Council Tax Support Scheme and Council Tax Technical Changes introduced from 1st April 2013.

2.2 Legislation

- 2.2.1 Council Tax hardship awards are included in Section 13A Local Government Finance Act 1992 as amended by Local Government Act 2003, section 76. Section 76 gives councils the authority to make a discretionary payment of Council Tax where it is satisfied that the taxpayer would sustain exceptional hardship if it did not do so.

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.
- 2.3.2 Applications for a reduction will usually only be considered in individual cases where severe hardship or extenuating circumstances can be demonstrated.
- 2.3.3 Where an application is successful, the award will be paid/credited directly to the Council Tax account.

2.4 Criteria

- 2.4.1 Each hardship application will be assessed on its individual merits. When assessing applications, the following considerations will be made:

- All applications are only intended as short term assistance and awards 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
- Council Tax hardship relief will not be awarded for any reason other than to reduce Council Tax liability
- Relief is not to be granted in order to prevent recovery action being instigated by the Council or to stop bankruptcy or committal to prison proceedings commenced by the Council or any other body
- The applicant must detail the reasons for the application, explaining the specific circumstances and hardship being experienced
- There must be evidence of hardship or personal circumstances that justifies a reduction in Council Tax liability. There is no definition in the legislation for 'hardship' and as the scheme is aimed at covering unforeseen events it is not possible to list precise criteria. Applications will be accepted on the basis that the applicant or household would suffer exceptional financial hardship if financial assistance were not given
- Exceptional circumstances for hardship under the Council Tax regulations will usually be circumstances that are outside the control of the household and beyond normal risks faced by a household. The household must demonstrate that it has done all it can to mitigate those risks and is taking action to minimise them
- 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 (applicant) must be able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability prior to application including exploring entitlement to all other reliefs, discounts, exemptions, reductions, discretionary payments and valuation office appeals
- The Council Tax payer does not have access to other assets that could be realised and used to pay Council Tax
- Application for hardship relief should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other benefits, incomes and reductions in preference to claiming hardship relief. This particularly includes an application for Council Tax Reduction
- 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
- The Council's finances allow for a reduction to be made

- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect

2.4.2 Hardship relief will normally be awarded for a short, fixed period depending on the nature and likely duration of the hardship. In all cases relief will end in the following circumstances:

- At the end of a financial year
- There is a change of liable person
- The Council Tax payer enters any form of formal insolvency
- The Council Tax payer's financial circumstances significantly change.
- At the end of any fixed period notified to the Council Tax payer at the time of the award

2.5 The Application

2.5.1 All applications should be made in writing or electronically 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. Postal application forms 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; the application will still be considered, but only on the basis of the information and evidence provided. No costs will be borne by the Council in the provision of this evidence.

2.5.3 Further information may be requested to support an application. Where a request for further information is made information must be provided within 4 weeks. Failure to provide information within 4 weeks may lead to the refusal of the application unless good cause can be shown.

2.6 The Decision Making Process

2.6.1 Upon receipt of a signed application and all supporting documentation /information a standard decision making process will be followed:

- Initial applications will be considered by Team Leader (Collections & Enforcement) within 28 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 Assistant Payments Income & Support Manager within 7 days
- These will then be forwarded to Head of Finance & Transactional Services for approval/refusal within 7 days
- Once a decision has been approved the Council Tax payer will be notified in writing of the decision within 28 days and revised Council Tax demand notices will be issued where applicable
- Whilst every effort will be made to meet the deadlines outlined above, failure by the Council to do so does not qualify the claimant for relief

2.7. Review of Decision

2.7.1 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.
- Requests should be made in writing stating reasons why it is believed that the decision should be reviewed
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- 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 final decision within 21 days of receiving a request for a re-determination.
- Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the claimant for relief.
- If a claimant remains dissatisfied with refusal of their application they may appeal to the Valuation Tribunal for England (VTE). You have two months to do this from the date of our reply.

Valuation Tribunal
Hepworth House

Trafford Court
Doncaster
DN1 1PN
Email: vtndoncaster@vts.gsi.gov.

2.8 Recovery of a Hardship Relief Award

2.8.1 If an award is subsequently cancelled the amount will be withdrawn from the applicant's Council Tax account and will be payable as the Council Tax due under the regulations.

2.9 Fraud

2.9.1 The Council reserves the right to withdraw any award made under this scheme where fraud or error has occurred

2.9.2 The Council reserves the right to withdraw any award where the applicant has failed to provide, or, has knowingly provided false or misleading information.

Annex 1

Application for Council Tax Discretionary Hardship Relief 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, this must be the name of the person(s) who is/are liable to pay the Council Tax:

If you are completing this application on behalf of someone else, please provide your name:

Contact Address:

Telephone number for contact purposes:

Email address for contact purposes:

Address of property for which relief is being claimed:

Is the property owned or rented?: Owned/Rented

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

If yes, please provide details of marketing agent/estate agent for the property

Is the property currently marketed for rent? Yes/No

If yes, please provide details of marketing agent/ estate agent for the property

Please provide details of any other property or land owned by yourself, along with the value of any rental income you receive:

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 Hardship Relief for 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 Reduction (previously known as Council Tax Benefit) been made? Yes/No

Are you receiving financial assistance from any other source? Yes/No

If yes, please provide details:

Have you approached any organisation for financial advice or assistance, such as Citizen Advice, 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 in support of your application:

Please note that your application will not be processed unless the enclosed financial statement is completed and returned, and, all of required evidence to support your claim is provided.

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

- Documents confirming the income and expenditure
- Bank issued statements for a 6 month sequential period for the year the hardship relief is applied for, and current bank statements
- Any additional information to support the application
- Documented evidence of any Savings/Stocks/Shares

Clear photocopies of original documents and verified computer printed downloaded documents may be accepted. However any photographs of documentation cannot be accepted as evidence to support claims.

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
PO Box 238
Stanley
County Durham
DH8 1FP**

If you have any queries relating to completion of this form please do not hesitate to contact the Enforcement Team on 03000 266883.

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.

Employers/Self-employment/ Benefit Agency**Please state the name and address of the employer or benefits agency office of you and your partner:****You:****Your Partner:****National Insurance/Payroll No:****National Insurance/Payroll No:**

Income	Amount	Weekly/Monthly
Net earnings from Employment	£	
Net earnings from Employment (current partner)	£	
Job Seekers Allowance/Income Support	£	
Universal Credit	£	
Employment Support Allowance/Incapacity Benefit	£	
Personal Independent Payments/Disability Living Allowance	£	
Working Tax Credit	£	
Disabled Tax Credit	£	
Child Tax Credit	£	
Retirement Pension	£	
Private Pension	£	
Guaranteed Pension Credit	£	
Savings Credit	£	
Child Benefit	£	
Child Maintenance	£	
Maternity Allowance	£	
Paternity Allowance	£	
Fostering/Adoption Allowance	£	
Statutory Sick Pay	£	
Attendance Allowance	£	
Carers Allowance	£	
Industrial Injuries Benefit	£	
Bereavement Allowance	£	
War Pension	£	
Income from Lodgers	£	
Income from other people in the household	£	
Non Dependant Contribution	£	
Any Other Income (Please state)	£	
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	£	
Child Maintenance	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

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

Employers/Self-employment/ Benefit Agency**Please state the name and address of the employer or benefits agency office of you and your partner:****You:****Your Partner:****National Insurance/Payroll No:****National Insurance/Payroll No:**

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Total Income	£	
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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	£	
Child Maintenance	£	
Clothing	£	
Other Expenses (please specify)	£	
Total Expenditure	£	

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

**Council Tax
Discretionary
Reduction (Relief) For
Care Leavers Policy**

Altogether better



Reviewed JULY 2018

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- 4. Care Leavers Definition**
- 5. Legislation**
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- 8. Exclusions**
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1. Introduction and Purpose

- 1.1 Some councils have introduced measures to exempt care leavers from Council Tax following the recommendations made in the Government's care leavers strategy, Keep On Caring, published in July 2016, which encouraged local authorities to do so.
- 1.2 While being supported by Children Young Peoples Services, care leavers are faced with a new set of potentially overwhelming responsibilities, often without the family support and wider network that most other young people can rely on.
- 1.3 As a corporate parent, Durham wants to do as much as possible to support care leavers up to the age of 25 years. By granting up to 100% discretionary relief from Council Tax, the Council will be providing practical help and financial assistance to care leavers whilst they are developing independent lives and their life skills.
- 1.4 This policy sets out the Council's approach to the award of discretionary Council Tax relief in respect of Council Tax liability for resident Care leavers living in County Durham. There are two elements to the Policy
 - Care leavers who are solely liable to pay Council Tax in their own right will have their bill reduced to nil.
 - When a care leaver moves into a household, the Council Tax bill will be reduced to 50%.
- 1.5 The discretionary relief will be awarded only after entitlement to other legislative discounts or exemptions have been applied (except Council Tax Reduction) and will apply to all care leavers living in County Durham.
- 1.6 Councils have the power to reduce the amount of Council Tax a person has to pay. This 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.

This policy has been written to:

- Set procedures for awarding the relief / exemption to care leavers living in County Durham
- Establish an appeals procedure for customers dissatisfied with a decision made in the determination of entitlement to this relief / exemption
- 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. Care Leavers - Definition

- 2.2 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:
 - Eligible children are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;
 - Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;
 - Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

- 2.2 Care leavers can also be classified as 'qualifying' care leaver. This category applies to young people who:
- Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13 week criteria
 - Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship

For this category of care leaver, local authority help is discretionary, but for the purposes of this policy, 'qualifying care leavers' will be treated in the same way as 'care leavers'.

3. Legislation

- 3.1 Council Tax discretionary reduction (relief) awards are included in Section 13A of the Local Government Finance Act 1992 as amended by Local Government Act 2003.
- 3.2 There is a cost to the Council in respect of any reduction or relief awarded and this is met by the Council's collection fund / General Fund.
- 3.3 There is a series of discounts, disregards and exemptions available under current Council Tax legislation for people and properties in certain circumstances.
- 3.4 Exemption from Council Tax means that there is no liability to pay Council Tax.
- 3.5 A discount from Council Tax usually relates to people, and means that a person is liable for less than the full amount of council tax. For example:
- A liable person living on their own would be entitled to a 25% single person discount
 - A liable person living on their own who is a full time student would be entitled to a full exemption
 - A liable person who is a student but resides with another person would be 'disregarded' and entitled to a 25% discount

4. The Application

- 4.1 An application form (ANNEX 1) will be required, except for cases where 4.6 applies, to be completed by the care leaver (or his/her appointee or a recognised third party acting on his/her behalf), or, the liable person where relevant (i.e. the liable person at the property in which the care leaver resides).
- 4.2 Applications should be made in writing or by telephone, and may be received electronically, currently emailed to counciltax@durham.gov.uk. Postal application forms should be returned to:

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

- 4.3 The application form requires only pertinent details to be submitted in order to process the award of this relief. Basic information requirements include:

- Full name
- Date of birth
- Which authority is the corporate parent
- Current address
- Details of any other relevant addresses
- Details of any other adults in the property
- Details of any circumstances that would be relevant to entitlement to legislative discounts, disregards or exemptions
- Contact details

4.4 The application form should be as clear and concise as possible in order to encourage take up and expedite administration.

4.5 A new application may need to be completed, except where 4.6 applies, if the care leaver moves, to confirm any change in circumstances

4.6 An application form is not required where the authority has been able to establish all the conditions of entitlement to discretionary relief from existing evidence.

5. The Procedure

System

5.1 Administration of the discretionary relief within the system (Open Revenues) will utilise the Discretionary Awards Module, as opposed to the functionality used to apportion discounts, disregards and exemptions.

5.2 This will ensure that the Tax Base and the awarded discretionary relief is reported correctly and accurately. The relief will also be detailed separately to any other appropriate discount, disregard or exemption on the actual Council Tax demand notice (bill).

5.3 The system will work to award discretionary relief on a percentage basis, i.e. 25%, 50%, 75% or 100% where appropriate, and prior to the calculation of Council Tax Reduction therefore CTR will be assessed using the net charge.

Administration

5.4 Applications will be administered by the Awards Team. Children and Young Peoples Services will be requested to confirm the care status of the applicant, this will need to be confirmed with:

- The Children and Young Peoples Service, where Durham is the corporate parent (protocol to be agreed between the two services)
- Where the corporate parent is another authority, written confirmation must be sought from the relevant council

5.5 The general principles of awarding the discretionary relief are as follows:

- Care leavers who are the liable person to pay council tax and live alone will receive a 100% discretionary relief, only after any other appropriate legislative discounts or exemptions are applied (e.g. Single Persons Discount or Student Exemption)
- Care leavers who are jointly liable with one or more residents in the property, who are not care leavers, will receive 50% discretionary relief on the total charge, only after any other appropriate legislative discounts or exemptions are applied

- Where a property is occupied only by care leavers, 100% discretionary relief will be applied.
- Where the care leaver lives in a household and the Council Tax would be subject to either a 25% discount or disregard, if the care leaver did not reside there, the bill will be reduced to 50%.
- Where the care leaver lives in a household and the liable person is would be exempt if the care leaver did not reside with them, full discretionary relief will be applied.
- Where a care leaver lives in a household and the council tax would not be subject to a discount or disregard if the care leaver did not reside there, the bill will be reduced to 50%.

5.6 Awards will be made directly by a reduction in liability on the Council Tax account only and notification of the award of discretionary relief will be by way of the Council Tax bill.

5.7 The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) or the liable person where relevant (i.e. the liable person at the property in which the care leaver resides) must advise of any change of circumstances which may impact the Council Tax charge within 21 days.

5.8 Any overpaid discretionary relief will be reclaimed through the relevant Council Tax account and collected and recovered under the Council Tax (Administration and Enforcement) Regulations 1992.

6. Exclusions

6.1 Houses in Multiple Occupation (HMOs) where occupants:

- Do not constitute a single household
- Are a tenant or a have licence to occupy only part of the dwelling
- Share living space
- Are not the liable party to pay council tax

6.2 HMOs are generally ran as a business with the liable party for Council Tax being the landlord(s). For that reason, these properties and respective liable parties are excluded from this Policy.

7. Review of Decision/Appeals

7.1 The Council will accept a written request from a care leaver (or his/her appointee or a recognised third party acting on his/her behalf) or the liable person where relevant (i.e. the liable person at the property in which the care leaver resides), for a re-determination of its decision.

- Re-determination of the decision will be made by an officer who has not previously been involved with the award.
- The re-determination will be reviewed by a senior officer within the service.
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any interim overpayment will be refunded.
- The Council will consider whether any additional information has been provided that will justify a change to its original decision.

- The Council will notify the Council Tax payer of its final decision within 21 days of receiving a request for a re-determination.
- Whilst every effort will be made to meet the deadline outlined above, failure by the Council to do so does not qualify the applicant for relief.
- If an applicant remains dissatisfied with refusal of their application they may appeal to the Valuation Tribunal for England (VTE). You have two months to do this from the date of our reply.

Valuation Tribunal
Hepworth House

Trafford Court
Doncaster
DN1 1PN
Email: vtdoncaster@vts.gsi.gov.

8. Monitoring and Reporting

- 8.1 Discretionary awards made under this policy will be monitored and all awards made will be subject to regular quality assurance checking / annual reviews as appropriate

9. Policy Review

- 9.1 This Policy will be reviewed on an annual basis alongside the review of the Local Council Tax Reduction Scheme, with any changes being reported to Cabinet for consideration.

ANNEX 1 – APPLICATION FORM

ANNEX 2 – POTENTIAL SCENARIOS

ANNEX 1 – APPLICATION FORM

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

Tel: 03000 264 000
On Line: www.durham.gov.uk/counciltax
Email: counciltax@durham.gov.uk



Account Reference if known:

Council Tax Care Leavers - Discretionary Payment Application

In order to be considered for a discretionary payment the person must be a care leaver under the age of 25 who is paying Council Tax or living with someone who pays Council Tax. To apply, either the care leaver or liable person must complete the details below and return to us via email or post. Our contact details are shown above.

1. About the Care Leaver – please complete this section giving details of the care leaver.

Title	
First Name	
Middle Name	
Last Name	
Date of Birth	
Address and Postcode of the property you will be moving in to or are living at	
Date moved in	
If you have recently moved please provide the previous address	
E-mail address	
Phone	
Local Authority that looked after you and contact details*	
Are you, as the care leaver, the only adult in the property	Yes/No – if yes go to section 3

*we will contact the Local Authority to confirm this person is a care leaver.

2. Anyone else who lives in the property – please tell us about anyone else who lives in the property if they are aged 18 or over?

Full Name	Spouse, Joint tenant, owner, living together, civil partner or other

3. Other Discounts and Exemptions - certain people may be entitled to a discount or exemption from council tax. This includes students, trainees and more. Please tell us if you think any of the following apply to the care leaver or any other household member.

- full time student, student nurse, apprentice and youth training trainee
- severely mentally impaired
- care workers working for low pay, usually for charities
- caring for someone with a disability who is not their spouse, partner, or child under 18-years-old

If you have ticked any of these boxes please give details in section 4.

4. Is there anything that you would like to tell us

If this form has been completed over the telephone, please tick to confirm you have read the declaration below in full to the customer and they have confirmed they understand and agree it.

Name of DCC officer completing telephone form:		Date:
--	--	-------

If this is not a telephone application, please read this declaration carefully before you sign and date it.

Declaration

I declare that the information given by me on this form is correct to the best of my knowledge and belief. I understand that failure to supply or giving false information is an offence for which a penalty may be imposed. I also understand that I must inform the Council Tax Section as soon as there is any change in the information.

Name of person who filled in form (please print)		Relationship to the care leaver	
Signature		Date	
Contact phone number		E-mail address	

You must notify the Council immediately if there is a change in your circumstances, which may affect this information. Contact details are provided above.

Data Protection Act

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

ANNEX 2 – POTENTIAL SCENARIOS

Where the care leaver is the person responsible for council tax:

- Care leaver living alone will receive single person discount of 25% and a discretionary payment of 75%
- Care leaver living with a non care leaver who is a partner/joint tenant will receive a discretionary payment of 50%
- A household (excluding a HMO) made up of just care leavers will receive a discretionary payment of 100%
- Two residents where one is a full time student and one is a care leaver will receive a student disregard of 25% and a discretionary payment of 75%
- Two residents where one is a care leaver and one is under 18 years will receive a single person discount of 25% and a discretionary payment of 75%
- Two residents where one is a care leaver and one is an apprentice will receive an apprenticeship disregard of 25% and a discretionary payment of 75%

Householders whose council tax charge would change when a care leaver moves in:

- Households which would be entitled to a 25% reduction, due to a discount or disregard, if the care leaver was not present will receive a discretionary payment of 50%

The above scenario assumes that the care leaver is not entitled to any disregards or discounts due to their circumstances. If the care leaver is a student for example, then the following would apply:

- The householder would receive a student disregard of 25% and a discretionary payment of 25%

If the householder was a full time student and the care leaver was a full time student the following would apply:

- The householder would receive an exemption, due to the house being occupied by only students, of 100%.