



Council

28 January 2013

Subject: Local Council Tax Support

Report by:	Director of Communities and Localism
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Purpose / Summary:	<ol style="list-style-type: none"> 1. Remind members of the background to the national abolition of Council Tax Benefit (CTB) and proposed introduction of Localised Council Tax Support (LCTS) from April 2013; 2. Confirm the guiding principles agreed at the P&R Committee on 27 September 2013 3. Ask Council to agree the Local Council Tax Support Scheme for West Lindsey DC after taking into account the consultation responses received between 12 October and 12 December 2012. They also reflect changes of financial arrangements announced by central Government during the consultation

RECOMMENDATION(S): That the Council;

1. Notes the contents of the report; and
2. Agree the Local Council Tax Support Scheme for West Lindsey DC for 2013/14 as detailed in appendix C.

IMPLICATIONS

Legal:

The Council has to determine a local scheme for council tax reduction by 31 January 2013.

Financial :

- To comply with the Council budget guiding principles, a scheme has to be designed that aims to fit the level of available government grant. It would be desirable to keep some level of contingency to deal with future caseload changes.
- The scheme that is chosen by the Council will need to be monitored to ensure the level of council tax collection remains comparable with that of recent years.
- Current assumptions are that the government funding will be fixed in advance for the year. This means that the Council will bear the risk of claims being different to budgeted levels in-year. It is not clear how funding will be determined in the medium term but unless future funding is linked to demand levels the Council will also bear the risk of changes in the numbers of claims due to the economic climate. In theory fixed-funding could also benefit the Council if claims reduce, but this is unlikely in the short term and current assumptions are for an annual increase of around 3%. With no additional funding this would create a further cost pressure for the Council.

Staffing :

Staff in Revenues and Benefits will be impacted from this report. There will be a training requirement to understand the new scheme once it is adopted and in the use of the system. There could be an impact on staff morale through them dealing with angry and upset customers who disagree with the new scheme and/or refuse to pay the council tax.

Equality and Diversity including Human Rights :

Impact Assessment attached at Appendix A

Risk Assessment :

Under the current national CTB Scheme billing authorities receive almost 100% of the expenditure incurred on council tax benefits as a subsidy from the DWP. Under the new arrangements, there will be a fixed grant based upon 2011/12 benefits expenditure (which reflects the 10% reduction and may reduce in future years if the Government assumes that benefit caseloads will decline).

- a. If CTS caseloads rise or fall then WLDC and the other major precepting authorities will have to absorb those expenditure variations through the Collection Fund. It is therefore vital that the financial implications of the policy decisions made are realistic in terms of bridging the funding gap.
- b. If there were a downturn in the local economy or where there have been major redundancies if a major company ceases trading CTS caseloads could rise significantly.
- c. The Government's proposal both for CTS Scheme and Council Tax discretions will inevitably have an impact on the level of New Homes Bonus received by local authorities.
- d. Each Council must approve their local CTS scheme by 31st January otherwise a default scheme similar to the current CTB scheme will be imposed and no savings will derive from this option.
- e. There is a major risk of potential judicial review and the costs associated with it where there has been inadequate consultation and proper impact assessments have not been prepared.

Climate Related Risks and Opportunities :

None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

Please see link to Local Council Tax Policy and Resources Committee report from 27th September 2012.

[Paper C - Local Council Tax Support 27.9.12.pdf](#)

[Council Tax Benefit Changes](#)

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

Executive Summary

Council tax benefit, which is governed by the same legislation across the country will be abolished and replaced by local council tax support schemes with effect from 1 April 2013.

The new scheme and the rules on who can get help must be decided at a local level rather than national regulations.

The change is in response to a new way of providing support to people on low incomes and the vulnerable, introduced by the Government in the Local Government Finance Bill which was given Royal assent in November.

Currently £6.432 million is spent annually on Council Tax Benefit in West Lindsey. Over 8,100 households get some financial reduction in their Council Tax through this benefit. The new scheme will be funded by a fixed grant that is being broadcast at 10% lower, but in reality for WLDC this is more likely to be a 14% reduction.

The Government has stated that pensioners must be protected from the savings and under the new scheme they must receive at least as much in Council Tax Benefit as they do now. This does mean that savings have to be found elsewhere and people of working age may be the most affected. This could affect the 51% of working-age households who currently get some Council Tax Benefit.

In order to fund the shortfall WLDC can either reduce the amount of benefit awarded to residents, reduce services, use reserves or increase income from other sources such as changing some of the exemptions and discounts available in respect of the council tax.

During the consultation period the government Department for Communities and Local Government announced additional funding for Local Authorities who met certain criteria to protect the least able to pay. The recommended scheme complies with these requirements.

The recommended scheme requires both changes to the benefit scheme and reductions in the amount of discount or exemptions awarded in respect of empty properties in order to make up the shortfall. This would mean that properties that currently receive 100% exemption for one year because they are undergoing structural repairs would only receive a 25% discount for the year followed by a full charge. Empty and unfurnished properties would receive a 2 month exemption from the charge and then be charged a full charge. Long term empty properties would be charged 150% after 2 years of being empty.

The modified benefit changes are to reduce support for all claimants by funding 91.5% of the council tax liability, restricting an award to £2.50, abolishing second adult rebate and increasing the non dependant deductions. These increases would be to change the deduction from £9.90 to £10.95, £8.25 to £9.15, £6.55 to £7.25 and £3.30 to £3.65.

Consultations on the proposed schemes have taken place between October and December and the finalised local council tax support scheme must be adopted by the council by 31st January 2013 at the very latest.

1 Introduction

- 1.1 At the Policy and Resources Committee on 27 September a preferred local council tax scheme was agreed and consultation has now taken place with councillors, residents, landlords, benefit claimants and other stakeholders.
- 1.2 The consultation contained details of the proposed scheme and gave the consultees the opportunity to agree or disagree various levels of change.
- 1.3 The results of the consultation have been analysed and details are attached at Appendix B.
- 1.4 Since the original proposed scheme was considered and agreed the Department for Communities and Local Government has offered a transitional grant scheme totalling £100 million for those authorities who adopt schemes that comply with criteria set by Government to ensure that low income households do not face an extensive increase in their council tax liability for 2013/14. This report details the criteria set by Government and the transitional grant available to West Lindsey DC and our precepting bodies.
- 1.5 Following this new offer by the Government financial modelling has taken place using both the agreed proposed scheme and a new scheme based on the criteria set by Government.
- 1.6 The Council is now requested to consider the details in this report and adopt one of the local council tax support schemes for 2013/14.

2 Background Information

- 2.1 At Policy and Resources Committee on 27 September 2012 a decision was made to consult on the council's preferred scheme. The changes in respect of council tax benefit were:

Change
Protect the disabled, war pensioners and carers from reductions in support
Reducing support for all claimants (except pensioners) by only funding 90% of the council tax liability
Restrict support to the level for a Band C property or lower
Restrict an award to £5 if the calculated award is below a prescribed figure
Reduce the maximum amount of capital that a claimant may hold before becoming ineligible for council tax support to £8,000
Abolish Second Adult Rebate
Increase Non Dependant Deductions £9.90 to £20 £8.25 to £15 £6.55 to £10

£3.30 to £5

Adjust means testing such as changing disregards and tapers

The changes in respect of discounts and exemptions relating to empty homes were:

Exemption/Discount	Council Tax Paid under Current Scheme	Council Tax to be paid under proposed scheme
Second Homes	90%	90% - no change
Properties undergoing structural repair or alterations (Class A)	None	75% charge After 1 year 100% charge
Empty and unfurnished properties (Class C)	None	2 months None After 2 months 100% charge.
Long term empty homes	50% once empty for more than 6 months	2 months None After 2 months 100% charge.
Empty over 2 years	50%	After 2 years 150% charge

Consultation took place over an 8 week period from 12 October 2012 to 12 December 2012. The consultation questionnaire was available on the West Lindsey website and in paper format at all of the three West Lindsey offices at Gainsborough, Market Rasen and Caistor.

Benefit Officers who attend benefit surgeries across the district and officers working at the Guildhall and Market Rasen also promoted the consultation assisting residents to complete the survey. The survey was also issued with benefit notification letters and council tax bills.

A member development session was held with councillors during October and a presentation was given to landlords at their forum explaining what the changes could mean to them and their tenants. A budget consultation meeting was held at Market Rasen in early December again outlining the reasons for the changes being required and the proposed scheme. At all meetings those present were encouraged to complete an online questionnaire.

A total of 978 replies were received to the consultation. As a comparison other district councils within Lincolnshire received the following responses to their own consultations:

Local Authority	Consultation Start Date	Consultation End Date	Who consultation was sent to	Number of surveys issued	Number of responses received	% response rate
North Kesteven	01.10.12		Those on and off benefit	7500 - 8000	415	5.35%
Boston	13.09.12	08.11.12	In receipt of CTB	3194	344	10.64%
South Kesteven	10.09.12		All benefit claimants	5200	832	16%
West Lindsey	12.10.12	12.12.12	Citizen panel members, random sample of benefit claimants, parish clerks, district councillors	1490 Citizens Panel 1500 others	837 Citizens Panel 141 other respondents	33%
East Lindsey	14.09.12	16.11.12	Unknown	Unknown	Unknown	Unknown
South Holland	14.09.12	16.11.12	Unknown	Unknown	80	Unknown

2.2 Criteria for Transitional Grant

On 18 October 2012 the Department for Communities and Local Government issued a document to all local authorities advising they had £100 million available as a transitional grant towards the impact of local council tax support schemes. To apply for a grant, billing authorities must adopt schemes which ensure that:

- **Those who would be entitled to 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their net council tax liability;**
- **The taper rate does not increase above 25%;**
- **There is no sharp reduction in support for those entering work.**

The taper should continue to operate as under current council tax benefit regulations - that is, to be applied to excess income and in relation to the claimant's maximum eligible council tax reduction. Where an authority has decided to adopt a scheme in which the maximum reduction is lower than 100% of liability, this maximum eligible reduction will therefore be this level, lower than 100% of liability.

Although the Government do not expect local authorities to impose large additional increases in non-dependant deductions this has not been set as one of the scheme criteria.

2.3 Modifications to the preferred scheme for transitional funding entitlement.

Change
Protect the disabled, war pensioners and carers from reductions in support
Reducing support for all claimants (except pensioners) by only funding 91.5% of the council tax liability
Restrict an award to £2.50 if the calculated award is below a prescribed figure
Abolish Second Adult Rebate
Increase Non Dependant Deductions £9.90 to £10.95 £8.25 to £9.15 £6.55 to £7.25 £3.30 to £3.65

All council tax discount and exemption changes in respect of empty homes to remain as per the original proposed scheme.

3 Recommendations

It is recommended that the Council choose the option as detailed at Appendix C because:

- The financial modelling shows that by amending the proposed scheme and taking into account the transitional grant on offer West Lindsey District Council can still bridge the funding gap whilst placing a lesser burden on the benefit recipients.
- There is a certainty around the amount of the grant WLDC would receive that cannot be mirrored when attempting to collect additional council tax from benefit claimants.
- The grant can be treated as a transition into the new localised decision making process and ease the burden on the West Lindsey residents in year 1 of the new scheme.

It is also requested that:

- Council approve amendments to the council tax discount and exemption arrangements in relation to Class C (unoccupied and unfurnished) to provide a two month exemption followed by 100% charge. This is to be introduced from 1st April 2013.

- Council approve amendments to the council tax discount and exemption arrangements in relation to Class A (in need of structural repair) to provide a 25% discount for 12 months. This is to be introduced from 1st April 2013.
- Council introduce a 100% charge for properties that have been empty for a period of between two months and two years. This is to be introduced from 1st April 2013.
- Council introduce an empty homes premium of 150% for those properties that have been empty for two years or more. This is to be introduced from 1st April 2013.

4 Local Council Tax Support Scheme 2014/15

It is recognised that whatever decision is reached this is only a scheme for 2013/14 and a review of the scheme will be required during the year to determine whether it has met the financial aims and requirements of the authority and its major preceptors.

Monitoring will also take place to analyse the impact and any unintended consequences it has had on council taxpayers and benefit recipients.

Appendix A – Impact Assessment

Impact Assessment Form

I. Background Information			
Service Areas involved	Lead Officer	People Completing the Analysis	Date Completed
Customer Services, Localism, Revenues, Benefits and Housing	Shayleen Towns Lead officer Equalities in conjunction with Service	Angela Matthews, Alison McCulloch, Shayleen Towns, Heather Cover	19 Dec 2012
Title of the subject being considered	Local Council Tax Support Scheme		
General overview and description of the subject being assessed	<p>The government are abolishing the national scheme known as Council Tax Benefit (CTB) – help towards Council Tax for those on low incomes – from April 2013. All Local Authorities are to develop their own Local Support Scheme to replace it. The subject being assessed is West Lindsey’s replacement Local Tax Support Scheme (LTSS).</p> <p>The process of deciding the local scheme started with all the Lincolnshire Councils meeting to discuss the merits of a joint ‘Lincolnshire wide’ scheme and all the proposals from each district were appraised, it soon became evident though that all the Lincolnshire Districts had differing CTB customer bases, different priorities and different customers groups that they would like to protect from the changes. The outcome of the Lincolnshire wide scheme is that there will not be a common scheme but as there are still common tasks that need to be carried out to introduce each of the District schemes there is still a working group made up of all the Districts in order to help each other meet the deadline for the local scheme.</p> <p>The West Lindsey officer group looked at all the proposals put forward by the Lincolnshire Districts and chose those that would be the fairest on the West Lindsey benefit caseload. West Lindsey could have gone down the route that three other Lincolnshire Districts have taken and simply left the calculation of the ‘Support’ scheme the same as the CTB calculation but ‘capped’ the amount of Council Tax eligible for the</p>		

	<p>support at 70%, 75% or 80% - meaning that the CTB customers would pay either 30%, 25% or 20% of their Council Tax liability. It was thought by the Officers and Members of West Lindsey that this would be a return to the days of Community Charge (Poll Tax) which proved almost impossible to collect, deemed a failure and was quickly replaced by Council Tax. The proposed West Lindsey scheme recognises that it would be fair for everyone to pay some Council Tax (10%) but that changes can be made in other areas to ensure that the scheme supports people most in need.</p> <p>It will still provide financial support for low income and vulnerable households determined using a means test however is less generous than the prior scheme. The main overview is summarised below:</p> <ul style="list-style-type: none"> • Existing CTB scheme 100% funded by government. New LTSS funding cut is designed to save 10% (final figures not as yet known). The authority can not make up the shortfall. • Pensioners are not affected by the changes and are to receive the same level of help as they get currently. • Reductions in the help for Council Tax will fall on the working age population. • West Lindsey's Local Tax Support Scheme is based on 7 principles: <ol style="list-style-type: none"> 1.The cost of the scheme is to be contained within the funding received for National Govt 2.The scheme should incentivise work 3.The impact on working age population should be minimised by reviewing the Council Tax exemptions and discounts 4.Everyone should pay something towards their Council Tax. 5.The most vulnerable claimants should be protected 6.Everyone in the household should contribute 7.Council Tax Support should not be paid to those with relatively large amounts of income and or capital/savings
<p>Timescales for implementation</p>	<p>Currently out for consultation which ends on the 12 December 2012 the policy is to be signed off by Committee January 2013. The scheme is to be published January 2013 and be in place 1st April 2013.</p>

II. Analysis

There are currently approximately 7912 live CTB claims, 3906 of which are for Pension age claimants and a further 286 fall within the 'Vulnerable' category – (receive a Disability Premium or a dependants Disability Premium, or a CT Disabled Relief reduction or are in receipt of War Disablement Payments or War Widows Payments) leaving 3720 claims that will be affected by the proposed Local Council Tax Support Scheme.

1. Those currently of working age, in receipt of 100% Council Tax Benefit and pay no Council Tax will have to pay 10% from 1st April 2013 unless they fall into a vulnerable group category. These claimants are the lowest income households and there are 2541 households in this category, 2487 of which have full entitlement and 54 households where there is a non-dependant deduction being made to the 'Passported' benefit.
2. Currently there is an additional help towards Council Tax known as Second Adult Rebate. The new scheme is to abolish Second Adult Rebate for working-age households. Currently there are 78 working-age household's in receipt of Second Adult Rebate
3. Currently Council Tax Benefit allows claims from those with up to £16,000 capital to claim. The new scheme will only allow those to claim who have below £8,000 capital, currently there are 51 working-age households that have between £8,000 and £16,000 capital that would have NO entitlement to LCTS under the proposed new scheme.
4. For those claimants with adults over 18 living with them – termed non dependents – they will receive less help towards their Council Tax as under the new scheme the non dependents will be expected to pay more. The current highest Non-dependant charge is £9.90 per week, it is proposed that this will rise to £20 per week and there are currently 13 Non-dependants in this category; the second highest weekly non-dependant charge is £8.25 per week, it is proposed that this will rise to £15 per week and there are 4 non-dependant household members currently in this category; the third highest non-dependant charge is £6.55 per week and it is proposed that this increases to £10 per week and there are 18 non-dependants attracting this charge/deduction this currently and the lowest non-dependant charge is £3.30 per week and it is proposed that this increases to £5 per week and there are 83 non-

Please explain what the current situation is and why the EIA is relevant.

Please explain what the current situation is and why the EIA is relevant cont.

dependants attracting this charge/deduction. In total there are 118 non-dependant deductions in place for working age households.

5. There is protection in the new scheme for those in receipt of a disability premium in their assessment. They will continue to receive the same level of support towards their Council Tax as under CTB – there are 286 families that fit this criteria
6. The new scheme proposes to set a minimum payment amount and the consultation asks whether the amount should be set at £5, £4 or £2.50 per week. If the minimum payments amount was set at £2.50 per week it would effectively remove 40 families from the LCTS scheme, if the level was set at £4 per week there would be 99 working age claims removed from the scheme and if the minimum payment level was set at £5 per week there would be 146 claims removed from the scheme.
7. Currently those with properties undergoing structural repair receive 12 months exemption to Council Tax. Under the new scheme they will receive a 75% charge increasing to 100% charge after 12 months i.e no free Council Tax period. A snapshot of the Council Tax database as at 2 August showed that 20 properties were being granted a Class A exemption – 11 in Band A; 4 in Band B; 2 in Band C; 2 in Band D and 1 in Band E.
8. Currently when a property is empty and unfurnished the liable party has up to 6 months with no Council Tax to pay then if still empty they then pay 50%. Under the new scheme there will be only 2 months with no charge then 100% charge will be in place. The 'snapshot' of the Council Tax database taken on 2 August showed that there were 561 properties with a Class C exemption (within the 6 month empty free period), these were made up of 335 Band A properties, 98 properties in Band B; 56 in Band C; 40 in Band D; 20 in Band E, 7 in Band F and 5 in and G. Of the 561 properties in the Class C exemption state, 318 had been empty for more than two months as at 2 August data collection date and these 318 properties would have been paying 100% CTAX under the new proposals. The snapshot of the CTAX database also showed that there were 1052 properties that had been empty for between 6 months and two years as at 2.8.12, these are all being charged 50% CTAX currently but under the new proposed scheme they would be charged the full 100% CTAX. The breakdown by Band of these properties is: 561 Band A; 162 Band B; 129 Band C; 81 Band D; 44 Band E; 38 Band F; 28 Band G and 9 Band H.

Please explain what the current situation is and why the EIA is relevant cont.

	<p>9. Currently if a property has been empty long term – over 2 years, the owners would just pay 50% of the Council Tax. Under the new scheme they would be charged 150% of the Council Tax charge. The snapshot of the Council Tax database as at 2 August showed that there were 206 Band A properties, 55 Band B properties; 45 Band C; 26 Band D; 14 Band E; 7 Band F; 5 Band G and 2 Band H properties that had been empty for more than 2 years. These would all attract a 150% charge under the proposed scheme rather than the 50% currently being charged.</p> <p>NB: In 2010/2011 local WLDC decision made to stop grants assistance to bring properties back into use. This policy further compounds the problem to those financially/legally unable to sell/bring a property back into use. Highlighted through this impact assessment that Empty Homes Officer aware of around 300 such long term empty scenarios. Action point below noted to re-raise this double impact effect in the immanent Empty Homes Project</p>	
<p>2. Who will stand to be affected by our policy?</p>	<p>Primary stakeholders: (directly affected by the policy/project/service)</p>	<p>Council Tax Benefit Claimants, Council members, WLDC staff (particularly C tax team, benefits team, Chief Executive, and housing team), Landlords (private and social), Lincolnshire County Council, Lincs Police, Parish Councils, Letting agents, Communities and Local Government Department, Property developers</p>
	<p>Secondary Stakeholders: (indirectly affected by the policy/project/service)</p>	<p>All WLDC taxpayers, residents, pressure/interest groups, support agencies and charities, Utility companies, other creditors, Member of Parliament, the local economy, banks and building societies.</p>
<p>3. What are the assumptions about the benefits?</p>	<ul style="list-style-type: none"> • Pensioners, war pensioners, disabled people, and vulnerable people will be protected under the Council’s proposed scheme. • Potential for new claimants who would have shunned the “benefits” stigma to come forward because the programme is being rebranded as discounts. • Potential for landlords to turn around their properties from empty to occupied quicker. • Incentivising bringing long-term empty properties back into use will reduce the blight associated with such properties. 	

	<ul style="list-style-type: none"> • Depending on the success of council tax collections under the new scheme, LCC and Lincs Police have the potential to receive more money through taxes. • The principle that everyone should pay something towards their Council Tax means that the burden of the reduction in welfare grants will be spread over a wide number of people. • No impact on any particular benefit group. The policy has not looked at targets those who receive a particular benefit, if the decision had been taken to include this as income in the means test then families would have adversely lost out. • It should be noted that the new scheme does not consider child tax credits or maintenance payments as income. As such, parents should not be adversely affected. • Individuals receiving very low levels of benefits may decide to take on more hours of employment and come off benefits altogether.
<p>4. How are you testing your assumptions about the benefits?</p>	<p>A survey of current empty home property owners said that grants would assist them in bringing the property back into occupation so financial incentives work and therefore it follows that the increased charge for empty properties would also incentivise occupation. Monitoring the number of existing empties against the existing situation post implementation will enable a test of this.</p> <p>Difficulties of monitoring the policy impacts will be made more difficult as the timing of this is also when National Welfare benefit changes are being brought in. Testing of impact on effected individuals will need to look at the wider changes they are being impacted by as well.</p> <p>Testing of the number and profile of people claiming benefits 6 months before and after the policy is a test re whether the number of claimants has fallen.</p>
<p>5. What are the assumptions about the adverse impacts?</p>	<ul style="list-style-type: none"> • Unprotected claimants will lose some of the help they used to receive in the form of Council Tax Benefit and will have to start paying or pay more towards a portion of their Council Tax bill. • Increase in Discretionary Housing Payment Claims and the associated administrative costs (this change is in the context of this policy and wider Welfare Benefit changes).

- Some landlords will lose out financially if their tenants are unable to pay the rent.
- Potential for increase in evictions / homelessness.
- There will be a larger number of monies to collect/chase with 90% liability cap – smaller amounts of money therefore cost of collection will rise with chasing collections and fielding more complaints
- If tax collection is unsuccessful, WLDC, LCC and the police are likely to bring in less income.
- Parish Councils are likely to lose money.
- Property developers may be less willing to invest in housing due to the charge for empty properties starting earlier and at a higher amount.
- Increase in work load in a number of areas: Benefits team – more complaints, DHP's, appeals; Housing, Council Tax, Customer Services.
- Potential increase in the number of planning applications for empty properties - workload for the planning and building control teams may increase.
- Impact on the Chief Executive as regards justification of what is our local scheme.
- To avoid paying more for them, some empty home owners may try to falsely class the properties as second homes. Investigating the truth will be difficult and costly.
- Possibility that substandard properties will be let to avoid the payment of the tax on empty homes.
- Some empty homeowners may genuinely be unable to afford to pay the new tax and may be forced to sell their homes for negative equity.
- This policy together with the decision to issue no grants to bring properties back into use compounds the problem for those unable to financially or legally sort the empty property out. Empty Homes Officer aware of around 300 properties in this scenario.

	<ul style="list-style-type: none"> • There is a potential for an increase in household debt in WLDC. Consequently, there may be an increase in demand on services to support these issues and those who may exploit them e.g. money lenders.
<p>5.1 Which groups / individuals could it have a negative impact on?</p>	<p>Working age, low income persons who currently claim benefits are likely to be impacted as their current level of benefits may not be protected under the new scheme. In particular, single young people under 25 are likely to be most adversely affected, not from this policy directly. Working age are having to pay more via this scheme – this combined with wider benefit changes coming into effect April 2013 does compound the impact.</p>
<p>5.2 How could it have a negative impact on these groups / individuals?</p>	<p>These persons are likely to see their bills increase and therefore their disposable income reduce. It is important to note as well that they are likely to also be affected by changes to the benefit system, and the upcoming bedroom tax.</p>
<p>6. How are you testing your assumptions about the impacts?</p>	<p>There are a number of measures discussed that will test out the assumptions made re impacts – they are listed below and also within the action plan. It has been agreed on a number of points that work needs to be done to build in measures and also capture a pre implementation position to compare too 6 months down the line post implementation.</p> <ol style="list-style-type: none"> 1. No. of people receiving less than £2.50 a week in benefits (have more people dropped off benefit and why) 2. Capture how many properties have been empty 6 months, and 2 years as at 31 March to then compare how this has altered 6 months later 3. Review how many get 150% bill empty homes 2yrs+ and then become 2nd homes – go to a 90% charge. 4. Capture the number of complaints re substandard properties as now – monitor 6 months time has this gone up 5. Capture presentation re homelessness as now and monitor any increase post implementation 6. Number of unpaid tax reminder notices sent out in comparison to prior year.

	<p>7. What proportion of these non payments are related to empty homes.</p> <p>8. Sum of outstanding council tax owed and levels of debt</p> <p>9. Work to establish mechanism to capture the can't pays from the will not pay</p> <p>10. Evaluate how much it costs to send a reminder, collection process (part of evaluating assumption scheme able to pay shortfall)</p>
<p>6.1 What further evidence do you need to gather?</p>	<p>The need to keep the communication channels open with outside support agencies post implementation is necessary to gather evidence as to the wider effect of the changes.</p> <p>Monitoring the number of enquiries and issues raised to the council as a result of the scheme will need to be factored in.</p>
<p>7. How are you assessing the risks and minimising adverse impacts?</p>	<ul style="list-style-type: none"> • Distribution of the schemes proposals have been done widely although difficulties evident in publication of a not agreed scheme. • The Revenues & Benefits and Housing Teams will work together re the communication regarding the scheme. The communication will offer information about what assistance the Council can provide (and possibly about what it cannot do) as soon as possible post confirmed policy decision Jan 13. As wide a notification as possible is being planned for the earliest notification to those affected. • WLDC will liaise with the Citizens Advise Bureau and the Credit Union to offer advice about managing budgets. • Welfare Changes Forum 6 February 2013 in Lincoln to bring together differing support agencies to see how co-ordinated work can help minimise adverse impacts • WLDC has an Empty Homes Officer who will work with the Council Tax team to make advice and guidance available to current empty home owners.
<p>8. How will you undertake evaluation once the changes have been implemented?</p>	<p>Monitoring Mechanisms are to be put in place to assess impact where possible. Action Log below identifies measures. Agreed that in some cases gathering data as is asap would be applicable or a</p>

	<p>snapshot as at end of current financial year. This comparison baseline is to be compared with a 6 month period April to Sept post implementation.</p> <p>Therefore an evaluation exercise, plus a post implementation Impact Assessment will be done and reported to the Equalities Board October/November 2013. This policy is to be reviewed annually so these actions will feed into a revisit of the scheme for the tax year 2014/15.</p>
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III. Further Details

<p>Are you confident that everyone who should have been involved in producing this version on the assessment has been?</p>	<p>There were representatives from the following teams:</p> <ul style="list-style-type: none"> • Benefits • Council Tax • Homelessness • Empty Homes • Localism and Community Action <p>There was discussion on the need to involve external bodies into the assessment. This would have been valuable however timescales have been very tight. It is to be taken into account for a post implementation impact assessment especially with external support agencies.</p>
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IV. Action Required

<p>List any actions required (including any that have been identified in this analysis for monitoring in the service)</p>	<p>Lead Officer</p>	<p>Timescale</p>
<p>Collation and analysis of consultation feedback. Incorporation into policy and impact assessment as appropriate.</p>	<p>Angela Matthews, Alison McCulloch</p>	<p>December 2012</p>
<p>Follow up Impact assessment once the actual scheme is in place to be planned and a follow on report to the Equalities Board .</p>	<p>Lead Officer Equalities</p>	<p>October 2013</p>
<p>Review the stock of empty properties which WLDC currently holds to determine its own liability under the new tax scheme and include within policy consideration. <u>Alison to raise with Grant Lockett / Gary Reeve</u></p>	<p>Alison McCulloch</p>	<p>December 2012</p>

Monitor impact of changes on homelessness presentation figures; Stats have only been collated of accepted Homelessness as per legislation definition previously. Decision taken to monitor presentation numbers a.s.a.p. so that some base comparison is available to monitor any potential increases post implementation of this change and wider welfare changes.	Rachel Cook	ASAP
Letters notifying those affected to have advice on what help can be given to them on the reverse. Housing to work with Council Tax on the notification letters.	Alison McCulloch	Jan 13 – Feb 13
The Housing Team and Council Tax team to jointly coordinate the communication re the new scheme especially re the new tax on empty properties.	Alison McCulloch, Michelle Howard	Feb 2013
Numbers of long term empty homes owners unable to fix the problem to be revisited and shared with Council Tax prior to letters being issued for additional sensitivity	Hannah Cann	December 2012
Review Housing Assistance Policy / Empty Homes Project in light of the new charges on empty property owners see if any mitigation /support to bring properties back into use.	Michelle Howard	ASAP
Monitoring measures to be put in place to assess impact post implementation as per below		
1. Those currently in receipt of lower than 5.00 benefit as at 1 st April 2013 to be compared to numbers 6 months on end of Sept 2013 to assess how many have dropped off benefit.	Angela Matthews	1. Initially asap to see if we can capture this information easily 2. Agreed that 6 months post implementation to cross reference the prior to scheme position
2. Capture how many properties have been empty 6 months, and 2 years as at 31 March to then compare how this has altered 6 months later	Hannah Cann	
3. Review how many get 150% bill empty homes 2yrs+ and then become 2 nd homes – go to a 90% charge.	Alison McCulloch	

4. Capture the number of complaints re substandard properties as now – monitor 6 months time has this gone up	Housing	
5. Capture presentation re homelessness as now and monitor any increase post implementation	Rachel	
6. Number of unpaid tax reminder notices sent out in comparison to prior year. 6a. What proportion of these non payments are related to empty homes.	Alison McCulloch	
7. Sum of outstanding council tax owed and levels of debt	Alison McCulloch	
8. Work to establish mechanism to capture the can't pays from the will not pay	Alison McCulloch	
9. Evaluate how much it costs to send a reminder, collection process (part of evaluating assumption scheme able to pay shortfall)	Alison McCulloch	
Signed off by	<i>glauze</i>	Date

Appendix B – Consultation Responses

Change			
Protect the disabled, war pensioners and carers from reductions in support	Yes 84.6%	No 7.3%	Don't Know 8.2%
Reducing support for all claimants (except pensioners and protected groups) by only funding 90% of the council tax liability – every household pays at least 10%	Yes 66.1%	No 21.9%	Don't Know 12.5%
Reducing support for all claimants (except pensioners and protected groups) by only funding 80% of the council tax liability – every household pays at least 20%	Yes 54.8%	No 27.1%	Don't Know 18.6%
Restrict support to the level for a Band C property	Yes 43.6%	No 27.6%	Don't Know 28.9%
Restrict support to the level for a Band B property	Yes 35.4%	No 34.3%	Don't Know 30.6%
Restrict an award to nil if the calculated award is below £5 (minimum award £5)	Yes 64.3%	No 15.3%	Don't Know 21.2%
Restrict an award to nil if the calculated award is below £4 (minimum award £4)	Yes 52.1%	No 25.2%	Don't Know 23.2%
Restrict an award to nil if the calculated award is below £2.50 (minimum award £2.50)	Yes 56.7%	No 20.6%	Don't Know 22.8%
Reduce the maximum amount of capital that a claimant may hold before becoming ineligible for council tax support to £8,000	Yes 55.5%	No 28.5%	Don't Know 16.1%
Abolish Second Adult Rebate	Yes 51.8%	No 21.7%	Don't Know 26.7%
Increase Non Dependant Deductions £9.90 to £20 £8.25 to £15	Yes 48.9%	No 15.5%	Don't Know 35.7%

£6.55 to £10			
£3.30 to £5			

Uninhabitable/Requiring Structural Repair (Class A) 75% charge rising to 100% after 12 months	Agree 65.6%	Disagree 18.2%	Don't Know 16.3%
New, Empty & Unfurnished Properties (Class C) 2 months free then 100%	Agree 67.3%	Disagree 19.5%	Don't Know 13.5%
Long Term Empty Homes 100% charge	Agree 73.9%	Disagree 12.9%	Don't Know 13.3%
Empty over 2 years 150% charge	Agree 59.7%	Disagree 25.1%	Don't Know 15.3%

Are you currently in receipt of Council Tax Benefit

Yes 12.2% **No 87.8%**

Do you currently own an empty property?

Yes 2.9% **No 97.1%**

Appendix C – Financial Implications

WLDC-Council Tax Support Scheme 2013/14						
	Options	Savings - Vulnerable protected £	WLDC Gross share 13% £	% Collection Expected	Actual Total Savings £	WLDC share 13% £
1	Abolish Second Adult Rebate	10,993.00	1,429.09	100.00	10,993.00	1,429.09
2	£10.95 highest Non Dependant Deduction	1,296.00	168.48	90.00	1,166.40	151.63
3	£8.25 to £9.15	93.00	12.09	90.00	83.70	10.88
4	£6.55 to £7.25	896.00	116.48	90.00	806.40	104.83
5	£3.65 Minimum Non-Dependant Deduction	1,081.00	140.53	90.00	972.90	126.48
6	91.5% Cap on Liability	215,305.00	27,989.65	70.00	150,713.50	19,592.76
7	Minimum Award £2.50	4,012.00	521.56	90.00	3,610.80	469.40
8	Charge 100% on empties over 6 months	562,918.00	73,179.34	90.00	506,626.20	65,861.41
9	Charge 150% on empties over 2 years	245,250.00	31,882.50	70.00	171,675.00	22,317.75

10	Charge 100% After 2 month empty	293,481.00	38,152.53	85.00	249,458.85	32,429.65
11	Charge 75% class A	11,187.00	1,454.31	80.00	8,949.60	1,163.45

Total 1,346,512.00 175,046.56 1,105,056.35 143,657.33

Total Transitional Grant 146,279.00 23,445.00

1,251,335.35 120,212.33