

Council Tax Reduction Scheme 2017-18

Council - 1 December 2016

Report Author	Tim Willis, Director of Corporate Resources and Mark Emery, Acting Head of Customer Delivery, EK Services
Portfolio Holder	<i>Cllr John Townend. Cabinet Member for Financial Services and Estates</i>
Status	<i>For Decision</i>
Classification:	<i>Unrestricted</i>
Key Decision	Yes
Reasons for Key (if appropriate)	<i>Significant impact on communities</i>
Ward:	<i>All Wards</i>

Executive Summary:

The existing Council Tax Reduction Scheme (referred to locally as the Council Tax Support Scheme (CTS)) has been in place since 1st April 2013 and has remained largely unchanged since that date. Reductions in the Revenue Support Grant have resulted in a significant shortfall in CTS funding. A new more affordable scheme from April 2017 has been subject to consultation. This report seeks approval for the final Thanet District Council Tax Reduction scheme taking into account the recent consultation exercise.

Recommendations:

The recommendations are that the existing scheme is modified to reduce the level of expenditure within the scheme by £875k (of which Thanet's reduction would be £119k) and maintain alignment with the Housing Benefit rules whilst protecting the principles of the original scheme relating to protecting the most vulnerable where possible.

- 1. That the current minimum contribution towards their Council Tax made by recipients of Council Tax Support is increased from 5.5% to 10.0%**
- 2. That the maximum savings that a customer can have and still claim Council Tax Support is reduced from £16,000 to £6,000**
- 3. That a minimum income is used within the calculation for Self Employed Customers after 12 months of self-employment**
- 4. That the maximum level of Council Tax support is restricted to the equivalent of a Band D property charge**
- 5. That only the first two children in a family will be included in the calculation for children born after April 2017 (some exceptions will apply for adoptions and multiple births)**
- 6. That the Family Premium is not included in the calculation of Council Tax Support for all new working age customers**
- 7. That the period for which a late claim can be backdated is reduced to one month**

8. That the period for which a customer can be absent from Great Britain and still claim Council Tax Support is reduced to 4 weeks (with some exclusions for certain occupations)
9. That the element of the work-related component of Employment and Support Allowance is not included in the Council Tax Support Calculation
10. That TDC works towards an exceptional hardship scheme that will be introduced from April 2017 in order to provide a safety net for customers experiencing extreme difficulty paying their Council Tax
11. That Council notes the equalities impact as detailed in Annex 1.

CORPORATE IMPLICATIONS

Financial and Value for Money	The Council Tax Reduction scheme is funded through the Revenue Support Grant. The scheme has not materially changed since inception, but the Revenue Support Grant will have reduced by approximately 30% by 2017-18. To leave the scheme un-reviewed will risk the financial stability of the authority and increase the cross-subsidisation of claimants from non-claimants. The CTS scheme in its current form would cost in excess of £400k more in 2017-18 than the RSG funding originally identified in 2013.								
Legal	Thanet District Council must approve its local CTRS at full Council by 31st January 2017. If it does not do this then it is forced to adopt the previous scheme (that is in force during 2016-17). The obvious disadvantage to this is continuing to pay previous levels of CTRS with an increasing funding gap. The financial impact is shared by Thanet District Council and the major preceptors pro-rata to their share of Council Tax receipts.								
Corporate	There is a risk to the provision of other services funded via the RSG should the affordability of the CTS Scheme not be reviewed.								
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" data-bbox="432 1563 1401 1803"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>✓</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td>✓</td> </tr> </table>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓	Foster good relations between people who share a protected characteristic and people who do not share it.	✓
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Foster good relations between people who share a protected characteristic and people who do not share it.	✓								
	<p>Reducing the maximum level of support for working age applicants from 95% to 90%</p> <p>This option will apply to all working age claimants regardless of their protected characteristics. The primary mitigating factor will be the introduction of an exceptional hardship fund (Option 13) which would be available to provide assistance for those adversely affected by the</p>								

reduction to 90%.

Reducing the maximum level of support for working age applicants from 95% to 85%

This option will apply to all working age claimants regardless of their protected characteristics. The primary mitigating factor will be the introduction of an exceptional hardship fund (Option 13) which would be available to provide assistance for those adversely affected by the reduction to 85%.

Using a set income for self-employed earners after 1 year's self-employment

This option will only apply to working age claimants who have been self-employed for more than a year. The concern that this option has the potential to stifle entrepreneurialism is mitigated by the fact that claimants will still have a year in which to determine whether or not their self-employment is viable and will be able to generate sufficient income for their needs.

Claimants with protected characteristics will benefit from the two-tiered income floor; one for part-time, one for full-time. This will mitigate against any potential impact on any claimants (including those with protected characteristics) that are deemed to be suitable for part-time self-employment due to disability, childcare, caring responsibilities etc. and would therefore be subject to the lower income floor than those who work full-time.

In addition to this the introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Reduce the capital limit from the existing £16,000 to £6,000

This option will only apply to working age claimants who exceed the capital limit of £6,000 regardless of their protected characteristics. It is not expected to affect many claimants and those that would be affected are unlikely to suffer financial hardship.

The mitigating factor is that claimants with over £6,000 in capital will have the finances available to pay their council tax. At such point that any claimant affected has capital below £6,000 they would then be eligible to apply for CTS (providing that there is no evidence of intentional deprivation of capital).

In addition to this the introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Restrict the maximum level of Council tax support payable to the equivalent of a Band D property charge

This option will only apply to working age claimants who live in band E-H properties. It will apply to these working age claimants regardless of their protected characteristics.

There is concern that this option is more likely to affect claimants with larger families. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Removing the Family Premium for all new working age applicants

This option will only apply to new working age claimants who would have

previously received the Family Premium. It will not affect existing working age claimants. It will apply to new working age claimants regardless of their protected characteristics. Single females and couples are more likely to be affected, as over 95% of those currently eligible for the Family Premium are in those groups.

The mitigating factor is that it will only affect new claimants who will not suffer financial hardship as a result of this. The reason for this is that they will not have received the Family Premium for it to be taken away. The only way that this will affect existing claimants is if they have a break in their claim.

Reducing Backdating to 1 month

This option will only apply to new working age claimants that apply for backdating or existing claimants that have a break in their claim and need to reclaim with backdating (the latter is an unlikely scenario due to existing claimants already being familiar with the process). It will apply to these working age claimants regardless of their protected characteristics.

Aligning the backdating period from six months to one month means the potential entitlement period changes, but there is no actual reduction in support to the claimant. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

This option will apply to all working age claimants who are temporarily absent from Great Britain for more than 4 weeks. A mitigating factor is that exemptions will apply in certain circumstances such as bereavements and for certain professions such as the armed forces.

It will apply to all working age claimants regardless of their protected characteristics however Government analysis has suggested that certain ethnicities such as Black/ British Black and Asian may be more likely to be affected by this option. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants

This option will only apply to working age claimants who are in receipt of ESA and receive the Work Related Activity Component. Households that include someone with a protected characteristic will be affected this policy if they receive this component. Overall, those groups who are more likely to be in receipt of affected benefits are more likely to see notional impacts from this option.

On an individual basis an equal number of men and women are likely to be affected. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

This option will only apply to new working age claimants who have more than two children or existing claimants only if they have a break in their claim and have to reclaim. Households that include someone with a

	<p>protected characteristic will be affected by this policy if this applies to them.</p> <p>The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.</p> <p>To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship</p> <p>This option is the primary mitigating factor for all of the options that could have a financial impact on claimants to such an extent that one or more of the options causes exceptional hardship.</p>
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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and Background

- 1.1 Council Tax Reduction (referred to locally as Council Tax Support) is a means tested locally defined Council Tax discount and replaced Council Tax Benefit in April 2013. The current Thanet District Council scheme closely mirrors the former Council Tax Benefit and is administered in a similar way (and often at the same time) as an award of Housing Benefit. In 2015-16 Thanet District Council awarded £13.9m in Council Tax Reduction on behalf of all precepting bodies. The cost to Thanet District Council of those awards was £1.9m.
- 1.2 Each local authority is required to set its own Council Tax Reduction scheme on an annual basis. The Thanet District Council working age schemes agreed since 2013 have been amongst the most generous in the country, recognising the outcome of the previous consultation where there was a consensus of protecting the most vulnerable in local society.
- 1.3 Each annual scheme must be agreed by Council by 31st January to come into effect from 1st April of that year. In the event that a new scheme is not agreed, the previous year's scheme will roll forward to the next year.
- 1.4 Whilst Council Tax Reduction is a local discount, the rules around pension age customers are defined and the local authority has no discretion to vary that element of the scheme. However the scheme for working age customers is not defined and the local authority has full discretion over the design and generosity (cost) of the scheme. This means that where there is a need to reduce scheme cost, that burden can only be borne by the working age recipients.
- 1.5 When Council Tax Benefit was abolished in 2013, responsibility for Council Tax Reduction was passed to Local Authorities. The funding for Council Tax Reduction was added to the Revenue Support Grant (RSG), but was subject to an arbitrary 10% reduction from the previous amount paid under Council Tax Benefit. The amount included within the RSG has not been separately identified since 2013 and since then, central government has reduced the overall RSG by 30%, whilst expenditure on the CTS scheme has remained largely static.
- 1.6 Thanet District Council previously agreed to lessen the impact of the 10% funding cut in 2013 by increasing the amount of Council Tax it collected from the general population through the removal of some of the discounts that were available at that time. This additional revenue reduced the amount that needed to be saved from the Council Tax Reduction scheme and for Thanet District Council, working age customers have been required to pay a minimum of 5.5% towards their Council Tax. This has not previously been reviewed despite the increasing funding shortfall.

2.0 The current situation and the need for review

- 2.1 Council Tax Reduction for Thanet District Council is managed by EK Services (EKS) alongside the schemes for Canterbury City Council and Dover District Council. The existing scheme was developed jointly with the EK partner authorities and benefits from shared principles, modelling and methodology. The principles of the schemes are common across all the authorities in Kent, with the main exception that the three East Kent districts raised additional funding through the earlier removal of certain alternative discounts in order to have a lower CTS customer contribution rate.

2.2 Following the previous consultation, the CTS scheme at Thanet District Council was decided to be broadly based upon the previous Council Tax Benefit scheme rules with the following broad changes:

- Minimum 5.5% contribution towards the Council Tax charge for all working age recipients
- Removal of Second Adult Rebate.

2.3 The major preceptors have provided each authority with an additional £125k of funding to contribute towards the additional costs incurred during the recovery of Council Tax payable by CTS recipients. This funding has been used by EKS to fund a number of posts focused on Council Tax collection and compliance. Major preceptors are currently negotiating an equivalent scheme for the 2017-18 financial year.

2.4 The financial gap between scheme expenditure and RSG funding has been growing since 2013 and currently stands at over £400k per annum. Ongoing monitoring has highlighted the risk in continuing with the current arrangements without significant reform or identification of alternative funding streams.

2.5 The major preceptors across Kent agreed to fund consultancy to review the viability of the existing scheme and to recommend options for change, in order to increase the affordability of the scheme. Based upon the recommendations from that consultancy, Thanet District Council undertook public consultation to gain views on those options.

2.6 The consultation ran from 27th June to 16th September 2016 and the following activity was undertaken:

- Explanatory information and a survey were made available online.
- Explanatory 'You Tube' videos explained each option in further detail.
- All working age customers (9557) were sent a covering letter, paper information booklet and paper answer booklet with an invitation to complete either the form or complete an online survey.
- 5% of the remaining households (3334) were sent a covering letter inviting them to complete an online survey.
- Copies of the information booklet and answer booklet were available for pick up at Council face to face outlets.
- Four 'Drop In' sessions were held where members of the public could ask questions about the consultation.
- A statement was added to every Housing Benefit Notification letter and every CTS notification letter issued between 26th June and 14th September 2016 advising customers that the consultation was running.
- Community groups were invited to take part in the consultation
- The consultation was promoted in the Council's Twitter feed.
- The consultation was promoted on the Council's Facebook page.

3.0 Options

3.1 The council consulted on fourteen different options. Some of these related to direct alterations to the scheme. Others related to structural changes to keep the scheme closely aligned to the known changes to the Housing Benefit rules.

3.2 The options consulted on were:

- 1) Increase the minimum contribution working-age recipients will need to pay towards their council tax charge from 5.5% to 10%.

- 2) Increase the minimum contribution working-age recipients will need to pay towards their council tax charge from 5.5% to 15%.
- 3) Use a minimum set income for self-employed earners after one year.
- 4) Reduce the savings, capital and investment limit from £16,000 to £6,000
- 5) Introduce a standard weekly charge of £10 for all new claimants who have a non-dependant living in their property.
- 6) Restrict the maximum level of council tax support payable to the equivalent of an average Band D property charge.
- 7) Restrict the maximum level of council tax support payable to the equivalent of a Band C property charge.
- 8) Remove the family premium for all new working-age claimants.
- 9) Reduce backdating of new claims to one month.
- 10) Reduce the period for which a person can be absent from Great Britain and still receive council tax support to four weeks.
- 11) Remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.
- 12) Limit the number of dependent children within the calculation for council tax support to a maximum of two.
- 13) Introduce a scheme, in addition to council tax support, to help applicants suffering exceptional hardship.
- 14) To take any Child Benefit paid to a claimant or partner into account in full in the calculation of Council Tax Support.

3.3 As well as seeking views on each of those options and leaving the scheme unchanged, residents were asked to identify their top four options. Residents were also invited to comment on the options or put forward their own ideas.

3.4 Residents were advised that three further options had been considered but were not likely to be suitable in the long term. Comments were sought on these options. They were:

- **Increase the levels of Council Tax** – This was not considered viable because Thanet District Council is already planning to increase its Council Tax by the amounts allowed without triggering a local referendum. To increase Council Tax further in order to supplement the CTS scheme would require a district wide referendum for which TDC would be liable to bear the cost. This cost would outweigh any likely increase in revenue that would be raised by such a move
- **Reduce funding on other Council services** – This activity is already ongoing with each service that Thanet DC delivers being subject to budget restrictions
- **Use Council reserves** – This was not considered to be a viable approach because it does not address the structural issues caused by a lack of underfunding within the scheme. Additionally, TDC has very low levels of useable reserves.

3.5 Some 970 responses were received from the consultation, representing a 7.5% return rate of the invitation to give views. Residents were asked whether they agreed with, and were invited to add comments for, each option. All comments were captured and collated. The highest number of responses were from existing Council Tax Support customers, with their responses forming 86% of the total.

3.6 The numeric results from the consultation are shown below. The % in agreement is the % of respondents who indicated that they did agree, compared with the number that didn't agree. It excludes any respondent who selected 'do not know' or did not provide

a response. A full numerical breakdown and all comments made during the consultation are available on request.

Option Number	Question	Estimated impact on expenditure	Number in Agreement	% In Agreement	Recommend inclusion?
	The Council should keep the current Council Tax Support Scheme	Growth would be through CT increases	538	78%	No
1	Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 5.5% to 10%	£394k	247	32%	Yes
2	Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 5.5% to 15%	£810k	108	14%	No
3	Use a minimum set income for self-employed earners after one year	£397k*	337	54%	Yes
4	Reduce the savings, capital and investment limit from £16,000 to £6,000	£48k	399	51%	Yes
5	Introduce a standard weekly charge of £10 for all claimants who have a non-dependant living in their property	£164k	323	43%	No
6	Restrict the maximum level of Council tax support payable to the equivalent of a band D property charge	£36k	298	48%	Yes
7	Restrict the maximum level of Council tax support payable to the equivalent of a band C property charge	£112k	197	33%	No
8	Remove the Family Premium for all new working age claimants	None – this will avoid future costs with new	232	37%	Yes

		claimants			
9	Reduce backdating of new claims to one month	None – this will avoid future costs	453	58%	Yes
10	Reduce the period for which a person can be absent from Great Britain and still receive Council Tax Support to four weeks	None – this will avoid future costs	618	78%	Yes
11	Remove the element of a Work Related Component in the calculation of the current scheme for new Employment and Support Allowance applicants	None – this will avoid future costs	316	54%	Yes
12	Limit the number of dependant children within the calculation of Council Tax support to a maximum of two	None – this will avoid future costs	472	61%	Yes
13	Introduce a scheme, in addition to Council tax support, to help applicants suffering exceptional hardship	Budget to be decided	705	87%	Yes
14	To take Child Benefit or Child Maintenance paid to the claimant or partner into account in full in the calculation of Council tax support	£498k	392	51%	No

*£397k is a maximum figure for self employed customers and assumes no change in employment status for those affected customers.

- 3.7 Residents were asked whether the Council should keep the existing scheme unchanged. Of the respondents that expressed an opinion, 78% considered that the scheme should remain unchanged. Although there was strong support for this option, this would only be achievable on a long term basis through the redirection of funding from other services or the raising of Council Tax, with the latter triggering a district wide referendum on raising the level of Council Tax. The cost of holding a referendum would fall to the district and would be disproportionate to the additional income that would be raised should the general public support the move. It is therefore **not** recommended to take this option forward.
- 3.8 Residents were asked about Option 1 – Whether every customer’s minimum contribution towards their Council Tax should increase from 5.5% to 10%. Of the 775 respondents that expressed an opinion, 32% (247) agreed with this option. This approach, whilst not the most popular, is widely accepted as the fairest way to reduce

funding with all working age households impacted by the same percentage and no community group unfairly disadvantaged. Analysis of the 247 responses revealed that there was a favourable response from 21% of the respondents in receipt of CTS, and a 61% favourable response from customers not in receipt of CTS. There was greater support for this option than Option 2 (increasing the minimum contribution to 15%) and it **is** recommended that this is taken forward in conjunction with other options as part of a package of savings.

- 3.9 Residents were asked about Option 2 – Whether every customer’s minimum contribution towards their Council Tax should increase from 5.5% to 15%. Of the respondents that expressed an opinion, 14% agreed with this option. Whilst this would reduce scheme expenditure significantly, there was little support for this approach. It would also have a greater impact on the Council Tax collection rate as greater amounts would need to be collected from all working age claimants. It is therefore **not** recommended to take this option forward.
- 3.10 Residents were asked about Option 3 – Whether every self-employed customer should be treated as having a minimum set income after 12 months. Of the respondents that expressed an opinion, 54% agreed with this option. Whilst there was strong support for this approach, there is a need to consider the balance between supporting developing businesses and the potential for stifling entrepreneurs within the district. However it is considered that the ‘grace’ period of 12 months does give time for a business to become more established and the proposed income is based on the national minimum wage. This would also complement the approach taken to Self Employed income taken within Universal Credit. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.11 Residents were asked about Option 4 – Whether the maximum level of savings and investments a customer could hold whilst still receiving Council Tax Support should reduce from £16,000 to £6,000. Of the respondents that expressed an opinion, 51% agreed with this option. It was generally felt that customers with access to capital over £6,000 should not receive assistance from the other tax payers. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.12 Residents were asked about Option 5 – Whether there should be a reduction in Council Tax Support of £10 per week for each non dependant in the property. Of the respondents that expressed an opinion, 43% agreed with this option. However, there is a risk with this approach that some vulnerable households with more than one non-dependant would have all of their assistance removed. This option may also lead to greater incidences of non-dependants being forced to leave their homes and a corresponding increase in use of Housing Options resource, which would outweigh the savings this option would generate. It is therefore **not** recommended to take this option forward.
- 3.13 Residents were asked about Option 6 – Whether the maximum amount of Council Tax Support payable would be restricted to the equivalent of a Band D property. Of the respondents that expressed an opinion, 48% agreed with this option. The feeling from respondents was that residents in larger properties should downsize. This is difficult to achieve where there is little money to support such a move as many recipients may be capital rich and cash poor; however on balance and considering the consultation responses, it **is** recommended to take this option forward.
- 3.14 Residents were asked about Option 7 – Whether the maximum amount of Council Tax Support payable would be restricted to the equivalent of a Band C property. Of the

respondents that expressed an opinion, 33% agreed with this option. This would impact significantly on recipients who were previously able to support themselves and for whom downsizing is problematic. This would have an impact on a larger number of households than option 6 and is supported by fewer respondents. It is therefore **not** recommended to take this option forward.

- 3.15 Residents were asked about Option 8 – Whether the family premium should not be used in the calculation of Council Tax Support for all new customers (to maintain alignment with the Housing Benefit calculations). Of the respondents that expressed an opinion, 37% agreed with this option. There was lower support for this option but many of the respondents were referring to a reduction in ongoing payments. The removal of the family premium is a change that will be taking place within the Housing Benefit rules from April 2017 and this proposal is one of those that have been made to maintain the alignment between Council Tax Support and the Housing Benefit rules. Existing customers will be protected from these changes, and to remove the premium in one benefit but allow it in Council Tax Support is likely to result in significant confusion and ongoing contact from worried customers which will increase rather than decrease the cost to the authority of providing the service. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.16 Residents were asked about Option 9 – Whether the period of backdating allowed be reduced to one month. Of the respondents that expressed an opinion, 58% agreed with this option. This option was presented to maintain the alignment between Council Tax Support and the Housing Benefit rules. It received strong support from respondents. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.17 Residents were asked about Option 10 – Whether the period for which a customer can be absent from Great Britain and still receive CTS be reduced to four weeks (to maintain alignment with the Housing Benefit calculations). Of the respondents that expressed an opinion, 78% agreed with this option. This option was presented to maintain the alignment between Council Tax Support and the Housing Benefit rules. It received very strong support from respondents. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.18 Residents were asked about Option 11 – Whether the element of the Work Related component of Employment & Support Allowance should be removed from new applicants (to maintain alignment with the Housing Benefit calculations). Of the respondents that expressed an opinion, 54% agreed with this option. This option was presented to maintain the alignment between Council Tax Support and the Housing Benefit rules. It received support from respondents and would not have any impact on existing customers. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.19 Residents were asked about Option 12 – Whether the number of dependants used in the calculation of CTS should be restricted to two (to maintain alignment with the Housing Benefit calculations). Of the respondents that expressed an opinion, 61% agreed with this option. This option was presented to maintain the alignment between Council Tax Support and the Housing Benefit rules. It received strong support from respondents. Existing customers would be protected and exemptions would apply for adoptions and multiple births. It **is** therefore recommended that this is taken forward in conjunction with other options as part of a package of savings.
- 3.20 Residents were asked about Option 13 – Whether the Council should introduce an exceptional hardship fund to help customers impacted by restrictions to CTS. Of the

respondents that expressed an opinion, 87% agreed with this option. There was very strong support for this option and it **is** therefore recommended that this is taken forward to help reduce the impact of the recommended options for the most vulnerable customers experiencing extreme hardship.

3.21 Residents were asked about Option 14 – Whether Child Benefit and Child Maintenance should be included as income in the calculation of the CTS award. Of the respondents that expressed an opinion, 51% agreed with this option. There was strong support for this, but there was concern that this approach would result in increased child poverty. As this is contrary to stated Council intentions, it is therefore **not** recommended to take this option forward.

3.22 When looking at the recommended options as part of a package of changes, options 8, 9, 10, 11 and 12 do not generate specific savings but as part of the alignment with the changes to Housing Benefit will result in an avoidance of additional scheme costs for new claimants after 1st April 2017. Existing customers will not be affected by these changes while they remain continuously entitled to Council Tax Support.

3.23 Options 1, 3, 4 and 6 when modelled together would impact on existing customers and would reduce scheme expenditure by approximately £875k. This reduction in expenditure is made directly by increasing the Council Tax payable of those affected and therefore is shared between all the preceptors on the established pro-rata basis. Thanet's pro rata share of the council tax is currently 13.67% and on this basis, Thanet's expenditure would decrease by around £119k.

3.24 Option 13 would provide the necessary safety net for customers disproportionately affected by increases in Council Tax payable and will have an as yet unknown cost.

4.0 Next Steps

4.1 It is recommended that Council notes the Equalities Impact Assessment in Annex 1 and approve the combination of options 1, 3, 4, 6, 8, 9, 10, 11, 12 and 13 detailed above in the new Council Tax Support scheme.

Contact Officer:	Mark Emery – Acting Head of Customer Delivery, EK Services
Reporting to:	Tim Willis – Director of Corporate Resources

Annex List

Annex 1	Equalities Impact Assessment
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Background Papers

Title	Details of where to access copy
N/A	

Corporate Consultation

Finance	Tim Willis, Director of Corporate Resources
Legal	Tim Howes, Director of Corporate Governance

Name of Policy/Strategy/Service/Function Proposal

The Council Tax Reduction Scheme for 2017-18

The Aims, Objectives and Expected Outcomes:

Since 1st April 2013, the Council has maintained a local Council Tax Reduction scheme. This replaced the national Council Tax Benefit scheme, which ended on 31st March 2013. Council Tax Reduction helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.

The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.

When Council Tax Reduction was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1st April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.

After the original consultation, the Council decided to introduce a Council Tax Reduction scheme that differed from the original Council Tax Benefit in that instead of granting a maximum level of support of 100% it would limit the maximum support to 94.5%.

Changes since 2013

Since the introduction of Council Tax Reduction, the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts and non-dependant charges being uprated as well as minor changes being made to mirror changes to the Housing Benefit scheme. Central Government has also continued to uprate changes to applicable amounts for pension age applicants, again to mirror the changes in Housing Benefit.

The Proposed Scheme for 2017-18

A full review has been undertaken of the effectiveness of the current Council Tax Reduction scheme and a public consultation has been undertaken to gather views as to whether the current scheme should be changed. A summary of the results of the consultation are provided together with this Equality Impact Assessment. The Council is minded to make changes to the working age scheme to meet the following:

- The more accurate targeting of support to those working age applicants who most need it;
- The need to change the scheme, not only to align with proposed changes to Housing Benefit, but also to align the scheme with the approach taken by the Department for Work and Pensions in the creation, introduction and roll out of Universal Credit; and

- To address potential shortfalls in funding due to the continued reduction in Central Government grants.

It should be noted that the changes, if made, would only apply to the working age scheme although the consultation will be open to all Council Taxpayers.

The main proposals of the scheme are as follows. Any changes if adopted will be effective from 1st April 2017:

Option 1 – Reducing the maximum level of support for working age applicants from 94.5% to 90%

Option 2 – Reducing the maximum level of support for working age applicants from 94.5% to 85%

Option 3 – Using a set income for self-employed earners after 1 year's self-employment

Option 4 - Reduce the capital limit from the existing £16,000 to £6,000

Option 5 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependants resident with them

Option 6 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

Option 7 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C charge

Option 8 - Removing the Family Premium for all new working age applicants

Option 9 - Reducing Backdating to 1 month

Option 10 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Option 11 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants

Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

Option 14 - To take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

The Council also consulted on whether they should maintain the current scheme for working age applicants or whether it should consider the following alternatives:

Increase the Council Tax; or find the additional income by cutting other services; or use reserves to provide the income

Scope of the Equality Impact Assessment

The following identifies the potential impact on claimants and particularly groups of claimants. It should be noted that Pensioners will continue to be protected under the rules prescribed by Central Government. These broadly replicate council tax benefit scheme, which existed prior to 1st April 2013.

Central Government has not been prescriptive in how it does this but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.

Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

A review of the impact of the current CTR Scheme in April 2016 is based on a 5% reduction of the original council tax benefit. Data has been analysed for those protected characteristics where we hold data: disability, carers, sex and age. The review has found that:

- 39% of claimants have a disability.
- 5% of claimants have a carer in the household.
- 62% of claimants are female and 38% are male.
- 8% of claimants are aged 18-24, 23% are aged 25-34, 24% are aged 35-44, 26% are aged 45-54 and 18% are aged 55-64.

Pension age claimants have not been included in the analysis as they are protected.

Disability and Carer Characteristics

- All claimants (including those with protected characteristics) have received a reduction in their benefit amount.
- People with disabilities now receive more per week, on average, than people without disabilities.
- Claimants with a carer in the household continue to receive more per week, on average, than claimants without a carer in the household.

These factors are probably as a result of our scheme treating people with disabilities and carers more favourably by disregarding some incomes, resulting in a higher council tax reduction.

Sex and Age Characteristics

- Eligibility for council tax support is not based on a person's sex or age. Any differences between the average weekly amounts received by these claimant groups are likely to be as a result of other factors.
- Males continue to receive more per week, on average, than females.
- The difference in average weekly amounts received across age groups appears to have reduced.
- Those aged 45-54 receive the highest weekly amount, on average.
- Those aged 18-24 receive the lowest weekly amount, on average.

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion or belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Actions to mitigate any identified impacts

The possible introduction of an Exceptional Hardship Scheme has been included as an option for consideration by the Council. The design of the Exceptional Hardship Scheme is that it will allow any claimant to apply for additional support. It will examine their overall circumstances; examine both income and expenditure with a view to determining whether exceptional hardship exists. Under the scheme, claimants will potentially be able to receive additional support up to the full level of their Council Tax.

The individual mitigations for each option are below:

Option 1 – Reducing the maximum level of support for working age applicants from 95% to 90%

This option will apply to all working age claimants regardless of their protected characteristics. The primary mitigating factor will be the introduction of an exceptional hardship fund (Option 13) which would be available to provide assistance for those adversely affected by the reduction to 90%.

Option 2 – Reducing the maximum level of support for working age applicants from 95% to 85%

This option will apply to all working age claimants regardless of their protected characteristics. The primary mitigating factor will be the introduction of an exceptional hardship fund (Option 13) which would be available to provide assistance for those adversely affected by the reduction to 85%.

Option 3 – Using a set income for self-employed earners after 1 year’s self-employment

This option will only apply to working age claimants who have been self-employed for more than a year. The concern that this option has the potential to stifle entrepreneurialism is mitigated by the fact that claimants will still have a year in which to determine whether or not their self-employment is viable and will be able to generate sufficient income for their needs.

Claimants with protected characteristics will benefit from the two-tiered income floor; one for part-time, one for full-time. This will mitigate against any potential impact on any claimants (including those with protected characteristics) that are deemed to be suitable for part-time self-employment due to disability, childcare, caring responsibilities etc. and would therefore be subject to the lower income floor than those who work full-time.

In addition to this the introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 4 - Reduce the capital limit from the existing £16,000 to £6,000

This option will only apply to working age claimants who exceed the capital limit of £6,000 regardless of their protected characteristics. It is not expected to affect many claimants and those that would be affected are unlikely to suffer financial hardship.

The mitigating factor is that claimants with over £6,000 in capital will have the finances available to pay their council tax. At such point that any claimant affected has capital below £6,000 they would then be eligible to apply for CTS (providing that there is no evidence of intentional deprivation of capital).

In addition to this the introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 5 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependants resident with them

This option will only apply to working age claimants who have a non dependant living in the household. It will apply to these working age claimants regardless of their protected characteristics. The mitigating factor is that most non-dependants will have some form of income, from benefits or employment. It is reasonable to expect them to contribute some of this income to the household which would go some way towards lessening the financial impact on the claimant.

There is concern that this option is more likely to affect claimants with larger families. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 6 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

This option will only apply to working age claimants who live in band E-H properties. It will apply to these working age claimants regardless of their protected characteristics.

There is concern that this option is more likely to affect claimants with larger families. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 7 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C charge

This option will only apply to working age claimants who live in band D-H properties. It will apply to these working age claimants regardless of their protected characteristics.

There is concern that this option is more likely to affect claimants with larger families to a greater extent than Option 6. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 8 - Removing the Family Premium for all new working age applicants

This option will only apply to new working age claimants who would have previously received the Family Premium. It will not affect existing working age claimants. It will apply to new working age claimants regardless of their protected characteristics. Single females and couples are more likely to be affected, as over 95% of those currently eligible for the Family Premium are in those groups.

The mitigating factor is that it will only affect new claimants who will not suffer financial hardship as a result of this. The reason for this is that they will not have received the Family Premium for it to be taken away. The only way that this will affect existing claimants is if they have a break in their claim and then reclaim. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 9 - Reducing Backdating to 1 month

This option will only apply to new working age claimants that apply for backdating or existing claimants that have a break in their claim and need to reclaim with backdating (the latter is an unlikely scenario due to existing claimants already being familiar with the process). It will apply to these working age claimants regardless of their protected characteristics.

Aligning the backdating period from six months to one month means the potential entitlement period changes, but there is no actual reduction in support to the claimant. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 10 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

This option will apply to all working age claimants who are temporarily absent from Great Britain for more than 4 weeks. A mitigating factor is that exemptions will apply in certain circumstances such as bereavements and for certain professions such as the armed forces.

It will apply to all working age claimants regardless of their protected characteristics however Government analysis has suggested that certain ethnicities such as Black/ British Black and Asian may be more likely to be affected by this option. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 11 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants

This option will only apply to working age claimants who are in receipt of ESA and receive the Work Related Activity Component. Households that include someone with a protected characteristic will be affected this policy if they receive this component. Overall, those groups who are more likely to be in receipt of affected benefits are more likely to see notional impacts from this option.

On an individual basis an equal number of men and women are likely to be affected. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

This option will only apply to new working age claimants who have more than two children or existing claimants only if they have a break in their claim and have to reclaim. Households that include someone with a protected characteristic will be affected by this policy if this applies to them.

Analysis undertaken by the Government suggests that of those households currently in receipt of any welfare benefit those which contain someone with a disability are less likely to have children, relative to those households which do not. Therefore of households in receipt of welfare those containing someone with a disability are less likely to be affected.

Ethnic minority households may be more likely to be impacted by these changes. This is because they are, on average, more likely to have larger families. The introduction of an exceptional hardship fund (Option 13) would be available to provide assistance for those adversely affected by this option.

Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

This option is the primary mitigating factor for all of the options that could have a financial impact on claimants to such an extent that one or more of the options causes exceptional hardship.

Option 14 - To take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

This option will only apply to working age claimants who receive Child Benefit and/ or Child Maintenance. Households that include someone with a protected characteristic will be affected by this policy if this applies to them.

Analysis undertaken by the Government suggests that of those households currently in receipt of any welfare benefit those which contain someone with a disability are less likely to have children, relative to those households which do not. Therefore of households in receipt of welfare those containing someone with a disability are less likely to be affected.

Ethnic minority households may be more likely to be impacted by these changes. This is because they are, on average, more likely to have larger families. The introduction of an exceptional hardship fund (Option 13) will be there to provide assistance for those adversely affected by this option.

Appendix A – Full Analysis of the effects of proposed changes

The following tables provide details of the expected effects of the changes (where available) on the working age claimants within the Council’s area.

Census 2011

Population data - Working Age (Census 2011)	Female	Male	20-24	25-34	35-44	45-54	55-64
Number	37,900	35,400	7,400	14,100	16,200	17,800	17,700
Proportion (of working age)	52%	48%	10%	19%	22%	24%	24%

2015/16 CTS caseload overview

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	9636	3797	5839	500	9136	5993	3643	804	2241	2297	2539	1755
Proportion of claimants		39%	61%	5%	95%	62%	38%	8%	23%	24%	26%	18%
Average benefit paid (per week)	£16.03	£17.06	£15.41	£19.16	£15.86	£15.97	£16.14	£14.62	£15.60	£16.16	£16.51	£16.37
Differences between groups		£1.65		£3.30		£0.17						

Option 1 – Reducing the maximum level of support for working age applicants from 94.5% to 90%

Any increase would apply equally to all working age recipients, in line with the current scheme

Option 2 – Reducing the maximum level of support for working age applicants from 94.5% to 85%

Any increase would apply equally to all working age recipients, in line with the current scheme

Option 3 – Using a set income for self-employed earners after 1 year's self-employment

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with self-employed income	653	59	594	45	608	378	275	17	173	221	169	73
Proportion of claimants		9%	91%	7%	93%	58%	42%	3%	26%	34%	26%	11%
Average benefit paid (per week)	£16.55	£18.93	£16.32	£18.98	£16.37	£16.36	£16.82	£16.03	£16.73	£16.96	£16.30	£15.60
Differences between groups		£4.86		£2.61		£0.46						

Option 4 - Reduce the capital limit from the existing £16,000 to £6,000

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	86	25	61	3	83	47	39	1	5	9	33	38
Proportion of claimants		29%	71%	3%	97%	55%	45%	1%	6%	10%	38%	44%
Average benefit paid (per week)	£14.16	£17.05	£13.52	£16.89	£14.06	£13.39	£15.13	£14.60	£12.62	£13.17	£14.81	£14.02
Differences between groups		£3.53		£2.83		£1.74						

Option 5 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependants resident with them

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Non-Dep Deduction	354	83	271	37	317	256	98	2	10	105	169	68
Proportion of claimants		23%	77%	10%	90%	72%	28%	1%	3%	30%	48%	19%
Average benefit paid (per week)	£16.52	£18.11	£16.09	£18.39	£16.30	£16.32	£17.03	£11.94	£14.67	£15.68	£17.15	£16.63
Differences between groups				£2.09		£0.71						

Option 6 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants (above band D)	111	28	83	15	96	66	45	2	7	27	42	33
Proportion of claimants		25%	75%	14%	86%	59%	41%	2%	6%	24%	38%	30%
Average benefit paid (per week)	£26.15	£30.26	£25.25	£32.05	£25.23	£24.83	£28.09	£17.36	£22.15	£22.68	£27.44	£28.75
Average difference between actual CT liability and notional Band D liability (per week)	£4.15	£8.26	£3.25	£10.05	£3.23	£2.83	£6.09	-\$4.64	£0.15	£0.68	£5.44	£6.75
Differences between groups		£5.01		£6.82		£3.26						

Option 7 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C charge

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants (above band C)	384	97	287	37	347	245	139	8	42	111	132	91
Proportion of claimants		25%	75%	10%	90%	64%	36%	2%	11%	29%	34%	24%
Average benefit paid (per week)	£23.20	£25.42	£22.57	£27.76	£22.72	£22.44	£24.54	£14.11	£21.47	£21.85	£24.15	£25.07
Average difference between actual CT liability and notional Band C liability (per week)	£4.64	£6.86	£4.01	£9.20	£4.16	£3.88	£5.98	-\$4.45	£2.91	£3.29	£5.59	£6.51
Differences between groups		£2.85		£5.04		£2.10						

Option 8 - Removing the Family Premium for all new working age applicants

The table below shows the total number of claimants with the Family Premium but this option applies to new claimants only so would not affect this many people.

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	2462	203	2259	189	2273	1814	648	186	936	846	424	70
Proportion of claimants		8%	92%	8%	92%	74%	26%	8%	38%	34%	17%	3%
Average benefit paid (per week)	£14.44	£18.52	£14.07	£17.89	£14.15	£13.60	£16.78	£12.22	£14.04	£14.90	£15.12	£15.85
Differences between groups		£4.45		£3.74		£3.18						

With this in mind a more accurate number of claimants likely to be affected by this option is 27% of new working age claims. The number of new working age claims for 2015/16 was 2,420. Therefore an estimated 653 new working age claimants will not receive the £17.45pw Family Premium that existing claimants continue to receive as part of their entitlement. This should not be considered as a loss to the claimants as they have not received this for it to be taken away, but it can be considered as a saving.

Working Age	Yearly impact
Estimated loss to existing claimant regardless of whether or not they currently receive the Family Premium	£0.00
Estimated loss to new claimant if they would have received the Family Premium based on their circumstances	£181.48

Option 9 - Reducing Backdating to 1 month

Taking an assumed average period of backdating for 2015/16 as 8 weeks and an average weekly CTS entitlement of £15.97, a claimant would currently receive backdating totalling £127.76. By reducing the period of backdating to 1 month that claimant would now receive £69.20 resulting in a loss of £58.56. In 2015/16 there were 207 backdated claims meaning that based on these assumptions there could be a saving of just over £12,000.00 by reducing the period of backdating to 1 month.

Working Age	Yearly impact
Estimated loss to existing claimant that doesn't have a break and doesn't have to claim backdating in future	£0.00
Estimated loss to new claimant that applies for backdating or existing claimant that has a break and has to reclaim in future	£58.56

Option 10 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Taking an assumed average absence of 10 weeks, a claimant would currently continue to receive a total of £159.70 in CTS whilst being absent from Great Britain. Under the reduced period of 4 weeks a claimant would instead receive £63.88 which would result in a loss of £95.82. There were an estimated 48 claims for which CTS was paid for a temporary absence (0.5% of claims) meaning that based on these assumptions there could be a saving of around £4,600 for reducing temporary absence to 4 weeks.

Working Age	Yearly impact
Estimated loss to existing claimant that doesn't have a temporary absence from Great Britain of more than 4 weeks	£0.00
Estimated loss to all claimants that have one period of temporary absence from Great Britain of more than 4 weeks	£95.82

Option 11 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new ESA applicants

Working Age	Yearly impact
Estimated loss to existing claimant that doesn't receive ESA or receives ESA but doesn't receive this component	£0.00
Estimated loss to new claimant that receives ESA and would have received this component	£0.00

Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Taking an assumed average weekly CTS entitlement of £14.05 based on a family of five with one adult working and three dependants they would currently receive annual CTS of £730.60. However if this family made a new claim and only two of the three dependants were included in the calculation then they would not be entitled to any CTS.

Working Age	Yearly impact
Estimated loss to existing claimant with or without dependant children, irrespective of the number of dependant children	£0.00
Estimated loss to new claimant with more than two dependant children or existing claimant with more than two dependant children, only if there is a break in the claim and they have to reclaim in future	£730.60

Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

Available to all recipients of council tax reduction subject to a successful application

Option 14 - To take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

Child Benefit

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Child Benefit	2062	157	1905	139	1923	1755	307	164	790	718	345	45
Proportion of claimants		8%	92%	7%	93%	85%	15%	8%	38%	35%	17%	2%
Average benefit paid (per week)	£13.96	£17.82	£13.64	£17.49	£13.70	£13.57	£16.20	£11.70	£13.84	£14.47	£14.28	£14.74
Differences between groups		£4.18		£3.79		£2.63						

Child Maintenance

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Child Maintenance	211	13	198	10	201	211	0	12	76	75	42	6
Proportion of claimants		6%	94%	5%	95%	100%	0%	6%	36%	36%	20%	3%
Average benefit paid (per week)	£12.76	£18.34	£12.40	£21.23	£12.34	£12.76	N/A	£8.62	£12.23	£14.23	£12.51	£11.29
Differences between groups		£5.94		£8.89		N/A						