



Democratic and Member Support

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Published 09/01/17

SELECT COMMITTEE REVIEW - SUPPLEMENT

Wednesday 11 January 2017
2 pm
Warspite Room, Council House

Members:

Councillor Bowie, Chair
Councillor Ball, Vice Chair
Councillors Fletcher, Fry, James, Morris, Penberthy and Tuohy.

Members are invited to attend the above meeting to consider the items of business overleaf.

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Tracey Lee

Chief Executive

Select Committee Review

- 1.1. Supporting Information: Council Tax Support Scheme (Cabinet Report 17 January 2017) **(Pages 1 - 28)**

PLYMOUTH CITY COUNCIL

Subject:	Council Tax Support Scheme
Committee:	Cabinet
Date:	17 January 2017
Cabinet Member:	Councillor Downie
CMT Member:	Giles Perritt (Assistant Chief Executive)
Author:	Emma Rose (Strategic Development Manager)
Contact details	Tel: 01752 312571 emma.rose@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

To consider the findings of the council tax support scheme consultation to inform the development of the revised scheme for 2017/18. To consider the associated revised exceptional hardship policy.

The Corporate Plan 2016 - 19:

The income generated from council tax contributes to the delivery of council, police and fire services. As such, it is an integral part of supporting the delivery of the Corporate Plan. Providing a council tax support scheme and associated exceptional hardship policy that supports our most financially vulnerable residents, contributes to our values of fairness and vision of being a caring organisation.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

The council tax support scheme changes the amount of revenue that Plymouth City Council can collect, by reducing the liability for those eligible for support. If the recommendation is approved, fewer new applicants would be eligible for maximum support and this will increase the amount of council tax income. Income estimate assume that all extra council tax charged is collected. Applications under the exceptional hardship policy may increase if customers struggle to meet the additional liability. Given the level of new claimants, for 2017/18 the potential additional income is estimated at circa £50k.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

Changes to the scheme may change the level of financial support to families with children and impact on child poverty. This should be considered against a background of wider welfare reforms and also against the Plymouth child poverty action plan

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a council tax support scheme each year, no later than 31 January.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

1. That Cabinet recommend the following to City Council on 30 January 2017:
 - 1.1 To revise the Council Tax Support Scheme for 2017/18, implementing six of the eight proposals consulted on during the summer. To remove the two proposals consulted on that relate to families with children (removal of the family premium and limiting the number of dependent children to two). This option supports children in line with child poverty action plan and would allow flexibility to mitigate any differential impact identified by the equalities impact assessment.
 - 1.2 To delay the implementation of proposal 5 (removing the work related activity component in the calculation of entitlement for new applicants) to 1 April 2018, if the policy is introduced nationally into Housing Benefit after 1 April 2017. At the time of writing the regulations introducing this change into housing benefit have not been released. This maintains the alignment with national policy until such time as those changes take effect.
 - 1.3 To approve the revised exceptional hardship policy, which has been reviewed to ensure it can support customers who may find themselves in hardship as a result of the changes to the 2017/18 CTS scheme.
-

Alternative options considered and rejected:

Option 2 – No change from current scheme

Option 3 - Implement all eight changes under consultation

Published work / information:

- 1.1 Plymouth Council Tax Support scheme
<http://www.plymouth.gov.uk/sites/default/files/CouncilTaxSupportScheme20162017.pdf> .

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	djn1617	Leg	DVS27	Mon	DVS27	H		Assets		IT		Strat	
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Originating SMT Member Giles Perritt													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. BACKGROUND

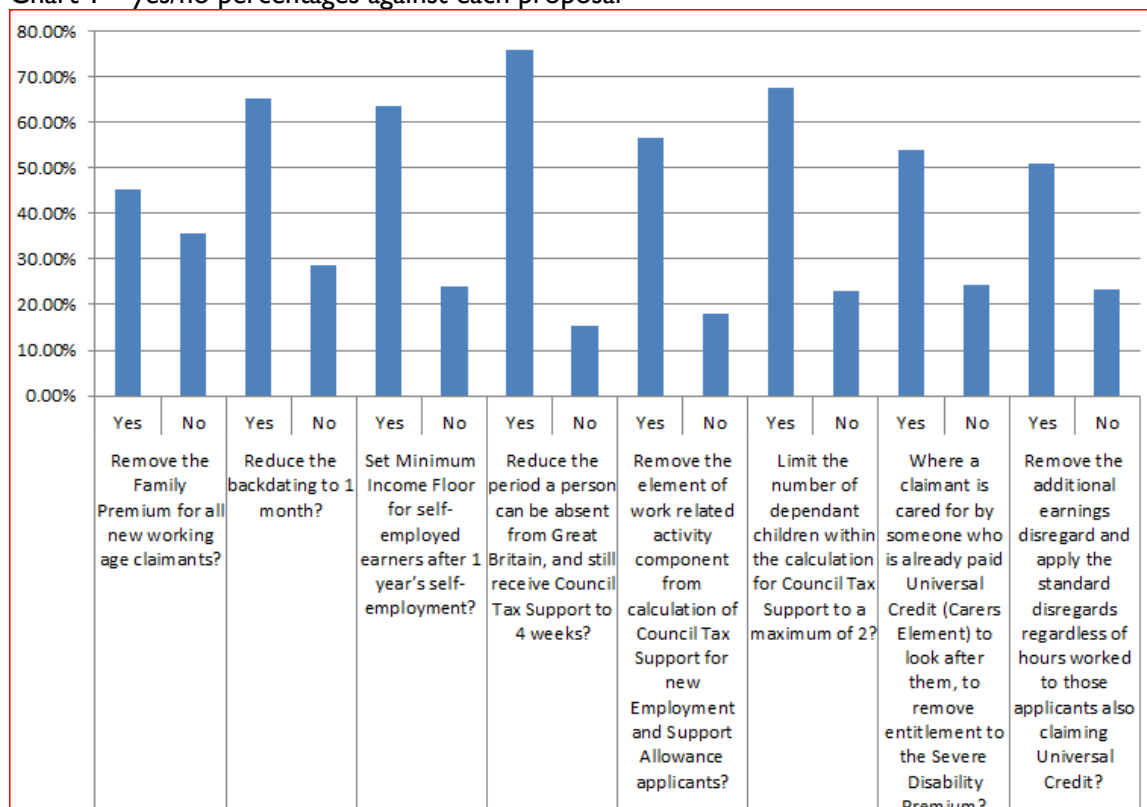
- I.1 Each year local authorities must review how much reduction in Council Tax is given to people of working age on a low income. This is published as a council tax reduction scheme, also known as the council tax support (CTS) scheme. Plymouth City Council's current scheme is available on our website:
<http://www.plymouth.gov.uk/sites/default/files/CouncilTaxSupportScheme20162017.pdf> .
- I.2 The Devon Local Government Steering Group and Benefits Officers Groups worked together on proposals for CTS Schemes across the county. In April 2016 it was agreed that consultation would cover eight changes, effective from 1 April 2017, to bring the CTS schemes in line with the changes being made by central Government in Housing Benefit and Universal Credit. These changes are intended to encourage people into work and reduce the level of welfare benefits available to some. The 8 proposed changes are as follows (for additional information, please see Appendix A):
1. Removing the Family Premium for all new working age claimants
 2. Reducing backdating for new claims to one month
 3. To assume a set minimum income within the calculation of CTS for self-employed earners after a one year's self-employment
 4. Reducing the period a person can be absent from Great Britain and still receive CTS to four weeks
 5. To remove the work related activity component in the calculation of the current scheme for new Employment and Support claimants
 6. To limit the number of dependent children within the calculation for CTS to a maximum of two
 7. To remove entitlement to the Severe Disability Premium where someone with a disability is cared for by another person who receives Universal Credit with a Carer's Element
 8. To remove the additional earnings disregard and apply the standard earnings disregards regardless of hours worked to those claimants who receive Universal Credit
- I.3 The proposed changes would be implemented for new claimants only. All existing customers would continue to receive the same level of support that they do under the 2016/17 scheme, unless their circumstances change.
- I.4 The proposed changes should make it easier for customers to understand the scheme, as there will be similar criteria in Housing Benefit and Universal Credit. Additionally, using the same criteria in the CTS scheme should make it simpler, more efficient and less costly to run.
- I.5 The changes will affect working age households in Plymouth who receive or who apply for CTS on or after 1 April 2017. Each of the proposed changes may affect working age households claiming under the scheme in different ways. Households of state pension credit age have their scheme set by central Government so are not directly affected by the proposals.
- I.6 An alternative option is to continue with the current scheme, however if the scheme is not aligned with Housing Benefit and Universal Credit then this could result in higher costs. This could mean less money available to deliver other vital council services.
- I.7 No changes were consulted on to the maximum level of support that the scheme provides to working age claimants. This is currently set at a reduction of 80% of council tax liability, which is the same level as the majority of Devon local authorities.

2.0 Consultation Findings

2.1 The eight proposals were consulted on for 12 weeks between 7 July 2016 and 29 September 2016. There were a total of 273 responses to the online questionnaire which was available on Plymouth City Council’s consultation portal. 200 of these were from current CTS customers.

The majority of respondents agree with all of the proposals, with seven of the eight proposals scoring higher than a 50% ‘yes’ rating.

Chart 1 – yes/no percentages against each proposal



2.2 Four of the proposals each received more than a 60% agreed rating, as well as being the proposals attracting the highest response rate:

- Proposal 2 to reduce backdating to 1 month (178 responses, **66% agreement**)
- Proposal 3 to set Minimum Income Floor for self-employed earners after 1 years self-employment (170 responses, **63% agreement**)
32% of self-employed respondents agreed with Minimum Income Floor
- Proposal 4 to reduce the period a person can be absent from Great Britain, and still receive Council Tax Support to 4 weeks (204 responses, **76% agreement**)
- Proposal 6 to limit the number of dependant children to minimum of 2 within the Council Tax Support calculation (183 responses, **68% agreement**)
67% of respondents stated there are no children in their household
26% of those with children agreed with limiting the number of dependent children

- 2.3 Although the majority of respondents supported the introduction of all eight proposals, concerns were raised during consultation about the potential impact of two of the proposals on families with children.
1. Removing the Family Premium for all new working age claimants, and
 6. To limit the number of dependent children within the calculation for CTS to a maximum of two

It is recommended that these two proposals are not implemented, in order to support families in Plymouth on low incomes.

- 2.4 The implementation of proposal 2 to reducing backdating for new claims to one month attracted some concern as it removes the discretion to consider individual circumstances and backdate for longer if there is reasonable cause to. In order to support customers who may be adversely affected by the implementation of this proposal, it is recommended that they are supported through the application of the exceptional hardship policy after considering individual circumstances.
- 2.5 The implementation of proposal 3 relating to the minimum income floor for self-employed customers raised concerns during scrutiny. The main reason being the potential for more sick and/or disabled people losing national benefit entitlement, being unable to gain employment and moving into self-employment in order to support themselves and their families. Rather than make assumptions about when the minimum income floor should not apply, we intend to support those customers who may be adversely affected by the change through the application of the exceptional hardship policy after considering individual circumstances.
- 2.6 Regulations have not yet been laid that would remove the work related activity component in the calculation Housing Benefit. Therefore it is recommended that we delay the implementation of proposal 5 (removing the work related activity component in the calculation of entitlement for new applicants) to 1 April 2018, if the policy is introduced nationally into Housing Benefit after 1 April 2017. At the time of writing the regulations introducing this change into housing benefit have not been released. This maintains the alignment with national policy until such time as those changes take effect.
- 2.7 Introducing complex exemptions to any of the other proposals would offset much of the advantage of making changes to the scheme by increasing the administrative complexity. It will also be difficult to ensure that all the vulnerable individuals we would wish to protect from the changes are covered. It is therefore better to use the Exceptional Hardship scheme to support customers who may be detrimentally affected. The Exceptional Hardship policy, attached at appendix b, has been revised to ensure that it is available to anybody who loses their entitlement to CTS as a result of these changes.
- 2.8 The Local Government Finance Act 1992 requires the Council to consider transitional protection for any changes that will reduce a person's entitlement. Besides change 3, all changes will only affect new claims to CTS or existing claims when their household circumstances change. It is not therefore necessary to apply any transitional protection. Any cases of hardship, including in the short term, will be managed through the Exceptional Hardship scheme. Change 3 allows a period of 12 months at the commencement of a self-employed activity before the minimum income would be applied. For existing claims where the policy will reduce entitlement from April 2017 Exceptional Hardship will be offered for any cases that need help to manage the transition.

3.0 Profile

3.1 We currently support 23,706 CTS claimants. Of that figure:

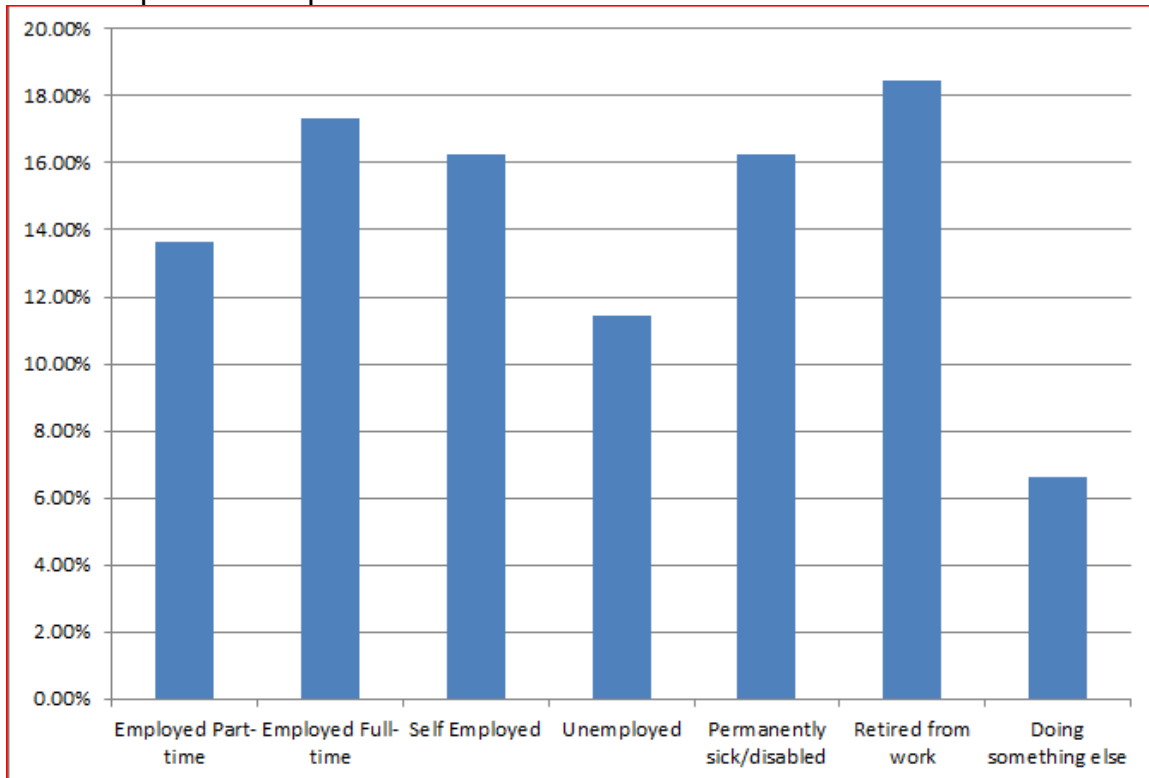
- 9,343 are pensioners
- 14,363 are of working age
- 5,621 households include one or more children
- 1,382 households include three or more children

3.2 The majority (78%) of all households with children are receiving 75 – 80% relief regardless of the number of children in the household.

3.3 Of those responding to the consultation:

- 26% of those with children agreed with limiting the number of dependent children
- 42% of have children in the household
- 32% of self-employed respondents agreed with Minimum Income Floor
- 22% of CTS recipients agreed with introducing all of the proposals
- 42% of employed respondents are in receipt of CTS
- 84% of permanently sick/disabled respondents are in receipt of CTS (all of the permanently sick/disabled respondents fall in the working age bracket)

3.4 Chart 3 – profile of respondents



4.0 OPTIONS

The following options are available for the 2017/18 scheme. Options not already consulted on cannot be considered for next year's scheme, but could be further investigated and consulted on for future years.

Option 1 (recommended option) – Remove the proposals relating to families with children (removal of the family premium and limit on number of dependent children taken into account) and implement the remaining six.

- a. Benefits – supports children in line with child poverty action plan and would allow flexibility to mitigate any differential impact identified by an EIA.
- b. Disadvantages – departs from assessment processes for other benefits, so would change the CTS assessment process making it less efficient and requiring more resources to administer. This would increase costs for the council at the point of CTS assessment. Although difficult to model, if every other aspect of entitlement is the same, additional children make little difference to the level of CTS awarded and the majority of all families with children current receive 75 – 80% relief. Non-collection rate may rise.

Option 2 – No change from current scheme

- a. Benefits – protects most vulnerable from further cuts, no compromise with child poverty action plan and potential Equality Act related impacts
- b. Inconsistent with the Devon Chief Finance Officers recommendations and with the majority of Devon authorities. Generates no savings and will become more costly over time as the assessment frameworks become more different. Would not align with new benefits schemes

Option 3 - Implement the 8 changes consulted on

- c. Benefits – consistent with the Devon Chief Finance Officers recommendations and with the majority of Devon authorities. Aligns the assessment of CTS with the new benefits schemes (housing benefit and universal credit in particular).
- d. Disadvantages – has minimal financial impact and many of the options are extremely difficult to model. May compromise the child poverty action plan and potential Equality Act related impacts, although the changes under consultation mirror national changes that have already been assessed and agreed.

Appendix A- Proposals and effects

Proposal 1 – Removing the Family Premium for all new working age claimants

The removal of Family Premium from 1st April 2017 for **new** claims will bring the Council Tax Support scheme in line with Housing Benefit.

The Family Premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them. Removing the Family Premium will mean that when we assess a claimant's needs it would not include the Family Premium (currently £17.45 per week).

This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

What does this change mean?

It brings the working age Council Tax Support scheme in line with Housing Benefit and the Pension Age Council Tax Support scheme as these changes have already been made by central Government;

New claims from working age claimants with dependent children may receive less help through the Council Tax Support scheme.

Proposal 2 – Reducing backdating for new claims to 1 month

Currently claims for Council Tax Support from working age claimants can be backdated for up to 6 months where an applicant shows they could not have made a claim earlier. Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that Plymouth's Council Tax Support scheme be aligned with the changes for Housing Benefit.

What does this change mean?

It is a simple alteration to the scheme which should make it easier to understand when claiming Housing Benefit and Council Tax Support, as the rules will be the same.

New working age claimants may see a reduction in the amount of support they received if they delay in making a claim.

Proposal 3 – To assume a set minimum income within the calculation of Council Tax Support for self-employed earners after a 1 year's self-employment

In order to align Council Tax Support with Universal Credit, the council proposes to assume a minimum level of income for those who are self-employed – this is known as the Minimum Income Floor. The amount would be in line with the National Living Wage or the National Minimum wage (for under 25's) for 35 hours worked per week. If someone who is self-employed earns less than this amount, we will take the Minimum Income Floor as an assumed level of income. Any income above the assumed Minimum Income Floor would be taken into account based on the actual amount earned.

The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

What does this change mean?

The treatment of income for self-employed claimants for Council Tax Support will be brought broadly into line with Universal Credit.

It should encourage self-employed working age applicants to expand and develop their business.

Proposal 4 – Reducing the period a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks

Within the current scheme claimants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the level of Council Tax Support. We propose reducing this to 4 weeks for absences outside Great Britain. This is in line with changes the Government plan to make to Housing Benefit and the Pension Age Council Tax Support schemes.

There will be exceptions for certain occupations such as mariners and the armed forces. There is also provision for this to be extended to 8 weeks in specific circumstances such as the death of a close relative.

What does this change mean?

- The treatment of temporary absence will be brought into line with Housing Benefit and the Pension Age Council Tax Support scheme to make it easier to understand for applicants, and improve efficiency in running the scheme.
- It is seen as fairer.
- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Council Tax Support will end from when they leave the country. They will need to make a new claim on their return.

Proposal 5 – To remove the work related activity component in the calculation of the current scheme for new Employment and Support claimants

From April 2017, all new claimants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit.

A person who falls within the Work Related Activity Group, and currently receives this component, is someone who has limited capability to work due to limited physical and/or mental conditions, and that limitation is not reasonable to require them to undertake work. It is proposed that the Council Tax Support scheme is amended to reflect the changes in ESA and Housing Benefit.

What does this change mean?

- The treatment of ESA will be brought into line with Housing Benefit which avoids additional costs to the Council Tax Support scheme.
- Persons currently receiving ESA with the work related activity component will not receive less Council Tax Support.

Proposal 6 – To limit the number of dependant children within the calculation for Council Tax Support to a maximum of 2

Within the current scheme, claimants who have children are normally awarded a dependant addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is currently no limit to the number of dependent children included in the calculation.

It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit and other welfare benefits. From April 2017 the Government will be limiting dependant additions in Universal Credit, Housing Benefit, and Tax Credits to a maximum of two children. This will only affect households who have a third or subsequent child born on or after 1st April 2017.

There will be exceptions; for example where there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children, or where households merge, etc.

What does this change mean?

- Council Tax Support will be brought into line with Housing Benefit, Universal Credit, and Tax Credits to make the scheme easier to understand using the same rules as other welfare benefits, and reduce costs by improving efficiency.
- Claimants who have a third or subsequent child after 1st April 2017 (and are not exempt from the rules) may receive less Council Tax Support than claimants who have more than two

Proposal 7 – To remove entitlement to the Severe Disability Premium where someone with a disability is cared for by another person who receives Universal Credit with a Carer's Element

children born before 1st April 2017.

Currently the Severe Disability Premium is not included when working out the needs (Applicable Amount) of a claimant who is cared for by a person who is paid Carers Allowance. The reason for this is that it avoids paying for the same care twice. This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit Carers Element in the same way as someone receiving Carers Allowance.

What does this change mean?

- Council Tax Support will be brought into line with Housing Benefit to make the scheme easier to understand using the same rules as other benefits, and reduce costs by improving efficiency.
- Persons cared for by somebody who receives the Universal Credit Carers Element will no longer receive the Severe Disability Premium when working out their needs.
- It will be fairer as we will be treating those receiving Universal Credit Carers Element in the same way as those receiving Carers Allowance.

Proposal 8 – To remove the additional earnings disregard and apply the standard earnings disregards regardless of hours worked to those claimants who receive Universal Credit

A standard disregard is applied if you have earnings. Currently there is an additional earnings disregard of £17.10 per week that can be applied if you work sufficient hours. This proposal will remove the additional earnings disregard regardless of hours worked to those claimants on Universal Credit.

What does this change mean?

- Removing the additional earnings disregard from the Council Tax Support calculation will simplify the administration of claims for those in receipt of Universal Credit;

It will make the scheme easier to understand and reduce costs by improving efficiency.

CUSTOMER SERVICES

Council Tax Support Scheme
Exceptional Hardship Fund Policy



Contents

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I. BACKGROUND

The Exceptional Hardship Fund (EHF) has been set up by Plymouth Council to cover the shortfall between Council Tax liability and payments of Council Tax Support.

Every customer who is entitled to Council Tax Support and who has a shortfall is entitled to make a claim for help from the Fund.

The main features of the Fund are that:

- Exceptional Hardship Fund awards are discretionary.
- Customers do not have a statutory right to an award.
- The Exceptional Hardship Fund Policy is held within the main Council Tax Support scheme.
- Exceptional Hardship Fund awards are not a payment of the main Council Tax Support scheme.
- It is a cash limited fund.
- The Customer Services Department decides how the Fund is administered.
- Council Tax Support must be in payment in the week in which an Exceptional Hardship Fund award is made.
- Plymouth City Council may decide that a backdated Exceptional Hardship award is appropriate; which could then settle council tax arrears. This would be the only circumstance where the Exceptional Hardship Fund could be used to facilitate payment of Council Tax arrears.

In addition to this fund there is a Discretionary Housing Payments scheme which covers the shortfall between rent and Housing Benefit.

2. EXCEPTIONAL HARDSHIP FUND AND EQUALITIES

The creation of an Exceptional Hardship Fund facility meets Plymouth City Council's obligations under the Equalities Act.

The Government has been clear that, in developing a local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners, the Government has not prescribed the other groups that local Councils should support. Plymouth City Council has designed their Council Tax Support scheme to take account of the various statutes that currently protect vulnerable people.

We recognise the importance of protecting our most vulnerable customers and also the impact these changes have. We have created an Exceptional Hardship Fund to ensure that we protect and support those most in need. The Exceptional Hardship Fund is intended to help in cases of extreme financial hardship and not support a lifestyle.

3. PURPOSE OF THIS POLICY

The purpose of this policy is to specify how Plymouth City Council's Customer Service Department will operate the scheme, and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

Each case will be treated on its own merits and all customers will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

Where a customer is not claiming a Council Tax discount or exemption to which they may be entitled or a welfare benefit or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for Exceptional Hardship Funds will be decided.

4. STATEMENT OF OBJECTIVES

The Customer Service Department will seek through the operation of this policy to:

- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to "bridge the gap" during this time.
- Support people in managing their finances.
- Help customers through personal crises and difficult events that affect their finances.
- Aim to help prevent exceptional hardship.
- Support vulnerable young people in the transition to adult life.
- Helping those who are trying to help themselves financially.
- Alleviate poverty.
- Sustain tenancies and prevention of homelessness.
- Keep families together.
- Encourage and support people to obtain and sustain employment.
- Give support to those who are financially vulnerable.

The Exceptional Hardship Fund is a short-term emergency fund, awarded whilst the customer seeks alternative solutions.

It cannot be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Support.
- For any other reason, other than to reduce Council Tax liability.
- Where the Council considers that there are unnecessary expenses or/debts which the customer has not taken reasonable steps to reduce.

- To reduce any Council Tax Support recoverable overpayment.
- To cover previous years Council Tax arrears.
- Where there is a shortfall caused by a Department for Work and Pensions sanction or suspension being applied because the customer has turned down work/interview/training opportunities.
- When Council Tax Support is suspended.

5. AWARDING AN EXCEPTIONAL HARDSHIP FUND PAYMENT

The Customer Service Department will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

When making this decision the Customer Service Department will consider:

- The shortfall between Council Tax Support and Council Tax liability.
- The steps taken by the customer to reduce their Council Tax liability.
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable.
- To ensure that all discounts, exemptions and reductions are granted.
- Steps taken by the customer to establish whether they are entitled to other welfare benefits.
- Steps taken by the customer in considering and identifying where possible the most economical tariffs for supply of utilities.
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent.
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the customer, their partner and any dependants and any other occupants of the customer's home.
- The difficulty experienced by the customer which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist.
- Shortfalls due to non-dependant deductions.
- The income and expenditure of the customer, their partner and any dependants or other occupants of the customer's home.
- How deemed reasonable expenditure exceeds income.
- That all income may be taken into account, including those which are disregarded when awarding Council Tax Support.
- Any savings or capital that might be held by the customer or their partner.
- Other debts outstanding for the customer and their partner.

- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. An Exceptional Hardship Fund award may not be made until the customer has accepted assistance either from the Council or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non-essential expenditure.
- The exceptional nature of the customer and/or their family's circumstances that impact on finances.
- The length of time they have lived in the property.
- The amount available in the Exceptional Hardship Fund at the time of the application.

The list is not exhaustive and other relevant factors and special circumstances will be considered.

An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.

An Exceptional Hardship Fund award may be less than the difference between the Council Tax liability and the amount of Council Tax Support paid.

6. PUBLICITY

The Customer Service Department will publicise the Fund and will work with interested parties to achieve this. A copy of this policy will be made available for inspection and will be published on the Council's website.

7. MAKING A CLAIM

A customer must make a claim for an Exceptional Hardship Fund award by submitting an application to Plymouth City Council. The application can be obtained by downloading the form on the Council's website, or by requesting the form via the telephone or in person at the One Stop Shop. Customers can get assistance with the completion of the form from the Customer Service Department.

The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

In most cases the person who claims the Exceptional Hardship Fund award will be the person entitled to Council Tax Support. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8. CHANGE OF CIRCUMSTANCES

The Customer Service Department may revise an award from the Exceptional Hardship Fund where the customer's circumstances have changed which either increases or reduces their Council Tax support entitlement

9. DUTIES OF THE CUSTOMER

A person claiming an Exceptional Hardship Fund Payment is required to:

- Give the Council such information as it may require to make a decision.
- Tell the Council of any changes in circumstances that may be relevant to their on-going claim.
- Give the Council such other information as it may require in connection with their claim.

10. AMOUNT AND DURATION OF AWARD

Both the amount and the duration of the award are determined at the discretion of the Council, and will be done on the basis of the evidence supplied and the circumstances of the claim.

The start date will usually be the Monday after the written claim for an Exceptional Hardship Fund award is received by the Customer Service Department, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.

The Exceptional Hardship Fund will normally be awarded for a minimum of one week.

The maximum length of the award will not exceed the end of the financial year in which the award is given.

11. PAYMENT OF AWARD

Any Exceptional Hardship Fund award will be made directly into the customer's Council Tax account, thus reducing the amount of Council Tax payable.

12. OVERPAID EXCEPTIONAL HARDSHIP FUND PAYMENTS

Overpaid Exceptional Hardship Fund awards will generally be recovered directly from the customers council tax account, thus increasing the amount of Council Tax due and payable.

13. NOTIFICATION OF AN AWARD

The Council will notify the outcome of each application for Exceptional Hardship Fund awards in writing. The notification will include the reason for the decision and advise the customer of their appeal rights.

14. THE RIGHT TO APPEAL

If the customer is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund award, a decision to reduce the amount of Exceptional Hardship Fund awarded, a decision not to backdate an Exceptional Hardship Fund award or a decision that there has been an overpayment of an Exceptional Hardship Fund award, they must make written representation to the Council setting out their grounds of appeal.

Plymouth City Council will consider the appeal and respond in writing, setting out the decision and associated reasons for the decision.

15. FRAUD

The Customer Service Department is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

A customer who tries to fraudulently claim an Exceptional Hardship Fund award by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Customer Service Department suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16. LEGISLATION

The Local Government Finance Act 2012 amends Section 13A of the Local Government Finance Act 1992 and sets out the requirement for Councils to develop and adopt a localised Council Tax Support Scheme. This Exceptional Hardship Fund Policy forms part of this Scheme.

17. COMPLAINTS

Complaints can be made on the Councils website and the Council policy for complaints will be applied in the event of any complaint received about this policy.

18. POLICY REVIEW

This policy will be reviewed at least every 3 years and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.

EQUALITY IMPACT ASSESSMENT

Customer Services



STAGE I: WHAT IS BEING ASSESSED AND BY WHOM?

What is being assessed - including a brief description of aims and objectives?

Each year we review how much reduction in Council Tax is given to people of working age on a low income and publish this in a Council Tax Reduction scheme also known as Council Tax Support (CTS).

- All Devon authorities have been working together on proposals for CTS Schemes across the county. In April 2016, it was agreed that we would consult on eight changes, effective from 1 April 2017.

The 8 proposed changes are as follows:

- Removing the Family Premium for all new working age claimants
- Reducing backdating for new claims to one month
- To assume a set minimum income within the calculation of CTS for self-employed earners after a one year's self-employment
- Reducing the period a person can be absent from Great Britain and still receive CTS to four weeks
- To remove the work related activity component in the calculation of the current scheme for new Employment and Support claimants
- To limit the number of dependent children within the calculation for CTS to a maximum of two
- To remove entitlement to the Severe Disability Premium where someone with a disability is cared for by another person who receives Universal Credit with a Carer's Element
- To remove the additional earnings disregard and apply the standard earnings disregards regardless of hours worked to those claimants who receive Universal Credit

The proposed changes should make it easier for customers to understand the scheme, as there will be similar criteria in Housing Benefit and Universal Credit. These changes aim to encourage work and reduce the level of welfare benefits available to some. Additionally, using the same criteria in the Council Tax Support scheme should make it simpler, more efficient and less costly to run the scheme.

Author

Emma Rose

Department and service

Customer Services

Date of assessment

28 November 2016

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (eg data and feedback)	Any adverse impact See guidance on how to make judgement	Actions	Timescale and who is responsible															
Age	<p>The average age in Plymouth (39.0 yrs) is about the same as the rest of England (39.3 yrs), but less than the South West (41.6yrs).</p> <p>Of the 16 SW authorities we have the third lowest percentage of older people (75), the sixth highest percentage of working age people and the fifth highest percentage of children and young people (under 18).</p> <p>Under 18s account for 19.8% of our population within this 17.5 % are under 16.</p> <p>As of March 2013, there are estimated to be 479 (6.9 %) young people aged between 16 and 18 who are NEET.</p> <p>The proportion of the working age population (16-64) is higher (66.1%) than regionally (62.8%) and nationally (64.7%).</p> <p>Using existing scheme data as at September 2016, the total CTS caseload is 23,706 (Elderly – 9,343, Working Age – 14,363). This figure increases to 27,310 if it includes both the claimant and their partner.</p> <p>The age range including all claimants and partners is as follow:</p> <table border="1" data-bbox="427 1166 902 1453"> <thead> <tr> <th>Age Range</th> <th>Numbers</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>18-25</td> <td>1184</td> <td>4.34%</td> </tr> <tr> <td>25-35</td> <td>4027</td> <td>14.75%</td> </tr> <tr> <td>35-45</td> <td>4262</td> <td>15.61%</td> </tr> <tr> <td>45-55</td> <td>4415</td> <td>16.17%</td> </tr> </tbody> </table>	Age Range	Numbers	%	18-25	1184	4.34%	25-35	4027	14.75%	35-45	4262	15.61%	45-55	4415	16.17%	<p>Customers of pension age are not impacted by the proposed changes to the working age Council Tax Reduction scheme. Changes to the pension age scheme are the responsibility of central government.</p> <p>Households with children would be more adversely financially impacted by the proposals to remove the family premium (proposal 1) and limiting the number of dependent children to 2 (proposal 6)</p> <p>National Government impact assessment of changes states that of 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</p> <p>http://www.parliament.uk/documents/impact-assessments/IA15-006E.pdf</p>	<p>Hardship fund available</p> <p>Recommendation not to implement those 2 proposals relating to families with children</p>	<p>Cabinet decision January 2017, scheme implementation April 2017</p>
Age Range	Numbers	%																	
18-25	1184	4.34%																	
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35-45	4262	15.61%																	
45-55	4415	16.17%																	

55-65	4219	15.45%
65-75	5303	19.42%
>75	3900	14.28%
Totals	27310	

The largest proportion is pensionable age – this group is not affected by the proposed changes to the working age scheme. Note that pensionable age may be affected by changes to the pension age scheme that are made by central government.

The number of children in working age households with CTS is as follows:

Working age Households with CTS	
1 child	2511
2 children	1854
3 children	935
4 children	298
5 children	110
6 children	24
7 children	10
8 children	2
9 children	3
Total Claims	5747

	<p>The total number of households with 3 children or more is 1,382.</p> <p>Consultation feedback: 30% of respondents had children in their household. 55% of them agreed with the proposal to limit the number of dependent children to 2.</p>									
<p>Disability</p>	<p>A total of 31,164 people (from 28.5 per cent of households) declared themselves as having a long-term health problem or disability (national figure 25.7 per cent of households), compared with the total number of people with disabilities in UK (11,600,000).</p> <p>10 per cent of our population have their day-to-day activities limited a lot by a long-term health problem or disability.</p> <p>1,224 adults registered with a GP in Plymouth have some form of learning disability (2010/11).</p> <p>Plymouth schools report that of every 1,000 children 17.5 have a learning difficulty.</p> <p>There are 27166 adults with a disability in work.</p> <p>There are 23,407 carers aged between 18 and 64 in Plymouth known to our services.</p> <p>There are 17,937 state pension age people with disability.</p> <p>There are 3,142 children with disability.</p> <p>Our Translate Plymouth services recorded that BSL is amongst our most requested languages.</p> <p>The current scheme data as at September 2016 identifies 5,970 CTS claims where there is a disability recorded:</p> <table border="1" data-bbox="427 1366 992 1468"> <thead> <tr> <th>Age Range</th> <th colspan="2">Disabled</th> </tr> </thead> <tbody> <tr> <td>18-25</td> <td>111</td> <td>9.38%</td> </tr> </tbody> </table>	Age Range	Disabled		18-25	111	9.38%	<p>Proposal 5 – removing the work related activity component for new ESA claimants</p> <p>National Government impact assessment of changes states no families will see a cash loss as a result of the policy. Instead those who may be affected will be those claiming ESA from April 2017 and have limited capability for work. The notional loss to each family is expected to be around £28 a week. Someone moving into work could, by working around 4-5 hours a week at National Living Wage, recoup the notional loss of the Work-Related Activity component or Limited Capability for Work element.</p> <p>Provisional modelling indicates a loss of support from the CTS scheme of £5.90 per year to vulnerable households (which includes this protected characteristic) should the recommended option be implemented</p> <p>http://www.parliament.uk/documents/impact-assessments/IA15-006B.pdf</p> <p>Proposal 7 – remove the severe disability premium from people cared for by a UC claimant with carer’s element treats all claimants fairly, as this is already in place for</p>	<p>Hardship fund available</p> <p>Further work to model the impact on Plymouth CTS scheme in more detail is underway</p>	
Age Range	Disabled									
18-25	111	9.38%								

	<table border="1"> <tr> <td>25-35</td> <td>436</td> <td>10.83%</td> </tr> <tr> <td>35-45</td> <td>634</td> <td>14.88%</td> </tr> <tr> <td>45-55</td> <td>1176</td> <td>26.64%</td> </tr> <tr> <td>55-65</td> <td>1247</td> <td>29.56%</td> </tr> <tr> <td>65-75</td> <td>1175</td> <td>22.16%</td> </tr> <tr> <td>>75</td> <td>1191</td> <td>30.54%</td> </tr> <tr> <td>Totals</td> <td>5970</td> <td></td> </tr> </table> <p>22% of caseload has a disability this is lower than the total Plymouth population figure - suggests under representation of people eligible to apply to the scheme</p> <p>Consultation feedback: 85 of the total of 273 respondents described themselves as disabled. Of those, 25 disagreed with the proposal relating to work related activity component. 31 disagreed with the proposal to remove the severe disability premium (where the claimant is cared for by someone already in receipt of Universal credit carers element)</p>	25-35	436	10.83%	35-45	634	14.88%	45-55	1176	26.64%	55-65	1247	29.56%	65-75	1175	22.16%	>75	1191	30.54%	Totals	5970		housing benefit claimants.		
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Faith/religion or belief	<p>84,326 (32.9%) per cent of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p> <p>Christianity: 148,917 people (58.1 per cent), decreased from 73.6 per cent since 2001.</p> <p>Islam: 2,078 people (0.8 per cent), doubled from 0.4 per cent since 2001.</p>	<p>Eligibility and calculations are not made based on faith/religion or belief.</p> <p>National Government impact assessment of changes highlights that lone parents, women and ethnic minority households are more likely to be impacted</p> <p>http://www.parliament.uk/documents/impact-assessments/IA15-006E.pdf</p>	Hardship fund available																						

	<p>Buddhism: 881 people (0.3 per cent), increased from 0.2 per cent since 2001.</p> <p>Hinduism: 567 people (0.2 per cent) described their religion as Hindu, increased from 0.1 per cent since 2001.</p> <p>Judaism: 168 people (0.1 per cent), decreased from 181 people since 2001.</p> <p>Sikhism: 89 people (less than 0.1 per cent), increased from 56 people since 2001.</p> <p>0.5 per cent of the population had a current religion that was not Christianity, Islam, Buddhism, Hinduism, Judaism or Sikh, such as Paganism or Spiritualism.</p> <p>This information is not available for our scheme as it is not collected.</p>			
<p>Gender - including marriage, pregnancy and maternity</p>	<p>Overall 50.6 per cent of our population are women and 49.4 per cent are men: this reflects the national figure of 50.8 per cent women and 49.2 per cent men.</p> <p>There were 3280 births in 2011. Birthrate trends have been on the increase since 2001, but since 2010 the number of births has stabilised. Areas with highest numbers of births include Stonehouse (142), Whitleigh (137) and Devonport (137).</p> <p>Of those aged 16 and over, 90,765 people (42.9 per cent) are married. 5,190 (2.5 per cent) are separated and still legally married or legally in a same-sex civil partnership.</p> <p>In Plymouth in 2014 average hourly earnings for women (£10.00) were 93 per cent of average hourly male earnings (£11.82).</p> <p>In Plymouth in 2005, women working full time earned only 81 per cent of average hourly full-</p>	<p>National Government impact assessment of changes highlights that lone parents, women and ethnic minority households are more likely to be impacted</p> <p>http://www.parliament.uk/documents/impact-assessments/IA15-006E.pdf</p>	<p>Hardship fund available</p>	

	<p>time male earnings. By 2010 this gap had closed and women were earning 90 per cent. In 2014 the gap had slightly widened.</p> <p>Across the South West region in 2014 women working full-time only earn 86 per cent of average full-time hourly male earnings, and for the UK as a whole the figure is 90 per</p> <p>Women employed by Plymouth City Council currently earn 96% of the average full time hourly wages of their male colleagues.</p> <p>The current scheme data (as at September 2016) identifies the number of male/female claimants:</p> <table border="1" data-bbox="414 735 900 847"> <tr> <td>Male</td> <td>10743</td> <td>39.34%</td> </tr> <tr> <td>Female</td> <td>16567</td> <td>60.66%</td> </tr> </table>	Male	10743	39.34%	Female	16567	60.66%			
Male	10743	39.34%								
Female	16567	60.66%								
<p>Gender reassignment</p>	<p>It is estimated that there may be 10,000 transgender people in the UK.</p> <p>There were 26 referrals from Plymouth made to the Newton Abbott clinic, in 2013/14.</p> <p>The average age for presentation for reassignment of male-to-females is 40-49.</p> <p>For female-to-male the age group is 20-29.</p> <p>Twenty three transgender people belong to Pride in Plymouth.</p> <p>This information is not available for our scheme as it is not collected.</p>	<p>Eligibility and calculations are not made based on gender preference.</p>	<p>Hardship fund available</p>							

<p>Race</p>	<p>92.9 per cent of Plymouth’s population identify themselves as White British. 7.1 per cent identify themselves as Black and Minority Ethnic (BME) with White Other (2.7 per cent), Chinese (0.5 per cent) and Other Asian (0.5 per cent) the most common ethnic groups.</p> <p>Our recorded BME population rose from 3 per cent in 2001 to 6.7 per cent in 2011, and therefore has more than doubled since the 2001 census.</p> <p>Recent census data suggests we have at least 43 main languages spoken in the city, showing Polish, Chinese and Kurdish as the top three. Based on full year data for 2012-13, our Translate Plymouth services recorded that the most requested languages are Polish, British Sign Language (BSL) and Chinese Mandarin. Nearly 100 different languages are spoken in schools by children of different backgrounds. Polish and Arabic are the most common, spoken by 385 and 143 children respectively. Four neighbourhoods have a population of school age children where 20 per cent or more are from a BME background. They are City Centre (38.0 per cent), Greenbank and University (32.3 per cent), Stonehouse (29.9 per cent) and East End (23.4 per cent). There are 1867 school children (over 5 years old) that speak English as an additional other language.</p> <p>The Ride has 13 recently refurbished permanent site pitches. We have three small private sites with a total of 4 pitches. In 2010, which was our peak year, we dealt with 44</p>	<p>Eligibility and calculations are not made based on race.</p> <p>National Government impact assessment of changes highlights that lone parents, women and ethnic minority households are more likely to be impacted</p> <p>http://www.parliament.uk/documents/impact-assessments/IA15-006E.pdf</p>	<p>Hardship fund available</p>	
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	<p>unauthorised encampments in the city with over 200 children living on them. The 2001 Census records that there were 4328 people from the A8 and A2 Accession Countries resident in the City. Of these 2332 recorded their country of birth as Poland, with 57 per cent arriving between March 2006 and 2008.</p> <p>This information is not available for our scheme as it is not collected.</p>			
<p>Sexual orientation -including civil partnership</p>	<p>There is no precise local data on numbers of Lesbian, Gay and Bi-sexual (LGB) people in Plymouth, but nationally the government have estimated this to be between 5 - 7 per cent and Stonewall agree with this estimation given in 2005. This would mean that for Plymouth the figure is approximately 12,500 to 17,500 people aged over 16 in Plymouth are LGB.</p> <p>There are 464 people in a registered Same-Sex Civil Partnership This information is not available for our scheme as it is not collected.</p>	<p>Eligibility and calculations are not made based on sexual orientation.</p>	<p>Hardship fund available</p>	

STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN

Local priorities	Implications	Timescale and who is responsible
<p>Reduce the gap in average hourly pay between men and women by 2020.</p>		
<p>Increase the number of hate crime incidents reported and maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and</p>		

faith, religion and belief incidents by 2020.		
Good relations between different communities (community cohesion)		
Human rights Please refer to guidance		

STAGE 4: PUBLICATION

Responsible Officer: Emma Rose

Date 28 November 2016

Director, Assistant Director or Head of Service