



Overview Scrutiny Committee

Members of the **Overview Scrutiny Committee** of **Gravesham Borough Council** are summoned to attend a meeting to be held at the Civic Centre, Gravesend, Kent on **Thursday, 14 October 2021 at 7.30 pm** when the business specified in the following agenda is proposed to be transacted.

S Walsh
Service Manager (Communities)

Agenda

Part A

Items likely to be considered in Public

1. Apologies
2. Minutes (Pages 5 - 8)
3. Declarations of interest
4. To consider whether any items in Part A will be considered in private or any items in Part B in public
5. Call ins (Pages 9 - 40)

Item 'Called In' from the Cabinet meeting of 4 October 2021

The Chair of the Overview Scrutiny Committee has called in the following item for the meeting on Thursday 14 October 2021, 7:30pm:-

Item 9. Council Tax Reduction Scheme 2022-23

Reason: That further clarification is needed on the impact of the Council Tax Reduction Scheme and the proposed public consultation.

Cabinet Member: At this stage there is no need for Cabinet Members to be present.

Officer: The relevant officers for this matter are requested to attend to introduce the report and answer questions from Members.

Please find the Cabinet report for this item attached to this agenda.

6. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.

7. Private Items

To move, if required, that pursuant to section 100A (4) of the Local Government Act 1972 that the public be excluded from any items included in Part B of the agenda because it is likely in view of the nature of business to be transacted that if members of the public are present during those items, there would be disclosure to them of exempt information as defined in Part 1 of schedule 12A of the Act.

Part B

Items likely to be considered in private

8. Call ins

Items called in from the Cabinet meeting of 4 October 2021

(Please ensure you have access to the Cabinet agenda for 4 October 2021 previously circulated to Members).

Members

Cllr Jordan Meade (Chair)

Cllr Baljit Hayre (Vice-Chair)

Councillors: Gurjit Kaur Bains
 Gurdip Ram Bungar
 Sarah Gow
 Leslie Hills
 Diane Morton
 Peter Scollard
 Gurbax Singh

Substitutes: To be notified

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Overview Scrutiny Committee**Thursday, 16 September 2021****7.30 pm****Present:**

Cllr Jordan Meade (Chair)
Cllr Baljit Hayre (Vice-Chair)

Councillors: John Caller
 Emma Elliott
 Sarah Gow
 Leslie Hills
 Emma Morley
 Steve Thompson
 Frank Wardle

Ben Clarke Committee Services Officer (Minutes)

6. Apologies

Apologies for absence were received from Cllrs Christina Roles, Peter Scollard, Elizabeth Mulheran, Diane Morton and Gurjit Kaur Bains. Cllrs John Caller, Emma Morley, Steve Thompson, Frank Wardle and Emma Elliott substituted.

7. Minutes

The minutes of the meeting of the Overview Scrutiny Committee held on 10 June 2021 were signed by the Chair.

8. Declarations of Interest

Cllr Jordan Meade declared an 'other interest' in Item 6. Cabinet Consideration of the Maritime Strategy Scrutiny Review in that he is a National Trustee and Director of the Maritime Volunteer Service.

Cllr Steve Thompson declared an 'other interest' in Item 6. Cabinet Consideration of the Maritime Strategy Scrutiny Review in that he is a member of the Maritime Volunteer Service.

9. Call Ins

The Chair advised that of the eight items discussed at the previous Cabinet meeting, only two were able to be called in and having attended the meeting in person, the Chair was satisfied with the answers given by officers and that a debate that been held effectively.

For reference, the only two items that were able to be called in were the LGA Peer Challenge Follow-Up Report and Action Plan and the Drawdown Request from Rosherville Property Development Limited.

The Chair reminded Members that the burden of providing effective scrutiny fell upon them and he encouraged all Members to attend the Cabinet meetings so that they could have a greater understanding of the decisions being made. The Chair advised that if any Member wanted to call in an item from a Cabinet meeting, then he was happy to discuss that with them prior to the next Overview Scrutiny Committee meeting.

10. Cabinet Consideration of Maritime Strategy Scrutiny Review - Oral update

The Chair gave an oral update to the Committee on Cabinets consideration of the recommendations from the Maritime Strategy Scrutiny Review.

The Chair advised that Cabinet considered the review and the seventeen recommendations put forward by Members on the Overview Scrutiny Committee but raised issue with a concern that was voiced by the Leader regarding lack of Member input into the review. The Chair reinforced the point that he wanted all Members to feel that they had the option to speak to the Chair of the review group and help shape the recommendations that came out of the review. All Members on the Committee were asked to share their views on the review, and they were able to feed their input into the process behind the review.

The Chair stated that at the previous Committee meeting, Member spent several hours discussing each recommendation from the review in turn and all Members actively contributed.

The Chair advised that the Cabinet thanked the Overview Scrutiny Committee and agreed to note the report and review the recommendations in order to find opportunities where the Cabinet could confirm their support and achieve some of the aspirations. The Cabinet agreed to report back to the Overview Scrutiny Committee in due course.

The Committee thanked the Scrutiny Review Sub-Group and the officers for all their hard work, against the backdrop of Covid-19, in completing the review successfully and creating a list of recommendations that would ultimately benefit the whole of the Borough.

Members noted the update.

11. Scrutiny Review of Street Cleanliness, littering, and Fly-tipping throughout the Borough

The Committee were invited to revisit the Scrutiny Review of Street Cleanliness, littering, and Fly-tipping throughout the Borough and agree to the terms of reference and composition of the review sub-group.

The Chair advised that the terms of reference had previously been agreed by the Committee and the Director (Environment) had indicated prior to the meeting that he was happy with them as proposed in the report.

The Vice-Chair confirmed the list of Labour Members assigned to the Scrutiny Sub-Group:

- Cllr Peter Scollard
- Cllr Sarah Gow

The Vice-Chair, as Chair of the Scrutiny Review Sub-Group, advised that he wished to discuss the terms of reference as they had been agreed under a different Chair and although he agreed with the headings, he did not want to the Sub-Group to be limited to the questions under each heading.

Following a discussion on the terms of reference, it was agreed that a statement would be included that informed the Sub-Group that the questions proposed were only advisory and the Chair was not limited to the questions that had been raised under each of the headings.

The Chair informed the Vice-Chair that it was important to get the review underway as soon as possible and the Director (Environment) would be in contact with him.

Members agreed to the terms of reference, subject to the aforementioned amendment, and composition of the Scrutiny Review Sub-Group.

Close of meeting

The meeting ended at 19:52pm.

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Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 4 October 2021

Reporting officer: Pat Knight, (Head of Revenues and Benefits)

Subject: Council Tax Reduction Scheme 2022-2023

Purpose and summary of report:

To update Members on the progress made on the review of the existing Council Tax Reduction Scheme and to seek approval to proceed with a public consultation on changing the existing Council Tax Reduction Scheme from April 2022.

Recommendations:

1. Members note the work undertaken on the review of the current Council Tax Reduction (CTR) Scheme.
2. Members agree to proceed with a public consultation with a view to changing the Council Tax Reduction Scheme from April 2022 as set out in Section Two of this report.
3. Members agree the draft consultation documents (Appendix 3) and give delegated authority to the Director (Corporate Services), in consultation with the Leader of the Executive and Portfolio Holder for Performance & Administration to finalise the consultation documents.

1. Background

- 1.1 Since 2013-2014 the council has had to consider annually whether to revise its CTR scheme or to replace it with a replacement scheme. Any revision to the CTR scheme or a replacement CTR scheme must be the subject of consultation.
- 1.2 The CTR scheme consists of two main streams namely working age claimants and pension age claimants. The scheme in respect of working age claimants requires Full Council approval at Members' discretion, whilst the scheme in respect of pension age claimants is set on a national basis. Consequently, any changes made to the council's scheme will not affect pension age households.

- 1.3 The current 2021-2022 council scheme is a 'means-tested' scheme with a maximum discount of 80% of Council Tax for most working age households and 100% for pension age households. Eligibility to receive CTR is based on demonstration of claimants' income and capital being below specified limits. Of *the 43,780 households in the Gravesham area as at 31 August 2021*, 6,477 households are in receipt of CTR (consisting of 4,028 working-age claimants and 2,449 pension age households). The current scheme is available from the following link:
https://www.gravesham.gov.uk/_data/assets/pdf_file/0008/319733/Council-Tax-Reduction-Scheme.pdf
- 1.4 The current CTR scheme for working age claimants is based on the previous Council Tax Benefit scheme (which ended in 2013) which was assessed alongside Housing Benefit. However, despite an annual review, the shortcomings of the current scheme for claimants are becoming more evident and include:-
- The traditional link between the CTR scheme and Housing Benefit has been eroded as any new claims by working age applicants are now considered under the Universal Credit scheme, which is administered by the Department for Work and Pensions (DWP) with a separate application for CTR being made to the council.
 - Claimants may be unaware that CTR is separate to Universal Credit requiring a separate application with different eligibility criteria. This is despite the service working closely with DWP to promote this requirement.
 - Claimants have to provide information in support of their separate CTR claim despite already having provided similar supporting evidence to DWP for their Universal Credit application. This causes confusion and further delay to assessing and ultimately applying any entitlement to their council tax account.
 - Failure to make a separate claim for CTR can result in council tax arrears occurring and recovery action being implemented. Any delay in making a CTR claim could result in a loss of CTR eligibility as the maximum period to backdate is currently one month. This has the potential to increase the council tax arrears of the resident and result in them incurring additional costs due to court action and enforcement agents being engaged to collect any 'debt', and necessitate extended repayment arrangements or support.
 - The impact of Universal Credit on the current CTR scheme has been confusing for claimants and a source of complaint. The multiple monthly changes in Universal Credit inevitably lead to multiple changes in CTR. Some of these changes in income could literally be less than one pound. Each change requires the issue of a new council tax bill and an accompanying notification letter.
- 1.5 It is essential that any new scheme for working age claimants should be simpler, more transparent, and consequently easier for residents to understand and access.
- 1.6 The intention of the new scheme is to maintain the same level of overall financial support available to claimants when compared to the current 2021-2022 scheme, with the maximum support levels also remaining at 80%. In fact, for the lowest income households, modelling indicates that the changes may increase the amount of support provided.

2. Proposed New Scheme

2.1 In proposing a new Scheme for working age claimants from 2022-2023, the service has considered every potential change to the existing scheme bearing in mind the following aims:-

2.1.1 To make the scheme easier for claimants and potential claimants to access

2.1.1.1 Any claim for Universal Credit notified to the council through the Universal Credit Data Share will automatically be a claim for CTR. This will maximise entitlement, speed up processing times and reduce the need for backdating. However, any required backdating will also be extended from the current one month maximum to 12 months maximum where circumstances show that the claimant would have been eligible for the reduction had they applied at that time.

2.1.2 To provide greater stability to those who are in receipt of Council Tax Reduction whilst making the scheme work better with the Universal Credit award system

2.1.2.1 This will be achieved by introducing a simplified income 'grid' scheme (Table 1) which reflects the household composition for all working age applicants with the level of discount based on the total 'net' weekly income of the applicant and any partner. The exception is where any applicant or their partner are in receipt of a 'Passported benefit' they will receive the maximum discount of 80%. The income bands have been modelled based on current Gravesham claimant data.

2.1.2.2 This simplification will reduce the number of changes having to be made due to the creations of bands of income (Table 1) i.e. only those changes which move the net income to another band would have to be considered. This, in turn, will reduce the number of new council tax bills and accompanying notification letters claimants receive, as these will only be triggered when a claimant moves from one band to another.

Table 1 – ‘Grid scheme’ based on household and weekly ‘net income’

Discount percent	Single Person	Couple	Lone Parent with one child /young person	Lone Parent with two or more children /young persons	Couple with one child /young person	Couple with two or more children /young persons
80% (Band 1)	‘Passported Benefits’ where any applicant or partner are in receipt of Income Support, Income-Based Jobseeker’s or Income Related Employment and Support Allowance (and have under £16,000 capital)					
80% (Band 1)	£0 to £115	£0 to £160	£0 to £185	£0 to £255	£0 to £230	£0 to £300
65% (Band 2)	£115.01 to £160	£160.01 to £205	£185.01 to £230	£255.01 to £300	£230.01 to £275	£300.01 to £345
45% (Band 3)	£160.01 to £220	£205.01 to £265	£230.01 to £290	£300.01 to £360	£275.01 to £335	£345.01 to £405
25% (Band 4)	£220.01 to £280	£265.01 to £325	£290.01 to £350	£360.01 to £420	£335.01 to £395	£405.01 to £460
0% (Band 5)	£280+	£325+	£350+	£420+	£395+	£460+

2.1.3 Provide additional protection

2.1.3.1 For all working applicants - Removing the current earnings disregards (various levels between £5-£25 per week) and replacing them with a standard £25 per week disregard i.e. the first £25 per week of earnings will not be counted when the council calculates the weekly income.

2.1.3.2 Disability Benefits – Protecting disabled persons by disregarding as income any Personal Independence Payments (PIP) or Disability Living Allowance (DLA). Additionally, in calculating the net income there will be a further disregard of £40 per week from any other income where either the applicant, partner or dependant is in receipt of the disability benefit.

2.1.3.3 Any Carer’s Allowance and the Support Component of Employment and Support Allowance (ESA) will be disregarded when assessing a person’s income.

2.1.4 To make the scheme more transparent and easier to understand

- 2.1.4.1 There are a myriad of complex rules across the various benefit schemes including Universal Credit, Housing Benefit and Tax Credits. Additionally, there are inconsistencies in these rules, which are confusing for claimants to understand. It is proposed to align the new CTR scheme with other benefit schemes to ensure consistency for claimants. Some of these changes, however, may result in the claimant initially receiving less Council Tax Reduction. Consequently, the service will proactively identify and seek to protect claimants from facing exceptional hardship due to these changes. (see item 2.1.5).
- 2.1.4.2 In the current CTR scheme, any new claim or change in circumstances is effective on a weekly basis. As Council Tax is a daily charge, it is fair and equitable to change entitlement to CTR on a daily basis. Additionally, the proposed new scheme will reduce the number of changes that will affect entitlement.
- 2.1.4.3 Removal of the Extended Payment provision. This provision allowed for a further four weeks payment of Council Tax Reduction scheme where an applicant in receipt of specific benefits (such as Income Support, Jobseeker's Allowance or Employment and Support Allowance) had moved into work, which would end their entitlement. As these existing legacy benefits are effectively being phased out and current recipients will be entitled to the maximum 80% discount it is felt that these provisions are no longer applicable.
- 2.1.4.4 From April 2017, the Government changed a number of benefit schemes limiting the dependant's addition (a prescribed assumed additional financial need) within the calculation to a maximum of two children. The CTR scheme changed at that time with existing applicants protected where they had made a claim for support before that date and already had more than two dependants. The new scheme proposal based on the income grid (Table 1) takes into account the number of applicants within the household although it will be limited to two dependants for all applicants. However, in calculating the net income all Child Benefit will be disregarded i.e. not count towards the applicants' income for the purpose of CTR.
- 2.1.4.5 In order to align with other benefits and ensure consistency for claimants, the new scheme will use a minimum level of income (Minimum Income Floor) for self-employed applicants. It would be in line with the National Living wage for 35 hours per week. Should income actually be above this level then the actual amount earned will apply in the calculation. The income would not apply for a designated start-up period of one year from the start of the business and the council would have the discretion to waive this in exceptional circumstances.

2.1.5 Protect claimants from exceptional hardship

2.1.5.1 It is recognised that whenever there are changes to a CTR scheme, within the same cost envelope, there will be some claimants who will be adversely affected. It is a legal requirement that the Council operates a hardship scheme to support those residents who suffer from any financial hardship. The service is experienced in operating the councils approved Council Tax Exceptional Hardship policy. Consequently, the service will continue to operate such a scheme but also will utilise new technology such as the Low Income Family Tracker to proactively identify, engage with and ultimately assist and support those Gravesham residents who are vulnerable and/or experiencing financial hardship due to these changes.

2.2 The proposed timetable for consultation and implementation of the new Scheme for working age claimants from 2022-2023 is set out below:

Cabinet	Monday 4 October 2021
Consultation	10 weeks from Friday 15 October 2021 to Friday 24 December 2021
Cabinet	Monday 31 January 2022 Reporting on the responses to the consultation exercise and presentation of the proposed scheme for 2022/23
Council (Budget setting meeting)	Tuesday 22 February 2022 to consider and approve the new scheme
Commence calculation and production of 2022-2023 council tax bills including approved CTRS	Wednesday 23 February 2022
Council Tax Reduction Scheme 2022-2023 commences	Friday 1 April 2022

3. Consultation

3.1 The Council has a statutory duty to consult on any proposed scheme(s) identified by the modelling. This has been built into the proposed timetable set out at 2.2.

3.2 It is imperative that individuals and organisations are given access to respond to the consultation. Consequently, the service has devised a stakeholder network map to identify key stakeholder groups. These groups consist of:

- Claimants
- Non-claimants
- Elected members
- Landlords
- Local Job Centre
- Third Sector organisations
- Other local authorities
- Parish Councils
- Central Government
- Professional bodies
- Local businesses/ratepayers
- Council employees

3.3 Whilst the consultation will primarily be website based, it is recognised that access to computers, smartphones and the internet combined with the potential for respondents to lack digital skills could affect the ability of some claimants and residents to provide a response. Additionally, there may be other barriers to completing a consultation form. Consequently, the service will:-

3.3.1 Work with the Communications team in order to ensure that there is an effective campaign across various media channels

3.3.2 Write to all current CTR claimants and a random sample of residents who are not in receipt of CTR encouraging them to respond to the consultation, offering paper copies where required together with advice on how to seek assistance in completing the form – either through the council or via a key stakeholder organisation

3.3.3 Contact key stakeholders encouraging both a group response and also requesting that they assist claimants/residents in responding to the consultation.

3.4 There is a duty to consult with the major precepting authorities (Kent County Council, Kent Police & Crime Commissioner and Kent Fire & Rescue) who are statutory consultees.

- 3.5 The draft consultation document is included at Appendix 3. The consultation document must focus on the considerations for any changes to the existing scheme (see section 2) including the alternatives such as to maintain the current scheme.

4 Finance

- 4.1 Government initially provided funding for the scheme in 2013. However, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to Councils.
- 4.2 The aim of this scheme is for the cost of the 2022-23 scheme to remain cost neutral when compared (based on the current caseload) to the current estimate expenditure of £6,904,000 for the 2021-2022 scheme. Gravesham Borough Council would bear 11% or £760,000 of this cost with the remainder incurred by major preceptors i.e., Kent County Council, Kent Police & Crime Commissioner and Kent Fire and Rescue authority.

5 Background Papers

- 5.1 Anyone wishing to inspect background papers should in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
Legal	<p>Section 13A(1)(a) of the Local Government Finance Act 1992 prescribes that the council is required to have a Council Tax Reduction Scheme (CTRS). This is a discount for Council Tax based on the income of the household.</p> <p>Legal Services have advised that the Council is legally permitted to make the proposed changes, subject to carrying out an appropriate consultation. The 10 weeks proposed period for the consultation has been assessed as a reasonable period of time for the consultation process.</p>
Finance and Value for Money	<p>The proposed scheme changes have been modelled in detail in order to ensure that the changes do not exceed the cost of the existing council tax reduction scheme.</p>
Risk Assessment	<p>There is a financial risk that forecast costs of the new scheme are beyond those of the existing scheme. Detailed modelling has been conducted to help mitigate this risk based on current caseloads</p> <p>There is a risk of a negative effect on council tax collection within the relevant financial year leading to delays in collecting the following year's liability. This will be mitigated by a proposed reduction in number of changes required to be actioned reducing number of revised bills issued, Consequently, there will be a quicker, and more efficient recovery process combined with ensuring that any appropriate discounts, hardship funding are applied to support the claimant.</p>
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>The need for a DPIA is currently being assessed</p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data?</p> <p>A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>See above</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk.</p> <p>N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>Yes. A full Equality Impact Assessment has been undertaken. There may be a detrimental financial impact on some residents near the bottom of an 'income' band meaning that changes move them into a lower discount bracket. However, a Council Tax Exceptional Hardship scheme will be built into the Council Tax Reduction scheme to mitigate any adverse financial affect to a claimant.</p>

	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p>N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<p>Corporate Plan</p>	<p><i>#1 People – Put our customers first</i></p> <p>Implement a suite of quality and effective frontline services accessible to all.</p>
<p>Climate Change</p>	<p>There are no climate change implications resulting from this report</p>
<p>Crime and Disorder</p>	<p>There are no crime and disorder implications resulting from this report</p>
<p>Digital and website implications</p>	<p>The service will work with both the digital and communications teams to ensure that the consultation is widely publicised and hosted appropriately.</p>
<p>Safeguarding children and vulnerable adults</p>	<p>There are no safeguarding implications resulting from this report</p>

	PENSIONERS	PASSPORTED	COUPLE 2+ children	COUPLE 1 child	LONE 2+ children	LONE 1 child	COUPLE	SINGLE	TOTALS
Imported Claim Data									
Number of claims	2,451	1,539	304	99	671	429	176	832	6,501
Number of claims with non-zero awards	2,451	1,539	303	99	669	426	176	830	6,493
Total weekly awards	£57,192.20	£32,002.41	£5,494.80	£1,636.21	£11,804.57	£6,790.27	£3,617.74	£13,874.98	£132,413.18
Average weekly award	£23.33	£20.79	£18.13	£16.53	£17.65	£15.94	£20.56	£16.72	£20.39
Total annual awards	£2,982,164.46	£1,668,697.05	£286,514.75	£85,316.57	£615,523.92	£354,064.14	£188,639.47	£723,481.01	£6,904,401.37
Calculated Claim Data									
Claims with UC Income									
Number of claims with non-zero awards	0	7	199	69	542	351	133	709	2,010
Total weekly awards	£0.00	£153.87	£4,015.13	£1,310.53	£9,446.66	£5,882.12	£2,725.61	£11,515.00	£35,048.93
Average weekly award	£0.00	£21.98	£20.18	£18.99	£17.43	£16.76	£20.49	£16.24	£17.44
Total model award adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Claims without UC Income									
Number of claims with non-zero awards	2,451	1,530	75	21	72	59	36	112	4,356
Total weekly awards	£57,188.48	£31,732.46	£1,234.60	£386.08	£1,001.52	£724.02	£791.86	£2,009.61	£95,068.62
Average weekly award	£23.33	£20.74	£16.46	£18.38	£13.91	£12.27	£22.00	£17.94	£21.82
Total model award adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Adjustment for Caseload Trend									
Claims with UC Income									
Change to number of claims	0	0	0	0	0	0	0	0	
Adjusted number of claims	0	7	199	69	542	351	133	709	2,010
Adjusted total weekly awards	£0.00	£153.87	£4,015.13	£1,310.53	£9,446.66	£5,882.12	£2,725.61	£11,515.00	£35,048.93
Adjusted total model award adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Claims without UC Income									
Change to number of claims	0	0	0	0	0	0	0	0	
Adjusted number of claims	2,451	1,530	75	21	72	59	36	112	4,356
Adjusted total weekly awards	£57,188.48	£31,732.46	£1,234.60	£386.08	£1,001.52	£724.02	£791.86	£2,009.61	£95,068.62
Adjusted total model award adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Total annual CTR Awards	£2,981,970.56	£1,662,644.31	£273,735.76	£88,466.13	£544,798.21	£344,463.02	£183,410.73	£705,211.88	£6,784,700.61
Total annual model award adjustments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Annual Difference	£-193.90	£-6,052.74	£-12,778.99	£3,149.56	£-70,725.71	£-9,601.12	£-5,228.74	£-18,269.13	£-119,700.76

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Council Tax Reduction Scheme 2022/23 Consultation

1. Background to the Consultation

What is this consultation about?

Each year the Borough Council must decide whether to change the Council Tax Reduction Scheme for working age applicants in its area. This year the Council has decided that changes should be made to significantly change the Council Tax Reduction Scheme to:

Make the scheme easier for residents to understand and access.

Provide greater stability to those who are in receipt of support.

Make the scheme work better with the Universal Credit award system.

Build in capacity to better manage increase in demand.

Reduce administration costs which will ultimately prevent any additional costs being added to the Council Tax.

What is Council Tax Reduction?

Council Tax Reduction is a discount for Council Tax. The level of discount is based on the income of the household. Currently the maximum discount is 80% of Council Tax for working age households and 100% for pensioners.

Why is a change to the Council Tax Reduction scheme being considered?

In April 2013 the Council Tax Benefit Scheme was replaced by a new Council Tax Reduction Scheme. Council Tax Benefit had been funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay.

The Council Tax Reduction Scheme is determined locally by the Borough Council rather than the Department for Work and Pensions. Although the Government initially provided funding for the scheme, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to Councils.

Applicants in receipt of Income-Based Jobseekers Allowance, Income Support and Income-Related Employment and Support Allowance receive the maximum level of support. Others receive an amount of Council Tax Reduction based on a number of factors including the make up of the household, income and disability.

A separate Central Government scheme is retained for people of pension age and Councils are only able to vary their schemes for people of working age.

Each Council is required to review their schemes each year and decide if they want to make any changes. Before any changes can be implemented, they must be subject to public consultation.

Gravesham Borough Council is proposing a number of changes to its existing scheme and, in line with legislation, we have a duty to consult you and provide you with the opportunity to tell us your views on the proposed changes to our Council Tax Reduction Scheme.

The Council is consulting on the following changes to its scheme for 2022/23 (more detail on the change options is given further in the consultation):

Introducing an income 'grid' scheme for all working age applicants replacing the current scheme which was based on the previous Council Tax Benefit Scheme. This will provide up to 80% support in certain cases. **(Option 1);**

Removing the transitional protection awarded to certain pre-2017 claims. **(Option 2);**

Removing the current earnings disregards and replacing them with a standard £25 per week disregard for all working disregard for all working applicants **(Option 3);**

Removing the Extended Payment provision. **(Option 4);**

Calculating all new claims and changes in circumstances to be effective of the day of the change in line with the discount schemes, rather than the current (benefit based) weekly basis. **(Option 5);**

Allowing the discretion to backdate any discount up to 12 months where a good reason is provided. **(Option 6);**

Protecting disabled persons by disregarding Personal Independence Payments or Disability Living Allowance and providing a further disregard of £40 per week where either the applicant, partner or dependant is in receipt of the disability benefit. **(Option 7);**

Protecting carers by fully disregarding any Carer's Allowance and the Support Component for those applicants in receipt of Employment and Support Allowance in the calculation. **(Option 8);**

Introducing a Minimum Income Floor for Self Employed applicants. **(Option 9);**

Certain aspects of the Council's existing scheme will be carried forward into the new scheme including:

the capital limit will remain at £16,000 per claim;

a 'flat-rate' charge of £10 per week shall be deducted from any reduction for each non-dependant within the household;

the housing element of Universal Credit shall continue to be disregarded; and

any amount of war pensions or war disablement pension shall be disregarded in full.

Protecting the most financially vulnerable.

By ensuring that the scheme protects the financially vulnerable, the Council is likely to reduce spending in other poverty related areas making a significant contribution to the health and wellbeing of Gravesham residents.

What are the drawbacks of doing this?

Whilst the Council will look to protect Council Tax Reduction recipients as far as possible, there may be a few winners and losers; and

Some higher income households may receive less support

In the Gravesham area, almost 6,477 people currently receive Council Tax Reduction. The gross cost of the scheme is £ £6,904,000 which is spread across the Council (11%), the County Council (74%), Fire (4%), Police (11%) and local preceptors (11%) in accordance with the proportion of Council Tax which each organisation levies (which is shown in brackets).

Who will this affect?

Working age households in the Borough area who currently receive or will apply for Council Tax Reduction.

Pension age households will not be affected as Central Government prescribe their scheme.

Are there any alternatives to changing the existing Council Tax Reduction Scheme?

We have thought about other options. These have not been completely rejected (including maintaining the current scheme) and you are asked about them in the questionnaire, but, at the moment we do not think we should implement them for the reasons given.

We have considered:

• **Continuing with the current scheme**

This would mean less support for certain households and higher administration costs generally. Not making the proposed changes would significantly increase the administration of Council Tax Reduction. The current scheme does not work effectively with the Government’s Universal Credit system. The multiple changes in Universal Credit inevitably lead to multiple changes in Council Tax Reduction which also impact collection of the charge.

This would increase the costs for all Council taxpayers in the area paying towards the scheme. The decision to increase Council Tax may need to be made by voting in a local referendum; or

Reduce funding to other Council services to pay for additional administration costs

Keeping the current Council Tax Reduction scheme will mean an increase in administration costs and less money available to deliver other Council services.

1. I have read the background information about the Council Tax Reduction Scheme: This question must be answered before you can continue. *

Yes

No

2. Paying for the Scheme

2. Should the Council keep the current Council Tax Reduction scheme? (Should it continue to administer the scheme as it does at the moment?) *

Yes

No

Don't Know

3. Please use the space below to make any comments you have on protecting the Council Tax Reduction Scheme from these changes.

3. Option 1 – The introduction of an Income Grid scheme to replace the current scheme for all applicants of working age

As explained in the background information, the Council is primarily consulting on the following proposals to change the existing Council Tax Reduction Scheme from 1st April 2022, which may increase the overall level of support to those households on the lowest income and reduce the administration cost of the scheme generally. The changes will also make the scheme simpler. Please note that whilst the changes are intended to reduce the level and cost of administration, the Council is not looking to reduce the total overall level of support available in fact for the lowest income households, the changes may increase the amount of support provided. Your responses are a part of this consultation.

The current scheme for Council Tax Reduction is largely based on the previous Council Tax Benefit scheme which was assessed alongside Housing Benefit. Housing Benefit for working age applicants is being phased out and it is not now possible to make new claims. Whilst Housing Benefit was the main provider of housing support for the working age, it was logical to maintain a Council Tax Reduction Scheme that mirrored the approach. With the roll out of Universal Credit, it gives the opportunity to significantly simplify what is effectively a Council Tax discount.

It is proposed that a simplified income 'grid' scheme will be introduced. Table 1 shows the level of discount available.

Table 1

Band	Discount	Single Person	Couple	Lone Parent with one child	Lone Parent with two or more children	Couple with one child	Couple with two or more children
1*	80%	£0 to £115	£0 to £160	£0 to £185	£0 to £255	£0 to £230	£0 to £300
2	65%	£115.01 to £160	£160.01 to £205	£185.01 to £230	£255.01 to £300	£230.01 to £275	£300.01 to £345
3	45%	£160.01 to £220	£205.01 to £265	£230.01 to £290	£300.01 to £360	£275.01 to £335	£345.01 to £405
4	25%	£220.01 to £280	£265.01 to £325	£290.01 to £350	£360.01 to £420	£335.01 to £395	£405.01 to £460
5	0%	£280+	£325+	£350+	£420+	£395+	£460+

*Where any applicant or their partner are in receipt of Income Support, Income-Based Jobseeker's Allowance or Income-Related Employment and Support Allowance, a Band 1 discount will be given.

The key principles of the scheme are as follows:

The level of discount (shown in the grid) will be based on the total net income (determined by the Council) of the applicant and their partner;

Income levels can vary in accordance with household size;

The maximum support available will remain at 80%;

Certain aspects of the current scheme will be carried forward into the new scheme namely Disability Living Allowance, Personal Independence Payments and Child Benefit will continue to be disregarded;

Child Maintenance will also be disregarded from the calculation;

Applicants receiving Income Support, Income-Related Employment and Support Allowance and Income-Based Jobseeker's Allowance will receive a Band 1 discount. Where applicants are not in receipt of those benefits and their income is above the levels specified in Band 1, Council Tax Reduction shall be awarded at the appropriate level (Bands 2, 3, 4 & 5);

Removing the transitional protection awarded to certain pre-2017 claims **(see Option 2)**;

Removing all of the current earnings disregards and replacing them with a standard £25 disregard for all applicants where they are in work **(see Option 3)**;

Removing the Extended Payment provision **(see Option 4)**;

Making all new claims and changes in circumstances which change any entitlement to Council Tax Reduction on a daily basis rather than the current (benefit based) weekly basis **(see Option 5)**;

Allowing the discretion to backdate any discount up to 12 months where a good reason is provided **(see Option 6)**;

Protecting disabled persons by disregarding Personal Independence Payments or Disability Living Allowance and providing a further disregard of £40 per week where either the applicant, partner or dependant is in receipt of the disability benefit **(Option 7)**;

Protecting carers by fully disregarding any Carer's Allowance and the support component for those applicants in receipt of Employment and Support Allowance in the calculation (**see Option 8**);

Introducing a Minimum Income Floor for Self-Employed applicants (**see Option 9**);

As with any change there may be both winners and losers; however, the Council is keen to protect as many applicants as possible.

Most applicants will receive the same support next year. Inevitably some households will have a little more to pay. Where an applicant experiences exceptional hardship, they will be able to apply for additional support from the Council under its Exceptional Hardship Fund.

The benefits of changing the scheme:

It provides more targeted support to those on the lowest incomes;

It provides a simpler scheme, easily understood by all applicants;

It will save significant increases in administration costs due to the introduction of Universal Credit; and

It should provide greater stability to Council Tax Reduction recipients by reducing the number of Council Tax demands during the year which prevents multiple changes to monthly instalments.

The drawbacks of doing this are:

Whilst the Council will look to protect Council Tax Reduction recipients as far as possible, there may be a few winners and losers; and

Some higher income households may receive less support.

4. Do you agree with the changes to the scheme to introduce an income based banded discount scheme? *

Yes

No

Don't Know

5. If you disagree please explain why and what alternative would you propose?

4. Option 2 - Removing the transitional protection awarded to certain pre-2017 claims

Historically, benefit claimants who had children were awarded a dependant's addition per child when calculating the amounts that the Government considered certain categories of people needed to live on each week (known as the 'applicable amount').

However, from April 2017 Central Government restricted dependant additions in Universal Credit, Housing Benefit and Tax Credits restricting the number of dependant (child) additions to a maximum of two.

Consequently, the Council Tax Reduction Scheme also changed from April 2017 so that any new claims would only have a dependant addition for the first two children. It also sought to protect existing claimants through a 'transitional protection' where households who already had three or more children at the time of the change i.e. 1 April 2017 by continuing to award a dependant's addition for every child in the household as at that date.

Therefore, there will no longer be a dependant's addition nor transitional protection as the new scheme is based on an 'income grid' categorised by households with no children; one child; or two or more children.

Child Benefit continues to be paid for every dependant and this will **not** count towards the applicant's income for the purposes of calculating Council Tax Reduction.

The benefits to the Council of doing this are:

Council Tax Reduction will be brought into line with the Department for Work and Pensions (DWP) benefits; and

It is simple and administratively easy to incorporate within the scheme.

The drawbacks of doing this are:

Applicants who have three or more dependant children may receive less Council Tax Reduction. However, this is offset by the Child Benefit not being counted and, if the applicants face exceptional hardship they may apply for additional support through the Council's Exceptional Hardship Scheme.

6. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

7. If you disagree please explain why and what alternative would you propose?

5. Option 3 – Removing the current earnings disregards and replacing them with a standard £25 per week disregard for all working disregard for all working applicants

Currently, where applicants (or their partner if they have one) have earnings and work over 16 hours per week, an earnings disregard is applied depending on their individual circumstances. The standard disregards (only one is awarded) are £5 per week for a single person, £10 per week for a couple, £20 per week if they meet certain conditions such as disablement or part time special employments or £25 for lone parents. If they work additional hours, in some circumstances they may receive an additional £17.10 disregard per week. Also, if child care is paid by the applicant above that received free from Central Government, then further disregards can be made against earnings for monies paid out.

The proposed change to the scheme would introduce a standard, single disregard of £25 for the applicant where they work. The disregard will apply against earnings only. All other disregards will be removed.

The benefit of this option is:

The change is simple and administratively easy to incorporate within the scheme; and

It makes the scheme easier to understand for Council Tax Reduction applicants and recipients.

The drawbacks of doing this are:

There may be applicants with larger families and who have high child care costs (not met by Government schemes) who may see a reduction in support. (It should be noted that this is offset

by the Child Benefit not being counted and that all applicants that face exceptional hardship may apply for additional support under the Council's Exceptional Hardship Scheme).

8. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

9. If you disagree please explain why and what alternative would you propose?

6. Option 4 – Removing the Extended Payment provision

In certain cases, where applicants have been in receipt of prescribed benefits (such as Income Support, Jobseekers Allowance or Employment and Support Allowance) and move into work which ends their entitlement, Council Tax Reduction can be paid for an additional 4 weeks after commencing work or increasing their hours. Similar provisions do not exist for Universal Credit claimants. As Universal Credit is to replace those existing (legacy) benefits, the Council feels that these provisions are no longer appropriate.

The benefit of this option is:

It will treat all applicants in receipt of DWP benefits equally; and

The change is simple and administratively easy to incorporate within the scheme.

The drawbacks of doing this are:

Applicants who are still in receipt of legacy benefits and who move into work before being transferred to Universal Credit may lose any potential extended payment.

10. Do you agree with this change to the scheme? *

- Yes

- No
- Don't Know

11. If you disagree please explain why and what alternative would you propose?

7. Option 5 – Any new claim or change in circumstances which changes Council Tax Reduction entitlement will be made from the date on which the change occurs, (rather than on a weekly basis as at present)

New claims and changes in circumstances that affect entitlement to Council Tax Reduction, under the current scheme, are largely effected on a weekly basis. This is a 'throwback' to previous benefit schemes that were weekly based. As Council Tax is a daily charge, the Council believes it makes more sense to change entitlement to Council Tax Reduction on a daily basis. It should be noted that, the proposed new scheme is designed to reduce the number of changes that will affect entitlement in any event.

The benefit of this option is:

It is in line with the way that Council Tax is charged and operated; and

The change is simple and administratively easy to incorporate within the scheme.

The drawbacks of doing this are:

There are no draw backs to this option.

12. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

13. If you disagree please explain why and what alternative would you propose?

8. Option 6 – Extending the ‘backdating’ provisions within the scheme

The current scheme limits the backdating of any application for Council Tax Reduction to 1 month before the date of application where continuous 'Good Cause' is proven.

The Council is of the opinion that the backdating of applications of up to 12 months should allow for better alignment with the date that the applicant's circumstances changed and that the Council be given a general discretion to backdate any claim where a good reason is provided.

The benefit of this option is:

This option will allow the Council more flexibility in granting support where the applicant has a good reason for not claiming earlier; and

The change is simple and administratively easy to incorporate within the scheme.

The drawbacks of doing this are:

There are no drawbacks to this change. It is unlikely to increase the costs of the scheme significantly.

14. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

15. If you disagree please explain why and what alternative would you propose?

9. Option 7 – Protecting disabled persons by disregarding Personal Independence Payments or Disability Living Allowance and providing a further disregard of £40 per week where the applicant, partner or dependant is in receipt of the disability benefit.

By moving to an income-based grid scheme it is essential that certain benefits are disregarded from the calculation of income. In order to protect the most vulnerable applicants, it is proposed that Personal Independence Payments and Disability Living Allowance are not counted when assessing a person's income. In addition, where either the applicant, their partner or any dependant is in receipt of any of those benefits, a further disregard of £40 per week will be made from the income used in the calculation

The benefit of this option is:

It will assist and support the most vulnerable; and

The change is simple and administratively easy to incorporate within the scheme.

The drawbacks of doing this are:

There are no drawbacks to this change as it will continue to protect persons with a disability. It is unlikely to increase the costs of the scheme significantly.

16. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

17. If you disagree please explain why and what alternative would you propose?

10. Option 8 – Disregarding Carer's Allowance and the Support Component of the Employment and Support Allowance

By moving to an income-based grid scheme it is essential that certain benefits are disregarded from the calculation of income. In order to protect the most vulnerable applicants, it is proposed that Carer's Allowance and the Support Component of Employment and Support Allowance are not counted when assessing a person's income

The benefit of this option is:

It will assist and support the most vulnerable and it will potentially increase the support to carers: and

The change is simple and administratively easy to incorporate within the scheme

The drawbacks of doing this are:

There may be a slight increase in the overall cost of the scheme

18. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

19. If you disagree please explain why and what alternative would you propose?

11. Option 9 – Introducing a Minimum Income Floor for certain self-employed applicants

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income for those applicants who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount 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 and the Council would have the discretion to waive the use of this facility in exceptional circumstances

The benefit of this option is:

The change is simple and administratively easy to incorporate within the scheme; and

The treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with those applicants who are self-employed and who are in receipt of Universal Credit (where the scheme is already in place)

The drawbacks of doing this are:

Where a working age applicant is self-employed and continues to run a business where their income is below the National Living Wage level, the Council will assume they earn at least the minimum level (based on a 35-hour week, regardless of the hours they work).

20. Do you agree with this change to the scheme? *

- Yes
- No
- Don't Know

21. If you disagree please explain why and what alternative would you propose?

12. Alternatives to changing the Council Tax Reduction Scheme

If the Council keeps the current scheme, it will be less supportive to low-income households and administratively more complex. The proposals set out in this consultation will deliver more targeted support and administration savings.

Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Reduction Scheme? Please select one answer for each source of funding.

22. Increase the level of Council Tax to cover the rising administration costs. *

- Yes
- No
- Don't Know

23. Find the additional administration costs by cutting other Council Services. *

- Yes
- No
- Don't Know

24. Please use this space to make any other comments on the proposed scheme.

25. Please use the space below if you would like the Council to consider any other options (please state).

26. If you have any further comments or questions to make regarding the Council Tax Reduction Scheme that you haven't had opportunity to raise elsewhere, please use the space below.

13. About You

We collect this information to help us understand the communities that we serve so that services and policies can be delivered to meet the needs of everybody. Please feel free to leave questions that you do not wish to answer. All of the information gathered in this questionnaire is confidential and anonymous.

Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

27. Are you completing this form on behalf of an organisation or group?

Yes

No

If yes, please tell us the name of the organisation/group and add any other comments you wish to make.

14. Questions for Individuals

Please answer the following questions.

28. Do you live in Gravesham?

Yes

No

29. Are you currently receiving Council Tax Reduction?

Yes

No

30. Are you or your partner in work or self-employed?

Yes

No

31. Are you liable to pay Council Tax?

Yes

No

32. Do you have more than three or more pre-school or school age children in your household?

Yes

No

33. Are you currently serving in the Armed Forces?

Yes

No

34. What is your sex?

Male

Female

Prefer not to say

35. What is your age?

18-24

25-34

35-44

45-54

55-64

65-74

75-84

85+

Prefer not to say

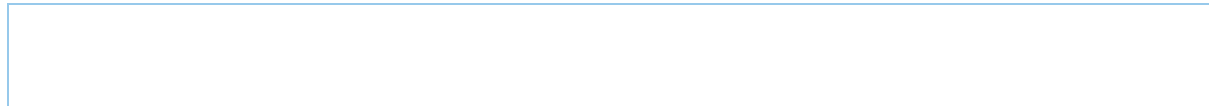
36. Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

- Yes
- No
- Don't know
- Prefer not to say

37. Ethnic Origin: What is your ethnic group?

- Prefer not to say
- White British
- White Irish
- White Gypsy or Irish Traveller
- Any other White background
- Mixed/Multiple ethnic groups - White & Black African
- Mixed/Multiple ethnic groups - White & Black Caribbean
- Mixed/Multiple ethnic groups - White & Asian
- Any other multi mixed background
- Asian or Asian British Pakistani
- Asian or Asian British Indian
- Asian or Asian British Bangladeshi
- Asian or Asian British Chinese
- Any other Asian background
- Black African
- British Caribbean
- Black British
- Any other Black background

38. Other ethnic group?



15. Next steps....

Thank you for completing the questionnaire.

You may submit further evidence, ideas, comments or questions (marked CTR consultation) by email to xxxx@gravesham.gov.uk

The consultation closes at midnight dd/mm/yyyy

We will listen carefully to what you tell us and take the responses into consideration when making a final decision on the 2022/23 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on 1 April 2022. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.