



Monitoring SSDC Council Tax Support Scheme

Report and Findings of the Overview and Scrutiny Task and Finish Group

December 2018

Chair's Foreword

As part of Central Governments Welfare Reform Bill in 2012:

- Council Tax Benefit was abolished; the responsibility of helping low-income households pay their Council Tax was transferred to Billing Authorities. This was delivered with the creation of a local scheme to be known as Council Tax Support (CTS). The scheme has to protect pensioners as they were previously in 2012/13 but provided councils with autonomy to create a new scheme for working age households.
- Central Government reduced the grant to help low-income households pay their Council Tax by ten percent in 2013.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and commenced a Task and Finish exercise that worked in parallel with officers to develop a local scheme.

The Task and Finish group conducted a very thorough review and produced a report and recommendations¹ detailing:

- Specific recommendations that would form the basis of the new localised scheme
- Potential risks and mitigation measures
- Monitoring arrangements

Since the scheme was implemented in April 2013 Central Government have revised their funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. From 2015/16 onwards the funding has been received as part of the Revenue Support Grant; no figure is prescribed or ring-fenced specifically for this purpose.

The Overview and Scrutiny Committee have commissioned a Task and Finish review each year since the introduction of Council Tax Support (CTS). The Task and Finish group conduct specific monitoring work to ensure the scheme continues to be effective and balances the needs of support recipients and all South Somerset Council Tax payers. This report summarises the monitoring activity and work conducted since the last Task and Finish report in December 2017 and details recommendations for the Council Tax Support scheme for 2019/20.

I would like to take this opportunity to thank the officers who supported us on this review for their on-going commitment and positive approach, helping the Task and Finish group to make informed decisions and produce this report.

Sue Steele

Overview and Scrutiny Committee Chair

Task and Finish Group Membership

Councillor Sue Steele - Chair of Task and Finish Group
 Councillor Carol Goodall
 Councillor Anna Groskop
 Councillor David Norris
 Councillor Rob Stickland

1

<http://modgov.southsomerset.gov.uk/Data/South%20Somerset%20District%20Council/20130117/Agenda/7%20Appendix%201%20-%20Report%20and%20Findings%20of%20the%20Overview%20and%20Scrutiny%20Task%20and%20Finish%20Group%2017-01-2013.pdf>

All members worked collectively with the support of Jo Gale – Scrutiny Specialist and the Project Officer Group:

Ian Potter – Lead Specialist – Vulnerable People
Tamsin Gold – Benefits Team Leader
Mandy Stewart – Benefits Team Leader

The Work of the Task and Finish Group

The Task and Finish group met on three occasions and also worked remotely to carry out monitoring work to ascertain if the scheme remains effective - achieving the original ambitions of the group. They also considered options to reduce scheme costs, improve administration efficiency and the impact on Council Tax Support (CTS) recipients who are also in receipt of Universal Credit.

The ambitions of the original Task and Finish group were:

- Ensure the scheme is fair and has the minimum impact that is achievable, given the criteria set out by the Government, for all residents of South Somerset, not just those who are currently receiving Council Tax Benefit
- Ensure it has adequate measures to provide stability to the recipients of Council Tax Support. (Now referred to as Council Tax Support)
- Ensure the process is timely, well-evidenced, takes account of members views, any consultation and minimises risks to SSDC
- Ensure the new scheme is accessible and not too complex

The group worked to the above ambitions and added:

- Take account of national evidence and the experiences and learning of other Local Authorities.

The Task and Finish group in collaboration with officers agreed the following set of principles to underpin the original scheme:

- Everyone should contribute something towards the cost of local services through Council Tax
- All income should be included to ensure the scheme is fair
- Greater account should be taken of the total income of a household
- Provide incentives to encourage people into work or increase their hours
- Provide protection for those who may become vulnerable under the scheme 'Unable to afford basic shelter, food, water, heating and lighting and essential transport'
- Not penalise those that have already saved for the future (to a greater extent than the Council Tax Benefit scheme) This was modified in 2015 to reflect the disregarded threshold of Housing Benefit and to be fairer to Tax Payers who are not in receipt of Council Tax Support)

The group agreed the principles were still relevant and used these and the ambitions to provide criteria when considering all information, data and proposals for amendments to the scheme.

This year the group had no requirement to secure additional savings in terms of the cost of the scheme. The Task and Finish group have concluded for the last two years that it would not be possible to reduce the cost of the scheme whilst still achieving the above mentioned objectives and principles.

Over the last year, the group focussed its efforts on assessing:

- Effectiveness of the current scheme
- Elements of other authority schemes – the value and impact of these
- The impact of the full roll out of Universal Credit
- Potential impact of transformation in terms of staff resource and technical developments
- The customer experience
- Exploring reducing administration costs by modifying the scheme and capitalising on the introduction of improved technology

Effectiveness of the scheme

The group worked with the revenues staff to monitor the scheme based on the recommendations from the original task and finish group. There was no evidence to suggest the scheme was ineffective or causing any form of disproportional impact to any group. For a full breakdown of all the monitoring work, please see the Monitoring Section – page 8.

Elements of other authority schemes

Minimum payment

From April 2018, out of 326 local authorities across England 264 schemes include a minimum payment. The size of this minimum payment varies by area; in 45 councils, it is less than 10% of council tax liability and 136 councils it is 20% or more but less than 30%. For 23 councils it is 30% or more.²

Evidence collated by the National Policy Institute has proved a correlation between the higher the minimum payment (the greater the sum of money each tax payer has to pay as a base to the calculation of means tested support) the greater the value of Council Tax Arrears, please see Appendix 1 for more information relating to this.

SSDC Council Tax Support scheme has a minimum payment and has stayed at 15% over the last 6 years and has many similar additional features to other authorities, these include a Band Cap (where the maximum sum of benefit payable is calculated at particular band of property) and a savings limit, (where people of working age with savings over £6,000 will not be entitled for Council Tax Support).

Other Authorities have the following additional elements/variations included in their schemes:

A minimum award

This is where a minimum amount of Council Tax Support is applied; this was introduced by many authorities to reduce the cost of the scheme but it also prevents disproportional administration costs and potential delays to Council Tax collection. If an award of a few pence per week is given and a change occurs this causes the re-calculation of the Council Tax Bill and the associated instalments. The change in their CTS can cause delays in instalments being taken due to the direct debit notification periods. Any delay can make the remaining instalments higher, making it difficult for some people to manage. The minimum award can reduce this. The group supported consulting on including a minimum award of 50 pence (in line with the Housing Benefit scheme) for the 2019/20 Council Tax Support scheme. The group recommended applying the same amount to make it easier for recipients of both Housing Benefit and Council Tax Support to understand.

²New policy Institute

Discount Based banded scheme

Since the Task and Finish report last year a growing number of authorities have moved away from the means tested (assessing income against needs level) approach and have introduced a discount based scheme that uses a system of income bands to decide what level of Council Tax Support a Council Tax Payer should be awarded.

For Example, (This is part of one of those schemes)

Household	Weekly Income Band	Discount
Single Person	£0.00 - £99.99	90%
Single Person	£100.00 - £199.99	85%
Single Person	£200.00 - £299.99	80%
Single Person	£300.00 - £349.99	70%
Single Person with 1 Child	£0.00 - £149.99	90%
Single Person with 1 Child	£150.00 - £249.99	85%
Single Person with 1 Child	£250.00 - £349.99	80%

This scheme is made up of a set of income bands with an income range, and a percentage discount is assigned to each income band. A non-dependant deduction is applied after the relevant discount percentage has been determined. It is still necessary to calculate the claimant and partner's weekly income in order to decide which income band the customer falls in.

The key benefit of the scheme is that where a person's weekly income changes and remains within an income band it is not necessary to amend their CTS award and issue a new bill. However an assessment of their new income level is still required.

This type of scheme will result in winners and losers at the point of change.

The group closely examined the impact this sort of scheme could have on SSDC current Council Tax Support recipients and it was felt the impact for some could cause people to become financially vulnerable. Whilst the group felt this could be mitigated against, the group were concerned about the effect the 'Cliff Edges' may have and consequently the amount of Council Tax paid.

The group agreed, there were too many unknowns with this type of scheme at present, and thought it best to wait for evidence to come forward from those Councils who have moved to the discount approach, specifically with regard to equalities, impact, Council Tax arrears and the associated cost of collection.

Fixed Periods

To reduce the administration costs and the frequency of changes that a customer has to manage some authorities have introduced fixed periods, so all changes in a given period, usually 3 or 6 months are processed at once.

There are advantages and disadvantages to this approach:

Advantages - Less processing work for staff to manage, fewer Council Tax Support notifications letters and Council Tax Bills to print and post out.

Disadvantages – People who have had a detrimental change to their income could be in a situation where they are unable to pay their Council Tax and fall into arrears by the time the fixed

period change date comes around the person has already automatically received notifications of arrears that could cause stress and generate enquires.

If a person has had a positive change to their income they will become liable to pay more Council Tax (they would receive less Council Tax Support) in the situation where all changes are processed on bulk, once every 6 months for example from 1 April – 30 September, this would only leave 5 months of the financial year for instalments to be paid and potentially catch up any arrears. This could present a risk of needing to roll debt to a future year; this is referred to as stacking arrears in the Lord Ollerenshaw report³. Stacking arrears in itself can cause additional administration time having to be spent making financial agreements to clear multiple years' debt.

It is also worth mentioning that nationally about 39 per cent of food bank users were awaiting the outcome of a benefit application⁴, and therefore delays in processing reductions in income can have much wider implications and therefore should be considered carefully.

The group concluded again that there were risks to adopting Fixed Periods and felt it best to analyse the impact and learn from other authorities that have opted to pursue this before looking to potentially introduce it as part of the SSDC CTS scheme.

Change tolerance for income

This is where small changes to income will not be processed regardless of the income increasing or decreasing. This is all about reducing the administration for processing Council Tax Support and associated enquires, print and postage costs, and frequent changes to the customer's bill.

The task and finish group chose to explore this further, examining the frequency of changes in impact change bands notified to the Council and how best this could be explained simply to customers. The complexity arises as the amount would have to be the equivalent weekly amount and some people's income will be monthly or 4 weekly. Members supported including this in the consultation for 2019/20 scheme not just for the reduction in the administration but also for providing stability to customers. The fewer changes the less likely customers will miss instalments due to the recalculation of the Council Tax payable and associated instalments.

Impact of Universal Credit

At the beginning of this Task and Finish review SSDC was one of a few councils that was in an area where Universal Credit had been fully rolled out.

The decision has been taken to accept the Universal Credit (UC) claim form as claim for Council Tax Support, this has ensured people are claiming all that they are entitled to and prevents failure demand by stopping people getting into arrears and then staff helping them to claim retrospectively and making payment arrangements.

It is worth mentioning that some authorities are phasing in changes by operating two working age schemes, one for those in receipt of Universal Credit and one for those who are not. This is to take advantage of automation for Universal Credit cases. The group considered this approach but felt operating in effect three schemes could be difficult for both support recipients and staff. Also for staff, the timing of implementing this could be difficult when the structure of service delivery will be going through the transition phase of Transformation. The Group felt the risks around

³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/514767/Local_Council_Tax_support_schemes_-_review_report.pdf

⁴ University of Oxford and Trussell Trust Report on Foodbanks

equalities performance and reputation was too great to consider for the 2019/20 CTS scheme. The group recommend next year a full assessment and comparison of operating a Discount Banded scheme compared to the 19/20 scheme is undertaken, the review must include the overall costs, customer journey and administration costs.

Potential impact of transformation in terms of staff resource and technical developments

The group assessed the timeframe of transformation and could see that the Council would be in the transition stage when the 2019/20 scheme would commence and therefore felt it would not be appropriate to introduce a major change unless there was evidence to show this was needed or that there would be significant benefit to the customer or the Council. There was no evidence of this.

The Customer Experience

Members of the group raised concerns in terms of the customer experience to apply and maintain the Council Tax Support award. The members said the complexity of the CTS award letters were of particular concern. The group were reassured talking to officers that the development of the customer account will improve the experience by using pop up text and providing summary information. sheets.

Proposals to amend the scheme this year

The group recommended the following proposals were put forward for public consultation and contributed to the explanation and examples to clearly show impact:

Proposal 1: Introduce a tolerance for small changes in income:

Currently each change in income requires a reassessment of the Council Tax Support award. This in turn leads to adjustments being made to the outstanding balance on the Council Tax account with notification letters and new bills being printed and posted out. Instalment arrangements are changed meaning there could be fewer instalments available to pay in the rest of the year. This could mean the instalments amount could go up which may affect a customer's ability to pay them.

This proposal would stop changes in the award of less than £1.00 per week causing adjustments to the outstanding balance. This would lead to customers receiving fewer award letters and Council Tax bills, and fewer changes to instalments

Example: Mr and Mrs A live with their adult son in a band B property. Their weekly Council Tax charge is £25.05.

Mrs A is working and earns £115.08 per week, adding this to the rest of their income they have applied for and been awarded Council Tax Support of £9.11 per week.

After a few weeks Mrs A's earnings reduce to £113.69 per week, the rest of their income has not changed, under the current scheme their Council Tax Support award would change to £9.39 per week. This change would produce a new award letter and a new bill, and depending on the timing an instalment may be missed. If this proposal is agreed the award would remain at £9.11 per week as the change of award from £9.11 to £9.39 is less than £1. No award letter, new bill will be sent, or instalment missed.

After a few more weeks Mrs A's earnings increase to £119.70 per week, the rest of the income has not changed, under the current scheme their Council Tax Support award would change to £8.19 per week. If this proposal is agreed the award would remain the same as the change of award from £9.11 to £8.19 is less than £1.

Proposal 2: A Minimum Award is introduced

Currently the Council Tax Support scheme will calculate the amount of support you can get from 1 pence per week.

This proposal would not give any support less than below 50 pence per week. This is the same as the Housing Benefit scheme.

Example: Mrs B is a lone parent with 2 dependent children, she has a weekly Council Tax charge of £27.38. Mrs B gets a single person so the weekly charge is now £20.54.

Mrs B is working and receives Universal Credit the income work out how much Council Tax support she can get is £280.00 per week. She would get Council Tax Support of 42 pence per week, £21.90 for the year.

If this proposal is agreed then no Council Tax Support would be awarded.

The group reviewed the consultation feedback for the proposed amendments for those currently in receipt of CTS and those who were not and were satisfied there was overall support. There was no evidence to show any disproportional impact to specific groups. The group recommends the proposals are included in the 20019/20 scheme.

Monitoring

This chapter of the report summarises the monitoring activities the Task and Finish group undertook to establish the effectiveness of the current scheme and associated processes.

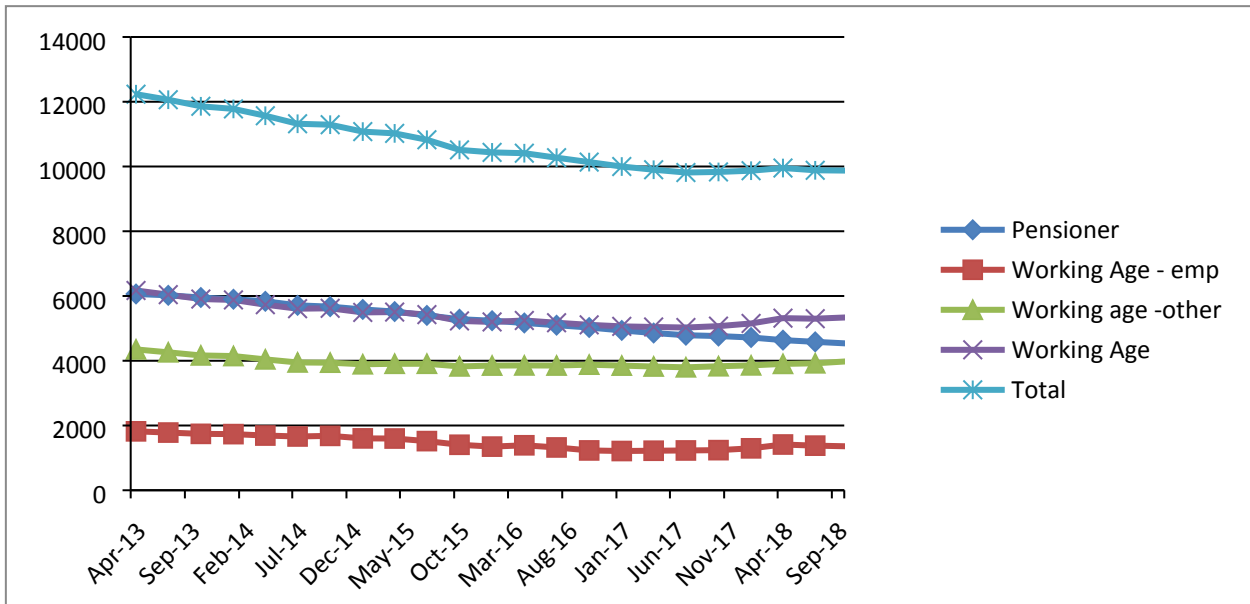
The group reviewed:

- The number of Council Tax Support recipients
- The Council Tax collection rate
- Cost of the scheme
- Council Tax Support Discretionary Hardship fund
- Council Tax Arrears where Council Tax Support is in payment
- Administration time to process claims
- Other Local Authority schemes
- Risk of external changes increasing the cost of the scheme
- Progress on recommendations detailed in December 2018 Task and Finish report

Equalities was considered throughout the entire review process

Number of Council Tax Support Recipients

The group reviewed the number of households in receipt of Council Tax Support with a breakdown of pensioner and working-age to assess the financial risk of the scheme to SSDC. (The greater the number of households in receipt of Council Tax Support, the greater the cost to SSDC. As pensionable age households are protected under the old Council Tax Benefit rules this carries a higher cost and therefore a greater risk of which SSDC has no control). The numbers and types of household in receipt of support since the Council Tax Support scheme was introduced are presented in the chart below:

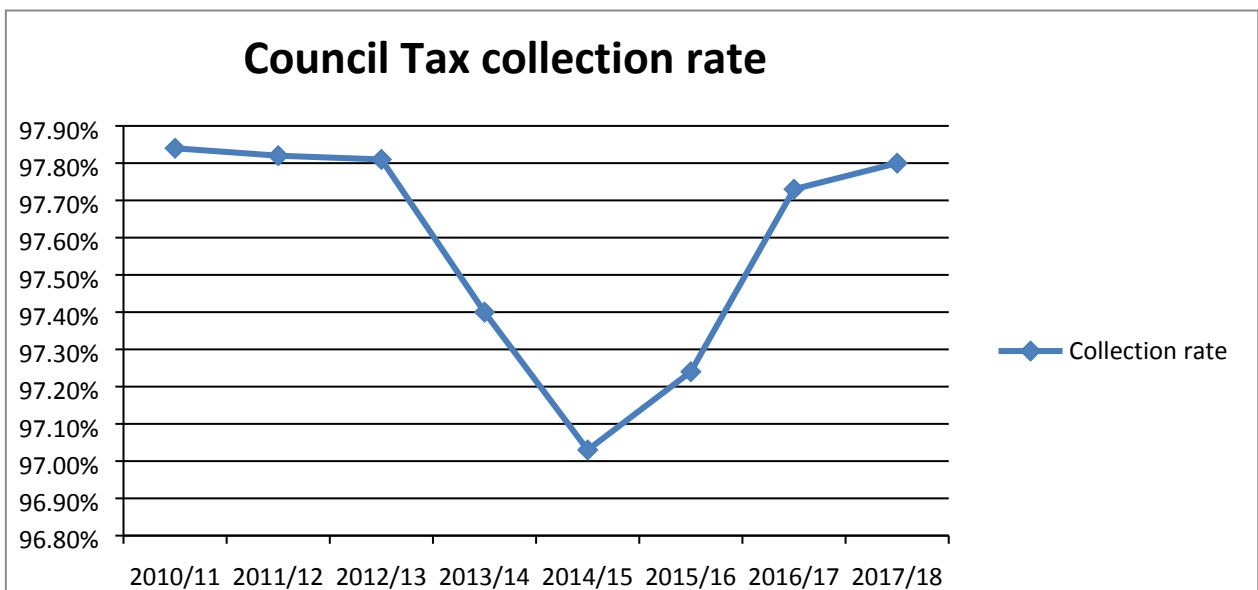


The Working Age has climbed over the last year, officers have put this down to the roll out of Universal Credit, and the removal of the requirement to make a separate claim for CTS which has ensured people are receiving the support they are entitled to.

Council Tax Collection rate

In the original Task and Finish report members recommended that Council Tax collection rates were monitored. (The collection rate is the proportion of all net collectable council tax that has been collected; this shows how much of a gap there is between what SSDC needs to collect and the amount actually collected). This was to assess if the Council has adopted appropriate methods to successfully collect Council Tax from new Council Tax payers and to prevent the authority from any financial risk; the monitoring is carried out every quarter and reported in the Medium Term Financial Plan Quarterly monitoring.

The chart below shows the annual collection rate since 2010 (3 years prior to the introduction of Council Tax Support) for all Council Tax as a percentage and includes the projected collection rate for this financial year. This is not specific for Council Tax Support Cases.



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Average Collection rate for England⁵	97.3	97.4	97.0	97.0	97.1	97.2	97.1
SSDC Collection rate	97.82	97.81	97.4	97.03	97.24	97.73	97.8

The SSDC collection rate for this year is anticipated to be broadly in line with last year, we are unable to a specific comparison as more tax payers are choosing to pay over 12 months instead of 10.

Cost of the scheme

The cost of the Council Tax scheme since it has been in operation is detailed below:

2013/14 £9.359 million

2014/15 £8.882 million

2015/16 £8.219 million

2016/17 £8.496 million

2017/18 £8.417million

2018/19 £8.782 million (cost at end of Nov 2018) – the increase is mainly down to the size of the increase in the council tax charge for 2018/19 and the changes in working practices around Universal Credit claims that has resulted in the improved the take up of CTS.

The values are as at 31 March each year apart from current year. Each year the cost of the scheme falls throughout the year so 2018/19 is likely to finish the year at a lower cost than the cost shown at the end of November.

To date the scheme has been affordable whilst maintaining the objectives in the Council Plan and the ambitions of the Task and Finish group. The reducing costs and the improving collection rate are both reassuring and positive; however, it is very difficult to identify how much of this is due to good practice and how much is down to the improvement in the economic climate. The risk is always the potential downturn in the local economy and this is not possible to mitigate, it is just a case of adopting policy and working practices that achieve the best collection rate whilst protecting those who are financially vulnerable.

Discretionary Hardship

The original Task and Finish report recommended, creating a hardship fund for those people who are financially vulnerable and that awards are monitored in terms of identifying trends.

Discretionary Hardship figures, last year it was reported as below:

⁵ Department of Communities and Local Government

Year	No. of requests	Awarded	Not Awarded	Total paid £
13/14	171	121	50	11,292.82
14/15	152	115	37	11,581.32
15/16	163	136	27	145,51.14
16/17	152	128	22	16,540.95
17/18	107	84	23	14,211
18/19 (Nov 2018)	90	71	19	12,295

The Task and Finish group requested Benefit Officers conduct a review of the applications made to the Hardship Fund to identify if there were any trends, in terms of the numbers and age of people in the household and what type of income they were in receipt of to identify any trends. No trends were identified and the group were satisfied that the relatively low numbers of awards and the disparity to who they were awarded gave no indication the scheme was the cause of any financial vulnerability.

To date there have been very few applications compared to the numbers of households that are in arrears with their Council Tax. However having undertaken some analysis this year of cases in arrears there was only a very small proportion of cases that could get some help through Council Tax Support and Discretionary Hardship that hadn't already applied. SSDC working practices have already introduced best practice recommendations, and continue to learn from other authorities and consider guidance and evidence from external sources.

Members have requested monitoring of the hardship rewards continue. Monitoring this fund is the best internal way to identify real financial vulnerability, potential issues arising because of external changes and subsequent Council Tax collection problems.

Monitoring Council Tax Arrears

Council Tax Arrears arise when a resident falls behind with their Council Tax payments. The way that Councils pursue missed payments or incomplete payment varies. The standard procedure is for a Council to send two reminders about unpaid Council Tax before embarking on further collection and enforcement strategies. This may include asking for the entire year's liability to be paid in one instalment, making an application to the magistrate's court for a liability order, an attachment of earnings or benefits (where the Council collects Council Tax direct from the household's income or benefits that the Council itself administers). They may proceed with enforcement measures, such as debt collection by Collection Agents.

No evidence has come to light over the course of the last year to suggest that accounts with Council Tax arrears could be attributed to any patterns in household or income type and therefore could not be attributed to any disproportional impact of the SSDC Council Tax Support scheme.

Costs of collecting Council Tax

Whilst it is important that SSDC collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.

The SSDC collection costs with effect from April 2018 are:

- Up to and including the cost of issuing a summons - the cost of collection from 2nd reminder stage onwards is currently £50.00.

- The cost of the Liability Order is £21.75.
- The total charge is £71.75 – This is still far less than many other areas. The Charge is passed to the taxpayer to recover the additional costs the authority has incurred; this is fair to all taxpayers.

Administration time to process claims

This section of this report details the work to date of the Benefits Team and planned future work to reduce Administration costs.

To date the Benefits Team have:

- Removed the need for Universal Credit (UC) recipients to complete a separate application for Council Tax Support, this has been removed this year. Instead the Benefits team use the notifications received from the UC Service Centre. The claim now comes via the Department of Work and Pensions (DWP) and is automatically uploaded to the customer's Civica Electronic Document Management (EDM) record. Changes in the customer's Universal credit entitlement also come via the DWP and are automatically uploaded to the customer's Civica EDM account.
- Provided an on-line application form, approximately 90% of claim forms completed now use this method. This form will continue to be used by applicants who are not claiming UC, including customers who have reached the qualifying age for state pension.

Removing the need for UC recipients to make a separate claim and reducing the number of paper application forms has reduced costs across the following areas

1. Purchase of paper forms
 2. Postage costs where a paper form is issue
 3. Staff time in opening post and scanning paper forms
 4. Staff time on front desks handling paper forms and queries
 5. Staff time in indexing as applications and income updates for UC CTS cases can be auto indexed
- As part of the Transformation Programme, introducing new functionality that will enable data from online forms to be "pushed" automatically into the CTS software, removing a significant amount (estimated at 80-90%) of the current manual claim data entry for new claims and a proportion of data entry on changes (dependent on the type of change)

Planned future work to reduce Administration costs:

Implementing functionality to auto-populate a claim from our on-line form will enable us to make savings as there will be a reduction in staff time in entering data into the CTS software from the on-line application form. This is part of the new functionality with redesigned services in transformation and should be there from 29/01/19

E-billing / e-notifications – This will be available to customers who activate their personal online account which will be available from 29/01/19

All Council Tax bills are currently printed and despatched by an external supplier once a week, while Housing Benefit and Council Tax Support letters are printed and despatched daily by the Revenues and Benefits team. Once we have a customer online account we will be able to "post" bills and letters to the account and send a text message or e-mail to the customer to let them know that they have new correspondence from SSDC.

This will enable savings to be made in the following areas:

1. Printing and stationary costs
2. Postage costs
3. Staff time in packing letters throughout the year (new year letters/bills are despatched by external company)

It is worth noting it will take time for customers to move from receiving paper notifications to signing up for the customer online account, so not all of the savings can be realised from the outset.

The extent of auto-population, auto-processing and digital notifications that could be realised is substantial and limited only by the degree of success in moving customers from paper to digital application forms.

SMS – Text message reminders

In the last report this was scheduled to be introduced in December 2017, this was delayed. The team have now sent out initial SMS to customers whose details we hold were provided since 1 April 2017 to comply with GDPR. We can now proceed with sending SMS reminders. Where a customer has provided a mobile phone number as a method of contact a text message will be sent a few days ahead of when the statutory reminder notice will be sent. Where a taxpayer makes their late payment within a couple of days of the reminder text they will prevent the statutory reminder notice from being sent. The statutory recovery process can lead to the loss of the right to pay by instalments, a court summons and action by an Enforcement Officer (commonly referred to as a bailiff) and additional costs to the debtor. An informal reminder notice could prevent many cases from entering the statutory recovery process. This will reduce costs to SSDC; prevent the taxpayer from incurring further costs and fees consequently providing a better outcome for both parties.

The introduction of SMS reminder text messages will reduce the cost of collection, demand on resources and prevent the debtor from incurring additional costs and fees.

Last year’s recommendations still in progress:

Recommendation	Progress
Providing a summary front sheet for Council Tax Support notification letters that detailed the sum owed/received and how to proceed	<i>Some of the information that would be provided on a summary will be available through customer’s personal online accounts. If we were to revise the scheme to become income banded, letters would be discontinued, instead the relevant discount would appear on the council tax bill as with all other council tax discounts.</i>
Benefits Officers explore the potential of creating a consultative group who can meet to discuss the Council Tax Support scheme	<i>It is intended that this will be considered as part of the Customer insight and engagement work of the Transformation Programme</i>

Summary of Task and Finish Group's Recommendations

1. A Minimum Award of £0.50 is introduced.
2. Introduce a tolerance for small changes in income of up to £5.00 that will prevent a change to entitlement of up to £1.00 due to the income taper in the CTS means test of 20%.

That annual uprating's are implemented as usual:

- Personal allowances and premiums are uprated in line with those for Housing Benefit;
- Non-dependent deductions are uprated in line with the annual percentage increase in Council Tax;
- Non-dependent income bands are increased by the same percentage as those in the Prescribed Requirements relating to pensioners

The Task and Finish group who review the scheme for 2020/21 further consider feedback from those who have introduced:

- Fixed periods moving forward – benefit on not altering instalment plans and reduction in number of customer notices- help mitigate upset and reduce avoidable contact/response.
- An income banded scheme with specific focus on the customer experience, vulnerability, collection rates and stacking arrears

If changes to the scheme are agreed, letters must be sent to all Council Tax Support recipients' that will be affected as soon as possible. To give them time to prepare for managing the increase in their Council Tax Bill.

Cumulative Impact

The group has considered the cumulative impact of the above recommended measures and those in the existing scheme by reviewing case studies, should amendments to the recommendations be proposed additional analysis may be required.

Future monitoring

The Task and Finish group request monitoring of:

- Discretionary Hardship rewards continue
- Arrears for cases where Council Tax Support is being given, this is to best manage the scheme and have an effective and efficient approach to collection and recovery
- Costs of collecting Council Tax - It is important to ensure the balance is correct, whilst we must ensure we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient
- Other Local Authority schemes and National Best Practice to consider if the South Somerset scheme could be improved upon.

The group have also requested that the Revenues officers consider:

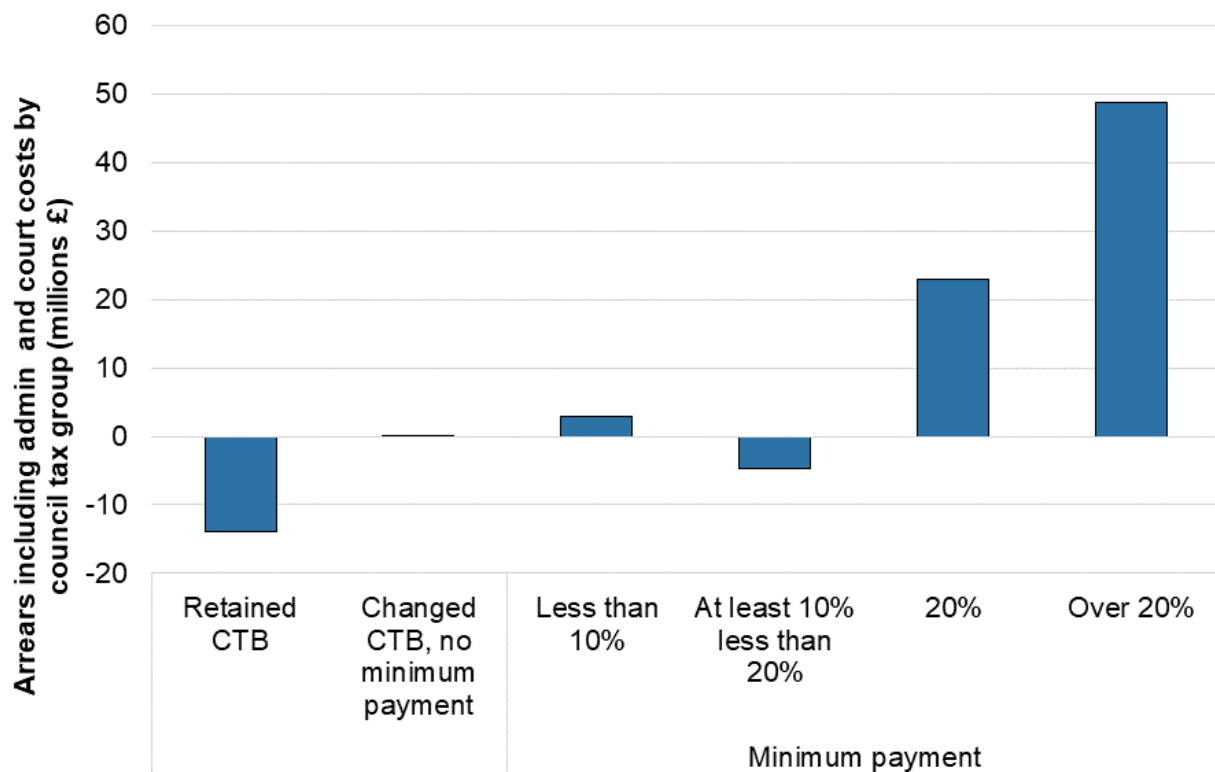
- Just about managing: Four million more people living on inadequate incomes in modern Britain -Research for the independent Joseph Rowntree Foundation (JRF) which illustrates how different kinds of household are faring, against the Minimum Income Standard (MIS) and potentially use evidence to support decision making for those in receipt of CTS who request around Hardship.

Future Risks

- The risk is always the potential downturn in the local economy and this is not possible to mitigate, it is just a case of adopting policy and working practices that achieve the best collection rate whilst protecting those who are financially vulnerable.

Appendix 1

New policy Institute – <https://www.counciltaxsupport.org/impacts/>



The graph above takes into account the change in the council tax bases between the years to calculate the additional amounts of uncollected taxes in 2016/17 compared with 2012/13 the last year of CTB.

In 2016-17, local authorities would have collected £26.8bn in Council Tax if everyone liable for Council Tax paid in full- within this context, a small percentage point increase in uncollected tax represents a large sum.

The 67 Councils that had a minimum payment of over 20 per cent in 2016-17 had the largest overall increase in uncollected tax for that year. These councils had £48.6 million more in uncollected tax than they did in 2012-13. This group's arrears this year relative to 2012-13 is £4.2 million more than last year (when only 53 Councils were in this category).

Councils that abolished CTB but did not set a minimum payment saw no significant change between arrears this year compared to 2012-13 (the group overall had an increase of £10,000). Councils that retained CTB continued to have lower arrears this year than they did in 2012-13. This group's arrears declined by £13.8 million relative to their arrears in 2012-13.