

## Decision Report - Executive Decision

Forward Plan Reference: FP/24/04/13

Decision Date – 15 July 2024

Key Decision – yes

Confidential Information – no/main  
report/appendix



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### Recommendation to consult on changes to the Council Tax Reduction Scheme

Executive Member(s): Cllr Liz Leyshon - Deputy Leader of the Council and Lead Member for Resources and Performance

Local Member(s) and Division: N/A

Lead Officer/Author: Richard Sealy - Interim Revenues & Benefits Manager

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### Summary

1. This report sets out the background, proposed consultation questions and approach in respect of potential changes to the Council's local Council Tax Reduction (CTR) scheme for the 2025/26 financial year.
2. The Council is required by law to set a CTR scheme for working age people in advance of each financial year. The rules for those of pension age are defined by central Government. The budget setting and billing timetable requirements essentially mean that we have to agree to the scheme by the December of the preceding financial year.
3. There is no requirement for us to vary the scheme from year-to-year. However, if we wish to consider making any significant changes, then a full public consultation exercise is required. This includes consulting with the other major precepting authorities i.e. the Police Authority and Fire Service.
4. In setting the scheme for the current financial year on 20 December 2023, Council also approved a recommendation to fully review the scheme during the 2024/25 year. The need for this review is very much driven by the financial emergency and the consequent need to make savings. Should the Council be required to serve a Section 114 notice, then the CTR scheme is one of the areas the commissioners appointed by Government may choose to review. They are less likely to do so if we have recently reviewed the scheme and made changes.
5. We are currently spending a total of £38.1m on the Council Tax Reduction Scheme of which £20.8m per annum relates to the working age scheme. An element of this cost is borne by the other major preceptors and the net cost to Somerset Council of the working age element of the scheme is currently £15.9m.

6. This report sets out in detail the proposed approach to consultation, the timetable and process together with the recommended consultation questions. We are required by law to consult on a specific proposal rather than a variety of options. The proposed scheme put forward for consultation purposes is designed to enable us to significantly reduce our CTR spend. This approach is recommended in order to maximise our ability to amend the scheme when we come to finalise it in the Autumn following the completion of the consultation exercise. Taking this approach does NOT in any way commit the Council to making these changes and is simply a mechanism to give us the flexibility to do so should we wish or need to.
7. The report also provides indicative modelling in Appendix 5 to detail the potential cost reductions that could be delivered as a result of implementing these changes. Our current estimates suggest that we could reduce the cost to the Council of our element of the working age scheme (£15.9m) by as much as £12.1m through implementing all of these changes. However, a reduction of this size is likely to have a significant impact on people on low incomes and it is reasonable to assume that we will struggle to collect the additional Council Tax then due.
8. In addition, we have included at Appendix 4 a summary of a CTR scheme comparison exercise we have undertaken to compare our existing scheme against a range of other Councils. This information has been used to inform the development of our consultation proposals.
9. We have also recently received national CTR scheme comparison data from the annual entitled to report. This is compiled independently from Government. A summary of the key findings from this report is included below and the full report can be viewed at [Council Tax Reduction schemes in England 2024/25 \(entitledto.co.uk\)](https://entitledto.co.uk)
10. A detailed Equalities impact Assessment is included at Appendix 1. This focuses on the consultation process. In addition, we have undertaken a high-level assessment of the equalities implications of the proposed changes. This can be seen at Appendix 6. A full assessment will be put forward in the autumn with the final proposed scheme.
11. Scrutiny for Corporate & Resources will be asked to review and respond to the consultation questions (assuming that the Executive agrees to proceed with the consultation) at their meeting on 28<sup>th</sup> August 2024.

## **Recommendations**

12. The Executive are recommended to approve the consultation exercise on proposed changes to the Council Tax Reduction scheme for 2025/26, as set out in Appendix 2.

## Reasons for recommendations

13. Any major changes to the Council's CTR scheme require full public consultation, which is recommended in order that we can consider changes later in the year.

## Other options considered

14. The alternatives are to either not consult or to consult on a lesser set of proposed changes. In both cases this would severely restrict our ability to make significant changes and potentially savings from the scheme.

## Links to Council Plan and Medium-Term Financial Plan

15. The CTR scheme represents a significant amount of the Council's spend per annum and currently costs a total of £38.1m for both the working age and pension age schemes. An element of this cost is borne by the other major preceptors and the cost to the Council is £29.0m. Reducing this spend could help to close the significant budget gap, but obviously will have an effect on some of the poorest in our communities. Consequently, reducing spend in this area will impact on our ability to deliver some of our key priorities.

## Financial and Risk Implications

### *Financial implications*

16. Our current total spend on CTR is £38.1m spread across both the pension and working age schemes. The other major preceptors bear a proportion of this cost, but the net total cost to Somerset Council is £29.0m. £15.9m of this relates to the working age element of the scheme, which is the only area over which we have any control.

|                               | <b>Caseload</b> | <b>Total cost</b> | <b>Cost to Somerset<br/>(76.23%)</b> |
|-------------------------------|-----------------|-------------------|--------------------------------------|
| Main CTR scheme (Pension Age) | 13,488          | £17.3m            | £13.1m                               |
| Main CTR scheme (Working Age) | 18,753          | £20.8m            | £15.9m                               |
| <b>TOTAL</b>                  | <b>32,241</b>   | <b>£38.1m</b>     | <b>£29.0m</b>                        |

17. The cost of undertaking the consultation exercise is estimated as being £21k and can be borne within the existing service budget. This cost is comparatively high because we will need to write to the circa 19,000 current working age claimants.

## Risk implications

| Risk   | Mitigating actions / comments   | Score<br>L =<br>Likelihood<br>I = Impact |
|--|---|--|
| Not consulting on changes means that we are unable to reduce spend on the scheme for 2025/26, if required  | Undertake a full consultation exercise on a wide range of potential changes to maximise our ability to reduce costs if required.  | L = 5<br>I = 3<br>Total = 15             |
| Legal challenge to any changes introduced to the scheme for 2025/26  | <ul style="list-style-type: none"> <li>▪ Specialist external advice being taken to ensure compliance with Council Tax legislation</li> <li>▪ Full equalities impact assessment</li> <li>▪ Detailed planning &amp; extensive communication to publicise the consultation exercise</li> <li>▪ Consultation to be run over a 10 week period</li> </ul> | L = 3<br>I = 4<br>Total = 12             |
| Fully implementing the proposed changes results in significant hardship, reduced collection rates & increased applications for Exceptional Hardship payments | <ul style="list-style-type: none"> <li>▪ Our ability to mitigate the impact would in practice be very limited</li> <li>▪ Significantly increased budget provision (within the Collection Fund) for Exceptional Hardship (EH)</li> <li>▪ Increased resourcing both to deal with EH applications &amp; debt recovery</li> </ul>                       | L = 5<br>I = 4<br>Total = 20             |

## Legal Implications

18. Schedule 1A (3) of the Local Government Finance Act 1992, states:

Before making a scheme, the authority must:

- consult any major precepting authority which has power to issue a precept to it,
- publish a draft scheme in such manner as it thinks fit, and
- consult such other persons as it considers are likely to have an interest in the operation of the scheme.

19. The Council is obliged to make a resolution by 11<sup>th</sup> March of the financial year prior to the scheme coming into place. Where we fail to do so, then the existing scheme rules would continue to operate by default.

## **HR Implications**

20. There are no HR implications resulting from this proposal.

## **Other Implications:**

### **Equalities Implications**

21. The CTR scheme is funded by Council Tax payers, which will include people with protected characteristics. This consultation focuses on potential changes to the working age element of the scheme under which many people with protected characteristics will be eligible to receive support.
22. A detailed Equalities Impact Assessment (EIA) is attached at Appendix 1. This EIA assesses the impact of the approach being taken to the consultation exercise on the protected groups and identifies mitigating actions to ensure that people within these groups are made aware of and can participate in the consultation exercise.
23. In addition, a high-level equalities assessment of the options for change, as detailed in the consultation questions, has been undertaken in order to identify the potential impacts of these changes, if implemented, on people within the protected groups. This is attached to the report at Appendix 6. A full Equalities Impact Assessment will be undertaken following the completion of the consultation exercise and once the final scheme proposals have been developed. This will be included with the final recommendation to Members in November and December of 2024.

### **Community Safety Implications**

24. There are no direct implications for community safety. However, CTR provides support for people on low incomes. Any significant reductions in the amount of support provided could indirectly result in increased rates of crime.

### **Climate Change and Sustainability Implications**

25. There are no significant climate change and sustainability implications resulting from this proposal. The main avenue for consultation responses will be via the website in order to minimise the necessity of having to produce and issue paper forms.

### **Health and Safety Implications**

26. There are no direct health and safety implication resulting from this report.

### **Health and Wellbeing Implications**

27. The consultation exercise is unlikely to have any significant implications for health and wellbeing. However, any subsequent significant reductions in the

amount of CTR awarded in respect of people on low incomes could. These implications will be identified and reported in the final scheme recommendation report, which will come forward to Members in November and December 2024.

## **Social Value**

28. There are no social value implications directly relating to the consultation exercise. However, any subsequent decisions to significantly reduce the amount of CTR awarded to people on low incomes could have a detrimental impact on health and wellbeing.

## **Scrutiny comments / recommendations:**

29. Scrutiny for Corporate & Resources will be asked to review and respond to the consultation questions (assuming that the Executive agrees to proceed with the consultation) at their meeting on 28<sup>th</sup> August 2024.

## **Background**

### *General background*

30. Council Tax Reduction (CTR) provides financial assistance to help people on low incomes to pay their Council Tax. This can be for up to 100% of their Council Tax liability.
31. CTR was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:
  - Placed the duty to create a local scheme for Working Age applicants with billing authorities;
  - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
  - Prescribed that persons of Pension age would be dealt with under regulations set by Central Government and not the authorities' local scheme.
32. Since that time, funding for the Council Tax Reduction scheme has been amalgamated into other Central Government grants paid to Local Authorities and into the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Government sources.

### *National data on CTR schemes*

33. We have recently had sight of the independently compiled Review of Council Tax Reduction Scheme 2024/25 report, which is produced annually by entitled to. They have reviewed all of the CTR schemes being run by English local authorities for 2024/25 to identify key trends and changes.

34. The full entitled to report can be viewed at [Review of Council Tax Reduction Schemes in 2022/23 \(entitledto.co.uk\)](#). The headline points they make in respect to the schemes for 2024/25 are as follows:
- Around 14% of local authorities in England changed how they calculate Council Tax Reduction for 2024/25 (41 local authorities).
  - The **most common change again this year was to increase the support available** for the poorest (15 local authorities). Against this, 9 LAs made changes that cut support.
  - The **second most common change was to introduce an income-banded scheme** (14 local authorities). Around a third of Council Tax Reduction schemes are now income-banded.
  - For the first year since localisation, **offering 100% maximum support is the most common approach**.

#### *The legal requirements*

35. Council Tax legislation and specifically Schedule 1A of the Local Government Finance Act 1992 requires the Council to agree its local CTR scheme for each financial year in relation to working age claimants.
36. The scheme for pension age claimants is prescribed by Government and we have no powers to change these rules. Government usually adjusts the pension age rules each year and we will simply incorporate these changes into our scheme when we are notified of them (usually in December).
37. Major changes to our local working age CTR scheme require, by law, full public consultation. This consultation has to include the other major precepting authorities i.e. the Police Authority and Fire Service.

#### *Key elements of our current Somerset scheme*

38. Detailed below is a summary of the key elements of the current Somerset scheme. The full scheme rules can be viewed on our website at [Somerset Council Council Tax Reduction Scheme 2024-2025](#)
- Income Banded Scheme –
    - This allows for small fluctuations in a claimant's income without requiring us to reassess their entitlement each time their income varies. This reduces administration, re-billing costs, the volume of new bills being issued to claimants and helps to improve collection rates
    - The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependents

- Income disregards – the scheme disregards certain types of income e.g.
    - To encourage work, a standard £25 a week disregard is provided against all earnings
    - Income from disability benefits such as Disability Living Allowance and Personal Independence Allowance are disregarded
    - Where any applicant, their partner or dependant child(ren) are disabled, we disregard a further £30 a week from their household income
    - Carer’s Allowance and the Support Component of Employment and Support Allowance is disregarded.
    - Child Benefit and Child Maintenance is disregarded as income;
    - An amount in respect of the housing element, within Universal credit is disregarded
    - All war pensions and war disablement pensions are disregarded
    - A capital limit of £6,000 with no tariff (or assumed income) is applied, which aligns with the approach taken by DWP
  
  - Easier to understand and administer - the income band grid allows claimants to easily see how much they can get or how a change to their income will affect their discount. No charges are made where an applicant has a non-dependant living with them. This makes the scheme more straightforward and protects low-income families where adult sons and daughters, for example, remain at home
  
  - Simplified claims process – approximately 50% of our claimants receive Universal Credit (UC). We are automatically notified by the DWP of new UC awards. In most cases, the notifications include enough information for us to make an award without the need for a Council Taxpayer to make a separate claim
  
  - Maximum award of 100% -
    - The most vulnerable taxpayers and those on the lowest incomes will get a 100% discount
    - No restriction is applied to higher banded properties
    - The Council no longer has to recover small outstanding balances from those unlikely to afford their bills – this should help to reduce administration costs and improve collection rates
  
  - Exceptional Hardship Scheme – this gives us the ability to provide discretionary help to Council Taxpayers, whether they receive CTR or not, to assist them in meeting their Council Tax bills. It provides us with a flexible mechanism to provide support in abnormal circumstances where people are suffering hardship as a result.
39. A light touch review of the scheme was undertaken during 2023/24 in order to identify any changes required to the scheme for this year, 2024/25. This review identified that the scheme was generally working well and had been well received. The only change made to the scheme and agreed by Council on 20 December 2023 was to increase the income band thresholds in line with the rate of inflation applied to state benefits.



### *Identifying the elements of the scheme to potentially change*

40. We have considered all aspects of the scheme. However, we have discounted moving away from an income banded scheme and returning to a traditional means tested scheme. The latter is likely to cost more and is both more complex to administer and understand.
41. We have undertaken a detailed comparison exercise to understand how our scheme compares against a range of other councils. This includes other councils in our 'family group' (as defined by LG Futures), councils who have served Section 114 notices and other geographically local authorities who run banded schemes. The findings from this exercise are summarised at Appendix 4.
42. This comparison exercise has looked at a range of criteria including things such as:
  - The percentage of CTR spend as a proportion of gross Council Tax debt
  - Council Tax collection rates
  - Maximum award percentages
  - Non-dependant deductions
  - Capital limits
  - Maximum qualifying incomes
  - Income disregards for people with disabilities
43. This exercise has evidenced that, whilst our scheme is generous at the headline level i.e. the 100% maximum award, in many other respects we are **less generous** than the other councils we have compared against. We have considered these findings in developing the consultation. Clearly Members may also want to take these findings into account when considering and deciding upon the final scheme later in the year.
44. We have considered the following elements of the scheme when developing the consultation:
  - *Maximum award percentages* – the average is below our current 100% maximum, so we could consider reducing the amount payable, **but this could increase the cost of collection and means those on the lowest incomes will have to pay Council Tax**. It is also likely to result in an increase in the number of applications for Exceptional Hardship awards. If this increase is significant it could increase administration costs.
  - *Non-dependant deductions* – whilst these make the administration more complex, virtually every other council applies them so we could consider introducing these
  - *Capital limits* – ours (£6k) is already below the average, so we would not recommend going lower (NB. £6k is also the maximum amount of disregarded capital applied by Government for state benefits)
  - *Discount bands* – we currently have 4. None of the other authorities currently has fewer than this, so we would not recommend reducing the number of these

- *Maximum weekly qualifying amounts* – ours are already below the other comparator councils, so we would not recommend reducing these
- *Disabled disregards* – only 2 of the comparator authorities provide no disregard. The others provide a higher disregard than we do. However, this is an area where we could potentially reduce cost

45. We have also reviewed the position in relation to the various income disregards applied within our scheme. In total we currently disregard around 74 different types or sources of income within the existing scheme. We have reviewed these, identified the more common types of income and determined which of these it may be appropriate to consult upon removing from the scheme. The results of this exercise are detailed in Appendix 3.

### *The proposed consultation questions*

46. The proposed consultation questions are set out in Appendix 2.
47. By law we are required to consult on a specific proposal, as opposed to various options. The consultation approach and questions are therefore framed accordingly. However, we do retain the flexibility when we set the final scheme to amend these options, although we cannot make the impact more severe.
48. The questions are focussed on the elements of the scheme we could potentially look to change; namely:
- Reducing the amount of support provided by CTR
  - The introduction of a fixed-rate non-dependant deduction
  - Removal of the £25 per week earnings disregard
  - Restricting support to Band D Council Tax levels
  - Removing the disregard for the incomes identified in Appendix 3, including removing the £30 per week disregard for households with people with a disability
  - Restricting the time-limit for backdating awards of CTR to one month from the date of claim

### *Cost modelling*

49. We have undertaken modelling based upon the current financial year's expenditure in order to estimate the financial impact of the changes upon which we are proposing to consult. (NB. The service is still working on the four different legacy district council IT systems. We are unable to model these changes quickly and accurately across all of these systems. Consequently, the modelling is undertaken in one of the systems and the results are extrapolated, proportionately to caseload, across the other areas).
50. The results of the modelling are shown at Appendix 5.
51. We have modelled the cumulative impact of implementing all of the changes upon which we are consulting. This produces an estimated reduction in cost of £12.1m or 76.3%. **(In practice, it is reasonable to anticipate that**

**implementing a reduction in spend of this scale would cause significant hardship, would detrimentally impact on collection rates and would most likely result in a significant increase in applications for Exceptional Hardship payments).**

52. We have also modelled the individual impact in respect of implementing each change in isolation. This is for indicative purposes only. (NB. The figures produced by this modelling are on the basis that only the specific change modelled is implemented. Where we implement more than one change then the impact of one is likely to impact on the other i.e. adding up the totals of the individual changes will not come to the same total as the cumulative changes).

#### *The consultation process*

53. A full consultation exercise will be undertaken in line with the statutory requirements. This will include consultation with:
- The other major Council Tax precepting authorities i.e. the Avon & Somerset Police Commissioner and the Devon & Somerset Fire & Rescue Service
  - Key stakeholders e.g. Citizens Advice, SPARK
  - The public
54. If approved, it is intended to run the consultation over a 10 week period between July and September 2024.
55. Details of the key question areas for the consultation are attached for information at Appendix 2. The precise wording is still being fine-tuned in order to make the consultation as accessible as possible.
56. The consultation will be hosted on-line, but we will also provide paper copies, where required, and assistance with completing the forms.
57. We intend to publicise and communicate the consultation as follows:
- Press release, website, social media
  - By letter to the major precepting authorities (Police & Fire)
  - E-mail or written contact with key stakeholders
  - E-mail or letters to all existing working age claimants
  - Information to be included with Council Tax bills and Benefits letters
  - E-mail to all Elected Members
  - Contact with the Local Community Networks

#### *Next steps following consultation*

58. The responses to the consultation exercise will be reviewed throughout the consultation period so that we can quickly identify any potential changes to the proposed scheme. Following the completion of the consultation exercise, we will complete this review, finalise the proposed scheme for 2025/26 and bring forward to Members for scrutiny and a decision. The indicative timetable for this is set out below.

|                 |   |
|-----------------|---|
| w/c 22 Jul 2024 | Commence consultation   |
| 28 Aug 2024     | Scrutiny for Corporate & Resources to consider & respond to the consultation questions    |
| w/c 23 Sep 2024 | Consultation closes   |
| Sep to Oct 2024 | Final review of consultation responses & adjustments, if required, to the proposed scheme |
| Oct 2024        | Finalised the proposed scheme   |
| 25 Nov 2024     | Scrutiny for Corporate & Resources  |
| 4 Dec 2024      | Executive   |
| 18 Dec 2024     | Full Council  |

## Background Papers

59. Agenda item 6, Paper B in the [Full Council Agenda 20 December 2023](#)




## Appendices

- Appendix 1 – Equalities Impact Assessment of the consultation process
- Appendix 2 – Proposed consultation questions
- Appendix 3 – Summary of the key income disregard categories
- Appendix 4 – Comparison exercise summary
- Appendix 5 – Indicative cost / savings modelling
- Appendix 6 – High level equalities assessment of the options

## Assurance checklist

|                                     | Officer Name        | Date Completed |
|-------------------------------------|---------------------|----------------|
| Legal & Governance Implications     | David Clark         | 28 May 2024    |
| Communications                      | Peter Elliott       | 20 Jun 2024    |
| Finance & Procurement               | Jason Vaughan       | 28 Jun 2024    |
| Workforce                           | Alyn Jones          | N/A            |
| Asset Management                    | Oliver Woodhams     | N/A            |
| Executive Director / Senior Manager | Jason Vaughan       | 28 Jun 2024    |
| Strategy & Performance              | Alyn Jones          | N/A            |
| Executive Lead Member               | Cllr Liz Leyson     | 2 Jun 2024     |
| <b>Consulted:</b>                   | Councillor Name     |                |
| Local Division Members              |                     | N/A            |
| Opposition Spokesperson             | Cllr Mandy Chilcott | 18 Jun 2024    |
| Scrutiny Chair                      | Cllr Bob Filmer     | 18 Jun 2024    |

## Appendix 1

| Somerset Equality Impact Assessment  |   |  |  |  |  |
|--|---|--|--|--|--|
| Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or <a href="http://www.somerset.gov.uk/impactassessment">www.somerset.gov.uk/impactassessment</a>   |   |  |  |  |  |
| Organisation prepared for (mark as appropriate)  | <br><b>Somerset</b><br>Council |  | <br><b>NHS</b><br><b>Somerset</b> |  | <br><b>NHS</b><br><b>Somerset</b><br>NHS Foundation Trust |
| Version  |   |  | Date Completed   |  |  |
| <b>Description of what is being impact assessed</b>  |   |  |  |  |  |
| The approach to the consultation process for proposed changes to the Council Tax Reduction Scheme and the ability of people with protected characteristics to access, engage with and contribute to the process.   |   |  |  |  |  |
| <b>Evidence</b>  |   |  |  |  |  |
| <b>What data/information have you used to assess how this policy/service might impact on protected groups?</b> Sources such as the <a href="#">Office of National Statistics</a> , <a href="#">Somerset Intelligence Partnership</a> , <a href="#">Somerset's Joint Strategic Needs Analysis (JSNA)</a> , Staff and/ or <a href="#">area profiles</a> ,, should be detailed here   |   |  |  |  |  |
| Where available information relating to actual claims from individuals and their families held within the various back-office processing systems operated by Somerset Council have been identified. Where no actual data is available or it is difficult to extract from back-office systems, professional judgement has been used.<br>The consultation will be open to all including current users of the scheme and residents of Somerset. |   |  |  |  |  |

The equalities monitoring document will form part of the consultation in order to collect the relevant information on protected groups.

Somerset Council has a current working age case load of 18,750 applicants. Estimates, based on the data for one authority extrapolated over the other areas are that this caseload contains:

- 43% are in receipt of a disability benefit
- 37% are lone parents
- 31% are large families (2 or more children)
- 61% are single adult homes
- 47% of households have children
- Approximately 33% are male and 67% female

**Who have you consulted with to assess possible impact on protected groups and what have they told you?** If you have not consulted other people, please explain why?

Consultation is not required as this EIA is for the consultation process

### **Analysis of impact on protected groups**

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

| <b>Protected group</b> | <b>Summary of impact</b> | <b>Negative outcome</b> | <b>Neutral outcome</b> | <b>Positive outcome</b> |
|------------------------|--------------------------|-------------------------|------------------------|-------------------------|
|------------------------|--------------------------|-------------------------|------------------------|-------------------------|

|                            |   |                                     |                          |                          |
|----------------------------|---|-------------------------------------|--------------------------|--------------------------|
| <b>Age</b>                 | <p>The proposed changes to the scheme will only affect working age applicants. However, age-appropriate communications methods must be used. The language should be plain English, easy to understand and jargon free. The document should be available at times that suit working age applicants.</p>  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Disability</b>          | <p>The consultation must identify and make reasonable adjustments for disabled people. The document should be available online, in paper and over the telephone. The language should be plain English, easy to understand and jargon free.</p> <p>As well as the above, for those with sensory disabilities, the document should also be available in other formats such as large text, braille and read aloud if required.</p> <p>For those with physical disabilities, where paper copies or assisted applications are available the premises should be user friendly and have disabled access.</p> <p>For learning difficulties such as dyslexia, online applications should be easy to use including adjustable font size, contrast and colour.</p> <p>For neurodivergent applicants and those that struggle with concentration for prolonged periods of time the document should not be too long or complicated. Organisations that represent disabled groups will also be invited to consult on the proposal.</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Gender reassignment</b> | <p>Gender reassignment should not be a barrier to access the consultation. The document should reflect diversity and reduce stereotyping. Language such and s/he should be avoided and use of the pronoun they should be used.</p>  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



|                                       |  |                                     |                                     |                          |
|---------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------|
| <b>Marriage and civil partnership</b> | Marital/civil partnership status should not be a barrier to access the consultation. The document should not make assumptions on marital status husband/wife should not be used instead use partner or spouse.                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| <b>Pregnancy and maternity</b>        | Pregnancy or maternity should not be a barrier to access the consultation. It will be available over a period of 10 weeks online, in paper and over the telephone to be completed at a time that suits pregnant or new mothers.            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| <b>Race and ethnicity</b>             | Language difficulties may be a factor in the consultation. For some applicants English may not be a first language. The document should be available in other languages and use of translation and interpretation services if appropriate. | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| <b>Religion or belief</b>             | Religion or belief should not be a barrier to access the consultation.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>Sex</b>                            | Sex should not be a barrier to access the consultation. Inclusive and non-sexist language and/or imagery will be used.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| <b>Sexual orientation</b>             | Sexual orientation should not be a barrier to access the consultation. The document should avoid using stereotypical or heterosexist language. Non gender specific language and pronouns should be used.                                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |

|  |   |                                     |                                     |                          |
|--|---|-------------------------------------|-------------------------------------|--------------------------|
| <b>Armed Forces (including serving personnel, families and veterans)</b> | Being in the armed forces, ex-service personnel or families should not be a barrier to access the consultation. It will be available over a period of 10 weeks online, in paper and over the telephone to be completed at a time that suits retired or serving veterans.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>Other, e.g. carers, low income, rurality/isolation, etc.</b>          | People living in rural isolation, carers, single parents or those with larger families, unemployed people, those with limited reading/numeracy skills, people with limited access to technology should all be able to access the consultation document via one of our many access channels. Help will be available from council officers to assist any service users that are unable to complete the consultation document on their own. The consultation will run over a period of 10 weeks and the online survey will be accessible 24 hours a day. Third party organisations such as Citizens Advice will be invited to take part in the consultation exercise to enhance the views of those with protected characteristics. | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |

**Negative outcomes action plan**  
 Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

| Action taken/to be taken   | Date       | Person responsible | How will it be monitored?                                       | Action complete          |
|--|------------|--------------------|---|--------------------------|
| Links to an online Survey including a QR will be created. The website will also confirm other access channels. The webpage should have all available accessibility functions enabled and be suitable for use with screen | 22/07/2024 | Victoria Hill      | The consultation team will liaise with the web team to get this | <input type="checkbox"/> |

|   |            |               |  |                          |
|---|------------|---------------|--|--------------------------|
| readers. It should also have the function to read aloud and be available in other languages. The online survey should be available 24 hours a day for the entire consultation period. |            |               | set up and checked.  |                          |
| Paper surveys and surveys in other formats such as large text, other languages can be available on request at all public libraries.   | 29/07/2024 | Victoria Hill | The consultation team will contact the libraries & reception hubs        | <input type="checkbox"/> |
| An assisted telephone number will be published and available throughout the period of the consultation.   | 22/07/2024 | Richard Sealy | The Benefits managers will regularly check for contacts with their teams | <input type="checkbox"/> |
| A Press release will be issued including links to the online survey. Social media updates will also contain links to the online survey and a disclaimer around other access channels. | 22/07/2024 | Peter Elliot  |  | <input type="checkbox"/> |
| Stakeholder consultation, major preceptors, local community networks, citizens advice will all be advised of the consultation and invited to make representations.                    | 29/07/2024 | Richard Sealy |  | <input type="checkbox"/> |
| Face to face and contact centre staff will be briefed on the consultation survey, access channels and period of consultation.   | 22/07/2024 | Richard Sealy |  | <input type="checkbox"/> |

|   |                      |               |  |                          |
|---|----------------------|---------------|--|--------------------------|
| A Members newsletter will be issued confirming the period of consultation, links to the online survey and confirmation of the additional access channels.   | 29/07/2024           | Peter Elliott |  | <input type="checkbox"/> |
| Existing working age council tax reduction recipients will be advised of the consultation. They will be contacted using their current preferred communication route i.e. email or letter. SMS text messaging services can be utilised where available. Other residents within Somerset are considered the general population and will be reached using normal communication channels. | 02/08/2024           | Richard Sealy |  | <input type="checkbox"/> |
| <b>If negative impacts remain, please provide an explanation below.</b>   |                      |               |  |                          |
|   |                      |               |  |                          |
| <b>Completed by:</b>  | <b>Neeley Upward</b> |               |  |                          |
| <b>Date</b>   | <b>18 June 2024</b>  |               |  |                          |
| <b>Signed off by:</b>   | <b>Richard Sealy</b> |               |  |                          |
| <b>Date</b>   | <b>18 June 2024</b>  |               |  |                          |
| <b>Equality Lead sign off name:</b>   | <b>Tom Rutland</b>   |               |  |                          |
| <b>Equality Lead sign off date:</b>   | <b>26 June 2024</b>  |               |  |                          |

|  |                       |
|--|-----------------------|
| <b>To be reviewed by:</b> (officer name) | <b>Richard Sealy</b>  |
| <b>Review date:</b>                      | <b>31 August 2024</b> |

### Proposed consultation questions

# Somerset Council - Council Tax Reduction Scheme 2025/26 Consultation

## Background – our financial emergency

In November 2023, Somerset Council declared a financial emergency due to the increasing costs of providing many services, including social care.

We were able to set a budget for this coming financial year (2024-25) by taking a number of difficult decisions to find savings by reducing services or raising fees and charges.

We also need to use £81.9m of one-off funding. This includes spending reserves (a council's equivalent of savings) and selling assets or borrowing to pay for everyday running costs.

As many of these measures are one-off, this means our financial challenges will continue into the future, with a projected gap of £103.9m for 2025-26.

We know we need to find further savings and Councillors have already agreed to ask the public for views about possible changes to the Council Tax Reduction Scheme for 2025/26.

## What is Council Tax?

Council Tax is a property-based tax which all householders (both homeowners and tenants) normally have to pay if they are over 18.

A full Council Tax bill is based on at least 2 adults living in a home. Spouses and partners who live together are jointly responsible for paying the bill.

## What is the Council Tax Reduction Scheme?

If you are on a low income, you can apply for Council Tax Reduction. This means that you pay less in Council Tax.

The Government makes the rules for how much Council Tax Reduction low-income pensioners (people aged 66 or over) could get.

Somerset Council makes the rules for how much Council Tax Reduction working age residents (under 66 years old) on a low income could get.

The purpose of this consultation is to ask for your views on possible changes to Council Tax Reduction support for working age residents (under 66 years old).

The support provided for pensioners (over 66) will not be affected.

### **What changes are being considered?**

We recognise the value of the Council Tax Reduction Scheme to residents on low incomes. However, due to our financial situation we are having to look for savings in all areas, including reducing or stopping much valued and important services.

In Somerset, there are currently 32,241 Council Tax payers receiving Council Tax Reduction. This costs Somerset Council around £29m a year (based on current Council Tax levels).

In this consultation we are asking for views on several proposals to remove support which, if all were approved, could potentially save Somerset Council £12.1m a year.

These are:

- Reducing the level of support for some working age applicants. **(Part 1)**
- Introducing a standard non-dependant deduction **(Part 2)**
- Removing the disregard of £25 a week from the calculation of earnings **(Part 3)**
- Restricting support to Band D Council Tax levels **(Part 4)**
- Including certain incomes that are currently disregarded in the calculation for support as well as removing the current disregard of £30 a week where any member of the household is disabled **(Part 5)**
- Restricting the time we can backdate awards of Council Tax Reduction to one month **(Part 6)**

We explain more about these proposals and what they mean in each section.

### **Who will this affect?**

The proposals would affect working age households in Somerset who receive Council Tax Reduction from 1 April 2025.

The support provided for pensioners (over 66) will not be affected.

Some other key aspects of the scheme will remain the same:

- If you have capital of more than £6,000 no discount will be awarded. Any capital less than £6,000 will be ignored.
- We will continue to protect War Pensioners by disregarding War Pensions or War Disablement pensions in full.

- We will continue to maintain an Exceptional Hardship scheme which will support people who need additional help, including those who may have their support reduced due to any changes.

**Who are you responding as?**

Resident of Somerset

Councillor

Responding on behalf of someone else

Responding on behalf of an organisation

Other

Do you, or does anyone in your household, currently receive support from the Council Tax Reduction Scheme?

Yes

No

Don't know

Do any of your immediate family receive support from the Council Tax Reduction Scheme in Somerset?

Yes

No

Don't know

Given Somerset Council's financial situation, do you think changes should be made to the current Council Tax Reduction Scheme to help balance the budget?

Yes

No

Don't know



### 3. Part 1 – Reducing the level of discount available within the working age Council Tax Reduction Scheme

As explained in the background information, Somerset Council is facing a financial emergency and is looking at all services to find savings.

One option to save money would be to reduce the level of discount currently offered to working age Council Tax payers on low incomes.

For working age people, we work out your reduction using our local income band scheme. The amount of discount you get depends on your income and family make-up.

The table below shows the discount for each band as it is currently in 2024-25 and a proposed change from 1 April 2025.

Under these proposals all levels of support will reduce.

For example, if the proposals are approved, a single person with a weekly income of £100 could receive a 75% discount rather than a 100% discount as currently. A couple with two children and a weekly income of £500 could see their discount reduced from 25% to 10%.

| Band | Current discount (%) | Proposed discount from 1 April 2025 (%) | Single person | Single person with one child | Single person with two children | Couple with no children | Couple with one child | Couple with two children |
|------|----------------------|---|---------------|------------------------------|---------------------------------|-------------------------|-----------------------|--------------------------|
| 1*   | 100                  | 75                                      | £0-102        | £0-£171                      | £0-£235                         | £0-150                  | £0-£214               | £0-£278                  |
| 2    | 75                   | 50                                      | £102.01-£166  | £171.01-£235                 | £235.01-£310                    | £150.01-£225            | £214.01-£278          | £278.01-£353             |
| 3    | 40                   | 25                                      | £166.01-£203  | £235.01-£273                 | £310.01-£395                    | £225.01-£278            | £278.01-£315          | £353.01-£438             |
| 4    | 25                   | 10                                      | £203.01-£251  | £273.01-£310                 | £395.01-£513                    | £278.01-£331            | £315.01-£353          | £438.01-£555             |
|      | 0                    | 0                                       | Over £251     | Over £310                    | Over £513                       | Over £331               | Over £353             | Over £555                |

\*you will automatically receive a band 1 discount if you or your partner receive Income Support, Income-Based Jobseeker's Allowance or Income-Related Employment and Support Allowance.

This proposal could save the Council £4.8m every year.

Do you, or does anyone in your household, receive this type of reduction on your Council Tax?

- Yes
- No
- Don't know

Do you support making savings in this area?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive
- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

#### 4. Part 2 - Introducing standard non-dependant deductions

This proposal relates to reducing the support you can claim if you live with non-dependants.

A non-dependant is an adult (over 18) who lives with you and does not have to pay Council Tax. For example, a grown-up son or daughter.

Currently, no deduction is made from a household's Council Tax Reduction where a non-dependant lives in the household.

Under this proposal we would introduce a flat rate £10 deduction for each non-dependant living with the applicant.

So if you currently receive a £30 reduction in Council Tax and live with two grown-up children (non-dependants), this could be reduced by £20 (£10 for each non-dependant) and instead you could receive a £10 reduction.

This could save the Council £1.5m every year.

Do you, or does anyone in your household, receive this type of reduction on your Council Tax?

- Yes
- No

- Don't know

Do you support making savings in this area?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive
- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

## 6. Part 3 – Removing the disregard of £25 a week from earnings

This proposal relates to how we calculate your income if you work. Some of your earnings are ignored (or disregarded).

We will continue to ignore tax, national insurance and 50% of your pension contributions.

Currently, if you or your partner work, we also ignore the first £25 of your weekly earnings.

Under this proposal we will no longer ignore the first £25.

This means you could receive a lower amount of support.

This proposal could save the Council £754,000 every year.

Do you, or does anyone in your household, get this extra disregard when working out your Council Tax Reduction?

- Yes
- No
- Don't know

Do you support making savings in this area?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive
- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

## 7. Part 4 – Restricting support to a Band D Council Tax levels

The amount of Council Tax you pay depends on your property's 'valuation band'. These range from lower value homes at Band A to higher value homes at Band H.

The amount of Council Tax Reduction you can claim varies depending on the band of your home.

This proposal would not impact on applicants who live in lower value homes with a Council Tax band of A, B, C or D.

However, anyone living in a higher value home with a Council Tax band of E, F, G or H would have their support limited to a Band D level. This could mean a reduction in the level of support you receive.

This could save the Council £86,000 every year.

Do you agree we should make savings by reducing support for residents living in higher value homes?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive
- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

## 8. Part 5 – Removing the disregards for certain incomes and families with disabilities

The amount of Council Tax Reduction you receive is based on your total income.

Under the current scheme, we ‘disregard’ (or do not take into account) the following incomes when calculating your total income:

### **Disability & Carers Benefits**

- Personal Independence Payments (PIP)
- Disability Living Allowance (DLA);
- The support component of Employment and Support Allowance;
- Carer's Allowance; and

### **Child Related Income**

- Child Benefit;
- Child Maintenance; and

### **Housing Related Income**

- Housing Benefit; and
- the Housing Element of Universal Credit

Under this proposal, the above incomes would no longer be disregarded and therefore we would include them when working out your total income.

This would mean people receiving these benefits could get less Council Tax support.

We also provide extra protection to households where someone in the family is getting PIP or DLA. We do this by ignoring an additional £30 of your income.

Under this proposal we will no longer ignore the first £30 which means you could get a lower amount of support. This could save the Council £9.4m every year.

Do you, or does anyone in your household, receive any of these benefits that are currently disregarded when working out your Council Tax Reduction?

- Yes
- No
- Don't know

Do you support making savings in this area?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive

- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

## 9. Part 6 - Reducing the time we can backdate an award of Council Tax Reduction

The proposal relates to the length of time we can backdate an award of Council Tax Reduction.

Currently, if you make a claim for Council Tax Reduction and you qualify, we can, at our discretion, backdate the award of support for a period up to 12 months before the date the claim was made.

Under this proposal, we will only backdate Council Tax Reduction to one month before the date we receive the claim.

It is not possible to work out how much this change could save the Council.

Do you agree we should make savings by reducing the time we can backdate an award of Council Tax Reduction?

- Yes
- No
- Don't know

What would be the impact of this proposal on you or your household?

- Very positive
- Positive
- No impact
- Negative
- Very negative

What would be the impact of this proposal on the wider Somerset community?

- Very positive
- Positive
- No impact
- Negative
- Very negative

## 10. Alternatives to changing the Council Tax Reduction Scheme

1. Please use this space to suggest any alternative ways the Council could look to save money.



2. 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.

## 11. 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.

29. 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.

## 17. Questions for Individuals

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

Yes

No

33. Are you liable to pay Council Tax?

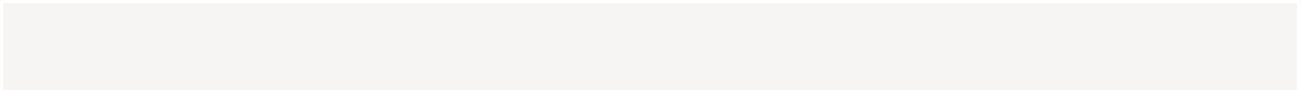
Yes

No

34. Are you currently serving in the Armed Forces?

Yes

No



## Equalities Monitoring

Please help us understand if these proposals could affect groups differently by answering the following questions.

The information provided will be protected by The Data Protection Act 2018 that ensures the Council and its employees protect the confidentiality of data collected from individuals.

**None of the data will be published in such a way that identifies individuals.**

1What is your age?

*Please select only one item*

- 0-17
- 18 - 24
- 25 - 34
- 35 - 49
- 50 - 64
- 65 - 79
- 79+
- Prefer not to say

2What sex do you identify as?

*Please select only one item*

- As a woman
- As a man
- In some other way
- Prefer not to say

3Which of the following options best describes your sexual orientation

*Please select only one item*

- Bisexual
- Gay
- Heterosexual
- Lesbian
- Other
- Prefer not to say

4What is your ethnic group?

*Please select only one item*

- White British
- White Other
- Mixed and Multiple ethnic groups
- Asian
- Black/African/Caribbean
- Other Ethnic Group
- Prefer not to say

5Do you consider yourself to be disabled?

*Please select only one item*

- Yes
- No
- Prefer not to say

6 Do you provide care for anyone (e.g. a parent, child, other relative, an elderly person, friend or neighbour) who has any form of disability (sensory loss, physical, learning disability, mental health problem) long or terminal illness?

*Please select only one item*

- Yes
- No
- Prefer not to say

7 Do you live in a town or city?

*Please select only one item*

- Yes
- No
- Prefer not to say

8 What is your total household income?

*Please select only one item*

- Up to £20,000
- £20,001 to £40,000
- £40,001 to £60,000
- £60,001 to £80,000
- £80,001 to £100,000
- £100,001 or over
- Don't know
- Prefer not to say

## 18. Next steps...

Thank you for completing the questionnaire.

You may submit further evidence, ideas, comments or questions (marked CTR consultation) by email to #####

The consultation closes at 23:59 Sunday xxth September 2024.

We will listen carefully to what you tell us and take the responses into consideration when making a final decision on the 2025/26 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 2025. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.

## Summary of the key income disregards

| Disregarded income  | Proposed approach   | Reasoning  |
|---|---------------------|--|
| <b>Disability living allowance (DLA) or personal independence payment (PIP)</b>   | Consult on removing | A large number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings. NB. The disregarding of the Mobility element is protected by law and consequently we cannot remove that element.                                   |
| <b>An amount of Universal Credit determined by the authority as the housing element</b>   | Consult on removing | A significant number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings.  |
| <b>Any amount of Housing Benefit</b>  | Consult on removing | If we are looking to disregard the housing element of UC then, for consistency, we should consider disregarding Housing Benefit. However, in practice be very difficult to administer within the 4 different IT systems & may require either time consuming workarounds or expensive software changes. |
| <p><b>(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.</b></p> <p><b>(2) In paragraph (1)</b></p> <p><b>'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;</b></p> <p><b>(a) the Child Support Act 1991;</b></p> <p><b>(b) the Child Support (Northern Ireland) Order 1991;</b></p> <p><b>(c) a court order;</b></p> <p><b>(d) a consent order;</b></p> <p><b>(e) a maintenance agreement registered for execution in the Books of Council and Session, or the sheriff court books;</b></p> <p><b>'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support</b></p> | Consult on removing | A significant number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings.  |

|  |                     |   |
|--|---------------------|---|
| <b>(General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.</b>  |                     |   |
| <p><b>(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.</b></p> <p><b>(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.</b></p> <p><b>(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of subparagraph (1), be treated as a payment of maintenance made by a person specified in subparagraph (1).</b></p> | Consult on removing | This does NOT affect many claims, but we have included for consistency as we are potentially looking to disregard child maintenance payments.   |
| <b>Any guardian's allowance.</b>   | Leave as is         | Recommending that we leave this income disregard in place as to remove it would be contra to our policy of providing a Council Tax discount to Guardians Foster Carers.   |
| <b>Any payment of child benefit.</b>   | Consult on removing | A significant number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings.   |
| <b>Carers Allowance.</b>   | Consult on removing | A large number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings.   |
| <b>The support component of Employment and Support Allowance.</b>  | Consult on removing | A large number of our existing working age claimants receive this income. Ceasing to disregard this income could potentially generate cost savings. In addition, disregarding this income source would align with the approach we already take to the Limited Capacity for Work Related Activity element of UC. |
| <b>Where, but for this scheme, the applicant would be entitled to either a Disability Premium, Enhanced Disability Premium, Severe Disability Premium or a Disabled Child Premium, a further disregard of £30 shall be made from their income</b>  | Consult on removing | A high number of our existing working age claimants receive this disregard. Ceasing to disregard this income could potentially generate cost savings. NB. Our existing disregard is already at the lower end when compared against the other comparator authorities we have looked at.                          |
| <b>Provision for all applicants: Homes for Ukraine scheme</b><br><b>(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in</b>   | Statutory disregard |   |

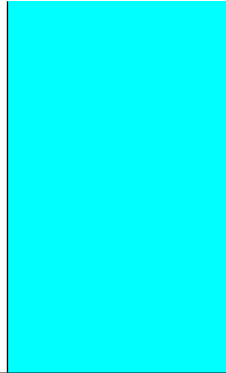
**determining—**

**(a) an applicant's entitlement to a reduction under the scheme; or**

**(b) the amount of any reduction to which the applicant is entitled.**

**(2) In this regulation—**

**“the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022**





## Scheme data comparison exercise summary

| Category  | SC Scheme   | Nearest neighbour average   | S114 average | Local banded average | Comments  |
|---|---|---|--------------|----------------------|---|
| Working age scheme spend as a proportion of gross debit                             | 4.5%  | 4.1%  | 8.3%         | 3.6%                 | The average proportion of spend for the S114 authorities is significantly higher than for the other areas we have compared against. |
| Council Tax collection rates  | No obvious correlation between the in-year collection rates for 2022/23 and the maximum percentage of CTR paid. |   |              |                      |   |
| Maximum award percentages   | 100%  | 89%   | 81%          | 92%                  |   |
| Non-dependent deductions  | None  | The majority of authorities including all of the S114 authorities apply non-dependent deductions.   |              |                      |   |
| Capital limits  | £6,000  | £11,600   | £10,333      | £6,571               |   |
| Discount bands  | 4   | No authority currently operates with fewer than 4 discount bands and a number have more. (NB. Only relates to authorities with banded schemes).                 |              |                      |   |
| Max weekly income to still qualify for the top discount band award' (single person) | £95   | £116  | £131         | £99                  | NB. Only relates to authorities with banded schemes.  |
| Highest weekly qualifying income (single person)                                    | £235  | £256  | £454         | £294                 | NB. Only relates to authorities with banded schemes.  |
| No. of exclusions from UC income  | 1   | The majority of authorities with banded schemes apply more Universal Credit exclusions, which will result in claimants having more of their income disregarded. |              |                      |   |
| Disabled disregards   | £30   | Only 2 authorities give no disregard and all of the others provide for a higher disregard than we do.   |              |                      |   |
| Backdating  | 12 months   | Most authorities backdate for less than 12 months.  |              |                      |   |

|       |      |        |
|-------|------|--------|
| Worse | Same | Better |
|-------|------|--------|

## Indicative cost / savings modelling

| Option | Option  | Change type         | Residual cost to Somerset Council | Potential saving for Somerset Council | Percentage reduction in spend |
|--------|---|---------------------|-----------------------------------|---------------------------------------|-------------------------------|
| A      | Maintenance of the existing scheme i.e. no change                     | N/A                 | £ 15,857,880                      | £ -                                   | 0.0%                          |
| B      | All of the changes below  | Various             | £ 3,751,546                       | £ 12,106,334                          | 76.3%                         |
| C      | Discounts at 75%, 50%, 25% and 10%                                    | Discount band       | £ 11,024,334                      | £ 4,833,546                           | 30.5%                         |
| D      | Removal of the £25 earned income disregard                            | Income disregard    | £ 15,103,962                      | £ 753,918                             | 4.8%                          |
| E      | Limit maximum CTR to Band D equivalent                                | Ctax band threshold | £ 15,772,173                      | £ 85,707                              | 0.5%                          |
| F      | Flat rate non-dependant deduction of £10 a week                       | Non-dep deduction   | £ 14,327,631                      | £ 1,530,249                           | 9.6%                          |
| G      | Reducing maximum backdating period to one month (NB. UNABLE TO MODEL) | Cost reduction      | £ -                               |                                       | 0.0%                          |
| H      | Removal of income disregards specified in Appendix 3                  | Income disregard    | £ 6,464,179                       | £ 9,393,702                           | 59.2%                         |

## High level equalities assessment of the options

This document aims to provide decision makers with an initial understanding of potential impact on those characteristics protected under the Equality Act 2010. This should not be viewed as a final consideration of Due Regard but a high-level consideration to support decision makers identify the options they would like to take further for further work and consultation.

This document evidences the councils iterative process of equality Due Regard.

|                                       | Option 1  | Option 2  | Option 3   | Option 4                                   | Option 5  | Option 6   | Option 7   | Option 8   |
|---------------------------------------|---|---|--|--|---|--|--|--|
|                                       | No change   | Options 3, 4, 5, 6, 7 & 8 combined  | Discounts bands reduced to 75%, 50%, 25% and 10% (from 100%, 75%, 40% and 25% respectively)  | Removal of the £25 earned income disregard | Limit maximum CTR to Band D equivalent (currently no limit) | Flat rate non-dependant deduction of £10 a week  | Reducing maximum backdating to 1 month (currently 12 months maximum) | Removal of income disregards (set out in Appendix 3) including the £30 a week disregard for disabled households  |
| <b>Age</b>                            | Neutral   | Claimants who have reached state pension age have their CTR assessed under the national 'prescribed' scheme and are not affected by these proposals. All working age claimants will be disproportionately disadvantaged by these proposals. To protect any claimants affected, an exceptional hardship scheme is available, subject to qualifying conditions. |  |  |   |  |  |  |
| <b>Disability</b>                     | Neutral   | See options 6 and 8   | Neutral  | Neutral                                    | Neutral   | Will disproportionately disadvantage claimants with this characteristic. 20% of claimants who are either disabled or live with someone with a disability have a non-dependant living with them, who may be living there to provide support and help with the general needs of that person. | Neutral  | Will disproportionately disadvantage claimants with this characteristic. 29% of households currently benefit from the £30 weekly income disregard and the disregarding of disability benefits. 44% of households with families will no longer have income from Child Benefit disregarded and used in the calculation of weekly income. |
| <b>Gender reassignment</b>            | CTR is based on income and family make-up. No data held on the numbers in this protected group claiming CTR. Change does not specifically target this group. No evidence currently suggesting these options will disproportionately disadvantage claimants with this characteristic.  |   |  |  |   |  |  |  |
| <b>Marriage and civil partnership</b> | CTR is based on income and family make-up. The marital status of a couple in the household is not relevant in the assessment of CTR. Options do not disproportionately affect claimants based on their marriage or civil partnership. No evidence currently suggesting these options will disproportionately disadvantage claimants with this characteristic. |   |  |  |   |  |  |  |
| <b>Pregnancy and maternity</b>        | Neutral   | See option 8  | Not easy to identify unless a state benefit (SMP, SPP*) is in payment. No data currently available on the numbers of claimants with this characteristic. Pregnancy alone is not a factor in the assessment of CTR. Once a child is born, the claimant's income allowance will increase if it is their first or second child. | Neutral                                    | Neutral   | Neutral  | Neutral  | The proposal to include income from Child Benefit will disproportionately disadvantage parents of new born children.   |
| <b>Race and ethnicity</b>             | Neutral   | See option 5  | The race and ethnicity of a claimant is not taken into account in the assessment of CTR. No data currently held on the numbers in this protected group. There is no current data to suggest this group could be disproportionately impacted by these proposals.  |  |   | Asian or Asian British are more likely to live in multi-generational households (ONS, 2021) and therefore more likely to have a non-dependant living in the household. This  | See options 3 and 4  |  |

|  | Option 1  | Option 2   | Option 3   | Option 4                                   | Option 5  | Option 6   | Option 7  | Option 8  |
|--|---|--|--|--|---|--|---|---|
|  | No change   | Options 3, 4, 5, 6, 7 & 8 combined   | Discounts bands reduced to 75%, 50%, 25% and 10% (from 100%, 75%, 40% and 25% respectively)              | Removal of the £25 earned income disregard | Limit maximum CTR to Band D equivalent (currently no limit) | Flat rate non-dependant deduction of £10 a week                                  | Reducing maximum backdating to 1 month (currently 12 months maximum)  | Removal of income disregards (set out in Appendix 3) including the £30 a week disregard for disabled households |
|  |   |  |  |  |   | option could disproportionately disadvantage claimants with this characteristic. |   |   |
| <b>Religion or belief</b>  | The religion or belief of a claimant is not taken into account in the assessment of CTR. No data currently held on the numbers of claimants in this protected group. None of the options specifically target this group.  |  |  |  |   |  |   |   |
| <b>Sex</b>   | Neutral   | CTR is based on income and family make-up. The sex of a claimant is not relevant in the assessment of CTR. However, the majority of CTR claimants are female (either: single, a lone parent or part of a couple) Consequently, more females will be impacted by changes made to CTR than males. This is not deliberate but is simply a product of the makeup of our caseload. Sex is not considered a characteristic that requires greater assistance. None of the options specifically target this group. |  |  |   |  |   |   |
| <b>Sexual orientation</b>  | The sexual orientation of a claimant or couple is not taken into account in the assessment of CTR. Same sex couple are treated the same as heterosexual couples. No data currently held on the number of claimants in this protected group. No evidence currently suggesting these options will disproportionately disadvantage claimants with this characteristic. |  |  |  |   |  |   |   |
| <b>Armed Forces (including serving personnel, families and veterans)</b> | No data currently held on the number of claimants in this protected group on CTR. The current scheme provides for specific disregards of certain incomes for veterans and will continue to do so under these proposed options. No evidence currently suggesting these options will disproportionately disadvantage claimants with this characteristic               |  |  |  |   |  |   |   |
| <b>Other, e.g. carers, low income, rurality/isolation, etc.</b>          | Neutral   | See option 8   | As CTR is based on a claimant's income, these options will, by definition, impact people on low incomes. | Neutral                                    | See options 3 and 4.  | Neutral  | As CTR is based on a claimant's income, these options will, by definition, impact people on low incomes.. In addition the proposal to include Carers Allowance as an income will disproportionately disadvantage applicants with this characteristic – they could see their CTR reduce. |   |

SMP = Statutory Maternity Pay  
SPP = Statutory Paternity Pay

Mitigation in all circumstances: the availability of an Exceptional Hardship scheme to award additional discretionary relief from Council Tax (reducing the Council Tax bill) subject to qualifying conditions