

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
27 November 2012

Subject: **WELFARE REFORM – IMPACT ON REVENUES AND BENEFITS (FROM APRIL 2013)**

All Ward(s)
Portfolio Holder for Resources: Councillor R Kirk

1.0 PURPOSE AND BACKGROUND:

- 1.1 To advise members of the current situation regarding the Council Tax Reduction Scheme (Local Scheme replacing National Scheme from April 2013) and to feedback the results of the Consultation exercise (Appendices 1a-1d).
- 1.2 To recommend the new Local Scheme to be adopted by Council on 11 December 2012.
- 1.3 At the Cabinet Meeting held on 17 July 2012 Members agreed the following recommendations:

Extract from Report recommended by Cabinet

It is recommended to Council that:

12.1 The following are to be included in the Local Council Tax Discount Scheme

- 1. A cap on the maximum eligible benefit payable to claimants to 80% of the liability.*
- 2. A full removal of all second Adult Rebate Calculations.*
- 3. A limit on the amount of benefit payable to that equivalent to a Band 'D' property.*
- 4. Inclusion of Child Benefit as income in the assessment of entitlement.*
- 5. Inclusion of maintenance as income in the assessment of entitlement.*
- 6. Altering the non-dependant bands and charges to £10.00 for claimants in work and £5.00 for claimants out of work.*
- 7. All War-Widows continue to be fully protected from the above.*

12.2 In addition to those mentioned in 12.1 the following changes in respect of Council Tax liability are implemented:

- 1. The removal of a 10% discount from a second home. All second homes will therefore be charged at 100%.*
- 2. Empty Properties are to be awarded 50% discount for 6 months from the date the property meets the criteria (unoccupied and substantially unfurnished).*
- 3. A Local Discount is created under Section 13a of The Local Government Finance Act 1992 at 50% for 1 month from the date the property meets the criteria (unoccupied and substantially unfurnished). This means that for 1 month the property will receive a 100% discount (50% scheme and 50% local) It should be noted that the financing of any local discount is the responsibility of the Local Authority and it maybe that members will agree to this subject to the precepting authorities financing their proportions of it.*

The changes recommended in 12.1 and 12.2 (above) will come into force on 1 April 2013

- 1.4 The recommendations mentioned (in 12.1) above were subject to full consultation with the Major Precepting Authorities and the Public. A six week consultation period has taken place with the major Precepting Authorities and a separate six week period with the public and attached are details of the responses.
- 1.5 The Government has now stated that they are willing to commit a further £100 million across the Country towards this scheme as a Transition Grant for 1 Year only. Billing Authorities will be allowed to apply for a share of this money provided they meet the following criteria:
- Those who would be entitled to 100% support under current Council Tax Benefit arrangements pay between zero and no more than 8.5% of their net Council Tax liability;
 - The taper rate does not increase above 25%;
 - There is no sharp reduction in support for those entering work.

In respect of Hambleton this would mean reducing the recommended Council Tax liability from 20% to 8.5% For Hambleton District Council to be eligible for this grant it would mean altering the recommendations previously agreed to the following:

- A cap on the maximum eligible benefit payable to claimants to 91.5% of the liability;
 - A full removal of all second Adult Rebate Calculations
- 1.6 It appears at this stage that a majority of the North Yorkshire Councils will apply for the Grant and therefore limit to a maximum liability of 8.5%.

2.0 PROPOSED:

2.1 It is proposed for 2013/14 only the Council:-

- Limits the liability to 8.5% of the charge;
- Remove second Adult Rebate Calculations;
- Do not implement the other recommendations including Capping at Band D, taking Child Benefit and Maintenance as Income and altering non-dependants deductions;
- Claimants eligible to a War Disablement/Widows Pension would remain fully protected;
- The 10% Discount on second Homes would be fully removed;
- Class C exemptions are awarded 100% discount for 1 month followed by 50% discount for months 2 to 6 and then 0% discount after 6 months (Currently 100% exemption for 6 months followed by 0% after 6 months).

3.0 FUNDING AND PROFILING:

3.1 The additional cost to the Council in 2013/14 of the proposed scheme is estimated at £21,000. This will be funded from the one off fund. Transitional funding is only available for 2013/14, therefore the Council will need to review the scheme for the following year.

4.0 DECISIONS SOUGHT:

4.1 Members to agree to the proposal shown at 2.1 above.

5.0 RISK ASSESSMENT:

Full risk assessments are to be carried out on the proposed actions along with a full period of consultation.

5.1 Risk in approving the recommendation

Risk	Implication	Prob*	Imp*	Total	Preventative action
The amount of benefit paid out a local level exceeds the grant plus the measures taken to secure additional income/reduction in benefits payable.	Any monies paid out in excess of the measures taken would potentially create a deficit in the collection fund.	3	4	12	Careful monitoring of the scheme to remedy any impact for Year 2
Any scheme will risk a legal challenge.	This could be costly and generate adverse publicity.	2	4	8	Consultation should reduce this risk

5.2 Risk in not approving the recommendation

Risk	Implication	Prob*	Imp*	Total	Preventative action
That a Local Scheme will not be adopted by Council within the timescales.	The Council would have to revert (for Year1) to the National Scheme at considerable expense and risk a challenge.	5	5	25	To ensure that the Council adopts a Local Scheme for Year 1.

Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable.

6.0 FINANCIAL IMPLICATIONS AND EFFICIENCIES:

The proposal assume a 0% increase in Council Tax for 2013/14.

6.1 Proposal

	£
Estimated Support Awarded in 2013/14	4,466,000
Add: Bad Debt Provision for the Additional Liability	79,000
Less: Estimated Grant Payable to Preceptors	3,886,000
Less : Estimated Income from Council Tax Changes	189,000
Less: Transitional Grant for 2013/14 only	107,000
Total Estimated Shortfall	363,000
Hambleton District Council proportion of shortfall	21,000

7.0 EQUALITY/DIVERSITY ISSUES:

7.1 Comprehensive Quality Impact assessments have been carried out over the range of all claimant groups that will be affected ie Working Age/Working Age Vulnerable.

8.0 RECOMMENDATION:

9.1 It is recommended to Council that:-

- 1) the proposed scheme in 2.1 above is adopted; and
- 2) the cost of the scheme shown in 6.1 is funded from the One Off Fund.

JUSTIN IVES

Background papers: Cabinet Report 17 July 2012

Author ref: BB

Contact: Brian Bottle
Revenues and Benefits Manager
Direct Line No 767011

NORTH YORKSHIRE COUNTY COUNCIL

LOCALISATION OF COUNCIL TAX SUPPORT CONSULTATION

NYCC response to documentation and specific consultation questions submitted by the seven North Yorkshire District Councils on 24 July 2012 and the subsequent joint consultation meeting on 2 August, involving both the North Yorkshire Police Authority and The North Yorkshire Fire and Rescue Service.

1. DO YOU SUPPORT THE PROPOSALS IDENTIFIED (all Districts)

The County Council is sympathetic with the District / Borough Councils in relation to implementing at local level this unwelcome Government initiative together with the shortfall of funding being provided to pay for it. We appreciate that the Council Tax benefit system is complex, that there still many uncertainties (particularly around grant funding levels), that the timetable is very challenging and that there are various additional costs involved in getting local schemes up and running and continuing to administer it in future.

We therefore appreciate the proposals being put forward by the District councils in relation to changes to the existing national Council Tax benefit scheme that will go some way towards the 10% plus cut in funding from the Government. We also acknowledge and appreciate the resolution by each District to fully cover the cut in funding through a combination of local scheme proposals and adjustments to council tax discounts and exemptions (Harrogate – only changes to discounts and exemptions are being proposed).

We are concerned however that the level of Council Tax Benefit scheme changes being proposed, which differ from District to District falls well short of the 10% plus cut in funding. This is evident from the attached spreadsheet which based on estimated figures provided with the consultation documentation shows that the net scheme saving after allowing for bad debts, additional collection costs and a hardship fund, ranges from 3.1% to 9.7% (Harrogate is zero because no scheme changes are proposed).

Based on the Districts resolution to fully cover the cut in funding, the resulting shortfall indicated above will require an aggressive approach to implementing changes to council tax discounts and exemptions. Although some information on these discounts and exemptions is provided with the consultation documentation, there are no firm proposals or suggested savings from reviewing them.

Over 70% of the net impact of the funding cut and scheme changes and amendments to discounts and exemptions will fall on the County Council. Figures provided with the consultation documentation show that after implementing the proposed scheme changes, the impact on NYCC in terms of reduced taxbase would be £26.2m which is £3.4m higher than our indicative grant allocation of £22.8m notified in May 2012. On top of this the Districts are suggesting a contribution of £0.4m towards additional costs being incurred, which would therefore increase the net cost to NYCC to £3.8m in 2013/14 before reflecting

adjustments to council tax discounts and exemptions. These figures are shown on the attachment.

In order to protect our own financial position and consequential ability to provide effective service delivery, our desired outcome therefore is a cost neutral position, which takes into account any contribution to additional costs that are incurred by the districts councils as a result of implementing the various changes. Thus based on figures provided, the County Council would ask that each District look at fully funding their proportion of the resulting estimated £3.8m net cost to the authority, which includes £0.4m of additional costs, through changes to council tax discounts and exemptions. The figures at individual District Council level are set out on the attached. See 2 below in relation to additional costs.

Thus we would ask Districts to provide early proposals on changes to Council Tax Discounts and exemptions that will achieve such a cost neutral outcome. Accepting the uncertainty around the final grant allocations for 2013/14 which are likely to be announced at the time of the Provisional Local Government Finance settlement in early December 2012, it is important for budgeting and financial planning purposes that we should have some confidence in whether a fully cost neutral outcome can be achieved by each District.

On these Council Tax discounts and exemptions that could be changed, based on information provided in the consultation documentation, the two key areas are the current 10% Second Homes Discount and Empty and unfurnished properties. On Second Homes the County Council would support fully removing the current 10% discount. On unfurnished and empty properties we would support a standardised and consistent period of discount across all Districts. It is difficult for us to judge at what level such a consistent approach could be introduced but we would hope that three months emptiness would be sufficient to increase the Council Tax take significantly.

2. DO YOU AGREE TO CONTRIBUTE TO THE ADDITIONAL COSTS IDENTIFIED (all Districts)

The County Council acknowledges that a variety of additional costs will fall on the District Councils as a result of this Central Government initiative. The extent of these costs as indicated in the consultation documentation is very high at £628k, with £446k of that sum being requested from the County Council.

In principle the County Council is prepared to contribute to absolutely necessary additional costs subject to:

- a) That each District attempts as far as possible to fund additional costs by implementing changes to council tax discounts and exemptions, which would result in no absolute net cost to NYCC, after contributing towards such costs. If a District is not able to fully fund these costs in such a way, the County Council's contribution to costs would have to be subject to further discussion and agreement.

- b) That each District is able to demonstrate good / best practice on bad debts collection, collection efficiencies and costs and their approach to the tackling of council tax and council tax benefits fraud.

We also require a clear understanding about the extent these additional costs would be recurring on an annual basis.

As requested in the consultation documentation and at the consultation meeting, the County Council is prepared to offer our £27k of grant received from the Government, towards the additional implementation costs being incurred by the District Councils.

3. WOULD YOU SUPPORT MINIMISING THE CUT TO WORKING AGE BENEFITS CLAIMANTS AND USING EACH PRECEPTING AUTHORITY'S RESOURCES PROPORTIONATELY TO PARTIALLY OR FULLY MEET THE GAP IN FUNDING (all except Harrogate)

The County Council's key desired outcome from this new initiative is that there is no or only minimal net cost to the authority (including funding additional administration and other costs) after taking into account the final grant notification for 2013/14 (expected at the time of the provisional local government finance settlement).

On this basis, we are therefore not able to support this suggestion which would result in a net cost and consequential impact on the already existing severe budgetary and medium term financial plan pressures.

4. DO YOU SUPPORT THE INTRODUCTION OF A SECTION 13A DISCOUNT SCHEME AND TO CONTRIBUTE TOWARDS THE COSTS OF THE SCHEME (Hambleton, Richmondshire, Ryedale, Scarborough, Selby)

It was mentioned at the consultation meeting on 2 August that recent announcements by Central Government might remove this particular issue.

If the issue remains however the County Council would question whether the local discounts being suggested are cost effective based on the suggestion that extra administration costs would be incurred in dealing with properties that are only empty for a few days.

5. DO YOU HAVE ANY OTHER PROPOSALS OR COMMENTS (all Districts)

As indicated at the consultation meeting on 2 August the County Council ask that the District Councils provide an estimated council tax base for 2013/14 at early stage, reflecting the estimated impact of all their local schemes changes and amendments to discounts and exemptions. The Council Tax base is a key figure in

the budget setting process and for County Council Members to consider the authority's own level of council tax for 2013/14, an early best estimate tax base is needed which is as robust as possible.

Secondly, the consultation documentation provides broad estimates of the implications of proposed changes to local schemes and council tax discounts and exemptions (particularly around bad debts assumptions). Therefore the County Council request that a detailed review is undertaken after the outcome of the first year in 2013/14 is known and that changes are considered and consulted on in light of the outcome and review.

6. DO YOU SUPPORT THE COUNCILS APPROACH TO REBALANCING TAX RELIEF ON EMPTY PROPERTIES TO INCENTIVISE OWNERS TO BRING PROPERTIES BACK INTO USE QUICKER, SUPPORTING OUR JOINED AMBITION TO REDUCE HOMELESSNESS (Harrogate only)

The County Council supports efforts to reduce homelessness but any financial impact on the County Council will reduce its impact to deal with vulnerable groups for which it has a statutory responsibility. The County Council would therefore support this approach if it helps to result in a nil net cost

7. DO YOU SUPPORT THE COUNCIL'S DESIRE TO PROTECT THOSE WORKING PEOPLE AND THOSE ON FIXED BENEFIT INCOMES FROM REDUCTIONS IN COUNCIL TAX SUPPORT AT A TIME WHEN THERE ARE MASSIVE BENEFITS REFORM CHANGES ALREADY TAKING PLACE, CLAIMANTS ARE OFTEN LIVING ON EFFECTIVELY FIXED INCOMES AND COLLECTION RATES WOULD INEVITABLY BE AFFECTED (Harrogate only)

Given the County Council's key desired outcome of a nil net cost scenario, the authority is not able to support the implications of Harrogate's desire as indicated above. Harrogate's approach here is at odds with the proposals of all other North Yorkshire Districts and the majority of other local authorities.

Any potential cost implication to the County Council would impact on the authority's service provision to vulnerable people which is largely demand led and is increasing due to the wider economic situation

8. DO YOU SUPPORT THE COUNCILS WISH TO COMBAT ABUSE OF THE SINGLE PERSON DISCOUNT SCHEME TO HELP MITIGATE OVERALL LOSSES ON THE COLLECTION ACCOUNT AND ARE PREPARED TO SHARE THE COSTS OF A TARGETED EXERCISE IN THIS AREA DURING 2012 (Harrogate only)

A county wide initiative in this area was undertaken in 2010 to which the County Council contributed towards the costs. Therefore it seems quite soon to undertake a further similar exercise.

The County Council would however support this proposal and be prepared to share the costs subject to:

- a) Reassurances from the borough council that such an exercise could not in some way be carried out in house and thus avoiding external agency costs and
- b) As indicated at the consultation meeting, fees would only be paid where a successful outcome was achieved.

A further comment on this is to ask whether there are any potential fraudulent claiming of council tax discounts and exemptions in other areas that could be targeted.

Peter Yates

Assistant Director – Corporate Accountancy

North Yorkshire County Council
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31 August 2012

localisedsupport for CTresponse(31august12)

NORTH YORKSHIRE COUNTY COUNCIL - LOCALISED SUPPORT FOR COUNCIL TAX 2013/14

1. IMPACT OF PROPOSED CHANGES TO CURRENT NATIONAL SCHEME

	estimated Scheme costs 2013/14 £000s	changes proposed £000s	net saving of scheme proposals			net saving £000s	net saving as a % of scheme costs %
			est bad debts prov req £000s	addnl collection costs £000s	hardship fund £000s		
Craven	3,561	435	-131	-49	-13	242	6.8
Hambleton	4,861	621	-62	-70	-19	470	9.7
Harrogate	8,361	0	0	0	0	0	0.0
Richmond	2,654	239	-24	-27	-7	181	6.8
Ryedale	3,581	318	-64	-36	-10	208	5.8
Scarb	11,715	1,600	-640	-181	-48	731	6.2
Selby	5,067	345	-138	-39	-10	158	3.1
total	39,800	3,558	-1,059	-402	-107	1,990	

= net scheme cost 37,301

2. POTENTIAL IMPACT ON NYCC

	net scheme costs after savings and bad debts (see above) £000s	NYCC allocation pro rata to Cnl Tax £000s	NYCC indicative grant £000s	net cost before discounts exemptions £000s	NYCC prop of addnl costs £000s	total impact before discounts exemptions £000s
Craven	3,257	2336	-1897	439	45	484
Hambleton	4,302	3222	-2903	319	96	415
Harrogate	8,361	5736	-4995	741	8	749
Richmond	2,439	1700	-1487	213	44	257
Ryedale	3,327	2347	-2044	303	46	349
Scarb	10,755	7419	-6616	803	172	975
Selby	4,860	3471	-2882	589	35	624
total	37,301	26231	-22824	3407	446	3853

(total 628)

Peter Yates
06-Aug-12

Council Tax Support Consultation Response from North Yorkshire Police Authority

Hambleton District Council

The proposals put forward for consultation were as follows:

The resolution seeks to fully cover the cut in funding through reductions in benefits and adjustments to council tax discounts.

An assumption that all preceptors contribute proportionately to any additional collection costs.

An assumption that all preceptors contribute proportionately to the establishment of a Council Tax Support Hardship Relief fund.

The consultation questions are:

1. Do you support the proposals identified above?
2. Do you agree to contribute proportionately to the additional costs identified above?
3. Would you support minimising the cut to working age benefits claimants, and using each precepting authority's resources proportionately to partially or fully meet the gap in funding?
4. Would you support the proposals of introducing a Local Discount (Section 13a)?
5. Do you have any other proposals or comments?

The response on behalf of North Yorkshire Police Authority is as follows:

We support the proposal to fully cover the cut in funding, and could not support any option that would lead to an increase in cost or a loss of funding for the police service in North Yorkshire and City of York.

We could not at this stage agree to contribute to any additional costs associated with the scheme, including the Hardship Relief Fund and the costs of the Section 13a LGFA 1992 discount scheme, as the administration of the scheme is the responsibility of the Billing Authorities and we understand that any additional ongoing costs are being considered under the Government's New Burdens doctrine.

In addition, we believe the overall effect on individuals in the locality needs to be taken into account when considering the options. What may be possible and practical from a District perspective in terms of meeting the funding shortfall and taking into account the effect on individuals locally should not be seen in isolation from the impact on preceptors' service provision. North Yorkshire Police provide services across the whole of North Yorkshire. Many of the people who receive our service are those in the most vulnerable groups, either by virtue of being victims of crime or being individuals who are vulnerable by virtue of their circumstances. Some individuals who are engaged in criminal activity or anti-social behaviour may be within these same groups.

Our ability to provide services across the whole of North Yorkshire is affected by the decisions that local District Councils will make around the recovery of the funding shortfall, not just for themselves but for us as a preceptor. We urge you to take into account the unforeseen consequences of local decision making if done in isolation.

We would not wish to be in a position whereby the decision of one District Council, which directly affected our funding level meant that either that District was exposed to a reduction in service or there was a knock on reduction in service across the board. We would seek to avoid this and would not make an overt decision to channel resources away. However, districts that do not take decisions to recover the cost may ultimately see their resources reduced from previous levels. We may have to channel resources into other areas where different decisions have been made, as a result of considering our overall demand levels.

A separate issue is that there is the potential for more discussion of the effect of local decision making in public forums into the future. The Police and Crime Commissioner (PCC) elected from an overall County and City wide mandate will in their first year wish to deliver on their manifesto. Decisions that are made which affect that ability and the ability to achieve targets and promises set may well be discussed in the public domain.

Overall we would want to see welfare issues being dealt with on a pan-geographic basis and across service provision, not limited to those services and the effects on vulnerable people just from a District level.

We are concerned that the costs are ongoing annual costs and would like to see more detail and feedback please on how you intend to be able to manage these down over time.

We would like to see a whole systems approach with regards to discounts and exemptions used alongside overall costs and collection rates, to reduce that cost base identified.

We would like to see an overall systems approach which utilises addressing hardship to minimise bad debts and seeks to recover some or partial amounts. There seems to be a potential to reduce the costs of recovery and the negative effect on wellbeing for individuals of going through formal recovery and court action by redirecting the time and effort and cost of recovery into a case management approach for individuals and families. If this can reduce the costs and can achieve an element of recovery, that would reduce write offs overall. So we would like to see how redirecting for example 50% of the cost of the bad debt provision made, into direct case management and hardship engagement (utilising third parties or a range of mechanisms) could achieve better outcomes overall.

We would like to see please the benchmarking of the overall unit costs of processing and cost of collection both in overall collection and billing.

We would like to see how the relationship with recovery and fraud issues and overall costs are being addressed.

We believe that the overall communication of the changes should be planned not just to meet the consultation requirements but with a view to enabling individuals to make early decisions. These could both be in the realms of for example notification that single person discount should no longer apply to decisions affecting second homes, empty properties etcetera. There seems to be benefit in an innovative communications approach so that there is a lead time for people, which in itself should reduce collection costs and bad debts arising. This communication approach could involve partners and we would be happy to engage as appropriate.

The level of estimates included mean that we don't have a clear view on the potential impact of these changes. I also understand that the council tax increase levels, if these increase, would actually mean an increased loss as calculated.

In relation to the actual additional costs, these do appear high and we are unable at this stage to understand the reason for all of the differentials. Continuation of unit costs of collection etcetera will assist.

Overall we feel there is not enough certainty within the information provided on your proposed treatment and need reassurance that the aspirations of cost neutrality will be achieved. The intention to make up a shortfall through discounts is not at this point able to be demonstrated with a level of certainty that would give us confidence that the overall impact on us from a precepting perspective would not lead to a reconsideration of our service levels.

It would be helpful to see the overall estimated impact on the council tax yield for 2013/14 and the best estimate of the tax base at this stage. This would help us in our budget planning process which as you will already know is on a very tight timescale due to the forthcoming election of Police and Crime Commissioners and the requirement for consultation with the Police and Crime Panel. We do appreciate that this is subject to change but an early indication would be extremely helpful.

Thank you for the comprehensive report and the opportunity to comment on the proposals.

From: Ian Young <Ian.Young@northyorksfire.gov.uk>
Sent: 31 August 2012 13:27
To: Bottle, Brian
Subject: LOCALISATION OF COUNCIL TAX BENEFIT SUPPORT-PRECEPTOR CONSULTATION

Dear Brian

Following on from our meeting 2nd August I have canvassed leading Members on the proposals set out in the Presentation and detailed consultation papers. As I mentioned at the meeting, the full Authority does not meet until 26th September when I will be presenting a detailed report for Members' consideration. I have not to date received from Leading Members any disagreement with the draft response set out below.

The first point of note for the Authority is that the consultation is for 2013/2014 only and that schemes will be reviewed as they develop and experience gained. It is appreciated that it is a complex task for you to fully assess the validity of the assumptions made and only time will tell. Because of that difficulty, the Authority is not opposed to any of the proposals made in the draft scheme, provided that assurances can continue to be given that financial neutrality will be maintained.

The current numbers provided indicate that the savings identified so far in the draft scheme are virtually cancelled out by the assessed impact of the changes. If nothing else were to change, taken together with the impact of changes in the City of York, the Authority would be faced with a significant cumulative shortfall on the assumed grant for next year of £1,750,000, a shortfall which has been roughly calculated as requiring a 1% increase on Council Tax.

Thus the Authority would wish to see a little more detail for instance on the potential to equalise the situation by the removal of Class A and C exemptions.

Outside of the main scheme changes, the Authority recognises that there are likely to be additional costs of administration in your authority particularly if relatively high collection rates are to be achieved. The Authority has received Grant of £27,000 this year for start up costs of new schemes but it is difficult to see that any additional cost will be incurred by the Authority in this respect. Thus, subject to the wording of the Grant determination covering such a contribution, the Authority would be willing to support appropriate and properly incurred additional administration costs in your District but would need first to agree a total amount across the Districts and City of York which did not exceed the Grant total.

The Authority is aware that discussions around future levels of grant aid for administration costs are underway but there is no guarantee that the recurring estimated costs of administration will be covered by Grant. In the event that grant is not forthcoming then, as with scheme changes, the Authority would look to amendments to the various exemptions and discounts to cover these costs.

As a final comment, one of the stated aims of the new policy (as with Business Rates Retention) is to incentivise the creation of growth in local economies. The Authority has pointed out in responses to national consultations that it can have only a limited influence, if any, in creating such growth. In terms of the Localisation of Council Tax Support, it is thus faced with a downside risk if growth fails to materialise and the financial neutrality of schemes cannot be maintained. In this context, the Authority would welcome a discussion on the application and distribution of the New Homes Bonus.

I hope that you find these interim comments helpful.

Regards

Ian Young
Director of Finance and Service Development

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Local Support Scheme for Council Tax

11 September-24 October 2012

25 paper responses and 28 online responses received = 53 total

Q1	All working age customers should pay a minimum contribution of 20% of their Council Tax. (Based on current charges this would mean a minimum yearly payment of £212.04 for a single person and £282.72 for a couple in Band D property)	
	Please indicate your opinion to this proposal below:	
	23 (43.4%)	<i>Agree</i>
	25 (47.2%)	<i>Disagree</i>
	3 (5.7%)	<i>Don't know</i>
	2 (3.8%)	<i>No reply</i>
	<i>If you have any comments or alternative suggestions to this proposal please detail below:</i>	
	20 responses received	

Q2	Working age people who live in properties with a Council Tax banding higher than D should have any support under the LCTS scheme capped to the level of 80% of a band D property. (For example, a person living in a Band F property currently has their CTB eligibility assessed on £2041.88 per year. Under the new LCTS the level of support would be to a maximum of £1130.89)	
	Please indicate your opinion to this proposal below:	
	26 (49.1%)	<i>Agree</i>
	17 (32.1%)	<i>Disagree</i>
	9 (17.0%)	<i>Don't know</i>
	1 (1.9%)	<i>No reply</i>
	<i>If you have any comments or alternative suggestions to this proposal please detail below:</i>	
	15 responses received	

Q3	Abolish the Second Adult Rebate for working age claimants (At the moment, if you can afford to pay your Council Tax but live with someone who is not your partner and is on a low income, you may be able to get help with your Council Tax)	
	Please indicate your opinion to this proposal below:	
	29 (54.7%)	<i>Agree</i>
	16 (30.2%)	<i>Disagree</i>
	5 (9.4%)	<i>Don't know</i>
	3 (5.7%)	<i>No reply</i>
	<i>If you have any comments or alternative suggestions to this proposal please detail below:</i>	
	10 response received	

Q4	Every working age adult in the household should be expected to contribute to Council Tax payments (Currently, we pay claimants less if they have other adult 'non-dependants' living with them) Please indicate your opinion to this proposal below:	
	33 (62.3%)	<i>Agree</i>
	12 (22.6%)	<i>Disagree</i>
	5 (9.4%)	<i>Don't know</i>
	3 (5.7%)	<i>No reply</i>
	<i>If you have any comments or alternative suggestions to this proposal please detail below:</i>	
	14 responses received	

Q5	For Council Tax Benefit, we currently ignore income from Child Benefit and Child Maintenance. Do you think this should be included as income when calculating LCTS?				
		<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>	<i>No reply</i>
	Child Benefit	23 (43.4%)	20 (37.7%)	7 (13.2%)	3 (5.7%)
	Child Maintenance	28 (52.8%)	14 (26.4%)	6 (11.3%)	5 (9.4%)
	<i>If you have any comments or alternative suggestions to this proposal please detail below:</i>				
	15 responses received				

Q6	LCTS should not be paid to those with relatively large amounts of capital or savings. (This would include, other property, stock & shares etc) Please indicate your opinion to this proposal below:	
	47 (88.7%)	<i>Agree</i>
	2 (3.8%)	<i>Disagree</i>
	1 (1.9%)	<i>Don't know</i>
	3 (5.7%)	<i>No reply</i>
	Currently anyone with more than £16,000 cannot receive Council Tax Benefit. This should be reduced. Please indicate your opinion to this proposal below:	
	20 (37.7%)	<i>Agree</i>
	26 (49.1%)	<i>Disagree</i>
	4 (7.5%)	<i>Don't know</i>
	3 (5.7%)	<i>No reply</i>
	<i>If you have any comments or alternative suggestions to these proposals please detail below:</i>	
	12 responses received	

Q7	Where the working age claimant or partner is in receipt of a war pension they will be protected from a reduction under the new LCTS as under the current CTB scheme. Please indicate your opinion to this proposal below:	
	34 (64.2%)	<i>Agree</i>
	11 (20.8%)	<i>Disagree</i>
	6 (11.3%)	<i>Don't know</i>
	2 (3.8%)	<i>No reply</i>

Q8	Are there any other groups of people the Council should consider as vulnerable? (For example, families or single parents with children under the age of five, carers, people with disabilities)	
	33 (62.3%)	Yes
	8 (15.1%)	No
	9 (17.0%)	Don't know
	3 (5.7%)	No reply
	If 'Yes', please state who and why below:	
	27 responses received	

Q9	Are you a Council Tax payer in the Hambleton area?	
	47 (88.7%)	Yes
	4 (7.5%)	No
	2 (3.8%)	No reply
	If 'Yes', which town do you live in or nearest to?	
	10 (18.9%)	Bedale
	7 (13.2%)	Easingwold
	19 (35.8%)	Northallerton
	4 (7.5%)	Stokesley
	9 (17.0%)	Thirsk
	4 (7.5%)	No reply

Q10	Are you receiving Council Tax Benefit?	
	37 (69.8%)	Yes
	15 (28.3%)	No
	1 (1.9%)	No reply

Q11	Are you ...?	
	27 (50.9%)	Male
	25 (47.2%)	Female
	1 (1.9%)	Prefer not to say
	0 (0.0%)	No reply

Q12	Which age group do you belong to?	
	0 (0.0%)	20 years or under
	5 (9.4%)	21-34 years
	24 (45.3%)	35-54 years
	11 (20.8%)	55-64 years
	1 (1.9%)	65-69 years
	8 (15.1%)	70 years and above
	3 (5.7%)	Prefer not to say
	1 (1.9%)	No reply

Q13	Do you consider yourself to be disabled or have a long term limiting condition?	
	26 (49.1%)	Yes
	21 (39.6%)	No
	5 (9.4%)	Prefer not to say
	1 (1.9%)	No reply

Section B – Organisation details

Q14	Are you responding to this consultation in your capacity as a representative of any of the following?		
	Yes	No	No reply
Voluntary organisation	0 (0.0%)	40 (75.5%)	13 (24.5%)
Housing Association	1 (1.9%)	38 (71.7%)	38 (71.7%)
Landlord	1 (1.9%)	39 (73.6%)	13 (24.5%)
Other (please specify):	4 responses received		

Please complete your details below (optional):

Your name:	32 responses received
Your address:	31 responses received
Your email address:	10 responses received
Your telephone number:	22 responses received