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Chief Executive

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TO: THE CHAIRMAN AND MEMBERS OF
BABERGH DISTRICT COUNCIL

Dear Sir/Madam

A Meeting of the Babergh District Council will be held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on **Tuesday, 19 December 2017 at 5.30 pm**

For those wishing to attend, prayers will be said at 5:25 p.m. prior to the commencement of the Council meeting.

Yours faithfully

Arthur Charvonia
Chief Executive

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A G E N D A

PART 1

ITEM	BUSINESS	<u>Page(s)</u>
1	<u>APOLOGIES FOR ABSENCE</u> To receive apologies for absence.	
2	<u>DECLARATION OF INTERESTS BY COUNCILLORS</u>	
3	<u>TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 21 NOVEMBER AND 4 DECEMBER 2017 - TO FOLLOW</u>	
4	<u>BC/17/22 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER</u> In addition to any announcements made at the meeting, please see Paper BC/17/22 attached, detailing events attended by the Chairman and Vice-Chairman.	1 - 2
5	<u>TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES</u> In accordance with Council Procedure Rule No. 10, the Chief Executive will report the receipt of any petitions. There can be no debate or comment upon these matters at the Council meeting.	
6	<u>QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES</u> The Chairmen of Committees to answer any questions by the public of which notice has been given no later than midday three clear working days before the day of the meeting in accordance with Council Procedure Rule No. 11.	
7	<u>QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES</u> The Chairman of the Council, the Chairmen of Committees and Sub-Committees and Portfolio Holders to answer any questions on any matters in relation to which the Council has powers or duties or which affect the District of which due notice has been given in accordance with Council Procedure Rule No. 12.	
8	<u>MOTIONS ON NOTICE</u>	

9 CABINET DECISIONS TO BE NOTED BY COUNCIL

To note the following decision made at Babergh Cabinet on Thursday 7 December 2017:

- a Report No: BCa/17/37 - Living Wage Motion to Council
Decision made by Cabinet:

It was RESOLVED: -

- 1.1 **That the option of working towards accreditation as a Real Living Wage Employer was NOT approved.**

Reason for Decision: Due to the cost and resource implications associated with becoming an accredited employer.

Alternative Options Considered and Rejected: To pursue the option of working towards accreditation as a Real Living Wage Employer.

To be Noted

- 10 BC/17/23 ADOPTION OF REVISED COUNCIL TAX REDUCTION (CTR) SCHEME FOR WORKING AGE HOUSEHOLDS - EFFECTIVE 1 APRIL 2018 3 - 14

Cabinet Member for Finance – Peter Patrick

11 APPOINTMENTS

Note: The date of the next meeting is Tuesday 20 February 2018 at 5.30 p.m.

For further information on any of the Part 1 items listed above, please contact Henriette Holloway on 01449 724681 or via e-mail at Committees@baberghmidsuffolk.gov.uk

Introduction to Public Meetings

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact the Governance Officer on: 01449 724681 or Email: Committees@baberghmidsuffolk.gov.uk

Domestic Arrangements:

- Toilets are situated opposite the meeting room.
- Cold water is also available outside the room.
- Please switch off all mobile phones or turn them to silent.

Evacuating the building in an emergency: Information for Visitors:

If you hear the alarm:

1. Leave the building immediately via a Fire Exit and make your way to the Assembly Point (Ipswich Town Football Ground).
2. Follow the signs directing you to the Fire Exits at each end of the floor.
3. Do not enter the Atrium (Ground Floor area and walkways). If you are in the Atrium at the time of the Alarm, follow the signs to the nearest Fire Exit.
4. Use the stairs, not the lifts.
5. Do not re-enter the building until told it is safe to do so.

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Agenda Item 4

			BC/17/22	
BABERGH DISTRICT COUNCIL CHAIRMAN'S ANNOUNCEMENTS				
COUNCIL - 19 DECEMBER 2017				
EVENT	LOCATION	DATE	CHAIRMAN	VICE CHAIR
NOVEMBER 2017				
St Edmundsbury Rose Garden Remembrance Service	Bury St Edmunds	11-Nov		✓
Remembrance Service & Parade	Great Cornard	12-Nov	✓	
Remembrance Service & Parade	Sudbury	12-Nov	✓	
Remembrance Service & Parade	Hadleigh	12-Nov		✓
Mayor's Charity Chinese Evening	Stowmarket	14-Nov	✓	
St Edmunds Celebratory Dinner	Bury St Edmunds	17-Nov		✓
DECEMBER 2017				
Forest Heath Carol Service & Lighting of St Mary's Christmas Street Festival	Mildenhall	03-Dec	✓	
St Edmundsbury Mayor's Carol Service	Bury St Edmunds	07-Dec	✓	
Bishop of St Edmundsbury's Christmas Drinks Party	Ipswich	08-Dec	✓	
Felixstowe Mayor Civic Carol Services	Felixstowe	15-Dec	✓	

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Agenda Item 10

BABERGH DISTRICT COUNCIL

From: Cabinet Member - Finance	Report Number:	BC/17/23
To: BDC Council	Date of meeting:	19 December 2017

ADOPTION OF REVISED COUNCIL TAX REDUCTION (CTR) SCHEME FOR WORKING AGE HOUSEHOLDS – EFFECTIVE 1 APRIL 2018

1. Purpose of Report

- 1.1 To propose the adoption of a Revised Council Tax Reduction (Working Age) Scheme that will come into effect from 1st April 2018.

2. Recommendation

- 2.1 That Babergh District Council adopt the Council Tax Reduction (Working Age) Local Scheme (Revised) from 1 April 2018, as set out in Appendix A of the report.

3. Financial Implications

- 3.1 The financial effect of:

- a. The legislative changes and their potential for impact are outlined in Appendix D, most of the proposed changes have no cost or saving implications for current customers;
- b. The costs of changes to accommodate UC are nil. These amendments seek to equalise access to CTR as for customers still in receipt of legacy benefits;
- c. The introduction of a minimum Working Age CTR award would affect five current cases. As the intention is to award Discretionary Financial Assistance instead of a minimal CTR award, the financial implications will be nil. It is not possible to gauge how many new applications will be received where the customers will become entitled to a new CTR or DFA award.
- d. The increase in the rate of reduction available would mean that 2,239 Households would gain between 26p and £1.75 a week in CTR. The Collection Fund's expenditure on CTR would increase by about £80,456 per annum on top of current CTR costs of about £1,849,375 – an increase of 4.3%, but as this cost is borne between precepting authorities, the cost for BDC would be about £8,045

- 3.2 The impact to the Collection Fund is demonstrated below. The cost borne by Babergh District Council is circa 10% of the total costs of any scheme change or savings because of the way the precepting authorities share the revenue generated from Council Tax collection.

Collection Fund expenditure item	2018/19
	£
Cost of current scheme	1,849,375.30
Cost of increase to 95% and £1 min	80,455.96
Total cost of revised scheme	1,929,831.26
Increased cost borne by BDC @ 10%	8,045.60

- 3.3 It should be noted that the caseload has decreased at an average of 3.8% over the past 3 years. This decrease has not been shown in the costings as it is dependent upon the economic position, which could slow, causing a consequent increase.

4. Legal Implications

- 4.1 Under the Local Government Act 1992 (as amended) the Council has the power to set its own Working Age CTR scheme.
- 4.2 Section 13a of the Local Government Finance Act gives power to reduce the amount of council tax payable.

5. Risk Management

- 5.1 This report is most closely linked with the Council's Significant Risk No 5f – If we do not understand our financial position and respond in a timely and effective way, then we will be unable to deliver the entirety of the Joint Strategic Plan. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
It there is a successful legal challenge to the Working Age CTR scheme changes then it will negate any potential benefits	1 – Highly Unlikely	3 – Bad / Serious	Liaison with Legal Services and use of the wording used in Statutory Instruments referred to in Appendix D
If the changes impact individuals ability to pay then it could result in hardship and a reduction in the amount of council tax collected	2 - Unlikely	2 – Noticeable / Minor	Monitor collection closely and use discretionary financial assistance in special cases.

6. Consultations

- 6.1 Consultation on the revised scheme was undertaken with both Suffolk County Council and the Police & Crime Commissioner for Suffolk, both of whom were approached directly and provided with details of the proposed revised scheme.

- 6.2 The revised scheme was published on the Council's Web Site, with attention drawn to it on the "Home" page and elsewhere, including:
- a. In the signature panel of all Shared Revenue Partnership e-mails;
 - b. In a standard paragraph in every Council Tax, CTR and Housing Benefit information request letter sent out;
 - c. On the Council's Landlord Portal;
 - d. In Social Media
 - e. By direct mailing to Registered Social Landlords and Debt Advisors; and
 - f. In press releases.
- 6.3 This ensured that the revised scheme was made available to:
- a. Council Tax liable persons;
 - b. Those currently in receipt of a Council Tax Reduction (CTR);
 - c. Advisers regarding debt problems – including SCC's Financial Information and Advice Service, Citizens Advice, Ipswich Housing Action Group , Step Change and Shelter;
 - d. Landlords, in particular, Social Landlords and the Council's Housing Department.
- 6.3 The consultation period ran from 30th October to 27th November 2017. Whilst the response to the consultation was largely in favour of adopting the new revised scheme, no formal response was received from either Suffolk County Council or the Police and Crime Commissioner.
- 6.4 The full survey results are available within Appendix C of this report but importantly 70.59% of all those who responded were in favour of adopting the revised scheme. 92.31% of those who responded were not direct beneficiaries of the revised scheme (i.e. did not currently receive CTRS).
- ## 7. Equality Analysis
- 7.1 An Equality Impact Assessment has been completed for this report.
- 7.2 The proposals in this report, aside from the maximum and minimum CTR proposals, equalise the Pension Age CTR Scheme and the Working Age CTR Schemes ensuring age is not a reason for difference in treatment under either scheme.
- 7.3 The Council is required to operate a Discretionary Financial Assistance (DFA) scheme. DFAs are outside both the Council's Working Age CTR scheme and the Pensioner CTR scheme, but contained within the same legislation. DFAs are not dependent upon receipt of CTR for eligibility but are a reduction in Council Tax liability (effectively, a write-off) in a similar way to CTR.
- 7.4 DFAs exist to help with anomalies in the CTR schemes and council tax liability legislation, dealing with exceptional and unusual cases, enabling Councils to assist those in greatest need more than "normal" CTR.

8. Shared Service / Partnership Implications

- 8.1 Equalising the maximum CTR across both Councils at 95% will avoid confusion for staff in the Shared Revenues Partnership administering the schemes. It also eases confusion for customers moving between the areas or those who have joint HB/CTR claims. The confusion is currently caused by BDC having a maximum reduction of 91.5% whilst MSDC has a maximum of 95% and entitlement being calculated differently for the two sides of a joint HB/CTR claim.

9. Links to Joint Strategic Plan

The outcome to be achieved by this report most closely aligns with the ambition outlined in the Enabled and Efficient Organisation section of the Joint Strategic Plan.

10. Key Information

Background

- 10.1 Babergh District Council (BDC) currently operates two Council Tax Reduction (CTR) schemes:
- CTR State Pension Age Scheme; and
 - CTR Working Age (Local) Scheme
- 10.2 The State Pension Age Scheme is a prescribed scheme and councils are prohibited from changing any aspect of the scheme. This report is limited to changes to the Babergh District Council CTR Working Age (Local) Scheme.
- 10.3 Babergh District Council's CTR Working Age (Local) Scheme (CTRS) was introduced in April 2013 offering an up to 91.5% 'discount' to the poorest households. However, by 2017, significant change had occurred within the Housing Benefit Scheme on which the CTRS administration 'piggy backed' and the scheme needed to be aligned to both ease the administration of the scheme and reduce confusion caused to customers. A new scheme from 1st April 2018 was proposed.
- 10.4 The Department for Work and Pensions announced that the Sudbury Job Centre would move to 'Full Service' for Universal Credit from October 2017 – fundamentally changing the welfare support available to Babergh District Council residents covered by that Job Centre. Ipswich Job Centre follows from April 2018 and the other Job Centres covering Babergh District are timetabled to follow within the next year.
- 10.5 This provided an opportunity to make provision within a revised CTRS for customers in receipt of Universal Credit to be allowed the same access to CTRS as for recipients of the legacy benefits which it replaced – effectively 'passporting' these customers to maximum CTR without the need to undergo further means testing. This change also eases the burden of administration placed upon the authority. Two further suggestions were considered which would further ease the administrative burden – a minimum award of £1 and an increase in the discount available which reduced the debt to be collected from those who could least afford it.

- 10.6 A revised scheme was proposed that increased the proportion of CTR that the poorest households received from 91.5% to 95% of the Council Tax charge, aligned the CTR Working Age Scheme with the Housing Benefit Scheme, made provision for Universal Credit and introduced a minimum weekly CTR award of £1 per week.
 - 10.7 Authorisation to enter a 4-week period of public consultation on the proposed revision to the Babergh District Council (Working Age) Council Tax Reduction Local Scheme was sought and granted by the Council's Cabinet on 24th October 2017 (report BC/17/15). This ensured that the statutory consultation requirements were met and that the findings could inform future decision making.
 - 10.8 The details of the revised scheme can be viewed in Appendix A.

11 Background Documents

Revising and updating the Council Tax Reduction (CTR) Scheme for working age households - Council report BC/17/15 of 24th October 2017

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Appendix A – The Revised Scheme

A revised scheme which:

- ***Increases the proportion of CTR that the poorest households receive to 95% of the Council Tax charge,***
- ***aligns the CTR Working Age Scheme with the Housing Benefit Scheme,***
- ***makes provision for Universal Credit; and***
- ***introduces a minimum weekly CTR award of £1 per week.***

For customers with existing claims there is no financial cost and minimal impact.

The 16 changes that align the BDC Working Age CTR scheme with the Housing Benefit Scheme (effective from 1st April 2018) would only impact new claims made on or after 1st April 2018. These changes include:

1. Restrictions on “persons from abroad” such that a person receiving a Job Seekers Allowance is no longer automatically deemed to have a right to reside in the UK and can be excluded from CTR eligibility;
2. Changes to the list of persons from abroad who do not need to show habitual residence in the UK;
3. Exclusion of persons subject to immigration control from CTR entitlement;
4. Remove the non-dependant deduction from a member of the military away on operations;
5. Disregards certain relatively unusual payments;
6. Correcting drafting errors
7. Changes in wording due to changes to Employment & Support Allowance,
8. Changes consequent upon introduction of Personal Independence Payments and Universal Credit.
9. Further changes affecting persons from abroad
10. Minor wording changes.
11. When earnings are taken in to account, consequent on a Court case;
12. Consequent upon changes to National Insurance changes;
13. Remove the Family Premium from the means test for new claims from April 2018;
14. Where a carer gets a care element in their Universal Credit the person being cared for cannot get a care addition in their CTR;
15. Reduce the period that a customer can be temporarily absent, yet maintain their claim, from 13 weeks to 4 weeks in most cases.
16. Limit the number of dependent children taken in to account to 2, with certain exceptions, for new claims from April 2018;

The new scheme also provides for the inclusion of Universal Credit (without earnings or other income) as a ‘passport’ benefit and aligns the treat as claim made date with the date of claim for Universal Credit.

The scheme also introduces a minimum award of £1.00 but increases the proportion of CTR that the poorest households would receive to 95%.

Under this scheme, 5 Households would lose CTR altogether from having entitlement to less than £1 per week but 2,239 Households would gain between 26p and £1.75 a week in CTR. Again, Discretionary Financial Assistance could be made available to those customers to replace CTR entitlement as a one off lump sum credit to their Council Tax account in recognition of their reduced circumstances.

The Collection Fund's expenditure on CTR would increase by about £80,456 per annum on top of current CTR costs of about £1,849,375 – an increase of 4.3%, but as this cost is borne between precepting authorities, the cost for BDC would be about £8,045.

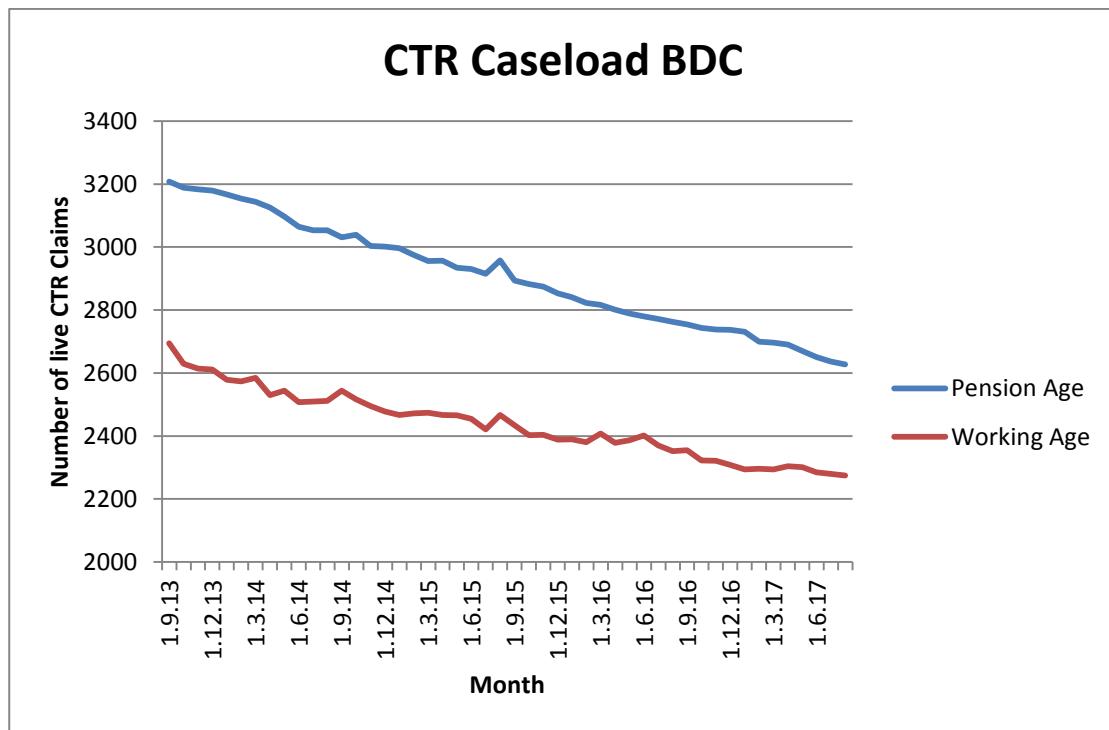
Effect of increasing CTR Working Age Max to 95% and introducing a minimum award of £1 a week					
		Number	Total Weekly CTR Increase/ loss(-)	Avg Wkly Inc/ loss (-) of CTR	Annual Cost/ Gain(-) to the Collection Fund
Means Tested	Award under £1 per week	4	-£3.27	-£0.82	-£170.04
	Awards	851	£618.58	£0.73	£32,166.16
Passported	Award under £1 per week	0	£0.00	£0.00	£0.00
	Awards	1,340	£904.06	£0.67	£47,011.12
UC Recipients	Award under £1 per week	1	-£0.96	-£0.96	-£49.92
	Awards	48	£28.82	£0.60	£1,498.64
TOTAL		2,244	£1,547.23	£0.22	£80,455.96

Appendix B - Background Information.

This report uses October 2017 as its reference point. In October 2017, the number of claims for CTR was as follows:

BDC CTR Claims as at 01 Nov 2017	Number	Percentage
Total CTR claims	4,820	100.00%
Pension Age Passport Claims	1,454	30.17%
Pension Age Means Tested	1,127	23.38%
Working Age Passport Claims	1,324	27.47%
Working Age Means Tested	915	18.98%

From its introduction in April 2013, the number of CTR claims has steadily fallen. This is mainly attributed to the improvement in the economy.



Babergh Working Age claims fell from 2,694 to 2,274 in 4 years, a fall of 15.6%. The number of Pensioner claims has also fallen significantly, 18.1% in 4 years. This fall in claim numbers reduces the Council's expenditure on CTR, but could, of course, reverse if the economic situation were to worsen.

The Current Scheme 'cost of reduction' is set out below:

BDC April 2013 Working Age CTR Scheme as at 01 Nov 2017					
	Number	Weekly CT Payable	Weekly CTR Entitlement	Gross CT Due	% Awarded
Total All	2,244	£8,762.40	£35,564.91	£44,327.31	80.23%
Average All	2,244	£3.90	£15.85	£19.75	80.23%
Total Passported	1,340	£2,516.88	£23,313.48	£25,830.36	90.26%
Average Passported	1,340	£1.88	£17.40	£19.28	90.25%
Total Means Test	855	£6,056.04	£11,617.58	£17,673.62	65.73%
Average Means Test	855	£7.12	£13.65	£20.77	65.72%
Total UC	49	£189.48	£633.85	£823.33	76.99%
Average UC	49	£3.95	£13.21	£17.15	77.03%

This shows, for example, that the average BDC Working Age CTR customer, receiving maximum CTR (i.e. in receipt of a 'passport' benefit) has their weekly Council Tax liability reduced from an average of £19.28 to £1.88.

Appendix C Consultation Results

Do you agree that the Council should bring in a new scheme aligning the Housing Benefit legislation and the local Council Tax Reduction scheme, thereby making the scheme easier to understand and quicker to access?

Yes 70.59%	No 29.41%
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Do you support the Council's increase in the level of Council Tax Reduction to a maximum of 95% discount, to help those in need?

Yes 92.86%	No 7.14%
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Do you agree that the Council should seek cost savings in the administration of the local Council Tax Reduction scheme?

Yes 92.86%	No 7.14%
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Would you be prepared to pay increased Council Tax to pay for the administration of the local Council Tax Reduction scheme?

Yes 61.54%	No 38.46%
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Are you or someone in your household receiving a Council Tax Reduction Scheme discount currently?

Yes 7.69%	No 92.31%
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If you said 'No' to the previous question, please state which group or organisation you replied on behalf of.

Council Tax Payer 91.67%	Landlord 8.33%
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Which age group do you fall within?

18-24 8.33%
25-34 16.67%
35-44 8.33%
45-54 50.00%
55-64 8.33%
65-74 0.00%
75-84 0.00%
85+ 8.33%
Prefer not to say 0.00%

What is your gender?

Male 66.67%	Female 33.33%
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Appendix D – Legislative Changes

- Legislative changes and their impact explained.

- Restrictions on “persons from abroad” such that a person receiving a Job Seekers Allowance is no longer automatically deemed to have a right to reside in the UK and can be excluded from CTR eligibility;

There are very few such customers in the BDC area, the financial effect of this change will therefore be minimal.

- Making changes to the list of persons from abroad who do not need to show habitual residence in the UK;

There are very few such customers in the BDC area, the financial effect of this change will therefore be minimal.

- Excluding persons subject to immigration control from CTR entitlement;

There are very few such customers in the BDC area, and as such customers tend to occupy Hostel or Houses in Multiple Accommodation where CTR does not apply, the financial effect of this change will therefore be minimal.

- Removing the non-dependant deduction from a member of the military away on operations;

This change would only affect a member of the military whose sole or main residence was at their Parent's or other relative's home. To date, SRP has not come across such a case in any of the Council areas.

- Disregarding certain relatively unusual payments;

The payments listed are very rare and the financial effect would therefore be minimal, if any.

- Correcting drafting errors;

These do not affect the overall meaning of the legislation and have no financial effect.

- Changing the wording due to changes to Employment & Support Allowance;

These changes accommodate the removal of the “Work” element from Employment & Support Allowance. As this change has already taken place, the wording is currently obsolete and has no financial effect in itself.

- Changes consequent upon introduction of Personal Independence Payments and Universal Credit.

This is a wording clarification and has no financial effect.

- Further changes affecting persons from abroad

There are very few affected customers in the BDC area; the financial effect of this change will therefore be minimal.

- Minor wording changes.

This is a wording clarification and has no financial effect.

- When earnings are taken in to account, consequent on a Court case;

This is a wording clarification and has no financial effect.

- Changes consequent upon changes to National Insurance changes;

As this change has already taken place, the wording is currently obsolete and this has no financial effect in itself.

- Remove the Family Premium from the means test for new claims;

This would result in a reduction in the CTR award for means-tested working age **new** CTR claims of a maximum of £3.49 per week (20% of the £17.45 Family Premium). This has been introduced as a transition step towards UC where no Family Premium applies.

- Where a carer gets a care element in their Universal Credit the person being cared for cannot get a care addition in their CTR;

Carers cannot currently claim UC in BDC, there is therefore no financial effect as yet. This change prevents a “double” carer award in such cases.

- Reduce the period that a customer can be temporarily absent, yet maintain their claim, from 13 weeks to 4 weeks in most cases.

A Temporary Absence award is very rare in CTR as, for example, if the person liable for Council Tax is on remand, they are exempt from Council Tax. In many other cases, the property remains occupied by another person, who would then become liable for the Council Tax.

- Introduces the “2 child” restriction for new claims to CTR so as to align the CTR scheme with all other Benefits

Many of our current Working Age claims with more than 2 children have “passport benefits” and therefore are unaffected by this change (as far as CTR is concerned); a few are Pension Age customers and their claims will be subject to this change already.