



Committee and Date

Cabinet

12 December 2018

SETTING THE COUNCIL TAX TAXBASE AND COUNCIL TAX SUPPORT SCHEME 2019/20

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1. Summary

- 1.1. In order to determine the appropriate Council Tax levels for Shropshire Council, it is necessary to determine the Council Tax taxbase for the area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D Council Tax.
- 1.2. For 2019/20 the Council Tax taxbase will be 111,240.10 Band D equivalents, this is an increase of 1.97% from 2018/19.
- 1.3. The Council Tax taxbase has a direct impact on the Council Tax that will be levied by the Council for 2019/20.

2. Recommendations

Cabinet members are asked to agree and recommend to full Council for approval:

- 2.1 In accordance with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 to approve the revised discretionary power to levy a Council Tax premium in relation to dwellings which have been empty for more than two years i.e. increasing the premium to 100% in relation to dwellings which have been empty for more than two years and the resulting inclusion of an additional 503.34 Band D equivalents in the taxbase.
- 2.2 To approve the publication of a notice regarding the new discretionary Council Tax discount policy awarded in respect of vacant properties within 21 days of the determination.
- 2.3 To approve two amendments to the Council Tax Support Scheme to exempt claimants from the 20% minimum payment that are in receipt of Universal Credit that meet the qualifying criteria for the severe disability premium, and

claimants in receipt of Universal Credit in receipt of limited capability for work related activity element in Universal Credit (that is the equivalent to the support element of employment and support allowance).

- 2.4 To approve the Council's localised Council Tax Support (CTS) scheme in 2019/20 (as amended). The scheme summary is attached at Appendix B.

On the assumption that the changes to the discount policy in relation to vacant dwellings detailed in Sections 2.1 and 7.3 of this report have been approved, Cabinet members are asked to agree and recommend to full Council:

- 2.5 To approve, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2019/20, as detailed in Appendix A, totalling 111,240.10 Band D equivalents.
- 2.6 To note the exclusion of 9,211.79 Band D equivalents from the taxbase as a result of localised Council Tax Support.
- 2.7 To note continuation of the discretionary Council Tax discount policy of 0% in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection) and note the inclusion of 729.45 Band D equivalents in the Council Tax taxbase as a result of this discount policy.
- 2.8 To note continuation of the discretionary Council Tax discount policy to not award a discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties.
- 2.9 To note continuation of the discretionary Council Tax discount policy in respect of vacant dwellings, i.e. former Class C exempt properties, of 100% for one month i.e. effectively reinstating the exemption and the resulting exclusion of 294.56 band D equivalents from the taxbase.
- 2.10 To note continuation of the "six week rule" in respect of vacant dwellings, i.e. former Class C exempt properties.
- 2.11 To note the Council Tax Support Scheme amendments detailed in Section 2.3 and 6 have no impact on the taxbase determination.
- 2.12 To approve a collection rate for the year 2019/20 of 98.0%.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Expression of Council Tax Support in terms of Band D equivalents results in a higher potential for inaccuracies in the determination process as Council Tax Support is a significantly more volatile discount element.
- 3.2 Details of the potential risk in relation to establishing a collection rate allowance is detailed within this report in Section 9.

4. Financial Implications

- 4.1 The Council Tax taxbase figure impacts on the Council Tax that will be levied by the Council for 2019/20.
- 4.2 The implication of the Council's localised Council Tax Support scheme are detailed in Section 6.
- 4.3 The implications of maintaining the discount in respect of second homes at 0% are detailed in Section 7.1.
- 4.4 The implications of maintaining the discount in respect of vacant dwellings are detailed in Section 7.2.
- 4.5 The implications of increasing the premium from 50% to 100% in respect of properties which have been empty for more than two years are detailed in Section 7.3.
- 4.6 The implications regarding the determined collection rate are detailed in Section 9.

5. Background

- 5.1 Shropshire Council has responsibility for determining the Council Tax taxbase for the Council's geographical area.
- 5.2 The taxbase for Council Tax must be set between 1 December 2018 and 31 January 2019 in relation to 2019/20, as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 5.3 The Council is also required to inform the major precepting authorities, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, of the taxbase in order to enable the calculation of Council Tax for the following

year. Each town and parish council is also notified of its own Council Tax taxbase.

- 5.4 The purpose of this report, therefore, is to determine and approve the Council Tax taxbase for Shropshire Council for 2019/20.

6. Council Tax Support

- 6.1 The 2010 Spending Review announced the localisation of council tax support and The Welfare Reform Act 2012 abolished Council Tax Benefit from 31 March 2013 and required that Local Government created a localised Council Tax Support (CTS) scheme effective from 1 April 2013, accommodating a reduction in funding of 10%.

- 6.2 Shropshire Council's localised CTS scheme was approved in December 2017. Two minor changes are proposed to the existing scheme to take effect from 1 April 2019. The current scheme summary that reflects these amendments is attached at Appendix B.

- 6.3 The current scheme exempts certain claimants from the 20% minimum payment. These include claimants in receipt of Severe Disability Premium and claimants in receipt of the support element of Employment and Support Allowance. Shropshire Council went live for full service Universal Credit in May 2018. The Severe Disability Premium does not exist in Universal Credit. Employment and Support Allowance does not form part of Universal Credit.

- 6.4 In order to ensure the identified exemptions continue for claimants that have moved into Universal Credit it is proposed to amend the Council Tax Support Scheme to exempt claimants from the 20% minimum payment where:

- Claimants or couples have moved into Universal Credit but meet the qualifying criteria for the severe disability premium
- Claimants or partners in receipt of the limited capability for work related activity element in Universal Credit (that is the equivalent to the support element of employment and support allowance)

- 6.5 There is no cost or saving expected as a result of these amendments as the amendments align the existing exemptions for Universal Credit claimants.

- 6.6 A consultation on these amendments ran from 16 November 2018 to 11 December 2018.

- 6.7 An Equality and Social Inclusion Impact Assessment has been completed and the result is that these amendments are not likely to have an adverse impact on any particular group. The ESIIA is at Appendix C. Part 2 of the ESIIA has not been included as it is not required for this consultation.

- 6.8 From 2013, therefore, council tax support has taken the form of reductions within the council tax system, replacing national council tax benefit. Making reductions part of the council tax system reduces a billing authority's Council Tax taxbase. Billing and major precepting authorities receive funding (Council Tax Support Grant) which reduce their council tax requirement and, depending on the design of the local council tax scheme, can help offset the council tax revenue foregone through reductions.
- 6.9 An estimate of the effect of the local Council Tax Support Scheme on the Council Tax taxbase has been determined for Shropshire. It is estimated that the Council Tax Support Scheme will reduce the Council Tax taxbase by 9,211.79 Band D equivalents.
- 6.10 As Council Tax Support entitlement will vary throughout the year and this will affect the taxbase it is more likely that the amount of Council Tax collected in 2019/20 will vary from the estimate.

7. Discretionary Discount Policies

7.1 *Second Homes*

- 7.1.1 Second homes are defined as furnished properties which are not occupied as a person's main residence and include furnished properties that are unoccupied between tenancies.
- 7.1.2 The Local Government Act 2003 gave councils new discretionary powers to reduce the 50% Council Tax discount previously awarded in respect of second homes to between 10% and 50% with effect from 1st April 2004. Councils retain the additional income raised by reducing the second homes Council Tax discount.
- 7.1.3 The Local Government Act 2012 further extended billing authorities' discretion over the second homes discount to between 0% and 50%. On 17 October 2012 Cabinet approved the reduction of the second homes Council Tax discount from 10% to 0%.
- 7.1.4 The figures used for the 2018/19 Council Tax taxbase incorporate a 0% Council Tax discount in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection). Implementation of this policy results in the inclusion of 729.45 Band D equivalents in the taxbase.

Vacant Properties

7.2 *Former Class A & Class C Exempt Properties*

- 7.2.1 The Local Government Act 2012 abolished both Class A and Class C exemptions and gave billing authorities' discretion to give discounts of between 0% and 100%. Class A exemptions were previously available for up to 12 months in respect of a vacant property which required, was undergoing, or had recently undergone major repair work to render it habitable, or structural alteration. Class C exemptions were previously available for up to six months after a dwelling became vacant.
- 7.2.2 On 14 December 2017 Council approved the removal of a 50% Council Tax discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties.
- 7.2.3 In respect of former Class A exempt properties the figures used for the 2019/20 Council Tax taxbase allow for the continuation of the decision previously approved by Council, i.e. to award no discount.
- 7.2.4 On 17 October 2012 Cabinet approved the award of a 25% Council Tax discount in respect of vacant dwellings, i.e. former Class C exempt properties.
- 7.2.5 Implementation of this policy resulted in a large number of low value Council Tax demands being raised primarily in relation to landlords whose properties are between tenants. A significant number of landlord complaints were received in relation to these Council Tax demands and these small amounts proved to be very difficult to collect. It was, therefore, proposed and approved that a 100% discount be awarded for one month, i.e. effectively reinstating the exemption, and then a 25% discount be awarded for the remaining five months.
- 7.2.6 In order to avoid fraudulent 100% claims in respect of these types of properties it was also proposed and approved that the "six week rule" be applied, i.e. if a dwelling which is unoccupied and unfurnished is either exempt or entitled to a discount, becomes occupied or substantially furnished for a period of less than six weeks, after which it falls empty again, it will only resume exemption or discount for any of the original exemption or discount period which remains.
- 7.2.7 On 14 December 2017 Council approved the continuation of the policy to award one month exemption when a property becomes unoccupied and unfurnished (subject to the six week rule) and approved a revised policy to remove the 25% for the following five months. This means that when a property becomes unoccupied and unfurnished it would attract one month exemption, then pay full charge for the following twenty three months, then attract an additional 100% council tax premium after two years.

7.2.8 In respect of former Class C exempt properties the figures used for the 2019/20 Council Tax taxbase incorporates a discount of 100% for one month. Continuation of this policy to award the one month exemption results in the exclusion of 294.56 Band D equivalents from the taxbase.

7.3 *Empty Homes Premium*

7.3.1 The Local Government Act 2012 amended the Local Government Finance Act 1992 and also gave billing authorities' discretion to levy an empty homes premium of 50% after a dwelling has been empty and unfurnished for at least two years. In December 2013 Shropshire Council chose to enact this discretionary power with effect from April 2014.

7.3.2 On 1 November 2018 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 was passed which further amended the Local Government Finance Act 1992. This gave billing authorities' discretion to levy an empty homes premium of 100% for the financial year beginning 1 April 2019 after a dwelling has been empty and unfurnished for at least two years. The Act also allows for a 200% premium from 1 April 2020 for properties empty and unfurnished for at least 5 years and a 300% premium from 1 April 2021 for properties empty and unfurnished for at least 10 years.

7.3.3 Members are asked to approve a revised policy to levy an empty homes premium of 100% after a dwelling has been empty and unfurnished for at least two years.

7.3.4 The figures used for the 2019/20 Council Tax taxbase incorporate a 100% Council Tax premium in respect of dwellings which have been empty for more than two years. Implementation of this policy results in the inclusion of 503.34 Band D equivalents in the taxbase.

8. **Taxbase Calculation**

8.1 Based on the valuation list, the Council Tax taxbase is the number of properties in the area falling within each council tax property valuation band, modified to take account of the adjustments set out below. Taxbase is expressed as a Band D equivalent.

8.2 An analysis of Council Tax bands within Shropshire Council is detailed below:

| Property Band | House Value | Ratio to Band D | Analysis of Dwellings on the Valuation List (%) (as at 10 th September 2018) | % Increase / (Decrease) over 2017/18 |
|----------------------|--------------------|------------------------|---|---|
| A | Under £40,000 | 6/9 | 18.8 | 1.1 |
| B | 40,001 - 52,000 | 7/9 | 25.8 | 1.3 |
| C | 52,001 - 68,000 | 8/9 | 20.7 | 1.3 |
| D | 68,001 - 88,000 | 9/9 | 14.3 | 1.0 |

| | | | | |
|---|-------------------|------|------|-------|
| E | 88,001 - 120,000 | 11/9 | 11.1 | 2.1 |
| F | 120,001 - 160,000 | 13/9 | 5.9 | 2.3 |
| G | 160,001 - 320,000 | 15/9 | 3.2 | 0.7 |
| H | Over 320,000 | 18/9 | 0.2 | (0.3) |

8.3 There are 142,967 properties in the valuation list for the Shropshire Council area. This compares with a figure of 141,074 in the list at the same time last year. There has been an increase of 1,893 properties overall, which equates to 1.34%. The number of properties in property bands A – G has increased, the number of properties in band H has decreased.

8.4 The methodology followed for calculating the taxbase is as follows:

- Ascertain the number of properties in each Council Tax band (A to H) shown in the valuation list as at 10 September 2018. (For 2019-20 only billing authorities were allowed to add any additional properties that were referred to the Valuation Office Agency for banding prior to 31 July 2018 and added to the valuation list between 10 September 2018 and 28 September 2018. This was in recognition of a Valuation Office Agency backlog in adding new properties to the Valuation List. Shropshire Council took advantage of this and have included 88 properties in addition to the totals on the Valuation List as at 10 September 2018).
- Adjust for estimated changes in the number of properties through new build, demolitions and exemptions.
- The number of discounts and disabled relief allowances which apply as at 1 October 2018.
- Convert the number of properties in each Council Tax band to Band D equivalents by using the ratio of each band to Band D and so arrive at the total number of Band D equivalents for the Council.
- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year

These calculations are undertaken for each property band in each parish.

9. Collection Rate

9.1 In determining the taxbase, an allowance has to be made to provide for changes to the taxbase during the year (e.g. due to new properties, appeals against banding, additional discounts, Council Tax Support award changes, etc.) as well as losses on collection arising from non-payment. This is achieved by estimating a Council Tax collection rate for the year and must be common for the whole of Shropshire.

9.2 A collection rate of 97.8% was assumed for the 2018/19 financial year and it is recommended that a collection rate of 98.0% should be assumed for the purpose of determining the Council Tax taxbase in 2019/20.

- 9.3 Actual in year collection rates in 2015/16, 2016/17 and 2017/18 were 98.4%, 98.4% and 98.4% respectively. The collection rate for 2018/19 is currently projected to outturn at around 97.9%.
- 9.4 The reduction in the projected Collection Rate for 2018/19 is mainly due to the changes to the Council Tax Support scheme that were implemented in 2018/19.
- 9.5 A survey of other Councils that have introduced a minimum payment to their Council Tax Support scheme has shown that there is a detrimental effect on their overall council tax collection rate. This has varied among different Councils between 0.3% and 0.7% in the first year, but gradually improving over subsequent years. Therefore, the proposed collection rate for 2019/20 has been increased from 2018/19.
- 9.6 A rate of 98.0% is considered prudent given the current level of recovery, the collection rates of the last 3 years and the continued impact of the Council Tax Support scheme changes.
- 9.7 If the actual rate exceeds 98.0% a surplus is generated, which is shared between the Unitary Council, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely, any shortfall in the collection rate results in a deficit, which is shared in a similar manner. The surplus or deficit is taken into account in setting the Council Tax in the following year.

10. Council Tax Base

- 10.1 The estimated Council Tax taxbase for the whole of the area will be used by this Council to calculate its Council Tax Levy. It will also be used by West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority to calculate the levy in respect of their precepts.
- 10.2 The Council Tax taxbase for this purpose in 2019/20 is 111,240.10 Band D equivalents, an increase of 1.97% from 2018/19. The detailed build of this figure analysed by both parish and town council and Environment Agency region is shown in Appendix A.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

N/A

Cabinet Member (Portfolio Holder)

David Minnery

Local Member

N/A

Appendices

Appendix A: 2019/20 Parish and Town Council Tax Taxbase Summary for Shropshire Council.

Appendix B: Shropshire Council's Localised Council Tax Support Scheme

Appendix C: ESIIA

Cabinet 12th December 2018: SETTING THE COUNCIL TAX TAXBASE FOR 2019/20

| 2019/20 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council | APPENDIX A |
|--|---|
| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
| Abdon & Heath | 105.51 |
| Acton Burnell, Frodesley, Pitchford, Ruckley & Langley | 259.86 |
| Acton Scott | 40.30 |
| Adderley | 203.50 |
| Alberbury with Cardeston | 378.53 |
| Albrighton | 1,511.40 |
| All Stretton, Smethcott & Woolstaston | 171.64 |
| Alveley & Romsley | 851.24 |
| Ashford Bowdler | 37.04 |
| Ashford Carbonel | 183.29 |
| Astley | 195.89 |
| Astley Abbotts | 243.62 |
| Aston Bottrell, Burwarton & Cleobury North | 113.56 |
| Atcham | 99.25 |
| Badger | 59.17 |
| Barrow | 262.41 |
| Baschurch | 1,097.63 |
| Bayston Hill | 1,794.57 |
| Beckbury | 152.62 |
| Bedstone & Bucknell | 313.27 |
| Berrington | 414.56 |
| Bettws-Y-Crwyn | 89.58 |
| Bicton | 409.44 |
| Billingsley, Deuxhill, Glazeley & Middleton Scriven | 163.90 |
| Bishops Castle Town | 646.56 |
| Bitterley | 350.39 |
| Bomere Heath & District | 814.92 |
| Boningale | 141.31 |
| Boraston | 73.38 |
| Bridgnorth Town | 4,552.26 |
| Bromfield | 117.92 |
| Broseley Town | 1,530.35 |
| Buildwas | 105.17 |
| Burford | 428.21 |
| Cardington | 201.77 |
| Caynham | 522.52 |
| Chelmarsh | 230.20 |
| Cheswardine | 390.20 |
| Chetton | 156.69 |
| Childs Ercall | 299.00 |
| Chirbury with Brompton | 341.18 |
| Church Preen, Hughley & Kenley | 125.20 |
| Church Pulverbatch | 161.50 |
| Church Stretton & Little Stretton Town | 2,156.90 |
| Claverley | 855.71 |
| Clee St. Margaret | 69.94 |
| Cleobury Mortimer | 1,154.01 |
| Clive | 243.25 |
| Clun Town with Chapel Lawn | 507.03 |
| Clunbury | 246.08 |

Cabinet 12th December 2018: SETTING THE COUNCIL TAX TAXBASE FOR 2019/20

| 2019/20 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council | APPENDIX A |
|--|---|
| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
| Clungunford | 151.52 |
| Cockshutt-cum-Petton | 302.13 |
| Conover | 864.66 |
| Coreley | 135.08 |
| Cound | 208.91 |
| Craven Arms Town | 796.50 |
| Cressage, Harley & Sheinton | 411.41 |
| Culmington | 169.91 |
| Diddlebury | 265.70 |
| Ditton Priors | 324.23 |
| Donington & Boscobel | 577.43 |
| Eardington | 238.67 |
| Easthope, Shipton & Stanton Long | 202.52 |
| Eaton-Under-Heywood & Hope Bowdler | 184.83 |
| Edgton | 48.22 |
| Ellesmere Rural | 922.35 |
| Ellesmere Town | 1,420.35 |
| Farlow | 182.98 |
| Ford | 297.66 |
| Great Hanwood | 392.15 |
| Great Ness & Little Ness | 476.60 |
| Greete | 49.87 |
| Grinshill | 112.34 |
| Hadnall | 348.60 |
| Highley | 1,062.28 |
| Hinstock | 486.05 |
| Hodnet | 569.31 |
| Hope Bagot | 28.96 |
| Hopesay | 234.47 |
| Hopton Cangeford & Stoke St. Milborough | 161.41 |
| Hopton Castle | 47.12 |
| Hopton Wafers | 281.38 |
| Hordley | 101.52 |
| Ightfield & Calverhall | 193.15 |
| Kemberton | 116.88 |
| Kinlet | 410.69 |
| Kinnerley | 489.73 |
| Knockin | 114.66 |
| Leebotwood & Longnor | 200.81 |
| Leighton & Eaton Constantine | 205.93 |
| Llanfairwaterdine | 100.16 |
| Llanyblodwel | 265.29 |
| Llanymynech & Pant | 668.74 |
| Longden | 524.28 |
| Loppington | 282.55 |
| Ludford | 242.81 |
| Ludlow Town | 3,500.87 |
| Lydbury North | 221.13 |
| Lydham & More | 127.32 |
| Mainstone & Colebatch | 87.30 |

Cabinet 12th December 2018: SETTING THE COUNCIL TAX TAXBASE FOR 2019/20

| 2019/20 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council | APPENDIX A |
|--|---|
| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
| Market Drayton Town | 3,824.92 |
| Melverley | 52.20 |
| Milson & Neen Sollars | 117.97 |
| Minsterley | 583.98 |
| Montford | 251.76 |
| Moreton Corbett & Lee Brockhurst | 125.18 |
| Moreton Say | 201.84 |
| Morville, Acton Round, Aston Eyre, Monkhopton & Upton Cressett | 358.42 |
| Much Wenlock Town | 1,207.49 |
| Munslow | 174.99 |
| Myddle & Broughton | 610.69 |
| Myndtown, Norbury, Ratlinghope & Wentnor | 258.54 |
| Nash | 139.30 |
| Neen Savage | 153.17 |
| Neenton | 62.67 |
| Newcastle | 126.30 |
| Norton-In-Hales | 314.18 |
| Onibury | 130.90 |
| Oswestry Rural | 1,637.44 |
| Oswestry Town | 5,278.11 |
| Pontesbury | 1,205.28 |
| Prees | 1,083.93 |
| Quatt Malvern | 96.93 |
| Richards Castle | 141.19 |
| Rushbury | 264.95 |
| Ruyton-XI-Towns | 457.99 |
| Ryton & Grindle | 77.66 |
| Selattyn & Gobowen | 1,248.11 |
| Shawbury | 838.95 |
| Sheriffhales | 318.90 |
| Shifnal Town | 3,085.13 |
| Shrewsbury Town | 24,565.77 |
| Sibdon Carwood | 49.60 |
| St. Martins | 910.19 |
| Stanton Lacy | 164.34 |
| Stanton-Upon-Hine Heath | 235.55 |
| Stockton | 132.29 |
| Stoke-Upon-Tern | 474.13 |
| Stottesdon & Sidbury | 326.80 |
| Stowe | 48.06 |
| Sutton Maddock | 107.73 |
| Sutton-Upon-Tern | 406.45 |
| Tasley | 416.30 |
| Tong | 119.90 |
| Uffington | 104.89 |
| Upton Magna | 157.58 |
| Welshampton & Lyneal | 369.79 |
| Wem Rural | 672.26 |
| Wem Town | 1,986.33 |
| West Felton | 541.17 |

Cabinet 12th December 2018: SETTING THE COUNCIL TAX TAXBASE FOR 2019/20

| 2019/20 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council | APPENDIX A |
|--|---|
| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
| Westbury | 523.96 |
| Weston Rhyn | 839.56 |
| Weston-Under-Redcastle | 120.51 |
| Wheathill | 74.37 |
| Whitchurch Rural | 591.72 |
| Whitchurch Town | 3,349.83 |
| Whittington | 845.86 |
| Whitton | 61.26 |
| Whixall | 339.81 |
| Wistanstow | 328.65 |
| Withington | 105.20 |
| Woore | 597.26 |
| Worfield & Rudge | 921.02 |
| Worthen with Shelve | 783.26 |
| Wroxeter & Uppington | 156.78 |
| Shropshire Council Total | 111,240.10 |
| Environment Agency - Severn Trent Region | 104,422.84 |
| Environment Agency - Welsh Region | 4,365.72 |
| Environment Agency - North West Region | 2,451.54 |
| Shropshire Council Total | 111,240.10 |

APPENDIX B

SHROPSHIRE COUNCIL – BENEFITS SERVICE

COUNCIL TAX SUPPORT (CTS)

Introduction

The current Council Tax Benefit scheme is a means tested benefit that helps people with a low income to pay their Council Tax.

From April 2013 this will be abolished and all local authorities will provide a new scheme called 'Council Tax Support'. The funding that is provided for this scheme will be reduced by 10% and therefore it is likely that some people will have to pay more towards their Council Tax bill.

The changes will not affect pensioners even though they will move into the new scheme. The Government have confirmed that all pensioners will be protected and receive the same amount of benefit they do now under the current Council Tax Benefit Scheme.

Each local authority will be able to provide Council Tax support in a different way depending on local needs, funding available and how it can be administered. Each Council is expected to devise a new scheme and then put this to public consultation by the end of 2012.

Our new scheme was devised and published on the Shropshire Council website for customers, stakeholders and other agencies to comment on. Public consultation closed on the 14th December and the new scheme was formally adopted by the Council on 16th January 2013.

Anyone of working age will now be subject to the new scheme from April 2013. The differences that you will see in the new Council Tax Support Scheme are: -

- Removal of second adult rebate
- Reduction of the capital limit from £16,000 to £10,000
- Removal of earnings disregards
- Removal of child benefit disregard
- Increase in non-dependant deductions

Please note the following amendments are for the calculation of Council Tax Support only and do not affect Housing Benefit calculations.

Removal of Second Adult Rebate

Second Adult Rebate (2AR) is awarded to a customer based on the circumstances of a second adult living in the property. Under the new scheme this has been abolished and will no longer be effective from 01.04.13.

Reduction of the capital limit

For working age people the capital limit will reduce to £10,000 from 01.04.13. This will mean that if a customer's savings amounts to more than £10,000 they will not be entitled to CTS. The lower capital limit of £6,000 remains the same.

Tariff income calculations remain as is i.e. from the total amount if capital £6,000 is deducted, the remainder is then divided by 250 if the result is not an exact multiple of £1 the result is rounded up to the next whole £1

All other capital rules including static savings, land and property, shares, etc remain the same.

Removal of Earnings disregards

All income disregards for working age people will cease from the 01.04.13.

Removal of Child Benefit disregards

Child benefit will no longer be disregarded from the calculation of CTS from the 01.04.03.

Increase in non-dependant earned income deductions (working age only)

From 01.04.13 non dep deductions will increase to the following: -

£5 for anyone earning under £100,
 £10 for anyone earning between £100 and £150
 £20 for anyone earning over £150 per week

This deduction will only be made from their earned income. It won't affect any other income they receive.

Non-dependant earned income deductions (pension age only)

| | | |
|---------------------------------|---|--------|
| Gross income less than £186.00 | = | £3.65 |
| Gross income £186.00 to £321.99 | = | £7.25 |
| Gross income £322.00 to £400.99 | = | £9.15 |
| Gross income £401.00 or above | = | £10.95 |

Unearned income will attract the following disregards (working age and pension age):

| | | |
|---|---|-------|
| Others aged 18 or over incl. JSAC & ESAC | = | £3.65 |
| In receipt of Pension Credit, IS, JSA (IB), ESA(IR) | = | nil |

(If nil income is added to the claim for the non-dep it appears to take the maximum deduction).

(This disregard will be up-rated annually in line with figures provided annually by DCLG)

A new minimum earnings threshold will be introduced with effect from 01/04/15 to reflect the current arrangements in the Housing Benefit scheme.

This minimum earnings threshold will help to determine whether a European Economic Area (EEA) national's previous or current work can be treated as genuine and effective for the purposes of deciding whether they have a right to reside in the UK as a worker or self-employed person.

The minimum earnings threshold has been set at the level at which workers start to pay National Insurance Contributions (NICs), currently £153 a week in the 2014/15 tax year. If an EEA national can prove that they have been earning at least this amount for a period of 3 months immediately before they claim CTS their work can be treated as genuine and effective and they will have a right to reside as a worker or self-employed person.

If they do not satisfy the minimum earnings threshold criteria, a further assessment will be undertaken against a broader range of criteria (such as hours worked, pattern of work, nature of employment contract etc.) to determine whether their employment is genuine and effective.

Ultimately, if an EEA national's income does not meet the minimum earnings threshold or the additional criteria to be classified as genuine and effective employment they will not be eligible for CTS.

Special Educations Needs Allowance – to be disregarded in full with effect from 01/09/14

War Pensions / Armed Forces Compensation Scheme Guaranteed Income Payments – to be disregarded in full with effect from 01/04/13 (and to be consistent with Housing Benefit)

From 01/04/15 the CTR scheme will include changes to the habitual residency test to reflect changes to the Housing Benefit (HB) regulations.

The amendments to the CTS scheme removes access to CTS for EEA jobseekers who make a new claim for CTS on or after 1 April 2015. EEA nationals who are self-employed, are workers or who are unemployed but retain their worker status have the same rights to CTS as a UK national and their situation remains unchanged.

EEA jobseekers who are entitled to CTS and JSA(IB) on 31 March 2015 will be protected until they have a break in their claim for CTS or JSA. If their JSA ends because they have started work, then as long as we can be satisfied that their employment is genuine and effective they will be able to access in-work CTS as either a worker or a self-employed person. Claimants receiving in-work CTS beyond 1 April will continue to be able to access CTS, if they become entitled to JSA(IB) on or after that date, but only if they retain their worker status. If they are a jobseeker then their CTS entitlement ends from the Monday following the cessation of work.

Changes with effect from 1 April 2018 to bring the scheme in line with Housing Benefit changes

- **2 child cap**

The Government has announced that they will limit benefit support by only taking into account a maximum of two dependent children per family. It affects all claims where new children are born after April 2017. This will apply in Housing Benefit to families that make a new claim from April 2017

- **Loss of the family premium**

The Government removed the family premium for new claims within the assessment of Housing Benefit with effect from May 2016

- **Bereavement Support Payments to be disregarded in full**

This was introduced into Housing Benefit with effect from April 2017

- **Any payments from the 'We love Manchester Fund' and the 'London Emergency Trust' to be disregarded in full**

- **Maximum backdate period of 1 month**

- **Absence from home limited to 4 weeks when outside GB**

The temporary absence rules for Housing Benefit were amended in 2015 reducing the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.

The limit applies to new periods of absence only. Exceptions are when an absence is in relation to

- Death of a partner, child or close relative
- Receiving medical treatment
- A person who has fled their home due to fear of violence
- A member of Her Majesty's forces posted overseas

- **Beneficial changes in circumstances to be reported within one month of the change in order for the claim to be updated from the date of change, otherwise changes will take effect from the Monday following date notified.**

- **All working aged claimants who receive Council Tax Support (unless they are a pensioner or classed as vulnerable) will pay 20% of their council tax liability, (after appropriate discounts have been awarded)**

An example of this change is as follows:

- 1) Current scheme (which allows for 100% reduction)

The customer's liability is £20.00 per week. As they are in receipt of Jobseekers Allowance they are entitled to full Council tax reduction making their council tax balance for the year £0.00

- 2) Proposed new scheme (20% minimum payment)

The customer liability is £20.00. Before any calculation takes place 20% of this amount is reduced from the liability to be used. This means that any calculation will be carried out on a figure of £16.00. Again the customer is on Jobseekers Allowance and so they are entitled to a full award. This will mean their council tax balance for the year will be £208.00 (£4.00 x 52).

- **De Minimis change amount of £10.00 per week for claimants in receipt of Universal Credit**
- **Apply a minimum award of £1.50**
- **Claimant or partner who meet the specific criteria of severe disablement contained within the policy will be protected from any percentage reduction in council tax support. Claimant or partner in receipt of Employment and Support Allowance will be protected from any percentage reduction in council tax support. This will also apply to customers who meet the criteria for receiving a war compensation related benefit or pension. Specifically this includes**

Criteria to be awarded for the severe disability premium:

- The customer has to be in receipt of
 - 1) Attendance allowance or
 - 2) Higher or middle rate care component of disability living allowance or
 - 3) The daily living allowance rate of personal independence payments
- They must not have a resident non-dependant
- No person is entitled to, and in receipt of, carers allowance in respect of caring for the customer and;
- If the customer has a partner they must also meet all above criteria

Criteria to be awarded the support component of employment and support allowance

It is accepted that some people's difficulties or disabilities are such that not only is the person not expected to look for work but are also not expected to undertake an work related activities or plan for starting work due to the severity of their difficulties

Criteria to qualify for the war pension's exemption

The customer and/or partner has to be in receipt of either:

- War pension
- War disablement pension
- War service attributable pension
- War widows pension
- War mobility supplement

Changes with effect from 1 April 2019

Severe Disability Premium does not exist in Universal Credit. From 1 April 2019 claimants or couples that have moved into Universal Credit but meet the above criteria for the severe disablement premium will be exempt from the percentage reduction.

Employment and support allowance does not form part of Universal Credit. Instead there is a limited capability for work and limited capability for work related activity element in Universal Credit which is similar to that used for identifying the work related activity group and support group of Employment Support Allowance. From 1 April 2019 claimants or partners in receipt of the limited capability for work related activity element in Universal Credit that is the equivalent to the support element of employment and support allowance will be exempt from the percentage reduction.

SUMMARY OF CHANGES FROM 01.04.13

| Current Council Tax Benefit Scheme (CTB) | Council Tax Support (CTS) |
|--|---|
| Second Adult Rebate - Awarded to the customer based on the circumstances of 'second adult'. Can be awarded due to a 'better buy' comparison | No award due for second person. On 'better buy' calculation customer will only be awarded any CTS due. |
| Reduction of the capital limit - Upper capital limit of £16,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit | Upper capital limit of £10,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit |
| Removal of earnings disregards – Permitted work - £97.50 Lone parents - £25.00 Disabled, carers or special occupations - £20.00 Couples - £10 Single £5 | Permitted work - £0 Lone parents - £0 Disabled, carers or special occupations - £0 Couples - £0 Single £0 |
| Removal of Child Benefit disregard – Child Benefit is fully disregarded for the calculation of CTB | Child benefit is fully included for the calculation of CTS |
| Increase in non-dependant deductions (using current figures) On pass ported benefit - £0.00 On JSA C/ESAC - £3.30 Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30 Income more than £394.00 per week – £9.90 £316.00 to £393.99 per week – £8.25 £238.00 to £315.99 per week - £6.55 £183.00 to £237.00 per week - £3.30 £124.00 to £182.99 per week – £3.30 Under £124.00 – £3.30 | On pass ported benefit - £0.00 On JSA C/ESAC - £3.30 Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30 Earnings less than £100 - £5.00 Earnings between £100 and £150 - £10.00 Earnings above £150 - £20.00 |

APPEALS

There will be no joint HB/CTR appeals – they will be heard separately by different bodies. First Tier Tribunals will hear the Housing Benefit appeals (as now) and the Valuation Tribunals Service will hear Council Tax Support appeals.

The legislation is contained within the Local Government Finance Act. Appeals against the local Council Tax Support Scheme will be covered by Regulation 16(b).

Process:

- The customer firstly needs to write to the Council saying they disagree with the decision. There is no time limit to do this. They can request this at any time.
- If we do not alter our original decision the customer has the right to appeal to the Valuation Tribunal.
- To appeal to the Valuation Tribunal the customer will need to do this on line at www.valuationtribunal.gov.uk
- The customer must complete the on line appeal application within two months of the date of the decision notice sent by ourselves upholding the original decision

As local schemes are not legislation, but are locally defined schemes, the Valuation Tribunal will not consider an appeal against a billing authority's actual scheme, as that is beyond their jurisdiction. However, the Valuation Tribunal will advise dissatisfied claimants of their right to apply to the billing authority for a discretionary discount under section 13 (1) (c) of the Local Government Finance Act 1992. They will also hear appeals where the authority refuses to exercise this discretion.

Shropshire Council Equality and Social Inclusion Impact Assessment (ESIIA)

Name of service change: *Minor amendment to Local Council Tax Support Scheme*

Contextual Notes 2016

The What and the Why:

The Shropshire Council Equality and Social Inclusion Impact Assessment (ESIIA) approach helps to identify whether or not any new or significant changes to services, including policies, procedures, functions or projects, may have an adverse impact on a particular group of people, and whether the human rights of individuals may be affected.

This assessment encompasses consideration of social inclusion. This is so that we are thinking as carefully and completely as possible about all Shropshire groups and communities, including people in rural areas and people we may describe as vulnerable, for example due to low income or to safeguarding concerns, as well as people in what are described as the nine 'protected characteristics' of groups of people in our population, eg Age. We demonstrate equal treatment to people who are in these groups and to people who are not, through having what is termed 'due regard' to their needs and views when developing and implementing policy and strategy and when commissioning, procuring, arranging or delivering services.

It is a legal requirement for local authorities to assess the equality and human rights impact of changes proposed or made to services. Carrying out ESIIAs helps us as a public authority to ensure that, as far as possible, we are taking actions to meet the general equality duty placed on us by the Equality Act 2010, and to thus demonstrate that the three equality aims are integral to our decision making processes. These are: eliminating discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good relations.

The How:

The guidance and the evidence template are combined into one document for ease of access and usage, including questions that set out to act as useful prompts to service areas at each stage. The assessment comprises two parts: a screening part, and a full report part.

Screening (Part One) enables energies to be focussed on the service changes for which there are potentially important equalities and human rights implications. If screening indicates that the impact is likely to be positive overall, or is likely to have a medium or low negative or positive impact on certain groups of people, a full report is not required. Energies should instead focus on review and monitoring and ongoing evidence collection, enabling incremental improvements and adjustments that will lead to overall positive impacts for all groups in Shropshire.

A ***full report (Part Two)*** needs to be carried out where screening indicates that there are considered to be or likely to be significant negative impacts for certain groups of people, and/or where there are human rights implications. Where there is some uncertainty as to what decision to reach based on the evidence available, a full

report is recommended, as it enables more evidence to be collected that will help the service area to reach an informed opinion.

Shropshire Council Part 1 ESIIA: initial screening and assessment

Please note: prompt questions and guidance within boxes are in italics. You are welcome to type over them when completing this form. Please extend the boxes if you need more space for your commentary.

Name of service change

Minor amendment to existing local Council Tax Support scheme. Proposed change is to align existing exemptions within the scheme for claimants that have moved into Universal Credit.

Certain groups are proposed as being exempt from these changes.

Aims of the service change and description

The former national Council Tax Benefit scheme was abolished on 31 March 2013 and replaced with a new system of localised Council Tax Support, which requires each billing authority to design and implement its own scheme for awarding council tax discounts to working age customers on low incomes, while accommodating a 10% reduction in Government funding.

Shropshire Council's current scheme was approved by Council on 14 December 2017. The changes that were agreed that took effect from 1 April 2018 were:

- *Make changes to our current scheme to align with Housing Benefit changes
 - *Removal of the family premium*
 - *Applying the two child limitation*
 - *Restricting backdating to a maximum of 1 month*
 - *Bereavement Support payments and payments from either the 'We love Manchester Fund' or the 'London Emergency Trust' to be disregarded in full*
 - *Absence from home to be limited to 4 weeks when outside GB*
 - *Beneficial changes to be reported within one month of date of change**

- *Apply a minimum award of £1.50*
- *Introduce a de minimus amount of £10.00 per week for claimants in receipt of Universal Credit*
- *Apply a minimum 20% payment in Council Tax Support*

A link to the report considered by Council including a summary of the scheme is below.

<http://shropshire.gov.uk/committee-services/documents/s17354/15%20Council%20Tax%20Support%20002.pdf>

In order to ensure that the most vulnerable groups in society are protected it was agreed that the following would be exempt from the 20% minimum

payment.

- *Claimants in receipt of severe disability premium*
- *Claimants in receipt of the support component of employment and support allowance*
- *Claimants in receipt of war pension*

Proposed changes to Shropshire Council's Council Tax Support Scheme with effect from 1 April 2019.

Shropshire Council went live with Universal Credit full service in May 2018.

The Severe Disability Premium does not exist in Universal Credit.

Employment and Support Allowance does not form part of Universal Credit.

This means that claimants that have moved into Universal Credit that would otherwise have been exempt from the 20% minimum payment will not be exempt.

In order to ensure that affected claimants that have moved into Universal Credit retain the exemption from the 20% minimum payment it is proposed that:

- *Claimants or couples that have moved into Universal Credit but meet the qualifying criteria for the severe disablement premium will be exempt from the 20% minimum payment.*
- *Claimants or partners in receipt of the limited capability for work related activity element in Universal Credit (that is the equivalent to the support element of employment and support allowance) will be exempt from the 20% minimum payment.*

There is no expected cost or saving as a result of this amendment.

Intended audiences and target groups for the service change

- *Members of the public*
- *Members*
- *Registered Social Landlords*
- *Working age claimants*
- *Other Council departments*
- *Advice agencies*

Evidence used for screening of the service change

Specific consultation and engagement with intended audiences and target groups for the service change

A consultation will commence on 16 November 2018 and run until 11 December 2018. The proposed changes have been discussed with Citizens Advice Bureau who are supportive of these two amendments.

Potential impact on Protected Characteristic groups and on social inclusion

Using the results of evidence gathering and specific consultation and engagement, please consider how the service change as proposed may affect people within the nine Protected Characteristic groups and people at risk of social exclusion.

1. Have the intended audiences and target groups been consulted about:
 - their current needs and aspirations and what is important to them;
 - the potential impact of this service change on them, whether positive or negative, intended or unintended;
 - the potential barriers they may face.
2. If the intended audience and target groups have not been consulted directly, have their representatives or people with specialist knowledge been consulted, or has research been explored?
3. Have other stakeholder groups and secondary groups, for example carers of service users, been explored in terms of potential unintended impacts?
4. Are there systems set up to:
 - monitor the impact, positive or negative, intended or intended, for different groups;
 - enable open feedback and suggestions from a variety of audiences through a variety of methods.
5. Are there any Human Rights implications? For example, is there a breach of one or more of the human rights of an individual or group?
6. Will the service change as proposed have a positive or negative impact on:
 - fostering good relations?
 - social inclusion?

Initial assessment for each group

Please rate the impact that you perceive the service change is likely to have on a group, through inserting a tick in the relevant column. Please add any extra notes that you think might be helpful for readers.

| Protected Characteristic groups and other groups in Shropshire | High negative impact <i>Part Two ESIIA required</i> | High positive impact <i>Part One ESIIA required</i> | Medium positive or negative impact <i>Part One ESIIA required</i> | Low positive or negative impact <i>Part One ESIIA required</i> |
|--|---|---|--|--|
| Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg child for whom there are safeguarding concerns eg older person with disability) | | | | √ |
| Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; | | √ | The proposal will ensure that exemption will continue where claimant or partner has moved into Universal | |

| | | | | |
|---|--|--|---|---|
| learning disabilities; Multiple Sclerosis; cancer; HIV) | | | Credit and would otherwise have been exempt from the 20% minimum payment due to being in receipt of receipt of severe disability premium, or the support component of Employment Support Allowance and War pensions | |
| Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment) | | | | √ |
| Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment) | | | | √ |
| Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment) | | | | √ |
| Race (please include: ethnicity, nationality, culture, language, gypsy, traveller) | | | | √ |
| Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others) | | | | √ |
| Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment) | | | | √ |
| Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment) | | | | √ |
| Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people for whom there are safeguarding concerns; people you consider to be vulnerable) | | | | √ |

Guidance on what a negative impact might look like

| | |
|-------------|---|
| High | Significant potential impact, risk of exposure, history of complaints, no |
|-------------|---|

| | |
|------------------------|--|
| Negative | mitigating measures in place or no evidence available: urgent need for consultation with customers, general public, workforce |
| Medium Negative | Some potential impact, some mitigating measures in place but no evidence available how effective they are: would be beneficial to consult with customers, general public, workforce |
| Low Negative | Almost bordering on non-relevance to the ESIIA process (heavily legislation led, very little discretion can be exercised, limited public facing aspect, national policy affecting degree of local impact possible) |

Decision, review and monitoring

| Decision | Yes | No |
|----------------------------------|-----|----|
| Part One ESIIA Only? | √ | |
| Proceed to Part Two Full Report? | | √ |

If Part One, please now use the boxes below and sign off at the foot of the page. If Part Two, please move on to the full report stage.

Actions to mitigate negative impact or enhance positive impact of the service change

This is the section where you can explain what the service area is already planning to do. Check: for the groups who may be affected, what actions will you now take to mitigate or enhance impact of the service change? For example, if you are reducing a service there may be further use you could make of publicity and awareness raising through social media and other channels to reach more people who may be affected.

Actions to review and monitor the impact of the service change

This is the section where you can explain what actions the service area will be taking to review and monitor the impact of the service change, and with what frequency. Check: what arrangements will you have in place to continue to collect evidence and data and to continue to engage with all groups who may be affected by the service change, including the intended audiences? For example, customer feedback and wider community engagement opportunities, including involvement of elected Shropshire Council councillors for a locality.

Scrutiny at Part One screening stage

| People involved | Signatures | Date |
|--|-------------------|------------------|
| <i>Lead officer carrying out the screening</i> | Phil Weir | 16 November 2018 |
| <i>Any internal support*</i> | | |
| <i>Any external support**</i> | | |
| <i>Head of service</i> | James Walton | 16 November 2018 |

**This refers to other officers within the service area*

***This refers either to support external to the service but within the Council, eg from the Rurality and Equalities Specialist, or support external to the Council, eg from a peer authority*

Sign off at Part One screening stage

| Name | Signatures | Date |
|-------------------------------|-------------------|------------------|
| <i>Lead officer's name</i> | Phil Weir | 16 November 2018 |
| <i>Head of service's name</i> | James Walton | 16 November 2018 |

Note: Shropshire Council has referred to good practice elsewhere in refreshing previous equality impact assessment material in 2014 and replacing it with this ESIIA material. The Council is grateful in particular to Leicestershire County Council, for graciously allowing use to be made of their Equality and Human Rights Impact Assessments (EHRIAs) material and associated documentation.

For further information on the use of ESIIAs: please contact your head of service or contact Mrs Lois Dale, Rurality and Equalities Specialist and Council policy support on equality, via telephone 01743 255684, or email lois.dale@shropshire.gov.uk.