

CABINET

20 DECEMBER 2016

COUNCIL TAX REDUCTION SCHEME

Portfolio Holder: Councillor Rupert Turpin, Business Management

Report from: Phil Watts, Chief Finance Officer

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Summary

This report seeks members' approval of the re-adoption of the existing local council tax reduction scheme by Full Council for 2017/18.

1. Budget and Policy Framework

1.1 It is the Cabinet's responsibility to propose a budget to be agreed by Council. The scope of the localised Council Tax Reduction Scheme (CTRS) will have an impact on both the taxbase calculation and the budget requirement that underpin the budget proposal. The consequences of dealing with these issues will directly impact on the level of council tax. Approval of the CTRS is a matter for Full Council.

2. Background

2.1 The current Medway scheme is available from the following link
<http://www.medway.gov.uk/counciltax/reduceyourcounciltax/counciltaxreductionscheme.aspx>

2.2 The scheme consists of two parts; the first makes provision for non-pensioners and is at members' discretion, and the other makes provision for pensioners that is made on a national basis and in line with previous awards of council tax benefit

2.3 Key aspects of the CTRS are:

- Any entitlement to a reduction is based on a means test, by taking into consideration a customer's income and comparing this with any personal allowances, premiums and disregards to which they may be entitled.
- Claimants of pensionable age, or those in receipt of a war widow or war disablement pension, can claim, and may be entitled to a maximum reduction of 100 per cent of their council tax liability.

- Claimants of working age can claim and may be entitled to a maximum of 65 per cent of their council tax liability from the 1 April 2016. This was determined by full council on 21 January 2016 (decision number 677/2016) following a public consultation.
- A minimum deduction is made in respect of non-dependants to include any such person in the household, aged 18 years or more

2.4 For each financial year, the Council must consider whether to revise its scheme or to replace it with a replacement scheme. It must make any revision to its scheme, or any replacement scheme, by no later than 31 January for the subsequent financial year.

2.5 In order to maintain the balance between the council tax reduction scheme and the allowances to which claimants are entitled Council amended the original scheme on 24 January 2014, following public consultation, so that it is uprated on an annual basis in line with national changes (decision number 748/2014). The April 2017 allowances will not be announced until January 2017 and will be included in the Council report that follows on from this Cabinet document. However, proposed rates have been announced and are included at appendix 1.

2.6 Revisions to the CTRS or a replacement CTRS must be the subject of consultation.

3. Advice and Analysis

3.1 When considering making changes to this scheme it was necessary in the first instance to review how successful the existing policy had been since it came into effect on 1 April 2013 and as such the following factors have been considered:

Factor	Estimate Jan 13	Actuals as at 31/03/14	Actuals as at 31/3/15	Actuals as at 31/3/16	Actuals as at 30/10/16
Pensioner caseload	9,000	8,705	8,283	7,857	7,644
Working age caseload	14,000	13,261	12,336	11,939	11,268
Total caseload	23,000	21,966	20,619	19,796	18,912
Cost of scheme	£16,381k	£15,538k	£14,771k	£14,064k	£12,984k
Number of appeals received	N/A	43 (2 listed for tribunal and won)	50 (0 listed for tribunal)	42 (2 listed for tribunal 1 struck out and 1 withdrawn)	36 (2 listed for tribunal 1 struck out and 1 won)
Discretionary council tax relief awards	£70k	£8.9k	£7.7k	£4.8k	£5.6k

Council tax collection rate 2013/14	97.56%	95.4%	97.7%	98.7%	98.9%*
Council tax collection rate 2014/15	97.56%	N/A	95.3%	97.8%	98.4%*
Council tax collection rate 2015/16	97.56%	N/A	N/A	95.5%	97.0%*
Council tax collection rate 2016/17	97.56%	N/A	N/A	N/A	54.2%* (compared to 54.5% for 2015/16 as at 30/09/15)
Number of summonses issued for non-payment	9,809 (actual as at 31/03/13)	13,485	13,588	12,619	8,523 (compared to 9,606 as at 31/10/15)

*as at 30/9/16

- 3.2 The above shows that whilst there was an initial rise in recovery action as council taxpayers came to terms with having to make a contribution, this has subsequently declined whilst the collection rate remains on course and the cost of the scheme remains within expected parameters.
- 3.3 Since 1 April 2013 when the initial CTRS started, the caseload has fallen consistently from 22,990 to 18,912.
- 3.4 The number of appeal cases is a very minor proportion of the overall caseload but does show an increase during the course of the current year. This is not unexpected given the changes made to the scheme in January 2016. However, the number of appeals taken to tribunal remains a very minor proportion of cases.
- 3.5 In January 2016, a Diversity Impact Assessment (DIA) (attached at appendix 2) was undertaken on the proposals. This assessment identified a number of potential adverse impacts together with some mitigating factors that were incorporated into the scheme. It was also noted that any inequality issues arising from the CTRS can be mitigated through the use of Medway's Council Tax Discretionary Relief (CTDR).
- 3.6 The monitoring referred to in the DIA shows that between April 2015 and November 2015 3,886 summons were issued where claimants were in receipt of CTRS compared with 3,531 between April 2016 and November 2016. In addition, in 2015/16 25 claimants out of 230 applications received council tax discretionary relief compared to 15 successful applicants out of 181 applications so far this year.

- 3.7 Given that the scheme has and will remain unchanged (with the exception of annual uprating) and as such will not result in a change to the impact on individuals, it is not proposed to carry out a further assessment, although officers will continue to monitor the impact of the scheme on individuals.

4. Risk management

Risk	Description	Action to avoid or mitigate risk
Forecast cost of scheme falls short of estimate	Likelihood D (Low) Impact 3 (Marginal) Claimants may have reduced benefits 'unnecessarily'	Use of data modelling tools and data analysis
Forecast cost of scheme excessive	Likelihood D (Low) Impact 2 (Critical)	Use of data modelling tools and data analysis
Effect on collection	Likelihood B (High) Impact 2 (Critical) Potential for arrears not to be cleared within the relevant financial year leading to delays in collecting the following year's liability.	Quick and efficient recovery processes Annual uprating provided within the scheme to maximise claimants income

5. Financial and legal implications

- 5.1 The Council is under a legal duty under Schedule 1A to the Local Government Finance Act 1992 to consider each year whether to revise its council tax reduction scheme or to replace it with another scheme. Schedule 1A also provides that any revision to the scheme, or any replacement scheme, must be made no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 5.2 The cost of the recommended CTRS in 2016/17 including a 3.99% increase in council tax (1.99% 'annual' increase plus 2.00% levy for social care) is currently estimated at £12.985m.
- 5.2 Since the introduction of CTRS in 2013/14 the Council has awarded hardship relief of £27,023.88 under its Council Tax Discretionary Relief (CTDR) scheme. £70,000 was set aside in 2013/14 (this was included when calculating the collection rate in setting the 2013/14 council tax). Increasing the contribution expected from council taxpayers in 2016/17 has as expected led to an increase in payments made from this fund although it is expected to remain under £10,000 for the current financial year.

6 Recommendation

- 6.1 That Cabinet recommend the current Council Tax Reduction Scheme (which will therefore be subject to annual uprating) to Council for adoption on 26 January 2017.

7 Suggested reasons for decisions

- 7.1 The scheme continues to balance the need for supporting those currently in receipt of CTRS and the ability of the Council to fund the scheme within the current budgetary constraints.

Lead officer contact

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Appendices

Appendix 1– Proposed benefit and pension rate
Appendix 2 – Diversity Impact Assessment

Background Papers

None

Proposed benefit and pension rates 2017-2018

(Weekly rates unless otherwise shown)	RATES 2016	RATES 2017
ATTENDANCE ALLOWANCE		
higher rate	82.30	83.10
lower rate	55.10	55.65
BEREAVEMENT BENEFIT		
Bereavement payment (lump sum)	2000.00	2000.00
Widowed parent's allowance	112.55	113.70
Bereavement Allowance		
standard rate	112.55	113.70
age-related		
age 54	104.67	105.74
53	96.79	97.78
52	88.91	89.82
51	81.04	81.86
50	73.16	73.91
49	65.28	65.95
48	57.40	57.99
47	49.52	50.03
46	41.64	42.07
45	33.77	34.11
BENEFIT CAP - Rates introduced November 2016		
Reduction in annual level of Benefit Cap (Greater London)		
Couples (with or without children) or single claimants with a child of qualifying age	23000.00	
Single adult households without children	15410.00	
Reduction in annual level of Benefit Cap (Rest of Great Britain)		
Couples (with or without children) or single claimants with a child of qualifying age	20000.00	
Single adult households without children	13400.00	
Monthly equivalent (Greater London)		
Couples (with or without children) or single claimants with a child of qualifying age	1916.67	
Single adult households without children	1284.17	
Monthly equivalent (Rest of Great Britain)		
Couples (with or without children) or single claimants with a child of qualifying age	1666.67	
Single adult households without children	1116.67	

Weekly equivalent (Greater London)		
Couples (with or without children) or single claimants with a child of qualifying age	442.31	
Single adult households without children	296.35	

Weekly equivalent (Rest of Great Britain)		
Couples (with or without children) or single claimants with a child of qualifying age	384.62	
Single adult households without children	257.69	

CAPITAL LIMITS - rules common to Income Support, income based Jobseeker's Allowance, income-related Employment and Support Allowance, Pension Credit, and Housing Benefit, and Universal Credit unless stated otherwise

upper limit	16000.00	16000.00
upper limit - Pension Credit and those getting Housing Benefit and Pension Credit Guarantee Credit	No limit	No limit
Amount disregarded - all benefits except Pension Credit and Housing Benefit for those above the qualifying age for Guarantee Credit	6000.00	6000.00
Amount disregarded - Pension Credit and Housing Benefit for those above the qualifying age for Pension Credit	10000.00	10000.00
Child disregard (not Pension Credit, Employment and Support Allowance nor Housing Benefit)	3000.00	3000.00
Amount disregarded (living in RC/NH)	10000.00	10000.00

Tariff income

£1 for every £250, or part thereof, between the amount of capital disregarded and the capital upper limit

Tariff income - Pension Credit and Housing Benefit where claimant / partner is over Guarantee Credit qualifying age
£1 for every £500, or part thereof, above or between the amount of capital disregarded and any capital upper limit applicable

CARER'S ALLOWANCE	62.10	62.70
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DEDUCTIONS - rules common to Income Support, Jobseeker's Allowance, Employment and Support Allowance, Pension Credit and Housing Benefit unless stated otherwise

Non-dependant deductions from housing benefit and from IS, JSA(IB), ESA(IR) and Pension Credit

aged 25 and over in receipt of IS and JSA(IB), or any age in receipt of main phase ESA(IR), aged 18 or over, not in remunerative work	14.65	14.80
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aged 18 or over and in remunerative work		
- gross income: less than £136	14.65	14.80
- gross income: £136 to £199.99	33.65	34.00
- gross income: £200 to £258.99	46.20	46.65
- gross income: £259 to £345.99	75.60	76.35
- gross income: £346 to £429.99	86.10	86.95
- gross income: £430 and above	94.50	95.45
Deductions from housing benefit		
Service charges for fuel		
heating	28.80	28.80
hot water	3.35	3.35
lighting	2.30	2.30
cooking	3.35	3.35
Amount ineligible for meals		
three or more meals a day		
single claimant	26.85	27.10
each person in family aged 16 or over	26.85	27.10
each child under 16	13.60	13.75
less than three meals a day		
single claimant	17.85	18.05
each person in family aged 16 or over	17.85	18.05
each child under 16	9.00	9.10
breakfast only - claimant and each member of the family	3.30	3.35
Amount for personal expenses (not HB)	24.00	24.25
Third party deductions from IS, JSA(IB), ESA(IR) and Pension Credit for;		
arrears of housing, fuel and water costs	3.70	3.70
Council Tax etc. and deductions for ELDS and ILS.		
child support, contribution towards maintenance (CTM)		
standard deduction	7.40	7.40
lower deduction	3.70	3.70
arrears of Community Charge		
court order against claimant	3.70	3.70
court order against couple	5.75	5.75
fine or compensation order		
standard rate	5.00	5.00
lower rate	3.70	3.70
Maximum deduction rates for recovery of overpayments (not JSA(C)/ESA(C))		
ordinary overpayments	11.10	11.10
Fraud Overpayments		
Housing Benefit/ CTB only	18.50	18.50
Benefits (not HB or Council Tax)	29.60	29.60

Deductions from JSA(C) and ESA (C)		
Arrears of Comm. Charge & overpayment recovery		
Age 16 - 24	19.30	19.30
Age 25 +	24.36	24.36
Arrears of Council Tax & Fines		
Age 16 - 24	23.16	23.16
Age 25 +	29.24	29.24
Maximum deduction for arrears of Child Maintenance		
Age 16 - 24	19.30	19.30
Age 25 +	24.36	24.36

DEPENDENCY INCREASES

Adult dependency increases for spouse or person looking after children - payable with;

State Pension on own insurance (Cat A)	65.70	66.35
State Pension (non-contributory, Cat C)	39.30	39.70
long term Incapacity Benefit	61.20	61.80
Unemployability Supplement.	62.10	62.70
Severe Disablement Allowance	36.75	37.10
Carer's Allowance	36.55	36.90
short-term Incapacity Benefit (over state pension age)	58.90	59.50
short-term Incapacity Benefit (under State Pension age)	47.65	48.15
Child Dependency Increases - payable with;		
State Pension; Widowed Mothers/Parents Allowance;	11.35	11.35
short-term Incapacity benefit - higher rate or over state pension age;		
long-term Incapacity Benefit; Carer's Allowance; Severe Disablement		
Unemployability Supplement.		
NB - The rate of child dependency increase is adjusted where it is payable for the eldest child for whom child benefit is also paid. The weekly rate in such cases is reduced by the difference (less £3.65) between the ChB rates for the eldest and subsequent children.	8.00	8.00

DISABILITY LIVING ALLOWANCE

Care Component		
Highest	82.30	83.10
Middle	55.10	55.65
Lowest	21.80	22.00
Mobility Component		
Higher	57.45	58.00
Lower	21.80	22.00

DISREGARDS

Housing Benefit

Earnings disregards		
standard (single claimant)	5.00	5.00
couple	10.00	10.00
higher (special occupations/circumstances)	20.00	20.00
lone parent	25.00	25.00
childcare charges	175.00	175.00
childcare charges (2 or more children)	300.00	300.00
permitted work higher	115.50	120.00
permitted work lower	20.00	20.00
Other Income disregards		
adult maintenance disregard	15.00	15.00
war disablement pension and war widows pension	10.00	10.00
widowed mothers/parents allowance	15.00	15.00
Armed Forces Compensation Scheme	10.00	10.00
student loan	10.00	10.00
student's covenanted income	5.00	5.00
income from boarders (plus 50% of the balance)	20.00	20.00
additional earnings disregard	17.10	17.10
income from subtenants (£20 fixed from April 08)	20.00	20.00

Income Support, income-based Jobseeker's Allowance, Income-related Employment and Support Allowance (ESA(IR)) and Pension Credit

Earnings disregards		
standard (single claimant) (not ESA(IR))	5.00	5.00
couple (not ESA(IR))	10.00	10.00
higher (special occupations/circumstances)	20.00	20.00
partner of claimant (ESA(IR))	20.00	20.00
	(maximum)	(maximum)
Other Income disregards		
war disablement pension and war widows pension	10.00	10.00
widowed mothers/parents allowance	10.00	10.00
Armed Forces Compensation Scheme	10.00	10.00
student loan (not Pension Credit)	10.00	10.00
student's covenanted income (not Pension Credit)	5.00	5.00
income from boarders (plus 50% of the balance)	20.00	20.00
income from subtenants (£20 fixed from April 08)	20.00	20.00

EARNINGS RULES

Carer's Allowance	110.00	116.00
Limit of earnings from councillor's allowance	115.50	120.00
Permitted work earnings limit - higher	115.50	120.00
- lower	20.00	20.00
Industrial injuries unemployability supplement	6006.00	6240.00

permitted earnings level (annual amount)

Earnings level at which adult dependency (ADI) increases are affected with:

short-term incapacity benefit where claimant is		
(a) under state pension age	47.65	48.15
(b) over state pension age	58.90	59.50
state pension, long term incapacity benefit, severe disablement allowance, unemployability supplement - payable when dependant		
(a) is living with claimant	73.10	73.10
(b) still qualifies for the tapered earnings rule	45.09	45.09
Earnings level at which ADI is affected when dependant is not living with claimant;		
state pension,	65.70	66.35
long-term incapacity benefit,	61.20	61.80
unemployability supplement,	62.10	62.70
severe disablement allowance	36.75	37.10
Carer's allowance	36.55	36.90
Earnings level at which child dependency increases are affected		
for first child	230.00	230.00
additional amount for each subsequent child	30.00	30.00
Pension income threshold for incapacity benefit	85.00	85.00
Pension income threshold for contributory Employment Support Allowance	85.00	85.00

EMPLOYMENT AND SUPPORT ALLOWANCE

Personal Allowances

Single		
under 25	57.90	57.90
25 or over	73.10	73.10
lone parent		
under 18	57.90	57.90
18 or over	73.10	73.10
couple		
both under 18	57.90	57.90
both under 18 with child	87.50	87.50
both under 18 (main phase)	73.10	73.10
both under 18 with child (main phase)	114.85	114.85
one 18 or over, one under 18 (certain conditions apply)	114.85	114.85
both over 18	114.85	114.85
claimant under 25, partner under 18	57.90	57.90

claimant 25 or over, partner under 18	73.10	73.10
claimant (main phase), partner under 18	73.10	73.10
Premiums		
enhanced disability		
single	15.75	15.90
couple	22.60	22.85
severe disability		
single	61.85	62.45
couple (lower rate)	61.85	62.45
couple (higher rate)	123.70	124.90
carer	34.60	34.95
pensioner		
single with WRAC	53.45	57.20
single with support component	46.30	49.70
single with no component	82.50	86.25
couple with WRAC	93.65	99.35
couple with support component	86.50	91.85
couple with no component	122.70	128.40
Components		
Work-related Activity	29.05	29.05
Support	36.20	36.55
HOUSING BENEFIT		
Personal allowances		
single		
under 25	57.90	57.90
25 or over	73.10	73.10
entitled to main phase ESA	73.10	73.10
lone parent		
under 18	57.90	57.90
18 or over	73.10	73.10
entitled to main phase ESA	73.10	73.10
couple		
both under 18	87.50	87.50
one or both 18 or over	114.85	114.85
claimant entitled to main phase ESA	114.85	114.85
dependent children	66.90	66.90
pensioner		
single/lone parent has attained the qualifying age for Pension Credit but under 65.	155.60	159.35

couple – one or both has attained the qualifying age for Pension Credit but both under 65	237.55	243.25
single / lone parent - 65 and over	168.70	172.55
couple - one or both 65 and over	252.30	258.15
polygamous marriage		
for the claimant and the other party to the marriage where no members of the marriage have attained the age of 65	237.55	243.25
for each additional spouse who is a member of the same household as the claimant and no members of the marriage have attained the age of 65	81.95	83.90
for the claimant and the other party to the marriage where one or more of the members of the marriage are aged 65 or over	252.30	258.15
for each additional spouse who is a member of the same household as the claimant and one or more of the members of the marriage are aged 65 or over	83.60	85.60
Premiums		
family	17.45	17.45
family (lone parent rate)	22.20	22.20
disability		
single	32.25	32.55
couple	45.95	46.40
enhanced disability		
single	15.75	15.90
disabled child	24.43	24.78
couple	22.60	22.85
severe disability		
single	61.85	62.45
couple (lower rate)	61.85	62.45
couple (higher rate)	123.70	124.90
disabled child	60.06	60.90
carer	34.60	34.95
ESA components		
work-related activity	29.05	29.05
support	36.20	36.55
INCAPACITY BENEFIT		
Long-term Incapacity Benefit	105.35	106.40
Short-term Incapacity Benefit (under state pension age)		
lower rate	79.45	80.25
higher rate	94.05	95.00
Short-term Incapacity Benefit (over state pension age)		
lower rate	101.10	102.10

higher rate	105.35	106.40
Increase of Long-term Incapacity Benefit for age		
higher rate	11.15	11.25
lower rate	6.20	6.25
Invalidity Allowance (Transitional)		
higher rate	11.15	11.25
middle rate	6.20	6.25
lower rate	6.20	6.25
INCOME SUPPORT		
Personal Allowances		
single		
under 25	57.90	57.90
25 or over	73.10	73.10
lone parent		
under 18	57.90	57.90
18 or over	73.10	73.10
couple		
both under 18	57.90	57.90
both under 18 - higher rate	87.50	87.50
one under 18, one under 25	57.90	57.90
one under 18, one 25 and over	73.10	73.10
both 18 or over	114.85	114.85
dependent children	66.90	66.90
Premiums		
family / lone parent	17.45	17.45
pensioner (applies to couples only)	122.70	128.40
disability		
single	32.25	32.55
couple	45.95	46.40
enhanced disability		
single	15.75	15.90
disabled child	24.43	24.78
couple	22.60	22.85
severe disability		
single	61.85	62.45
couple (lower rate)	61.85	62.45
couple (higher rate)	123.70	124.90
disabled child	60.06	60.90

carer	34.60	34.95
Relevant sum for strikers	40.50	40.50

INDUSTRIAL DEATH BENEFIT

Widow's pension		
higher rate	119.30	122.30
lower rate	35.79	36.69
Widower's pension	119.30	122.30

INDUSTRIAL INJURIES DISABLEMENT BENEFIT

Standard rate		
100%	168.00	169.70
90%	151.20	152.73
80%	134.40	135.76
70%	117.60	118.79
60%	100.80	101.82
50%	84.00	84.85
40%	67.20	67.88
30%	50.40	50.91
20%	33.60	33.94
Maximum life gratuity (lump sum)	11150.00	11260.00
Unemployability Supplement	103.85	104.90
increase for early incapacity		
higher rate	21.50	21.70
middle rate	13.90	14.00
lower rate	6.95	7.00
Maximum reduced earnings allowance	67.20	67.88
Maximum retirement allowance	16.80	16.97
Constant attendance allowance		
exceptional rate	134.40	135.80
intermediate rate	100.80	101.85
normal maximum rate	67.20	67.90
part-time rate	33.60	33.95
Exceptionally severe disablement allowance	67.20	67.90

JOBSEEKER'S ALLOWANCE

Contribution based JSA - Personal rates		
under 25	57.90	57.90
25 or over	73.10	73.10
Income-based JSA - personal allowances		

under 25	57.90	57.90
25 or over	73.10	73.10
lone parent		
under 18	57.90	57.90
18 or over	73.10	73.10
couple		
both under 18	57.90	57.90
both under 18 - higher rate	87.50	87.50
one under 18, one under 25	57.90	57.90
one under 18, one 25 and over	73.10	73.10
both 18 or over	114.85	114.85
dependent children	66.90	66.90
Premiums		
family / lone parent	17.45	17.45
pensioner		
single	82.50	86.25
couple	122.70	128.40
disability		
single	32.25	32.55
couple	45.95	46.40
enhanced disability		
single	15.75	15.90
disabled child	24.43	24.78
couple	22.60	22.85
severe disability		
single	61.85	62.45
couple (lower rate)	61.85	62.45
couple (higher rate)	123.70	124.90
disabled child	60.06	60.90
carer	34.60	34.95
Prescribed sum for strikers	40.50	40.50
MATERNITY ALLOWANCE		
Standard rate	139.58	140.98
MA threshold	30.00	30.00

PENSION CREDIT

Standard minimum guarantee		
single	155.60	159.35
couple	237.55	243.25
Additional amount for severe disability		
single	61.85	62.45
couple (one qualifies)	61.85	62.45
couple (both qualify)	123.70	124.90
Additional amount for carers	34.60	34.95
Savings credit		
threshold - single	133.82	137.35
threshold - couple	212.97	218.42
maximum - single	13.07	13.20
maximum - couple	14.75	14.90
Amount for claimant and first spouse in polygamous marriage	237.55	243.25
Additional amount for additional spouse	81.95	83.90
Non-State Pensions (for Pension Credit purposes)		
Statutory minimum increase to non-state pensions	0.00%	1.00%

PERSONAL INDEPENDENCE PAYMENT

Daily living component		
Enhanced	82.30	83.10
Standard	55.10	55.65
Mobility component		
Enhanced	57.45	58.00
Standard	21.80	22.00

SEVERE DISABLEMENT ALLOWANCE

Basic rate	74.65	75.40
Age-related addition (from Dec 90)		
Higher rate	11.15	11.25
Middle rate	6.20	6.25
Lower rate	6.20	6.25

STATE PENSION

New State Pension

Full rate	155.65	159.55
Transitional rate below full rate	0.00%	2.5056%
Protected Payment	0.00%	1.00%
Increments - own (based on deferred new State Pension)	0.00%	1.00%
Increments - inherited (based on deferred old State Pension)	0.00%	1.00%

Old State Pension

Category A or B basic pension	119.30	122.30
Category B (lower) basic pension - spouse or civil partner's insurance	71.50	73.30
Category C or D - non-contributory	71.50	73.30
Additional pension	0.00%	1.00%
Maximum additional pension (own + inherited)	165.60	167.26
Increments to:-		
Basic pension	0.00%	1.00%
Additional pension	0.00%	1.00%
Graduated Retirement Benefit (GRB)	0.00%	1.00%
Inheritable lump sum	0.00%	1.00%
Contracted-out Deduction from AP in respect of pre-April 1988 contracted-out earnings	Nil	Nil
Contracted-out Deduction from AP in respect of contracted-out earnings from April 1988 to 1997	0.00%	1.00%
Graduated Retirement Benefit (unit)	0.1330	0.1343
Increase of long term incapacity for age	0.00%	1.00%
Addition at age 80	0.25	0.25
Increase of Long-term incapacity for age		
higher rate	21.50	21.70
lower rate	10.80	10.90
Invalidity Allowance (Transitional) for State Pension recipients		
higher rate	21.50	21.70
middle rate	13.90	14.00
lower rate	6.95	7.00

STATUTORY ADOPTION PAY

Earnings threshold	112.00	113.00
Standard Rate	139.58	140.98

STATUTORY MATERNITY PAY

Earnings threshold	112.00	113.00
Standard rate	139.58	140.98

STATUTORY PATERNITY PAY

Earnings threshold	112.00	113.00
Standard Rate	139.58	140.98

STATUTORY SHARED PARENTAL PAY

Earnings threshold	112.00	113.00
Standard rate	139.58	140.98

STATUTORY SICK PAY

Earnings threshold	112.00	113.00
Standard rate	88.45	89.35

UNIVERSAL CREDIT (monthly rates)

Universal Credit Minimum Amount	0.01	0.01
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Universal Credit Amounts

Standard allowance

Single

Single under 25	251.77	251.77
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Single 25 or over	317.82	317.82
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Couple

Joint claimants both under 25	395.20	395.20
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Joint claimants, one or both 25 or over	498.89	498.89
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Child amounts

First child	277.08	277.08
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Second/ subsequent child	231.67	231.67
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Disabled child additions

Lower rate addition	126.11	126.11
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Higher rate addition	367.92	372.30
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Limited Capability for Work amount	126.11	126.11
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Limited Capability for Work and Work-Related Activity amount	315.60	318.76
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Carer amount	150.39	151.89
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Childcare costs amount

Maximum for one child	646.35	646.35
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Maximum for two or more children	1108.04	1108.04
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Non-dependants' housing cost contributions	69.37	70.06
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Work allowances

Higher work allowance (no housing amount)

One or more dependent children or limited capability for work		
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Lower work allowance	397.00	397.00
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One or more dependent children or limited capability for work	192.00	192.00
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Assumed income from capital for every £250 or part thereof,
between capital disregard and upper capital limit

4.35	4.35
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UC Daily Reduction

100% reduction - High, medium or low level sanctions apply -
claimants aged 18 or over

Single

Single under 25	8.20	8.20
Single 25 or over	10.40	10.40
Couple		
Joint claimants both under 25 (per sanctioned claimant)	6.40	6.40
Joint claimants, one or both 25 or over and one is sanctioned (per sanctioned claimant)	8.20	8.20
40% reduction - Lowest level sanction applies		
Single		
Single under 25	3.30	3.30
Single 25 or over	4.10	4.10
Couple		
Joint claimants both under 25 (per sanctioned claimant)	2.50	2.50
Joint claimants, one or both 25 or over (per sanctioned claimant)	3.20	3.20
Third Party Deductions at 5% of UC Standard Allowance (excludes deductions for rent and service charges included in rent)		
Single		
Single under 25	12.59	12.59
Single 25 or over	15.89	15.89
Couple		
Joint claimants both under 25	19.76	19.76
Joint claimants, one or both 25 or over	24.94	24.94
Maximum deductions for Fines	108.35	108.35
Minimum deductions for rent and service charges included in rent at 10% of UC Standard Allowance (10% minimum introduced from Nov 2014)		
Single		
Single under 25	25.18	25.18
Single 25 or over	31.78	31.78
Couple		
Joint claimants both under 25	39.52	39.52
Joint claimants, one or both 25 or over	49.89	49.89
Maximum deductions for rent and service charges included in rent at 20% of UC Standard Allowance (20% maximum introduced from Nov 2014)		
Single		
Single under 25	50.35	50.35
Single 25 or over	63.56	63.56
Couple		
Joint claimants both under 25	79.04	79.04
Joint claimants, one or both 25 or over	99.78	99.78
Overall Maximum deduction Rate at 40% of UC Standard Allowance:		

Single		
Single under 25	100.71	100.71
Single 25 or over	127.13	127.13
Couple		
Joint claimants both under 25	158.08	158.08
Joint claimants, one or both 25 or over	199.56	199.56
Fraud Overpayments, Recoverable Hardship Payments and Administrative Penalties at 40% of UC Standard Allowance		
Single		
Single under 25	100.71	100.71
Single 25 or over	127.13	127.13
Couple		
Joint claimants both under 25	158.08	158.08
Joint claimants, one or both 25 or over	199.56	199.56
Ordinary Overpayments and Civil Penalties at 15% of UC Standard Allowance		
Single		
Single under 25	37.77	37.77
Single 25 or over	47.67	47.67
Couple		
Joint claimants both under 25	59.28	59.28
Joint claimants, one or both 25 or over	74.83	74.83
Ordinary Overpayments and Civil Penalties at 25% of UC Standard Allowance if claimant's and/or partner's earnings are over the Work Allowance		
Single		
Single under 25	62.94	62.94
Single 25 or over	79.46	79.46
Couple		
Joint claimants both under 25	98.80	98.80
Joint claimants, one or both 25 or over	124.72	124.72
WIDOW'S BENEFIT		
Widowed mother's allowance	112.55	113.70
Widow's pension		
standard rate	112.55	113.70
age-related		
age 54 (49)	104.67	105.74
53 (48)	96.79	97.78
52 (47)	88.91	89.82
51 (46)	81.04	81.86
50 (45)	73.16	73.91
49 (44)	65.28	65.95

48 (43)	57.40	57.99
47 (42)	49.52	50.03
46 (41)	41.64	42.07
45 (40)	33.77	34.11

Note: For deaths occurring before 11 April 1988

refer to age-points shown in brackets.

Note: The Cat C equivalent in Widow's Pension (code: WPE) is still linked to the rate of Category C State Pension. Not relevant to the Order.

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Appendix 2

TITLE <i>Name/description of the issue being assessed</i>	Council Tax Reduction Scheme (CTRS)
DATE <i>Date the DIA is completed</i>	26 November 2015
LEAD OFFICER <i>Name of person responsible for carrying out the DIA.</i>	Jon Poulson
<p>1 Summary description of the proposed change</p> <ul style="list-style-type: none"> • <i>What is the change to policy/service/new project that is being proposed?</i> • <i>How does it compare with the current situation?</i> <p>The CTRS aims to help people on low incomes with payment of their council tax by allowing a reduction in the amount they pay. This reduction varies (up to a maximum of 75%) and is based on the make-up of the household, the household income/savings and the Council Tax charge. Customers on certain benefits for a period of 26 weeks or more can continue to receive the reduction for up to 4 weeks on return to work.</p> <p>The changes proposed are to:</p> <ol style="list-style-type: none"> 1. Reduce the maximum discount from 75% to 65% 2. Increase the extended payment period from four weeks to eight weeks 	
<p>2 Summary of evidence used to support this assessment</p> <ul style="list-style-type: none"> • <i>Eg: Feedback from consultation, performance information, service user records etc.</i> • <i>Eg: Comparison of service user profile with Medway Community Profile</i> <p>Mosaic, a customer profiling tool, has been used to understand the make up of current CTRS recipients. The Mosaic profile within the work age employed group showed a predominance of aspiring home makers, transient renters, families with children and social renters. Those working age claimants who are not in employment showed a predominance of the same groups with the exception of aspiring home makers who were replaced by students/young renters.</p> <p>A consultation available to all Council Tax customers took place between 08.09.15 and 30.11.15. This consisted of:</p> <ul style="list-style-type: none"> • An online option via the Council's website • Paper surveys available upon request from all Medway Libraries, 	

Diversity impact assessment

contact points and hubs

- A letter to a proportion of randomly selected council tax payers and council tax reduction recipients; and
- Targeted communication with local groups.

There were 920 responses received with one in three responses from current Council Tax Reduction recipients. To ensure that the responses are representative of the Medway population all data has been weighted by gender and age.

53% of all respondents selected to “continue to pass on the government cuts to all those of working age who is entitled to a Council Tax Reduction”. Of these 58% agreed that the maximum reduction should decrease.

The following exceptions were considered:

- Females (57%) were more likely to agree that the cuts should be passed on than males (49%). However, both of these responses are not statistically different from the overall response (53%).
- Those aged under 34 (48%) were less likely to state that the government cuts should be passed on than respondents from older age groups (aged over 55). However, the proportion of under 34 respondents selecting this option is not statistically different to the overall response (53%).
- BME groups were less likely to state that cuts should be passed on to those of working age (40%) compared to white respondents (55%). However, passing cuts on to those of working age was still the preferred option amongst BME groups.

63% of respondents thought that the extended payment period should be extended.

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	Yes	Yes	N/A
Disability	Yes	No	N/A

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Gender reassignment	No	No	N/A
Marriage/civil partnership	No	No	N/A
Pregnancy/maternity	No	No	N/A
Race	Yes	Yes	N/A
Religion/belief	No	No	N/A
Sex	No	No	N/A
Sexual orientation	No	No	N/a
Other (eg low income groups)	Yes	Yes	N/A

4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

By increasing the extended payment period for council tax reductions to 8 weeks the Council will be providing increased support for those returning to work.

There is the potential for adverse impact on the following protected characteristics:

Age: Pensioners are protected from the changes as the Government has set out national rules about how Council tax Reduction should be calculated which means the changes proposed will not apply... However, young people may be adversely affected as they are more likely to be on lower incomes.

Disabled: The scheme is designed to help those in need whilst encouraging people into employment. However, some households may contain only those unable to work (disabled, carers etc) who therefore do not have the option of increasing their income to meet the additional council tax payments required under the amended CTRS.

Low income groups: By its very nature the CTRS is designed to protect low income groups, therefore any reduction in that protection will adversely affect them.

Race: Mosaic profiling of current CTRS recipients shows us that the majority of working age CTRS recipients are within three wards – River, Strood South and Chatham Central and they are more likely to be from

Diversity impact assessment

diverse backgrounds with a lower than average number from an English background.

Mosaic profiling of current CTRS recipients shows us that a higher than average number are single and in rented accommodation.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

The effects of the reduced discount can be mitigated by the Council's Council Tax Discretionary Relief scheme designed to assist those facing hardship as a result of the amendments. Claimants across all mosaic groups will have an equal opportunity to apply for this relief and can receive additional help of up to 100% of their bill. An award is based on an examination of their income and expenditure without any other criteria differentiating between claimants.

Enhancing extended payments from 4 weeks to 8 weeks will provide extra support to those people moving from benefits into work

Examples of other housing support that the Council provides to those on low income or seeking work include housing benefit and discretionary housing payments which are contributions towards rent.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Implement CTRS	Revenues & Benefits	01 April 2016
Review overarching impact of further welfare reforms	Revenues & Benefits	Ongoing
Monitor recovery action to identify any disproportionate increase arising from the change in discount level The number of CTRS cases being issued recovery notices will be compared to previous years and the number of CTDR applicants and successful claimants will also be compared to previous years. Any detrimental effects can then be reconsidered for the 2017/18 scheme prior	Revenues & Benefits	Ongoing

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to which the CTDR scheme will be a mitigating factor.

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

Implement the changes and proceed with the action plan seeking Cabinet approval on the basis that the outcome of the consultation supports implementation.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email annamarie.lawrence@medway.gov.uk

C&A: phone 1031 email paul.clarke@medway.gov.uk

BSD: phone 2472 or 1490 email: corppi@medway.gov.uk

PH: phone 2636 email: david.whiting@medway.gov.uk

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication