



Policy/Strategy/Service Owner	Marcus Lee
Name of policy, strategy, function or service being assessed	<b>Council Tax Reduction Scheme 2020/21</b>
New policy/function/service or review of an existing one?	<b>Review of an existing policy</b>
This issue date:	April 2020
Review date (if applicable):	Ongoing throughout 2021
Assessors:	Marcus Lee

**Stage 1 - Identifying the aims and objectives of the policy, strategy, function or service**

**1.1 Aim(s)**

To introduce a simplified Council Tax Reduction scheme with effect from 1<sup>st</sup> April 2020

**1.2 Objectives**

The implementation of Universal Credit within the area requires the Council to change its approach to Council Tax Reduction, given the high administrative burden of monthly changes and alterations to applicant's income.

There is a requirement to introduce a simplified scheme which can be easily administered without significant additional costs being placed on the Council. The current scheme is too reactive to minor changes in applicant's income leading to constant changes in Council Tax liability.

The scheme changes will only apply to working age applicants - pension age applicants are covered by the Prescribed Requirement Regulations determined by Central Government.

The move to an income-based scheme (without the complexities of a full means tested as required by the current scheme).

The changes will provide the following:

- Simplified claiming arrangements for all working age applicants;
- Certainty, at present, multiple changes are leading to some taxpayer's receiving a large number of Council Tax bills per year as their Council Tax Reduction is amended

- The maximisation of applicant's entitlement with clear straightforward messages to claim;
- Speed of processing, applications will be dealt with more efficiently and without the need for significant levels of evidence;
- Reduced administration costs. The changes will prevent the administration costs from rising year on year which would be inevitable under the current scheme.

It should be noted that the overall costs of the scheme (the amount of monies available to taxpayers) may change although, through the operation of the new scheme, lower income applicants may receive more support.

### 1.3 Scope

The new scheme will affect all working age applicants who are currently in receipt of Council Tax Reduction or those who apply after 1<sup>st</sup> April 2020. The scheme change will **not** affect pension age applicants

### 1.4 Other policies, strategies, functions or services linked to or affected

### 1.6 Stakeholders

Working age applicants who are currently in receipt of Council Tax Reduction or those who apply after 1<sup>st</sup> April 2020.

### 1.7 Methods of measuring progress against objectives

The scheme will be constantly monitored by the service throughout 2020 /21 to ensure that its objectives are met.

The decision to implement the new scheme has been undertaken by Full Council after taking into account the statutory requirement to consult the public and major precepting authorities.

## Stage 2 - Considering the relevant data and information

	Source (plus link if electronic)	Brief description
2.1	<i>EIA Data V2.1</i>	<p>The table provided in Appendix 1 provides a full analysis of the effect on each demographic group.</p> <p>The data provided also includes an analysis of the average level of support given under the current CTR scheme (19/20) and compares it with the levels to be provided under the new scheme (20/21).</p>
2.2	<i>Response from Major Preceptors</i>	<p>A response to our request was received from:</p> <ul style="list-style-type: none"> <li>• North Yorkshire County Council; and the</li> </ul> <p>Copies of their response are reproduced in Appendix 2 together with the Council's written reply.</p>

		<p>Whilst their comments are noted regarding the potential effect to the tax base, the Council has also pointed out that whilst there may be a slight increase in costs to the tax base:</p> <ul style="list-style-type: none"> <li>• There has been an overall reduction in the amount of Council Tax Reduction applicants year on year since 2013</li> <li>• There has been a continued growth of the tax base with significant numbers of new dwellings within the area;</li> <li>• The Council has consistently maintained high collection levels; and</li> <li>• The implementation of the long-term empty premiums (initially 50% from 2016 and from 1<sup>st</sup> April 2019, 100%) has generated significant increases in Council Tax for all preceptors</li> </ul>
2.3	<i>Analysis of the public consultation</i>	<p>The full public consultation results are shown within Appendix 3. In summary, the consultation responses are shown below however, all show an <b>overwhelming agreement</b> with all the options / proposals put forward by the Council.</p> <p><b>Should the Council Continue with the Current Scheme?</b> Yes 9%, No 85% Don't Know 6%</p> <p><b>Should the Council introduce a grid system as proposed?</b> Yes 85% No 9% Don't Know 6%</p> <p><b>Should the Council Limit the scheme to two dependants for all?</b> Yes 81% No 19% Don't Know 0%</p> <p><b>Should the Council remove Non-Dependant Deductions from the Scheme?</b> Yes 72% No 25% Don't Know 3%</p> <p><b>Should the Council change the claiming process for Universal Credit applicants?</b> Yes 100% No 0% Don't Know 0%</p> <p><b>Should the Council replace the current earnings disregards?</b> Yes 88% No 6% Don't Know 6%</p> <p><b>Should the Council disregard the first £25 of Carer's Allowance?</b> Yes 91% No 6% Don't Know 3%</p> <p><b>Should the Council remove the existing Extended Payments provision?</b></p>

		<p><b>Yes 88% No 9% Don't Know 3%</b></p> <p><b>Should entitlements be changed on a daily basis?</b>  <b>Yes 97% No 3% Don't Know 0%</b></p> <p><b>Should the Council reduce the capital limit to £6,000?</b>  <b>Yes 72% No 25% Don't know 3%</b></p> <p><b>Should the Council remove the Minimum Income Floor for Child Minders?</b>  <b>Yes 88% No 3% Don't know 9%</b></p> <p><b>Alternatives to changing the scheme</b></p> <p><b>Should the Council increase the Council Tax?</b>  <b>Yes 19% No 78% Don't Know 3%</b></p> <p><b>Should the Council cut services?</b>  <b>Yes 16% No 78% Don't Know 6%</b></p> <p><b>Should the Council use its reserves?</b>  <b>Yes 30% No 53% Don't Know 17%</b></p> <p>From the responses received it is clear that the respondents preferred a change to the scheme rather than the alternatives.</p>
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### Stage 3 - Assess the actual or likely impact on equality taking into account the protected characteristics.

#### Protected Characteristics

*Protected characteristics covered by:*

*All forms of discrimination - Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation*

*Direct discrimination, indirect discrimination, victimisation - Marriage & Civil Partnerships*

*Direct Discrimination, victimisation - Pregnancy & Maternity*

Certain applicant groups may be affected due to the changes in the scheme. Details are provided below:

- Single applicants - minor adjustments to entitlement
- Couples (no children) - adjustments to their entitlement due to the income ranges;
- Larger families who have two children or more may receive less support due to their higher level of available income;
- Some disabled applicants may have an adjustment to their support depending on their available income.

In all cases where there is a reduction in support, the Council will look to mitigate this by the use of an Exceptional Hardship Scheme which, on an individual basis, can 'top up' support for those applicants who are experiencing exceptional hardship.

Applications can be made to the Council at any time for this and an individual assessment of need will be undertaken by staff.
<b>Future Barriers</b> <i>Will implementation of this policy/strategy/function or service potentially create any future barriers to equality.</i>
No
<b>Consideration of Alternatives to the Proposal and Outcomes</b>
The alternative is to maintain the current scheme.
<b>Consultation</b> <i>Method and details of consultation, links to any relevant documentation</i>
<p>Consultation with the Major Preceptors (Fire and Rescue, Police and the County Council) commenced on 23 August 2019. Responses and the Council's reply is shown at Appendix 2</p> <p>A full public consultation was undertaken from 27 August 2019 to 06 October 2019. The responses to the consultation are shown in Appendix 3.</p>
<b>List of consultees:</b> All taxpayers within the district and all major preceptors
<i>See above</i>
<b>Issues raised from consultation:</b>
<p>The response by Major Preceptors concerned the potential effect to the tax base. The Council has responded to Major Preceptors in full.</p> <p>The Public Consultation provided overwhelming support for the changes proposed for 2020/21.</p>

<b>Stage 4 - Decision making &amp; action planning</b>
<b>Overall impact of policy/strategy/function or service</b> <i>Where equality issues have been identified, give details of justification or plans to mitigate the effects</i>
The effects of the change are shown in Appendix 1. A number of applicants will gain additional support. A minority of applicants may experience a reduction in support. In all cases applicants may apply for additional support under the Council's Exceptional Hardship Scheme.
<b>Decision</b>
It is recommended that the Council Tax Reduction scheme be changed in line with the proposals outlined and that a full 'income grid' scheme be introduced with effect from 1 <sup>st</sup> April 2020.
<b>Communicating the Results</b> <i>Details of how and where this Equality Impact Assessment will be published</i>
The decision will be made by Full Council on 5 December 2019 and full details will be made available on the Council's website.

All applicants will be notified of their new level of support. Where any applicant is to receive less support, the Council will invite a claim for an Exceptional Hardship payment.

**Contact point for questions or advice regarding the policy, strategy, function or service**

Marcus Lee

## Appendix 1 - Scheme Modelling Data

Existing Criteria	Existing Scheme		New Scheme		Average loss / Gain £ per week	Comments
	Numbers	Expenditure	Numbers	Expenditure		
Single	378	323749.93	360	304914.08	-1	
Couple	79	80619.33	72	60371.13	-5.4	
Family +1	260	198979.29	244	237369.24	3.02	
Family +2	372	309822.3	310	309419.91	-0.02	
Passported	425	473254.74	425	521133.13	2.166	
Applicant Gender – Male	1157	1263150	1157	1180737.4	-1.37	
Applicant Gender - Female	1127	1876839	1927	1960063	0.83	
Disability (existing disability premium)	415	511202.64	391	425430.72	-4.218	
Disabled Child (existing disabled child premium)	69	83192.2	51	48233.12	-13.18	
Enhanced Disability (Existing enhanced disability premium)	371	435303.44	358	393250.52	-2.26	
Severe Disability (Existing severe disability premium)	672	744918.72	665	715703.56	-0.84	
ESA ( existing work related activity component)	23	26409.76	23	26970.32	0.46	
ESA ( existing Support component)	244	272000.04	241	262226.34	-0.07	
Carer (existing Carers premium)	339	450048.04	325	388042.2		
Other .....					-3.71	
<b>Total Working Age Scheme</b>	1514	1386425.59	1414	1421394.59		
<b>Total Pension Age Scheme</b>	1570	1753564.26	1570	1753563.26		
<b>Total Scheme Costs</b>	3084	3139989.85	2984	3174957.85		

## Appendix 2 - Major Preceptors Responses and Council's reply



Our Ref: GF/LeH

**Gary Fielding**  
Corporate Director  
Strategic Resources  
County Hall  
Northallerton  
North Yorkshire  
DL7 8AD  
Tel: 01609 533304  
Email: [gary.fielding@northyorks.gov.uk](mailto:gary.fielding@northyorks.gov.uk)

Mr Marcus Lee  
Benefits Manager  
Ryedale District Council  
Ryedale House  
Malton  
YO17 7HH

6 September 2019

Dear Marcus

Thank you for your letter dated 23 August 2019 regarding the above that was addressed to Richard Flinton as the Chief Executive. Richard is on leave so I am replying on Richard's behalf.

The County Council understands the principles of standardisation and simplification of the scheme across North Yorkshire – targeting support to those in greatest need in our communities, making it clearer for claimants generally and reducing administration costs for billing authorities. We are all aware of the funding challenges and the need to improve efficiency. However, we are extremely concerned that the proposals will result in an overall increased cost of the scheme which will then impact on all preceptors, and whilst from an individual billing authority perspective the increase is relatively minor, for the County Council the aggregate is not insignificant – our assessment is that it will cost the County Council close to £34k for Ryedale alone. Administrative ease needs to be considered alongside the quantum of funding that is raised to support the important services provided by all councils whether collection authorities or preceptors.

We also feel that there is an opportunity to standardise the amounts payable across North Yorkshire. We appreciate that these are local schemes but if one of the aims is to adopt a standard approach across the county then we question the different values and approaches put forward by individual billing authorities.

We are also concerned about the process of consultation on two fronts. Firstly given the fact that the council tax collection yield is "shared" then there should be much earlier engagement of the County Council so the final proposals for consultation do not come as a surprise and our views can be fed in – surely North Yorkshire Finance Officers provides such a forum?. Secondly the timescales of this consultation are remarkably tight with just 2 weeks between your letter and your deadline during peak summer holidays.

In summary we support standardisation and simplification of the scheme but would wish to see this achieved without any increase in scheme costs. All councils face sustained funding challenges so we urge you to rethink.

Yours sincerely

A handwritten signature in blue ink, appearing to read "G. Fielding".

Gary Fielding  
Corporate Director, Strategic Resources



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Gary Fielding

Corporate Director

Strategic Resources

By email to [Gary.fielding@northyorks.gov.uk](mailto:Gary.fielding@northyorks.gov.uk)

15 October 2019

Dear Mr Fielding,

Thank you for your response to the CTR consultation and your concern that the proposal will result in an overall increase cost to the scheme. Therefore I would like to explain the proposed scheme further.

- The cost of the proposed scheme is an estimated amount based on the existing caseload which is constantly changing. The Council is monitoring the estimate and currently the estimated increased cost of the scheme is £47,000.
- Monitoring of council tax arrears indicates that those most vulnerable are unable to meet their proportion of the council tax liability, currently set at a minimum of 8.5%, leading to more unpaid council tax. The aim of the proposed scheme is to remove the minimum liability, which would mean those on the lowest income would get maximum support which would in turn lead to reducing outstanding council tax arrears and reducing the potential writing off of debts. On average, the council wrote off £86,264 in Council Tax in the last financial year.
- There is currently £75,066 of Council tax still outstanding from 2018 as at 01 October 2019 from uncollected CTR claims. Last year the council collected 86.16% of Local Council Tax Support, it is hoped that increasing the maximum liability would assist in significantly increasing the collection rate.

Yours sincerely

Marcus Lee

Benefits Manager

[marcus.lee@ryedale.gov.uk](mailto:marcus.lee@ryedale.gov.uk)

Tel: 01653 600666 Ext 43210

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Ryedale District Council, Ryedale House, Old Malton Road, Malton, North Yorkshire, YO17 7HH  
Tel: 01653 600666  
[www.ryedale.gov.uk](http://www.ryedale.gov.uk)

Continuing to do what matters for Ryedale

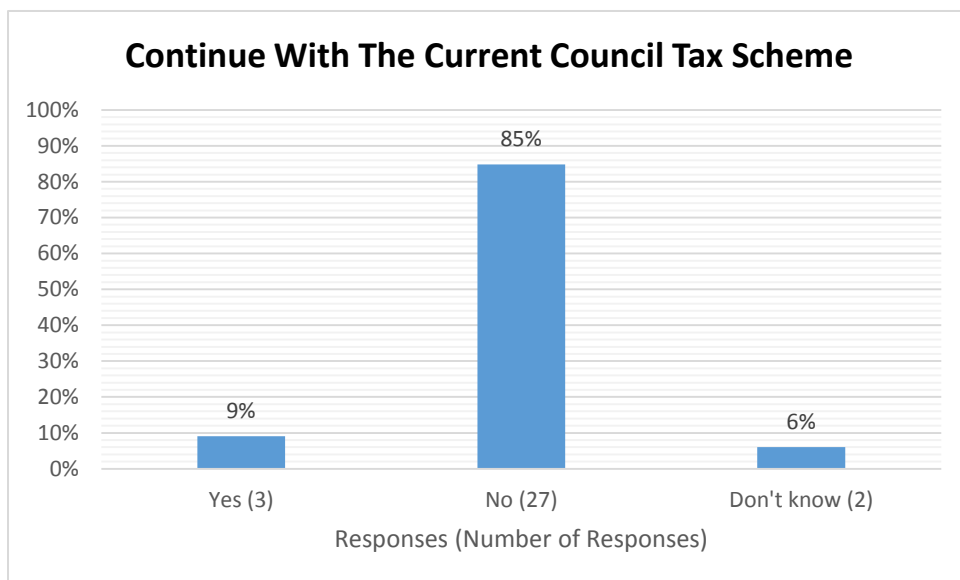
## Appendix 3 - Public Consultation Responses



### **Council Tax Reduction Scheme 2020/21**

The survey began on Tuesday 27<sup>th</sup> August and closed on Sunday 6<sup>th</sup> October. Overall 32 respondents completed this survey.

#### **Paying for the Scheme**



#### **Comments**

The only thing I would change is to keep it in line with UC would be to honour the children in the household that were their prior to the changes bringing in UC so if you had 3 children or more before 2017 to make it consistent.

From the background info, it sounds that the continuing will mean higher administration costs

I read the introduction and I would be surprised if you get any responses. I don't think that people will understand what you are asking. There is no basic breakdown explaining how this will affect people. What is the end result? Will I pay more or less council tax? This is what people want to know. The 10 or so options presented: are there multiple options available or just one? I think overall this is badly explained for a lay person and the majority of people who this affects will not understand what you are asking.

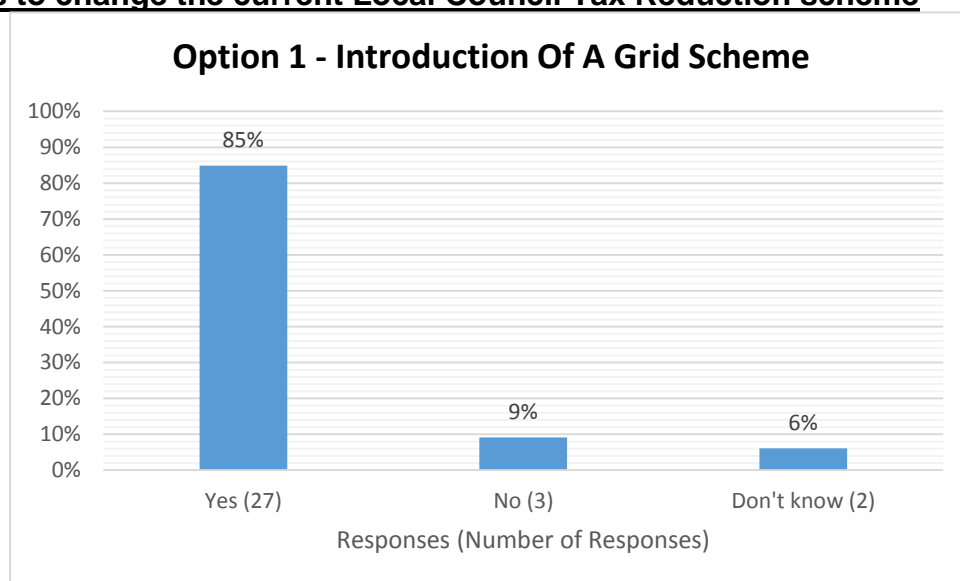
I think it is important to retain a close link between individual financial circumstances and the amount of help available.

Should not use taxpayer's money for schemes that do not benefit those tax payers at all.

A more simplified scheme would be welcomed. Allowing the more vulnerable to return to 100% Maximum Benefit will also make a big difference.

Sorry to be so useless.....it's so complicated. I like the idea of local control in general, especially for rural areas, and I assume a lot of work has gone into developing an alternative. However, to be honest I don't have complete faith in RDC's judgement on several issues, and there are local people who could work being supported by hard-working others.....is that because of RDC past judgments I wonder. That's why I don't know what to vote for.

### **Options to change the current Local Council Tax Reduction scheme**



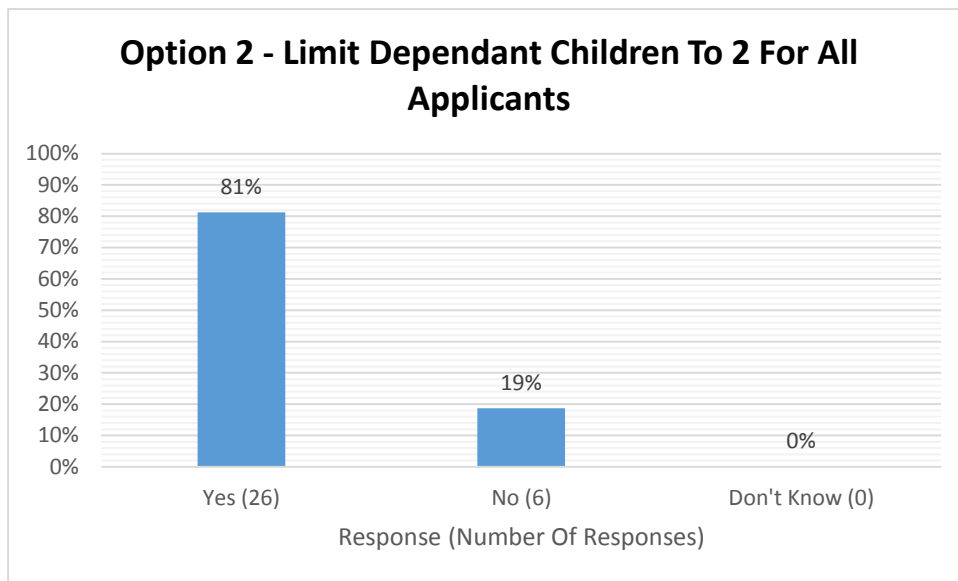
### **Comments**

I think that a schematic or illustration showing the difference between the present and proposed scheme(s) could help explain this.

Retain the existing scheme. Limiting the scheme to two children will only increase child poverty. The capital limit of £6,000 is too low. You say it will be easier to administer but presumably people will still have to provide evidence of their income and report changes in their circumstances. You haven't specified how it will be easier for Universal Credit claimants to claim council tax reduction.

Not reducing the capital limit, encourage people to save to a higher maximum level, i.e. 10000 to allow them a safety net in case of emergencies and enable them to pay without going immediately into debt

Agree with the overall principles but concerned about including the 2 child limit in the income banding. WBU would suggest a limit of 3 children as many families include this many children and the increase would significantly reduce the negative impact of this limit. Relying on discretionary support puts larger families at risk.

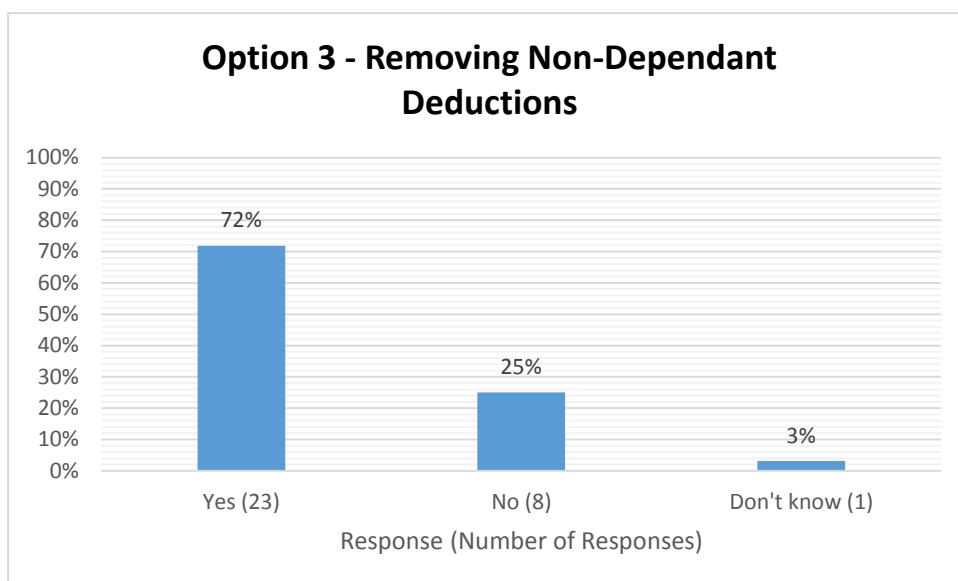


### Comments

I think that you should consider what the average family size is within Ryedale.

Leave as it is, otherwise it will fuel child poverty. Is there planned to be a transition period where only new claims are affected or will it apply to everyone from day one? Have you estimated the number of families that would be affected if this change applied now?

A limit of 3 plus children would reflect a common family size and reduce the number of children at risk of poverty and reduce the risk of spiralling debt and administrative cost of recovery.



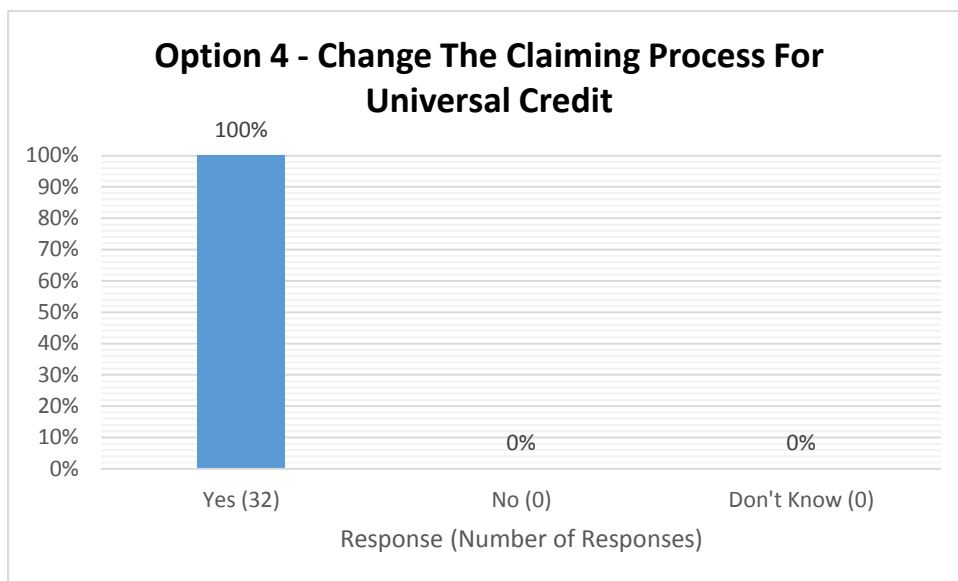
### Comments

No, unless there are provisions for disabled non-dependents. BTW, "The change is simple and administratively easy to incorporate within the scheme" and "It will make the administration of the scheme simpler;" are the same thing.

Continue with the non-dependant deduction. If I have understood this correctly a mother living with an adult son working and a mother living with an adult son not working would receive the same amount of Council Tax benefit if both mothers have the same income. This does not seem fair. Take the whole household income into consideration not just the taxpayer

Retain as part of current scheme.

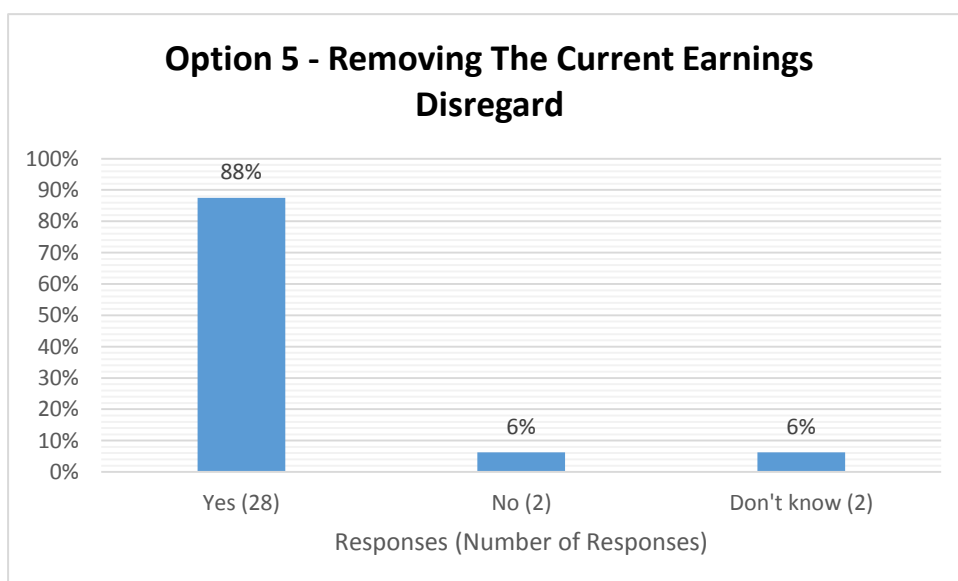
I would propose at least one standard non-dependant deduction to be made for all working age non-dependants over the age of 18 in the same way that one standard deduction is used in the calculation of Universal Credit. Or, even two deduction bands to replace the current four deduction bands. The lowest deduction to be used for working age non-dependants who are in receipt of the relevant unemployment Benefits and then a higher deduction to be used for the non-dependants who are in employment. A working age non-dependant with a good income should be expected to make some sort of contribution.



### Comments

Please ignore my earlier comment on UC. This makes sense and helps maximise due entitlement.

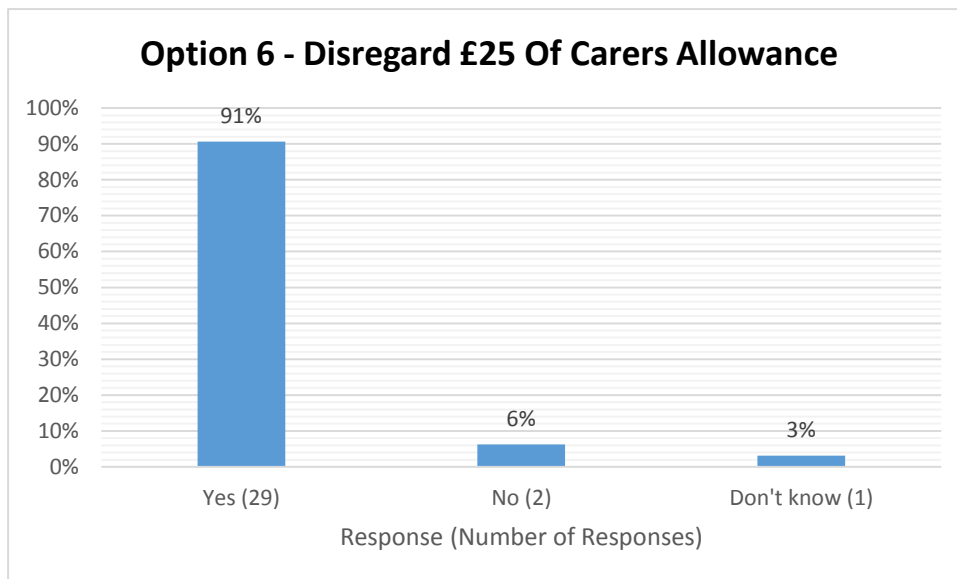
Note WBU agree with the principle of automatic assessment for those who receive universal credit have some concern about a lack of active choice. We suggest including some aspect of consent as well as ensuring that all relevant information is collected and is correct



### Comments

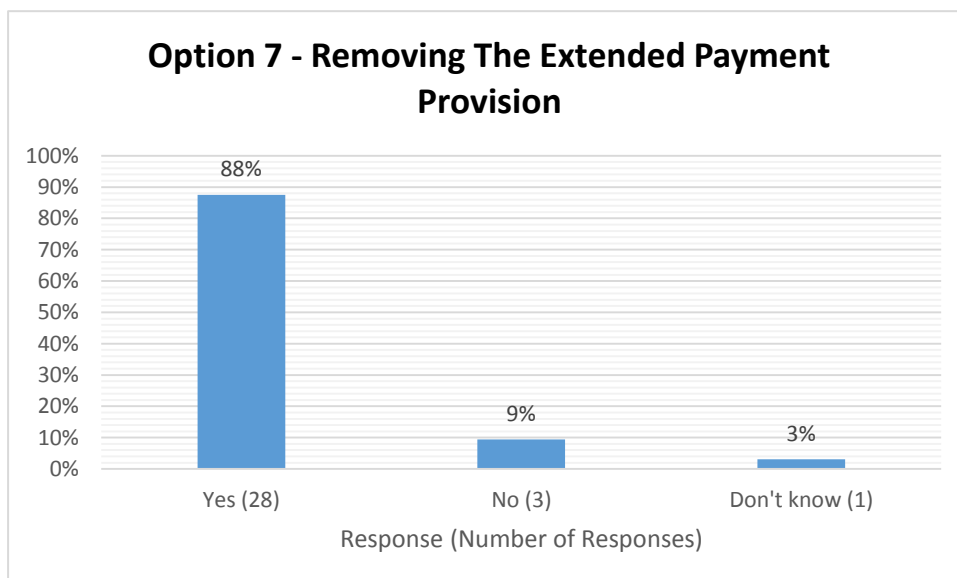
The drawback outweighs the benefit. High childcare costs prevent people from working.

WBU agree with the principle and the simplification but think there should be greater disregard should be given to those with children. The higher disregard should apply to all those with children not just those with 2 or more



### Comments

"The change is simple and administratively easy to incorporate within the scheme" and "It will make the administration of the scheme simpler;" are the same thing.  
It is not clear why £25 was chosen as the disregard level

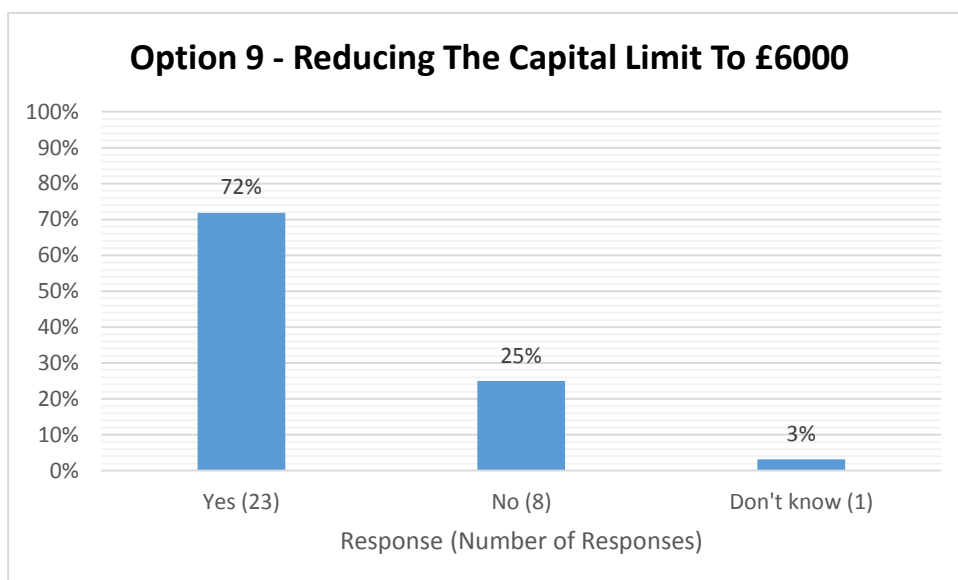
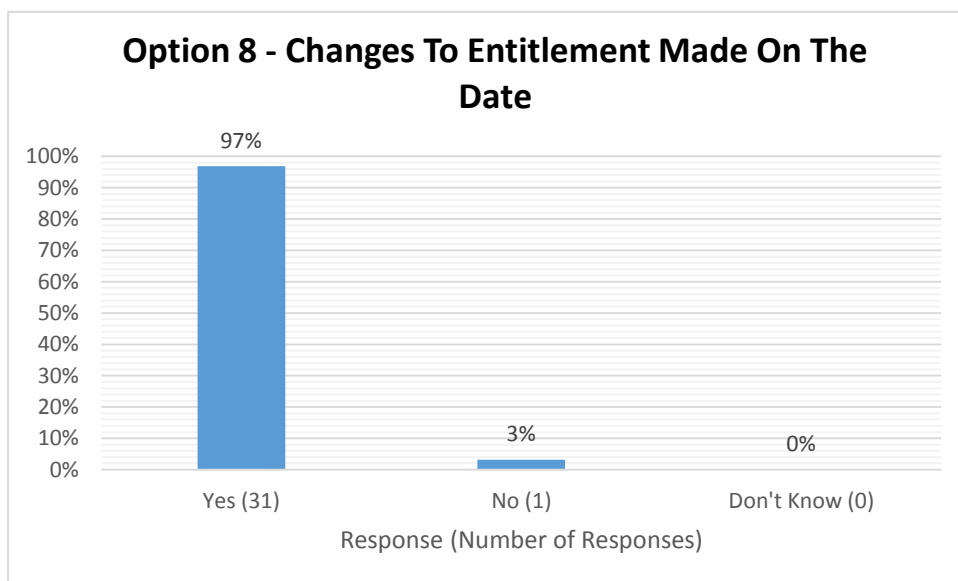


### Comments

Again, "The change is simple and administratively easy to incorporate within the scheme" and "It will make the administration of the scheme simpler;" are the same thing.

Remove automatic right and let claimants apply if necessary for extended benefit. So if necessary a support would be there if necessary but not for those who don't need the help.

although loss of extended payments will have a negative impact WBU understand the need to proportionally balance the administrative cost against benefit to residents



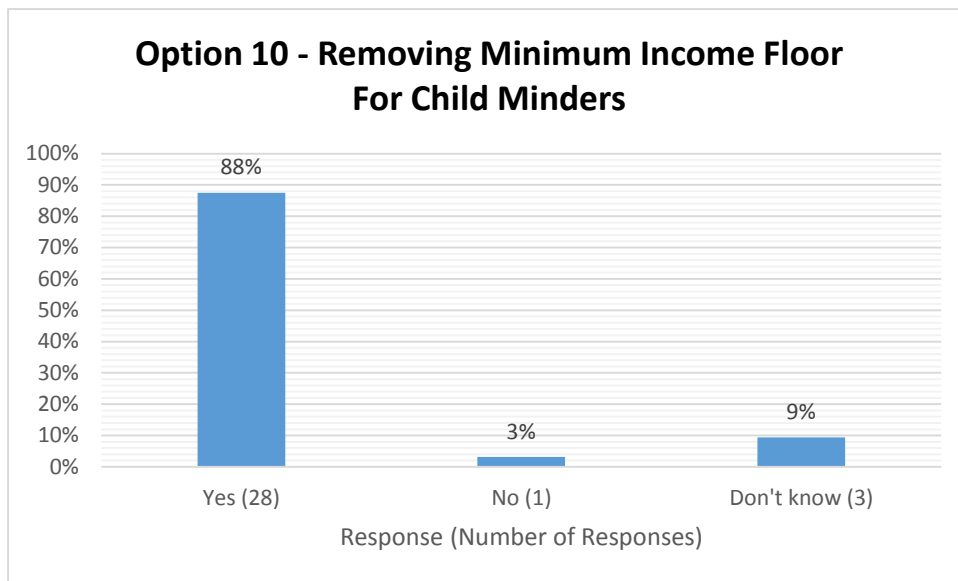
## Comments

Capital  $\neq$  money. We must encourage people to save and invest.

Retain £16k

I would reduce the capital limit to £3000.00.

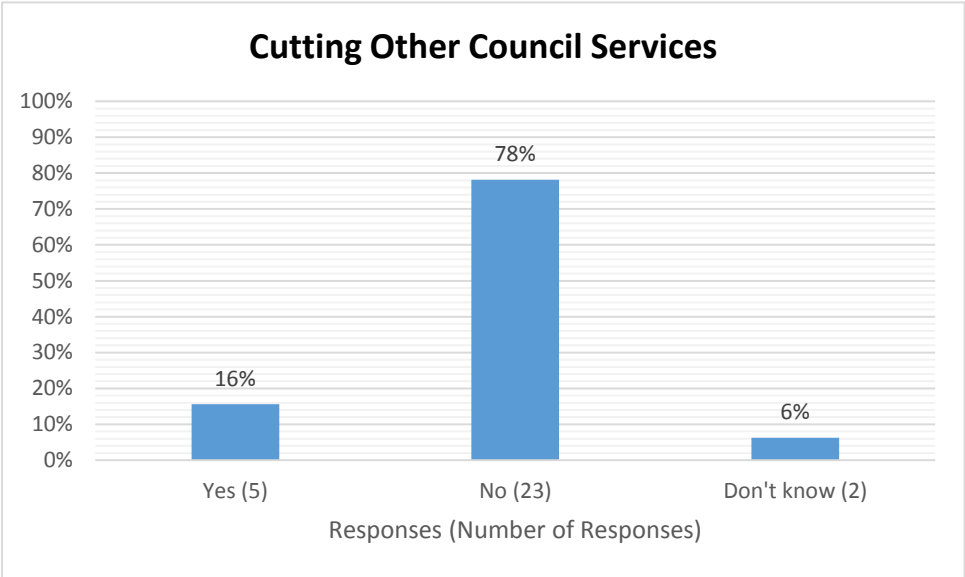
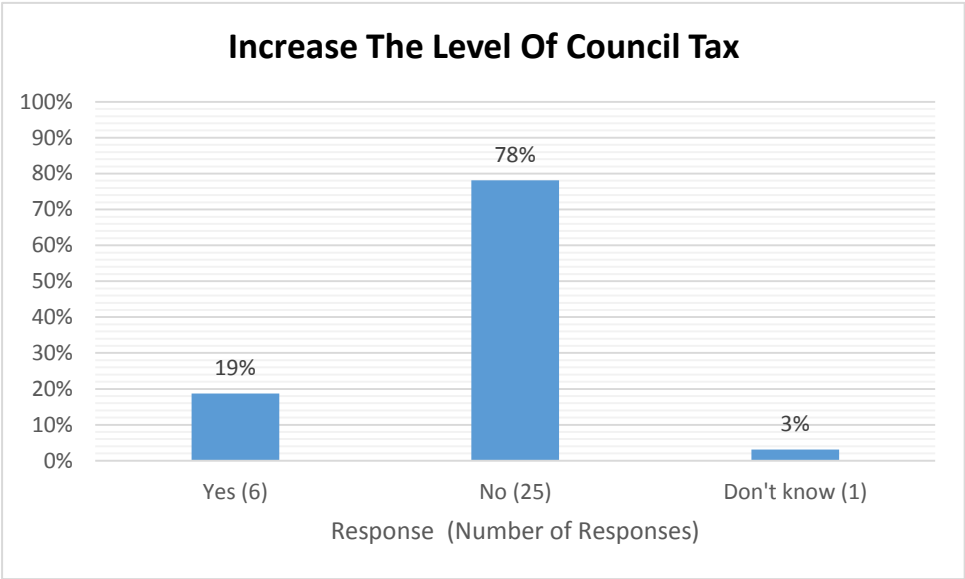
Reducing the capital cut-off point to £6,000 produces a harsh cut-off point for those with relatively low amounts of savings which are important to cover one-off expenses. For example claimant's may need to replace white goods and those in rural areas may be dependent on having a car which will need to be repaired or replaced from time to time

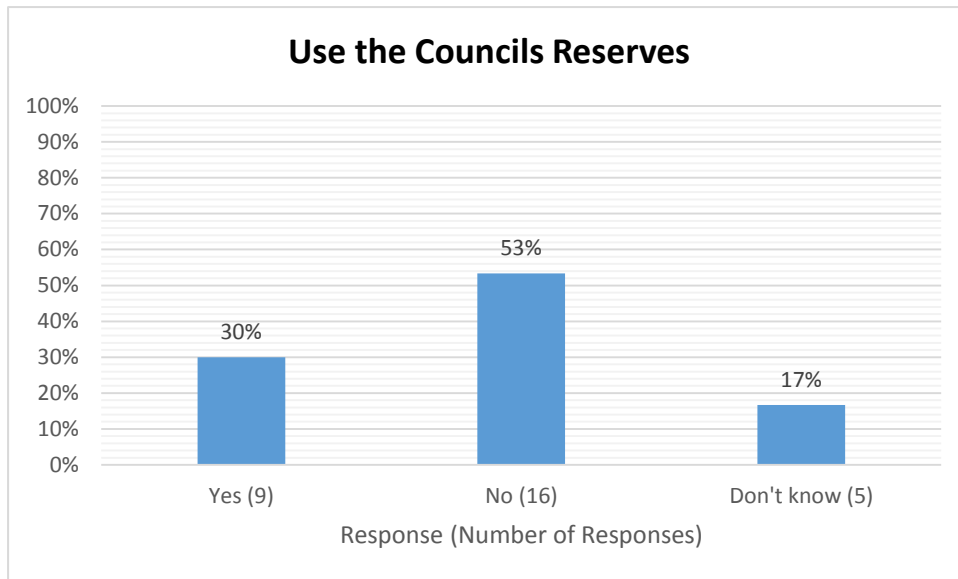


**Comments**

would also suggest removing this for all self-employed

**Alternatives to changing the Council Tax Reduction Scheme**

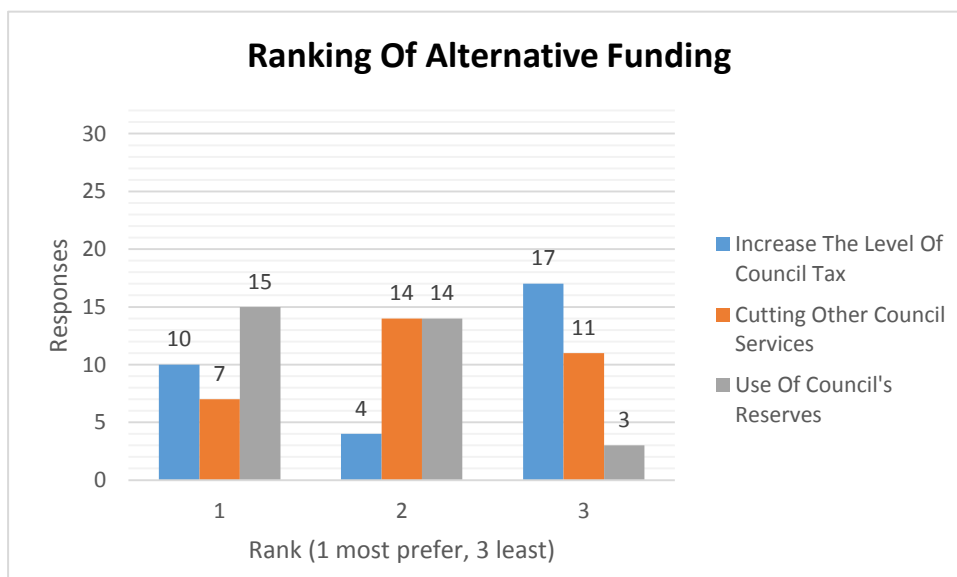




## Comments

The clearest message I have got from this is that the council wishes to improve its administrative services and make things easiest for them not the people of Ryedale. I agree that combining the information received on people claiming benefits and council tax would definitely help, but the administrative software used at the council could probably be improved. I'm assuming that the administration of these services are likely contracted out by NYCC and have very little to do with Ryedale. The solution may be revisiting that decision rather than asking the people of Ryedale to fund the revamp of a badly administered system. I understand that changes cost money, but improvements to the council services are something that should be partially funded internally. I do support the changes to council tax to be based more on income rather than arbitrary bands. What about revisiting rates for holiday homes that have income generated by letting via social media ie: AirB&B or holiday lets.

The proposed scheme allows for the Council to deliver a Council Tax Reduction scheme which is adaptable to change and move with the increased roll out of Universal Credit.



### Other Comments On The Scheme

I think that this could all be made much clearer to people. All I really understand from this is that the council wants to improve its administrative services, which is great. However, some of these costs are the responsibility of the council and come with keeping up with changing times. From what I can make out from this, my council tax would increase under this "reduction" scheme somewhere between £10 - £60. If I could actually understand what this is trying to tell me, I would know if that was per year, per week or per month - It is also most likely I have failed to understand any of this.

I feel that tax payers' money should benefit the people who pay it and we certainly shouldn't have to pay more than we already do to help others pay less.

The proposed Council Tax Reduction scheme is simplified which would make it easier for residents of Ryedale to understand and to claim. It also makes it simpler to administer for the Council.

The income banding allows for some variation in income without necessarily the need to adjust CTR, making it more manageable for claimants and CTR administration. There is some concern that the income bands provide sharp cut-off points rather than a taper. There is less generous provision for the severely disabled in comparison to previous entitlement to the severe disability premium within their benefit. It would be helpful if the Exceptional Hardship Payment scheme took account of this

### Council To Consider Any Other Option

Reconsider outsourcing administrative services or update tired or out of date software

### Further Comments or Questions

The consultation was hard to find when accessing Ryedale District Council's website directly. The survey is easy to follow.

There should additional support from central Government. No-Deal may also have an adverse effect.

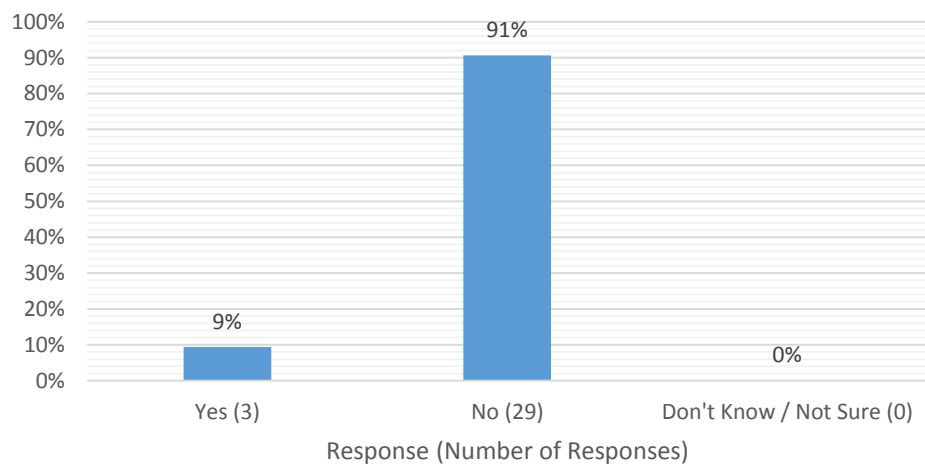
If you really want people's opinion, make this easier to understand. There is a lot of council language and stop the double use of "The change is simple and administratively easy to incorporate within the scheme" and "It will make the administration of the scheme simpler". What are the benefits to the people of Ryedale?

Reducing the capital allowance penalises people who have been prudent and saved, most likely at a time of hardship such as redundancy or illness. This cohort is likely a group which have paid a lot of tax over the years and if they need a reduction for any reason it may be one of the only times they are a beneficiary of the system they have been helping fund. Penalising people for saving also makes it harder for people to bounce back from setbacks and reduces their options.

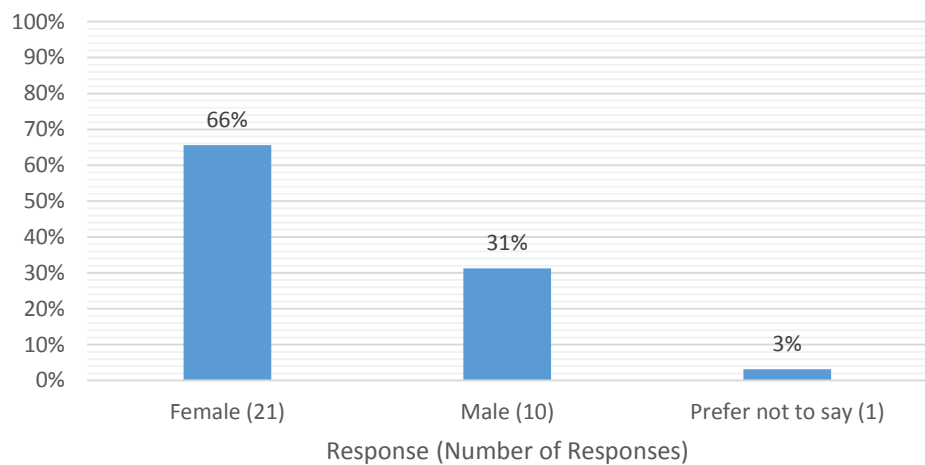
Overall the scheme is a lot fairer for the most vulnerable and with fewer changes to be taken into account throughout the financial year, should make it easier to keep up to date with my Council Tax instalments.

## About You

### Council Tax Reduction In The Household



### Gender



### Age

