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Cambridge City Council

STRATEGY AND RESOURCES SCRUTINY COMMITTEE - SPECIAL

To: **Scrutiny Committee Members** - Councillors Brown (Chair), Rosenstiel (Vice-Chair), Birtles, Boyce, Ashton, Benstead, Herbert and Tucker

Alternates: Councillors Pogonowski and Blackhurst

Leader of the Council: Councillor Bick

Executive Councillor for Customer Services and Resources:
Councillor Smith

Despatched: Wednesday, 12 December 2012

Date: Thursday, 20 December 2012

Time: 5.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Glenn Burgess **Direct Dial:** 01223 457013

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Head of Legal Services before the meeting.

3 PUBLIC QUESTIONS

Decisions of the Leader

Items for debate by the committee and then decision by the Leader of the Council

4 GREATER CAMBRIDGE CITY DEAL (Pages 1 - 16)

Decisions of the Executive Councillor for Customer Services and Resources

Items for debate by the committee and then decision by the Executive Councillor for Customer Services and Resources.

5 LOCALISATION OF SUPPORT FOR COUNCIL TAX (Pages 17 - 74)

Appendix B and G – to follow

Exclusion of Press and Public

It is recommended that the committee resolves to exclude the press and public by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

6 COMMERCIAL PROPERTY AT CLAY FARM, CAMBRIDGE

Information for the Public

Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

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- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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To: The Leader and Executive Councillor for Strategy:
Councillor Tim Bick
Report by: Antoinette Jackson
Relevant scrutiny Strategy & Resources Scrutiny 20/12/2012
committee: Committee
Wards affected: All Wards

GREATER CAMBRIDGE CITY DEAL - EXPRESSION OF INTEREST Key Decision

1. Executive summary

1.1 City deals are a series of devolutions of powers, responsibilities and funding streams negotiated between Government and partners in individual city-regions. Those partners are in turn required to integrate a range of their own economic growth levers into a combined, strengthened and binding decision-making framework.

1.2 Leaders and officers at Cambridgeshire County Council, Cambridge City Council and South Cambridgeshire District Council have carried out initial work on a Greater Cambridge city deal proposal.

1.3 An Expression of Interest needs to be submitted to Government by 15 January 2013. A draft is attached at Appendix A.

1.4 This report seeks authority to work up and submit an Expression of Interest for a Greater Cambridge City Deal, in partnership with neighbouring local authorities and other partners.

2. Recommendations

The Leader is recommended to:

- 1) agree the principles included in the expression of interest document attached in Appendix 1 and approve in principle the submission of a fully worked up version of this document to Government.
- 2) delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority and key external partners to finalise the expression of interest document; and, subject to consultation with the Leader, Chair and opposition spokes, to submit this to Government by 15 January 2013.

- 3) delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority, and key external partners, to work on negotiating a full city deal with Government if the expression of interest is successful; agree a draft City Deal with Government and partners, subject to consultation with the Leader, chair and spokes; and to bring any final City Deal to Strategy and Resources Committee for recommendation of adoption to full Council.

3. Background

3.1 Government announced the introduction of city deals in its “Unlocking Growth in Cities” white paper in December 2011. City deals are a series of devolutions of powers, responsibilities and funding streams negotiated between Government and local partners in individual city-regions. Those partners are in turn required to integrate a range of their own economic growth levers into a combined, strengthened and binding decision-making framework.

3.2 The core drive behind city deals is enabling city-regions to take greater control of driving economic growth, with local and national benefits expected to be experienced. An important element of these is the inclusion of key non-governmental stakeholders, particularly those in the business community, in the employment of economic growth levers on a city-region-wide basis.

3.3 The ‘first wave’ of city deals was negotiated with the eight Core Cities of England, and these were concluded by June 2012. In October 2012 government announced that there would be a second wave of city deals negotiated, with twenty city-regions invited to submit a proposal. Greater Cambridge was one of those city-regions invited to submit a proposal.

3.4 “Greater Cambridge” is taken locally to refer to the combined geographies of Cambridge and South Cambridgeshire. This is considered to be a practical approximation of Cambridge’s travel to work area and functional economic geography.

3.5 Leaders and officers at Cambridgeshire County Council, Cambridge City Council and South Cambridgeshire District Council have carried out initial work on a Greater Cambridge city deal proposal.

3.6 Government has made available the template for an expression of interest, which has been used as the base for work to date. The draft proposal that has been worked up is attached in Appendix 1. This has been submitted in draft form to the Cabinet Office as an early indication of local thinking on this matter, and feedback on this document is anticipated from Cabinet Office based on conversations with other government departments.

3.7 Several key stakeholders have been included in the outline work that has been done to date. The most actively included have been the University of Cambridge and the Greater Cambridge Greater Peterborough Enterprise Partnership.

3.8 The form that the second wave of city deals will take differs from the first wave insofar as an element of competition has been introduced for this wave. Although twenty city-regions have been invited to submit proposals, only a proportion of these will be successful. Government has not stated a set number of proposals that will be successful, but it is clear that innovation and transformation in the employment of economic growth levers is expected to be exhibited in second wave proposals, along with a genuine commitment to properly integrate these on a city-region basis.

3.9 Second wave city deals are expected to be much less broad than the first wave deals, instead focusing on the 'single biggest economic challenge' experienced in each city-region. As a result of this, it will be important for any proposal to work on the basis of the area's uniqueness. Government recognises that some of the first wave aspects could have relatively universal application, and several of these will be included in a "core package", which will effectively be a menu of more generic options that successful city-regions can pick from to complement their bespoke proposal.

3.10 Second wave city deal proposals are expected to initially take the form of an expression of interest, as per the template provided by government. Government will decide which proposals are successful on the basis of these expressions of interest, and the successful city-regions will then go on to work up a full proposal in detail. The timeframes as they are currently known are shown below.

DATE	ACTION
15 January 2013	Submission deadline for final expression of interest.
February 2013	Announcement of successful second-wave city-regions.
March 2013	Conclusion of the core package.
February-July 2013	Successful city-regions will work up full proposals with Government, followed by presentations to Ministers and negotiations around the proposal details.
July-November 2013	Agreeing and signing off implementation plans.

3.11 Pending approval to proceed with a proposal, the next step will be to finalise an expression of interest for a Greater Cambridge city deal to be submitted in time for the 15 January 2013 deadline. The Leader is recommended to delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority and key external partners to finalise the expression of interest document; and, subject to consultation with the Leader, Chair and opposition spokes, to submit this to government by 15 January 2013.

3.12 The Leader is also recommended, if the Greater Cambridge proposal is successful and asked by Government to work up a full proposal, to delegate to the delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority, and key external partners, to work on negotiating a full city deal with Government.

3.13 If Greater Cambridge is successful in bidding for a second wave city deal, the negotiated deal will be brought back to Strategy & Resources Scrutiny Committee to recommend adoption to full Council for a decision before an implementation plan is agreed with Government – this is anticipated in July 2013. We will be able to withdraw from the process up to this point if this is felt to be necessary.

4. Implications

(a) Financial Implications

There are no financial implications of submitting an expression of interest and working on a city deal with government.

A signed city deal would have considerable financial implications, the nature of which would vary according to the aspects included, but likely to include the pooling of funds currently held separately by the respective signatories to any Deal. This will be considered by full Council in the event that Greater Cambridge is successful in negotiating a city deal.

(b) Staffing Implications

Developing the proposal has required staff input from a number of senior officers, and this will continue through the negotiation phase. If a deal is concluded, it may have implications for staff in relevant services to ensure the desired degree of co-ordination and sharing between the partner authorities and other signatories.

(c) Equal Opportunities Implications

There are no equality and diversity implications of submitting an expression of interest and negotiating a city deal with Government. An initial Equalities Impact Assessment has been carried out on the proposals in the draft Expression of Interest.

This Equalities Impact Assessment will be revised in the event that Greater Cambridge is selected to negotiate a city deal as more detail becomes clear on the precise content of the deal.

(d) Environmental Implications

There are minimal environmental impacts from developing and submitting an Expression of Interest.

There may be more significant impacts from a finalised City Deal, as it would be intended to stimulate sustainable economic development in the Greater Cambridge area. It would be difficult to assess the net impact, however, until the detail of the Deal, and its component strategies, policies and investments came forward.

The intention would be to ensure that the Deal promoted sustainability – for instance, by promoting broadband connectivity and public transport, it would be hoped that the need for separate journeys to work would be reduced.

(e) Procurement

There has been no procurement associated with the City Deal to date, and none currently planned.

(f) Consultation and communication

The development of the draft Expression of Interest to date has been a largely internal process within the proposed partnership of local authorities. Cambridge University and the Greater Cambridge Greater Peterborough Local Enterprise Partnership have been consulted through their Pro-Vice Chancellor for Institutional Affairs and Chair respectively.

If selected to go forward for full City Deal negotiation, we would anticipate engaging a broader range of stakeholders in the detail.

(g) Community Safety

There are no obvious community safety implications of this decision.

5. Background papers

These background papers were used in the preparation of this report:

- Letter of invitation from Rt Hon Greg Clark MP dated 5 November 2012
- Initial Equalities Impact Assessment

6. Appendices

Appendix 1 – Draft Expression of Interest: Greater Cambridge City Deal

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Andrew Limb
Author's Phone Number: 01223 - 457004
Author's Email: andrew.limb@cambridge.gov.uk

Section A: Summary information

A1. Proposal title

Greater Cambridge - unleashing the phenomenon

Our economic challenge is to provide the infrastructure that will unlock the unrivalled potential of the Cambridge city region, build on its track record of success and launch into a new phase of stronger and sustainable international competitiveness.

Without the co-ordinated and focussed investment the city deal can deliver we risk choking off future growth, stalling the next wave of the Cambridge Phenomenon, and harming the wider rebalancing and recovery of the UK economy.

To maximise the Cambridge city region's ability to innovate and grow highly successful businesses in the international knowledge economy, public and private partners need to work together to improve the connectivity and networks between the city region's clusters and labour markets so that the right conditions are in place to deliver further growth.

These connections and networks need to be both intellectual and physical - so we can continue to exploit and support the city region's capacity for turning innovation into commercial ideas, keeping more of the second and third phase development of those ideas within the UK, and adding to the already outstanding GVA per capita we already deliver.

A2. Key partners involved in the proposal

The key local partners involved in this proposal are:

- Greater Cambridge Greater Peterborough Enterprise Partnership
- University of Cambridge
- Cambridge City Council
- South Cambridgeshire District Council
- Cambridgeshire County Council
- The Greater Cambridge business community

We hope that Government departments and agencies will also become partners in a Greater Cambridge city deal.

A3. Local point of contact

- Working level contact: [Andrew Limb](#), Cambridge City Council, 01223 457004
- Senior level contact: [Alex Plant](#), Cambridgeshire County Council, 01223 715660

Section B: Problem definition

B1. What is the single economic challenge or opportunity that you want to address through a city deal? Why has this been chosen as the focus of your proposal?

Our economic challenge is to provide the infrastructure that will unlock the unrivalled potential of the Cambridge city region, build on its track record of success and launch into a new phase of stronger and sustainable international competitiveness. In a globally competitive environment we face a stark choice between ensuring investment and growth in the UK or facing stagnation or decline as other city regions overtake us.

The opportunity to deliver a City Deal for greater Cambridge area could not have come at a better time to maximise the inherent strengths of our internationally recognised city region and to enhance the economic potential of the developments already planned, but which we risk failing to optimise.

Greater Cambridge's economic success to date is the story of a networked and connected city region. Research into the Cambridge phenomenon shows success happened in Cambridge because:

- A world class university drew talent into the area from all over the world, fostered innovation and encouraged business spinout from that innovation which developed into a strong hi-tech and bio-medical cluster
- The City's scale and connectedness allowed overlapping networks to develop and facilitated a culture of cooperation and cross fertilisation between entrepreneurs.
- The city is attractive as a place and therefore competes with other world cities as a good place for business leaders and their families to live, not just a good place to do business.

The global nature of Cambridge businesses means that they do have the opportunity to move their operations elsewhere in the world and retaining our success stories in the local area is as important as generating the ARMs and Autonomys of tomorrow.

In order to deliver more jobs and economic growth, the city region needs to grow physically and to work in a different way. The effect of the planned developments will mean that the city region will have new centres of gravity at the Addenbrookes Bio-Medical campus to the south and at the University of Cambridge's Northwest Cambridge site to the north.

These hi-tech, high-potential clusters need to be connected to each other, to the centre of the city, to the proposed new station in the north east of the city and to the necklace of science parks and research institutes. They also need to be easily connected to the major new 10,000 housing settlement we are seeking to deliver at Northstowe, significant new housing on the city fringes, the existing new development of Cambourne and proposed settlements at Waterbeach, as well as to the Enterprise Zone at Alconbury. Businesses and the universities tell us this connectivity is crucial.

In order to achieve that connectivity we need to tackle limited housing stock, high house prices and dated infrastructure, whilst retaining the high quality of life standards that has helped to attract some of the most talented people in the world to want to come and live, work and grow businesses here. Critical challenges that risk limiting our potential include:

- Shortage of housing within reasonable journey time of key employment centres has driven unsustainable levels of house prices as well as in rental prices, meaning that many key workers cannot afford to live in, or within a reasonable distance of, our key job sites. Average house prices in Cambridge are currently 8.85 times the average salary. Housing needs (i.e. waiting lists) are over 8,500 in Cambridge and over 3,200 in South Cambs.

- Transport infrastructure constraints mean that commuters have unreasonably lengthy, unreliable and congested journeys that reduce the attractiveness and reliability of doing business in the area. Traffic on Cambridgeshire's roads increased by 30% from 1999-2009, compared to a national average of 19%. By 2021, travel time is forecast to increase by 23% in the Cambridge sub-region.
- The infrastructure gap associated with existing plans has been independently assessed in one recent study to total around £1.82bn.
- The impact of these things together builds inefficiency into the economic landscape, making it harder for firms to recruit and retain the staff and access the markets they need.
- We are competing with Silicon Valley, Boston area, Bangalore but are much smaller and constrained than these areas by the issues set out above.

We need to be able to move people and intellectual property around the larger city region as effectively as we did around the smaller city of 40 years ago, for the networks and connectivity that uniquely characterise Cambridge's phenomenon to drive the UK economy in the decades ahead.

We need to achieve:

- New ways of funding and delivering infrastructure to support growth, and to grow, retain and attract world-class businesses.
- Fast, reliable, clean, affordable ways of travelling between business and housing centres.
- The right number, types and tenures of housing, in the right places, well-connected to employment centres (both virtually and physically).
- Immigration policies that recognise the value to our knowledge-based economy of retaining and attracting very high-skilled workers.
- Ways of supporting small businesses to access the finance they need to grow and develop
- A sense of "Cambridge" incorporating the whole City-Region

We need to secure some of the dividends from growth to invest in new infrastructure. Without that investment, the potential of city region to help drive a significant and sustainable rebalancing and growth of the UK economy will be lost, as we lose out to international rivals and growth rates fall.

B2. Why can't this be taken forward by the private sector or through existing policy tools?

- Private sector demand is extremely strong in our city-region, but without the enabling infrastructure that only the public sector can provide, this demand will not be met
- We have one of the fastest growing populations but high and increasing demands on the Council Tax base from cost-hungry services such as Adult Social Care.
- A transformative approach to infrastructure requires a scale and nature of investment that is unfeasible within current policy tools: We have utilised a range of existing tools creatively, e.g. investing through prudential borrowing, creating an innovative Revolving Fund by investing in loans and equity deals to facilitate development, and combining other existing funding sources. But whilst new policy tools such as CIL, New Homes Bonus, Business Rates Retention and GPF are welcome, they are not sufficient either to deliver the scale of infrastructure funding that is needed, or to deliver investment up front, when it is needed.
- The scale of the challenge we face means we need to move to more integrated approaches around developer contributions and tax increment financing to support a sizeable Revolving Fund to invest for growth. This in turn requires Government to allow local retention of some of the growth dividends we create, to enable the investments we need.
- This, alongside even closer integration of planning and delivery across administrative boundaries, is required to help unlock our full economic potential. The city deal would provide a potential framework, and a real impetus, for this transformation to take place.

Section C: Broad approach

C1. What broad approach do you intend to take to addressing the challenge or opportunity identified above?

- Integration in governance and strong city-wide leadership to develop a unified vision for the future of Greater Cambridge including the ability to combine key economic levers such as strategic planning, transport, skills and broadband – to meet the needs of people and businesses now and in the future.
- Innovative funding mechanisms, including ‘earn back’ and TIF-style powers, to create a revolving infrastructure fund to allow for the delivery of more transformative and ambitious infrastructure projects that unlock and connect housing and business growth as never before, as well as contributing to a virtuous cycle of investment and growth through the retention of greater growth dividends for reinvestment.
- Implementing an ambitious transport package to improve connectivity and speed delivery of planned significant housing developments.
- Better tailoring provision of services – e.g. skills – to genuinely meet local business needs and address gaps.
- Increased input from businesses and other partners.
- Link to measures through Future Cities, super-connected cities, etc. to build a transformative approach and ensure that systems are properly inter-connected.

C2. How can this approach ‘do more with less’ by delivering greater efficiency in public spend?

- More effective use of existing resources by tailoring them to local needs.
- Leveraging private investment to reduce the burden on public resources.
- Generating resources through business growth, etc. – for local and national benefit.
- Introduction of focus on loans through investment fund/venture capital fund to generate receipts on top of public investment.
- Unified local government teams supporting the Board, with shared service style efficiencies experienced.

C3. What local resources do you expect to invest in addressing this problem and what resources can be leveraged from the private sector?

- £220m committed to revolving investment fund from 2013-18.
- Possibly business rates pooling gain for the area.
- Public assets to de-risk private projects and deliver affordable housing.
- CIL investment.
- £25m capital investment at Northstowe.
- University leverage and private sector investment through housebuilding and commercial development flowing from new station and other developments.
- Opportunity cost from business rates incentives.
- University and college investments.
- Private sector developer funding.
- Leverage considerable private sector funding – e.g. critical mass in investment fund to attract pension funds, etc.

Section D: Expected benefits

D1. How do you expect your proposal to have an impact on local jobs and growth, and at what scale?

Greater Cambridge competes on a global stage and acts as a gateway for high-tech investment in the UK – the growth that we expect to drive through a city deal is net growth to the UK rather than displacing economic activity from elsewhere in the country.

There is huge economic potential – the city region is one of the few net contributors to the UK economy through its unique blend of innovation and technology and the local economy has continued to grow throughout the recession.

Our proposal is about

- Unlocking considerable suppressed demand – now and in the future – by generating additional funding to address our deficit.
- Increasing attractiveness and reliability of doing business in the area.
- Better targeting investment to the needs of our economy.
- The easing of the labour market problems that our proposals on housing and infrastructure will deliver, which will in turn allow a long term increase in jobs emerging from our growing internationally competitive clusters and more spin-outs.
- Direct job impact from construction activity.
- Enhanced business and Higher Education input into the employment of economic levers to increase their effectiveness.
- Integration allows more effective targeting of employment levers at big wins.
- Even more effective translation of university ideas into commercial outputs and spreading the Cambridge brand wider to cover the whole city deal geography, enhance our inward investment offer and increase the effective labour market catchment.

Section E: Governance

E1. Over what geographical area will you address this problem? Why?

- Cambridge and South Cambridgeshire.
- Practical approximation of the travel to work area of Cambridge. (over 50% of the population of the TTWA, and the vast majority of the economic activity and employment base).
- Inherent cross-boundary interactions in lives of people and businesses.
- Existing strong joint working arrangements to build upon – increases potential for a city deal to be truly effective in the area.
- The 3 partner authorities are ready to go – considerable practical difficulties with a wider area than this.

E2. What governance structures will ensure effective, binding and strategic decision-making across the relevant economic area?

- Greater Cambridge Economy & Transport Board as the core – ancillary panels to bring more specific focus, e.g. on transport and skills. The local authority partners will put various powers into this Board. It will be based on legally binding commitments
- We have a strong track record of working together between the public partners – e.g. joint strategic transport and planning member group, JDCCs, etc. – however not so much between sectors, which needs improving.
- Headlines of powers, etc. in proposed governance framework – integrated strategy incorporating strategic planning, transport, skills, broadband, etc. and control of investment fund.
- Bringing in partners/key stakeholders to drive greater efficiency and effectiveness.
- Strategic control vested in new governance framework, with binding, decision-making powers – dilution of sovereignty from existing local authority partners.

E3. How will you generate momentum in developing a workable city deal proposal?

- We have already done a lot of work – effectively have a working group formed.
- Senior officers and Members are on board, as are the LEP and Cambridge University.
- Political commitment has already been demonstrated to pooling powers and funding.
- We have a local consensus in favour of the growth agenda, as a key example of the commitment among both local authorities and businesses in the area to the growth we expect to drive through a city deal. This consensus could fracture if there is sense that growth is not supported by adequate infrastructure to support the needs of the expanding number of residents and also ensure they have a good quality of life.

SUPPORTING EVIDENCE

Strengths of the Greater Cambridge City Region include:

- One of UK's few genuinely internationally-recognised brands
- One of fastest growing city-regions in the fastest growing county in the UK (a third of the businesses here are “knowledge-based” and the region attracts 8% of the UK’s venture capital investment; the city generates more patents per 100,000 residents than the next six UK cities combined; 100 company formations per week, including 25 hi-tech; combined population is expected to grow to 340,000 by 2031, and jobs to 226,000).
- An economy already contributing £29,000 of GVA per resident (around £40,000 per job)¹ into the British economy and which has weathered the recession well
- A number of international business based in Cambridge including two FTSE100 £1bn+ firms – ARM and Autonomy started and developed within the city-region
- A world class University – consistently ranked in the top 2 in the world, and winning unparalleled funding (e.g. bringing around £300m p.a. in research funds into the City, almost 25% of which is from EU and other international sources and topping the list of institutions hosting ERC grantees) with the highest level of commercialisation of university research in UK
- Highly educated work force – (Cambridge has the highest proportion of higher skilled workers, and the lowest percentage with no qualifications) and complementary educational establishments including Cambridge Regional College and Anglia Ruskin University
- Addenbrookes Bio-Medical Campus – of the largest and most internationally competitive concentrations of healthcare-related talent and enterprise in Europe, whose current occupiers employ 7,000 people².
- A necklace of research and incubator units
 - Babraham Research Campus – home to 35 early-stage life science companies and winning £37m of BBSRC funding in 2011
 - Hinxton Genome Campus, home to the Sanger Institute and the European Bioinformatics Institute, and employing 1500 people
 - Cambridge Science Park - Europe’s longest-serving and largest centre for commercial research and development.
 - Granta Park, home to TWI.
 - Incubator space e.g. Hauser Forum

While a number of these facilities and projects have benefited from recent Government investment, the region has traditionally not seen levels of public spend and investment comparable with other parts of the UK, particularly on infrastructure. The City Deal would create a co-ordinated and strategic approach for ensuring that future infrastructure investment would be focussed on delivering and unlocking sustainable economic growth that more than paid back its investment costs to UK PLC.

¹ East of England Forecasting Model, latest data September 2012

² <http://www.cambridge-biomedical.com/the-opportunities>

- Established business networks including Cambridge Network, Cambridge Cleantech, Cambridge Wireless and One Nucleus which facilitate the exchange of ideas knowledge and innovation
- Significant developments planned or underway to help underpin economic success:
 - Long term commitment housing growth in locality (currently consulting on options to provide for 32,000 additional homes and 44,000 jobs by 2031)
 - Northstowe – Biggest new town since Milton Keynes (approximately 10,000 homes)
 - Major development to meet the University’s needs at North West Cambridge, which will eventually deliver homes for over 8000 people and around 7000 jobs.
 - Improvements to the A14, Cambridge Station and a new station at the Science Park

These strengths, challenges and issues are described in some detail in the study “The Cambridge Cluster at 50” http://www.sqw.co.uk/file_download/284.

TRANSPORT ASPIRATIONS

The vision for transport is to achieve a system that supports economic growth and mitigates the transport impacts of the growth agenda. To achieve this, we need to provide sustainable transport capacity in the city region between key economic hubs in and around the city, and to where people live and access services. This would strengthen the economic hubs and the high tech clusters in and around the city by making movement between them straightforward and convenient.

The backbone of this strategy could be a high quality public transport network of bus and busways providing a complete orbital route around the city, connecting key employment and residential sites, complemented by rail services and fed by comprehensive pedestrian and cycle networks.

Highways capacity enhancements would ensure that traffic could move efficiently in appropriate locations without interfering with public transport corridors.

Further detail on the scale of challenge

Housing affordability

While affordability compared to average salary is 8.85, for those on lower quartile incomes, the multiplier from income to average house price is 13.74.

Average rents for a two-bedroom property in the private sector are £219pw.

Infrastructure Gap

Infrastructure required Cambridge	£234m.	Funding gap £185m
Infrastructure required South Cambridgeshire	£484m.	Funding Gap - £412m
Infrastructure required on Cross Boundary Sites	£198m.	Funding Gap £109m
Additional Strategic Infrastructure - (This strategic funding gap is largely attributable to the A14)	£1.29bn	Funding Gap - £1.12bn
Total Infrastructure Required	£2.21bn	Funding Gap - £1.82bn

For full detail see:

http://www.cambridge.gov.uk/democracy/documents/s13449/Appendix%20A%20-%20Executive%20Summary%20-%20Infrastructure%20Delivery%20Repor_4.pdf

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To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Alison Cole - Head of Revenues and Benefits
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 20/12/2012
Wards affected: All Wards

LOCALISATION OF COUNCIL TAX SUPPORT Key Decision

1. Executive summary

- 1.1 The resolution at the Strategy and Resources Scrutiny Committee held on 9th July 2012 agreed the priorities as being to distribute the available funds as widely as possible, to ensure those people who are less well off continue to pay the least, and to provide incentives to bring empty properties back into use.
- 1.2 From 1 April 2013, Central Government is abolishing Council Tax Benefit and requiring local Councils to introduce a localised Council Tax Support scheme in the form of a Council Tax Reduction. The Government will prescribe Council Tax Support for pensioners, therefore the Council is required to design a local scheme for people of working age.
- 1.3 The Government is reducing the grant for Council Tax Support by at least 10% of the sum paid for council tax benefit. This means that the City will have a predicted £0.75m less available for Council Tax Reductions than it had for Council Tax Benefit.
- 1.4 This report provides Strategy and Resources Scrutiny Committee with details of the proposed Localised Council Tax Support scheme for Cambridge to be implemented from 1st April 2013.
- 1.5 Additionally, it provides details of the changes to legislation affecting the Local Taxation system, including changes to Council Tax for some empty properties and the charges for second homes.

2. Recommendations

The Executive Councillor is advised to recommend to Council that:

- 2.1 The proposed localised Council Tax Support Scheme, as set out in this report, be approved to be put forward to Full Council for its approval at the meeting to be held on 9th January 2013.
- 2.2 The proposals to take advantage of new powers set out in the Local Government Finance Act 2012 to vary statutory exemptions from Council Tax in respect of vacant and unoccupied dwellings, as set out in below paragraph 5.2, be approved (Annex A provides background information).
- 2.3 Authority be delegated to the Director of Customer and Community Services to make minor amendments to the scheme. Major amendments or fundamental changes will be referred to Executive Councillor, Chair and Oppositions Spokes of the Strategy and Resources Scrutiny Committee.
- 2.4 Authority be delegated to the Head of Revenues and Benefits, to make the detailed arrangements required to implement the proposed localised Council Tax Support Scheme and the variations to the exemptions from Council Tax.
- 2.5 Authority be delegated to the Director of Resources to calculate and approve the Council Tax Base for 2013/14 and to notify precepting bodies by 31 January 2013.

3. Background and Consultation Process

- 3.1 Further to the Strategy and Resources Scrutiny Committee held on 9th July 2012, recommendations are being made with regards to agreeing and implementing a local Council Tax Support Scheme for implementation from 1st April 2013.
- 3.2 The Council must have a scheme in place with full Council approval by 31st January 2013, or the Government's default scheme will be imposed on the Council.
- 3.3 The proposed final scheme in full may be found at Annex B.

Precepting Authorities Consultation

- 3.4 In accordance with legislative requirements the consultation process commenced with the Precepting Authorities.
- 3.5 A joint countywide consultation consisting of Cambridge City, East Cambridgeshire, Fenland, Huntingdon, and South Cambridgeshire was presented to Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire and Peterborough Fire

Authority. This consultation consisted of several joint meetings of all precepting authorities and culminated in the production of a consultation document as at Annex C. Consultation closed on 31 July 2012.

- 3.6 Particular concerns were raised about the financial risks of the scheme and the requirement that all authorities are to pay a share of the shortfall between government grant and the actual amount paid out in Council Tax Support. Furthermore, any increase in the take-up of that support, coupled with any reduction in collection rates, is not taken into account in the allocation of Government Grants.
- 3.7 A written response from Cambridgeshire County Council indicates that they endorse the principle that collectively the schemes should provide incentives to work and be designed to minimise the impact on the Collection Fund.
- 3.8 They recognised that the Cambridgeshire County Revenues and Benefits Group and the Cambridgeshire Finance Officers have worked collaboratively and that this had helped their understanding. Emailed response from Cambridgeshire Police indicates that they have no questions regarding the proposals and no response has been received from Cambridgeshire and Peterborough Fire Authority.

Public Consultation

- 3.9 Cambridge City Council's Draft Scheme was published on 14 September 2012 and invited members of the public, affected parties and support groups to comment. It was advertised in Cambridge Matters, 3,500 letters sent to Council Tax payers and Council Tax Benefit recipients. Full consultation documents were on the City Council's website and where responses were completed online using survey monkey.
- 3.10 More than 200 organisations were contacted by email and letter, including Citizens Advice Bureau, Landlords, disability and other support groups.
- 3.11 The consultation ended on 31st October 2012, by which time a total of 67 responses were received. Overall the key principles of the scheme were supported in each category. Full details of the public consultation is at Annex D.

4 Basis of the New Scheme

- 4.1 Cambridge City Council is committed to minimising the effects of reduced central Government funding on the City's households and to keep the switch as simple as possible. It is the Council's clear intention to protect as many people as possible from reduced levels of Council Tax support.

- 4.2 There is no local discretion in respect of the provisions for pensioners, which are set out in statute; the application of the scheme is therefore separated into two schemes; one for pensioners and one for people of working age.
- 4.3 The arrangements for pensioners are set out in accordance with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, hereinafter called the Prescribed Scheme.
- 4.4 For people of working age, the Government has set out a number of prescribed legal requirements to include, classes of persons, procedural matters, applications, decisions and appeals. The working age scheme identifies the prescribed legal requirements where they exist in accordance with Parts 1 & 2 and Schedules 7 & 8 of the Prescribed Scheme.
- 4.5 The application of the remainder of the working age scheme is at the Council's discretion.
- 4.6 It is proposed that the Council adopt The Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012, hereinafter called the Default Scheme, as its local scheme subject to certain amendments.
- 4.6.1 Alternative Maximum Council Tax Reduction commonly known as second adult rebate, will be abolished for persons of working age.
- 4.6.2 All types of military compensation payments, including War Disablement Pensions, War Widow's/Widower's Pensions and Armed Forces Compensation Scheme payments are to be fully disregarded when calculating Council Tax Reductions.
- 4.6.3 The maximum period an application can be made for a backdated period is one month.
- 4.6.4 Non-dependant deductions are set out in Annex E.
- 4.6.5 If in future, the income from the Council Tax technical reforms (section 5 below) does not cover the funding shortfall, for non-vulnerable working age individuals, a percentage reduction of between 0% and 20% may be removed from any reduction awarded. This will be reviewed annually as part of the decision making process to reflect future social and economic changes.
- 4.6.6 The percentage reduction for the year 2013 -14 will be set to 0%.
- 4.6.7 Persons classified as vulnerable (see paragraph 8.24) will be protected from any percentage reduction.
- 4.6.8 As a Council Tax Reduction is not a welfare benefit, but an adjustment to a Council Tax liability, any "overpayments" will be administered via existing Council Tax legislation as an adjustment to the liability under Part V of the Administration & Enforcement Regulations.

5 Council Tax Reforms

From 1 April 2013 changes in Council Tax legislation allow for the following:

- 5.1.1 Class A and C exemptions are to be abolished and replaced with a discount, which the Council has the discretion to set at anywhere between 0% and 100%, and
 - 5.1.2 Second home discounts can be reduced to 0%, and
 - 5.1.3 Long-term empty dwellings, i.e. those that have been empty for two or more years, may have a Council Tax charge of up to 150% levied, and
 - 5.1.4 The instalment scheme is being extended so that a Council Tax Payer may pay over 12 monthly instalments rather than 10 monthly instalments.
- 5.2 It is proposed that for Cambridge City:
- 5.2.1 Class A - uninhabitable dwellings be granted 100% discount for a maximum of 12 months to retain the current position.
 - 5.2.2 Class C - unoccupied and unfurnished dwellings be granted 100% discount for one month to allow for tenancy changeovers and 0% discount thereafter. Removal of the 50% zero occupancy discount currently applied after the initial 6 month Class C exemption.
 - 5.2.3 Second homes discount be reduced from 10% to 0%, and
 - 5.2.4 An Empty Homes Premium for long-term empty dwellings be set at 150%
- 5.3 The default monthly instalments scheme will remain at 10 monthly instalments due on the 5th day of each month, which may be extended to 12 monthly payments upon request.
- 5.4 Cambridge City Council will continue to work in partnership with the other Cambridgeshire authorities to publish the Council Tax booklet (including the online publication).
- 5.5 By utilising the Council Tax Reforms as above, it will limit the impact upon Council Tax Reduction applicants.

6 Council Tax Base

- 6.1 The introduction of local schemes for Council Tax Support impacts on the content and operation of Council Tax Collection Funds, maintained by Billing Authorities, and on the calculation of the Council Tax Base used to determine the level of Band D Council Tax for the coming financial year.
- 6.2 Under existing arrangements, Council Tax Benefit is credited to the Collection Fund; effectively paying a proportion of the bills of those taxpayers entitled to receive benefit. Under the new Council Tax Support arrangements, the amount of support awarded will effectively reduce the number of Band D equivalent properties within the tax

base; it will be treated in a similar way to existing discounts and exemptions.

- 6.3 Current legislation and draft regulations, relating to revisions to the calculation of the tax base, require full Council to approve the Council Tax Base by 31 January each year.
- 6.4 In light of this requirement and the need to take account of the approved local scheme of Council Tax Support and associated changes to discounts and exemptions, in estimating the tax base, delegated authority is sought for the Director of Resources to determine and approve the Council Tax Base for 2013/14.

7 Legalities

- 7.1 The Local Government Finance Act 2012, hereinafter called the Finance Act 2012, received Royal Assent on 31st October 2012. It provides for the Council's duty to make a scheme, the manner in which it is made and its structure.
- 7.2 Each billing authority in England must design and make a Council Tax Reduction scheme for the financial year 2013-14 by 31 January 2013. Failure to do so will mean the Government will impose a default scheme that does not allow for the 10% savings.
- 7.3 The decision to introduce or revise a local scheme must be taken by full Council; the decision may not be delegated to committee. It is suggested that authorities will probably want to amend schemes of delegation under their constitutions to make this clear.
- 7.4 The Secretary of State has the power to alter the commencement of these provisions.
- 7.5 Statutory provisions for pensioners are contained in Parts 1 to 3 and Schedules 1 to 8 of The Prescribed Regulations SI 2012/ 2885.
- 7.6 Statutory provisions for persons of working age are contained in Parts 1 to 3 and Schedules 7 to 8 of The Prescribed Regulations.
- 7.7 Discretionary powers for the Council to design the remainder of its scheme for working age people are provided for in section 13A, as substituted, and Schedule 1A of the Finance Act 1992.
- 7.8 The Default Scheme Regulations contain provisions for a complete Council Tax Reduction scheme, including the prescribed requirements, which Local Authorities may choose to adopt in its entirety or, in relation to those elements not prescribed in the Prescribed Scheme Regulations, may change, adapt, amend, delete and add to.
- 7.9 Where the Council decides to adopt the Default Scheme, it becomes the local scheme. It is the local scheme as made by the Council that is legally binding, not the Default Regulations, unless they have been imposed upon the Council.

7.10 The Council's scheme(s) must be written out in full, carefully structured using legal language and set out in a way that can be both easily updated following relevant changes in national legislation and local policy and relied on in the event of any legal challenge.

7.11 In the event of an appeal to the Valuation Tribunal, the Council will be expected to produce its full scheme for the benefit and scrutiny of the tribunal.

Pensioners' Protection

7.12 The Government has stated that Council Tax support for people of state pension credit age will not be reduced because the Government does not expect work to increase their income. Legislation will be provided to protect pensioners by keeping in place national rules.

Making the scheme

7.13 The scheme needs to be simple, transparent, fair and have regard to:

- Government requirements
- Work incentives
- Local economic conditions
- Local policy priorities
- Demographic changes
- Compliance with legal duties and risk of legal challenge
- Software constraints, particularly in the short term
- The consequences of behavioural change by individuals

7.14 Preparations for the changes have included liaison with neighbouring local authorities and discussions with authorities nationally. Discussions have also taken place with the Department for Communities and Local Government and bodies representing local government including the Institute of Revenues Rating and Valuation and the Chartered Institute of Public Finance and Accountancy.

7.15 A formal consultation exercise ran between 14th September 2012 and 31st October 2012 on the proposed changes. The feedback from this consultation is covered in more detail in Annex D.

7.16 It will be important for the Council to closely monitor the impact of its first scheme in order to ensure it can be refined and improved over time.

7.17 Section 9 of the Finance Act 2012 provides that the Secretary of State shall, within three years make provision for an independent review of all Council Tax Reduction schemes to (a) consider their effectiveness, efficiency, fairness and transparency and their impact on the localism agenda, and (b) make recommendations as to whether such schemes should be brought within Universal Credit.

Vulnerable Groups

- 7.18 The Council is required to protect vulnerable groups when making its local scheme. The Government does not intend to prescribe how this is achieved; rather the Government draws the Council's attention to existing responsibilities including the Child Poverty Act 2010, the Disabled Person's Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010 and the Armed Forces Covenant.
- 7.19 The decision about vulnerability will have to be made in the broader context of welfare reform. The Council will need to decide the benefits or not of a single view of vulnerability that is compatible with other national benefits. The Council will also need to look at other services that provide emergency payments, e.g. for the prevention of homelessness, support for vulnerable families and to prevent children entering the care system.
- 7.20 The proposed approach to community engagement and consultation and Equalities Impact Assessment has been an important part of this process.
- 7.21 The proposed scheme considers the outcome of the Equalities Impact Assessment and endeavors to treat each of the Communities fairly.
- 7.22 This is achieved by adopting the Default Scheme rules for the level of personal allowances, premiums, known as the "applicable amount" (sums of money that the Government sets as a minimum requirement for each category of customer). The applicable amount is linked to those prescribed for the Housing Benefit scheme, and is updated annually. A similar set of allowances, called the "maximum amount" will apply to the Universal Credit.
- 7.23 These applicable amounts and premiums represent the needs of the individual and their family.
- 7.24 Persons classified as vulnerable under the Reduction scheme are:
- Families with dependant children, taken as those in receipt of Child Benefit.
 - Young persons aged 24 and under who have previously been in the care of a Local Authority
 - Persons included in the household assessment who are entitled to or have an underlying entitlement to a disability benefit
 - Applicants entitled to a Council Tax Disabled Band Reduction
 - Persons registered or certified blind
 - Carers who care for a family member

Work incentives

- 7.25 The Council is required to take account of work incentives when making its local scheme, which the Government expects to help move local taxpayers into work by complementing the Universal Credit scheme.
- 7.26 Work incentives that exist in the current Council Tax Benefit scheme have been brought forward into the Default Scheme, and it is proposed these are adopted as part of the Council's local scheme.
- 7.27 These are earned income disregards, an amount of money a person can earn before earnings are taken into account for the "Means Test", and a system of extended payments.
- 7.28 This allows a reduction to be awarded for up to four extra weeks following a person starting work and who meets certain qualifying criteria.

8. Timetable

- 8.1 Provisions for Council Tax Support are included in the Local Government Finance Act 2012, which received Royal Assent on 31st October 2012 and stated that the Council must have a scheme in place by 31st January 2013. Secondary legislation in the form of Regulations were laid by Parliament on 22nd and 26th November 2012.
- 8.2 Thus far, all preparations for the reduction scheme have been made using draft regulations and guidance notes issued by the Department for Communities and Local Government.
- 8.3 The lateness of final legislation means a very challenging timetable to complete all the final preparations for the making of the scheme by full Council:
- December 2012/January 2013 -
 - Software and systems design and final financial implications included in budget planning for 2013/14
 - Analysis of final regulations and preparation of legal full scheme documentation for both pensioners and working age
 - January 2013 -
 - Meeting of full Council to agree and make the Council Tax Reduction scheme
 - Testing for annual billing run - Council Tax base set - specific communication with affected households setting out changes
 - February 2013 - Council sets its budget
 - March 2013 - Council Tax bills issued

9. Implications

Financial Implications

- 9.1 The changes in Council Tax support will have a significant affect on the income received by the authority. It is likely to lead to higher collection costs and the need for an increased write-off provision as a result of the changes.
- 9.2 It is not possible to quantify the full financial impact, as it will be partly dependant upon Council Tax collection levels. Any loss of income from reduced collection levels will be partly borne by the precepting authorities.
- 9.3 The introduction of localised Council Tax support represents a significant transfer of “financial risk” from Central Government to Local Government.
- 9.4 It should be noted that failure to make a scheme by 31st January 2013 in the manner prescribed would lead to a default Government scheme being imposed upon the Council that takes no account of the 10% reduction in Government funding.

Risk Management

- 9.5 The Government has concluded in its own impact assessment that the key risks surround future need for Council Tax support. If demographic changes or economic circumstances mean that eligibility for Council Tax support increases significantly then the consequence of switching from a national to a local system will be that authorities bear more of the risk of a shortfall in funds.
- 9.6 The Council will need to closely monitor local social and economic changes to ensure that increased income from Council Tax reforms provides a surplus sum as a contingency for possible future shortfalls in funding and/or design a local scheme to allow for savings in excess of 10%.

Funding Arrangements

- 9.7 Localisation of support for Council Tax is accompanied by a 10% reduction in Government grant funding. The grant allocations for individual billing and major precepting authorities will be calculated as follows:
 - The total amount for distribution in England will be based on forecasted subsidised Council Tax Benefit expenditure for 2013-14.
 - Funding will be distributed between billing authority areas according to shares of annual subsidised Council Tax Benefit expenditure;

- Funding will then be distributed between billing and major precepting authorities within a billing authority area, according to shares of Council Tax in each authority.
- 9.8 No account of unforeseen increased demand for support is taken into account when allocating the grant. The proposed fixed grant to local authorities represents a significant financial risk, as it will not include any provision to manage increased take up and demand.
- 9.9 The Council will also receive funding for the administration of the new Council Tax Reduction scheme. There will be an increase in the administration costs for the Council of the new scheme and it is not clear whether this will be fully funded.
- 9.10 The grant allocations for individual billing and major precepting authorities will be published by Government as part of the provisional Local Government Finance Settlement in December.

Government's Transitional Funding Grant

9.11 The Government announced on 16th October 2012 that they were making available an additional £100m 'one-off' funding to support local authorities that have developed 'well-designed' Council Tax support schemes that minimise the impact of these changes.

- 9.12 To qualify for this grant billing authorities are required to ensure that:
- those who currently pay no Council Tax should pay no more than 8.5% of their liability;
 - the taper rate does not rise above 25% (this is the amount taken into account due to additional income currently 20% at Cambridge)
 - there is no sharp reduction in support for those entering work

9.13 Cambridge City Council meets the criteria for this additional grant and will be making an application, which must be made between 1st and 15th February 2013. If successful, the following amounts will be awarded from the Government directly to:

- Cambridge CC £17,090
- County £110,672
- Police £17,905
- Fire £6,085

Staffing Implications

9.14 Current levels of staff will need to be maintained while the scheme is established.

Equal Opportunities Implications

- 9.15 Careful consideration has been given to the assessment of the equalities implications throughout the design and implementation of the new scheme. A thorough consultation and engagement process was entered into to support this.
- 9.16 A full Equalities Impact Assessment has been prepared to support the decision on the proposed scheme and this was refined following feedback from the formal consultation process and used to inform the decision on the final scheme. This can be found at Annex F.

Environmental Implications

- 9.17 Nil.

Community Safety

- 9.18 Any decrease in Council Tax support will lead to a reduced income for those already in financial difficulty, which may have an impact upon crime and disorder.

Procurement

- 9.19 This is a complex project that will follow the Procurement Strategy and policies.

Consultation and Communication

- 9.20 Consultation has been carried out with partners and a wider public consultation has been completed in line with Government requirements and Council procedures, the outcome of which is contained in Annex C and Annex D.

10 Background papers

These background papers were used in the preparation of this report:

Localising Support for Council Tax: A Statement of Intent

Localising Support for Council Tax: Funding arrangements consultation

Localising Support for Council Tax: Vulnerable people – key local authority duties

Localising Support for Council Tax: Taking work incentives into account

Localising Support for Council Tax: Guidance note on administrative matters

Localising Support for Council Tax: Council Tax Base

Localising Support for Council Tax: Funding arrangements

Localising Support for Council Tax: Transitional grant scheme

Local Government Finance Act 2012

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

The Council Tax Reduction Schemes (Draft Scheme) (England) Regulations 2012

Localising Support for Council Tax: Technical Reforms to Council Tax

All of which may be found on here:

[Government Policies/Giving local authorities more control over how they spend their money](#)

11 Appendices

Annex A: Council Tax Reforms to discounts and exemptions

Annex B: Council Tax Reduction Scheme (Persons who are not Pensioners) (Cambridge City Council) 2013

Annex C: Consultation - Precepting Authorities

Annex D: Consultation - Public

Annex E: Non-dependant deductions

Annex F: Equality Impact Assessment

Annex G: Council Tax Reduction Scheme (Pensioners) (Cambridge City Council) 2013

12 Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Annex A:

Council Tax Reforms to discounts and exemptions

1. BACKGROUND

- 1.1 On 31 October 2011 Government published a consultation paper entitled 'Technical Reforms of Council Tax' with all responses required by 31 December 2011. The paper outlined proposals to give local authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty property. A response to the consultation was published on 28 May 2012, and officers and professional institutions have continued to lobby for more reasoned and effective changes to those proposed for empty properties.
- 1.2 Initially the proposals would have only allowed authorities the discretion to vary the percentage of discount. As a result of dialogue with Government an announcement was made on 27 July 2012 that the proposals will allow councils complete discretion over the percentage level of discount and further discretion over the time limits employed for certain empty property.

2. THE CURRENT POSITION AND POLICY

- 2.1 On 1st April 2003 the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 came into force. These regulations gave local authorities the power to reduce the discount on "second homes" from 50% to a minimum of 10% and reduce the discount on "long term empty property" (typically those empty from at least 6 months) to 0%. This authority implemented the change to 'second home' discounts and currently awards the minimum 10% discount, the discount on "long term empty property" was not reduced and is currently set at 50%.

There were exceptions where the discount on second homes could not be reduced from the 50% and they include:

- second homes owned by Service Personnel who live in accommodation provided by the MoD
- where the dwelling is a caravan pitch or boat mooring
- where the liable person is also liable on a 'job related' dwelling eg ministers of religion

The discount in these excepted cases are not subject to any change and the liable person will continue to receive a 50% discount.

- 2.2 Any decision to reduce the level of discounts will have the effect of increasing the Tax Base and the income derived by all preceptors will be in proportion to the amount of their precept.

ANNEX A - Council Tax Reforms to discounts and exemptions

3. KEY GOVERNMENTS PROPOSALS ON DISCOUNTS from April 2013

- 3.1 The Local Government Finance Act received Royal Assent in October 2012. However, guidance had earlier been issued by CLG, which has enabled Billing Authorities and software providers to begin work on the implementation of the following provisions.
- 3.2 The abolition of Class 'A' (dwelling which requires or is undergoing major repair work to render it habitable, or undergone/undergoing structural alteration) exemption, which currently exempts dwelling from council tax for up to 12 months and replacement of that exemption with a locally defined discount. This gives the billing authorities discretion to reduce the percentage discount to between 100% to 0% but not the period of the discount ie. any discount must be awarded for up to 12 months.
- 3.3 The abolition of Class 'C' (Unoccupied and Substantially Unfurnished) Vacant Dwelling exemption, which currently exempts dwellings from council tax for up to six months and replacement of that exemption with a locally defined discount. This gives billing authorities the discretion to reduce the percentage discount to between 100% and 0%, and, reduce the period of the award, or a combination of both.
- 3.4 A further provision allowing authorities the discretion to reduce the 'second homes discount (see 2.1 above). Currently the minimum discount of 10% is applied. From 1 April 2013 the billing authority will have discretion to remove the discount. Owners of these properties would then pay full Council Tax whenever a property is furnished and not occupied as any ones sole or main residence.
- 3.5 A provision allowing billing authorities the discretion to increase the amount of council tax paid on "Long Term Empty" dwellings – an Empty Homes Surcharge. This allows billing authorities the ability to increase the council tax liability up to a maximum of 150% after a dwelling has been vacant (unoccupied and substantially unfurnished) for more than two years.
- 3.6 Consideration has also been given to amending the Class L "Mortgagees in Possession" exemption. This proposal is currently being reconsidered following representations from some mortgage lenders. The value of these current exemptions and the number of properties affected are comparatively low, however we will monitor the Governments future intentions and report as necessary.

4. FINANCIAL IMPLICATIONS

- 4.1 It is extremely difficult to accurately forecast the amount of additional revenue that could be generated by a change of policy for future years due to how the housing market reacts in Cambridge to the proposed changes. It is expected that these changes will affect how long dwellings remain empty.
- 4.2 We are also mindful of a 'behaviour change' that may lead to a risk of Council Tax "avoidance" for example the creation of fictitious tenancies. We are further concerned about the number of small Council Tax debts that may prove to be difficult or uneconomic to collect and will place an additional administrative burden on the authority.

ANNEX A - Council Tax Reforms to discounts and exemptions

- 4.3 The level of Exemptions/Discounts granted in the past year (2011/12) has been approximately:

Type:	£	Potential Revenue from proposed changes - £
Class A (Uninhabitable)	75,000	N/A
Class C (Unoccupied and substantially unfurnished up to 6 mths)	850,000	531,000
Class C (over 6mths @ 50% discount)	260,000	260,000
“Second Homes”	148,000	148,000
Empty Homes Premium	N/A	105,000
Totals	1,333,000	1,044,000

5. IMPACT OF POLICY CHANGES

- 5.1 We have considered the impact the abolition of Class A exemption (dwelling which requires or is undergoing major repair work to render it habitable, or undergone/undergoing structural alteration) will have and believe the reduction in both the percentage level of discount and period of award of the discount is inappropriate. This is because any reduction would undermine the council’s vision statement (Cambridge- a good place to live - meeting the needs for housing). The amount of additional revenue that could be generated would also be relatively small (circa £75,000 pa from 2013 onwards) therefore; there is merit in continuing to offer a 100% exemption for up to one year for properties meeting the appropriate criteria.
- 5.2 A change to Class C (unoccupied and substantially unfurnished) Vacant Dwellings exemption will have a more significant impact on owners and tenants of dwellings, who were not previously required to pay council tax (for up to six months) on unoccupied dwellings. We therefore believe that any change to the percentage of discount awarded from the date a dwelling becomes vacant will lead to significant numbers of small debts being created for short periods of time and create a significant administrative burden on council tax liabilities that are very difficult or uneconomic to collect. It is therefore proposed that a 100% discount should be awarded for 1 month as apposed to the previous 6-month exemption award. Although it is acknowledged that the period of award is quite short, we believe the period of award will allow sufficient time for most owners and tenants time to exchange their dwellings to the next tenant/owner. Based on the 2011/12 figures, we

ANNEX A - Council Tax Reforms to discounts and exemptions

have estimated the extra revenue (to be shared by each preceptor) is approximately £531k pa from 2013 onwards.

In addition, the current 50% discount (zero occupancy) awarded after an initial 6 month Class C exemption would be reduced to 0%. Based on 2011/12 figures we have estimated the additional revenue generated from removing this discount will be approximately £260,000pa from 2013 onwards.

5.3 The removal of the 10% 'second home' discount will have the least impact on council tax collection. This is because those dwellings that fall into this category of dwelling already attract a 90% council tax charge from the first day the dwelling becomes unoccupied. The additional administration burden would be minimal as an account is already raised under the current policy. However, as at present there may be some element of avoidance (eg an owner claiming the property is occupied and claiming a Single Occupancy Discount of 25%). However the 10% extra charge is unlikely to be an excessive additional burden on owners of second homes. Based on the 2011/12 figures, we have estimated the extra revenue (to be shared by each preceptor) is approximately £148,000 pa from 2013 onwards.

5.4 The impact of the introduction of an "Empty Homes Premium" after a dwelling has been vacant for over two years in contrast to the above supports the council's vision statement of 'recognising and meeting the needs for housing'. The ability to impose an additional 50% premium on top of a full council tax charge after two years will concentrate owners efforts in ensuring their properties are brought back in to use and on the market for rent/sale sooner. However, it is difficult to accurately forecast the amount of additional revenue that will be generated by a change in policy in future years due to how the housing market reacts in Cambridge to the imposition of an Empty Home Premium.

Based on the current caseload remaining constant additional revenue of approximately £105,000 pa from 2013 could become collectable.

Please note, if the council decides enact the above policy, the additional revenue in each successive financial years will be less as owners bring their dwellings into use sooner to avoid the premium and must have regard to the following circumstances that will not give rise to a premium:

- Unoccupied dwellings which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of service;
- An annex deemed unoccupied, which is being used by the occupier of the main dwelling, as part of the main dwelling.

ANNEX A - Council Tax Reforms to discounts and exemptions

6. OTHER GOVERNMENT PROPOSALS

6.1 Monthly Instalment Plans

The Government has proposed that taxpayers will have the right to request payment of their Council Tax over 12 monthly instalments at the start of the year. If taxpayers do not request 12 instalments then the default scheme will remain as now at ten instalments.

6.2 Council Tax Booklet

The Council Tax (Demand Notices) (England) Regulations 2011 currently prescribe what information must be contained within, or accompany, a council tax bill. The Government now proposes that all that additional information can be published on line. There will however, be an obligation to send it all in hardcopy to those taxpayers who request it. For a number of years Cambridge City Council has worked in collaboration with the other billing authorities in Cambridgeshire (excluding the unitary Peterborough City) plus the County, Fire and Police Authorities to publish a 48 page joint document, which includes many other corporate messages that reach every household in the City. The cost of producing this document is just £2,500, which includes a webpage version.

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Localising Council Tax Support

Cambridgeshire County Revenues Group

Council Tax Reduction Scheme

Consultation
Precepting Authorities
July 2012

ANNEX C – CONSULTATION PRECEPTING AUTHORITIES

Topic of this consultation -

This consultation seeks views on proposals for the localisation of council tax support in each billing authority within Cambridgeshire County from April 2013.

Scope of this consultation -

Localising support for council tax is part of a wider policy of decentralisation, giving councils increased financial autonomy and a greater stake in the economic future of their local area. The framework for local council tax support schemes will be established in a local government finance bill that has yet to receive Royal Assent, and in regulations. Draft regulations are expected by the end of July.

The Cambridgeshire County Revenues Group welcomes views on all aspects of the proposed approach set out in the document. Please note that there will be a secondary consultation giving details of each local scheme starting in August 2012.

Geographical scope -

This consultation applies to Billing Authorities in Cambridgeshire County -

- Cambridge City Council
- East Cambridgeshire
- Fenland
- Huntingdonshire
- South Cambridgeshire

Basic Information

This is a consultation with major Precepting Authorities. We would welcome views from -

- Cambridgeshire County Council, and
- Cambridgeshire & Peterborough Fire Authority
- Cambridgeshire Police Authority

Body responsible for the consultation -

Cambridgeshire County Revenues Group

Duration – 17 July 2012 to 31 July 2012

Enquiries : Julia Barber, Head of Customer Services, Huntingdonshire District Council. Julia.Barber@Huntingdonshire.gov.uk

1. Introduction

- 1.1 The Government has determined that its highest priority will be the reduction of the structural deficit chiefly by reductions in public expenditure. Amongst these proposals is a plan to reform the welfare benefit system and to include housing benefit within the new universal credit, which is to be administered by Central Government.
- 1.2 The Government, however, decided not to include council tax benefit as part of the universal credit but instead decided that support for council tax would become a localised scheme in the form of a council tax reduction, transferring all the financial risks from central to local Government.
- 1.3 Currently, any award of council tax benefit is paid for by a subsidy grant from central Government. The DWP reimburses a local authority for the expenditure on council tax benefit at the end of each year, and as such, they are liable for the financial risks associated with any increase in caseload. An administrative grant to cover the costs of administering housing and council tax benefit is also paid by the DWP to each local authority. In addition, Billing Authorities (BA) benefit from receiving 40% subsidy on Council Tax Benefit eligible overpayments.
- 1.4 The present arrangements have no effect on the precepting authorities as all the financial transactions are between the billing authorities and the DWP.
- 1.5 The Department of Communities and Local Government (DCLG) will assume responsibility for council tax support from the DWP and will fund this by means of a specific grant allocation that takes no account of increasing caseloads throughout the year. The consequence of these changes is that each BA area will become liable for the financial risks associated with the performance of the local economy.
- 1.6 There are, however, two other very important changes to the regime -
 - 1.6.1 the overall amount of grant from DCLG will be reduced by 10% of the current level thus realising savings of £420m overall, and
 - 1.6.2 the impact of council tax support schemes will affect the Taxbase and so will be shared between billing authorities and precepting authorities.
- 1.7 In effect this means that unless the BAs reduce the amount currently paid out in council tax support the precepting authorities will have to pay their share of any shortfall.
- 1.8 This Consultation Document considers what is being proposed by each BA in the Cambridgeshire County and the potential implications for the major precepting authorities.

Working with neighbouring authorities

- 1.9 Each BA in the County are working together and liaising closely; however, there are significant differences in the demographics and policy priorities in different BAs that members will take into consideration.
- 1.10 Prior to this formal consultation, councils have worked together by holding joint meetings with the Revenues & Benefits managers and the Chief Financial

Officers. The Chief Executive of East Cambridgeshire District Council has co-ordinated informal consultation and awareness raising across the county is his role as part of the Cambridgeshire Public Service Board, which includes representatives from major precepting authorities.

2. Legalities

- 2.1 The Local Government Finance Bill, which is currently working its way through Parliament, will provide the structure for the new localised council tax support scheme. However, pending it receiving Royal Assent, which is not now likely to be until October 2012, the DCLG has released a Statement of Intent.
- 2.2 Each BA must design and provide a council tax reduction scheme for people of working age for the financial year 2013-14 by 31 January 2013. BAs may design a scheme that allows for the proposed 10% savings imposed by the government, and at the same time provides work incentives. Failure to do so will mean the Government will impose a default scheme that does not allow for the 10% savings, and it is likely that this will be as per the current scheme.
- 2.3 The Secretary of State has the power to alter the commencement of these provisions

Pensioners Protection

- 2.4 The Government has stated that council tax support for people of state pension credit age will not be reduced because the Government does not expect work to increase their income. Legislation will be provided to protect pensioners by keeping in place the current national rules.
- 2.5 The consequence of protecting pensioners means that, if the shortfall in funding is to be passed on to the benefit claimants, the 10% savings will have to come from those of working age. The numbers of pensioners and vulnerable vary within each billing authority.

Vulnerable Groups

- 2.6 Councils are required to protect vulnerable groups when designing their local scheme. The Government does not intend to prescribe how this is achieved; rather the Government draws the Councils' attention to existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.
- 2.7 Community engagement and consultation and Equalities Impact Assessments are an important part of this process. This will be addressed as part of the secondary consultation process.

Work incentives

- 2.8 Council's are required to take account of work incentives when designing their local scheme, which the Government expects to help move local taxpayers into work by complementing the universal credit scheme.
- 2.9 There are a number of ways that Councils' could support work incentives, however, there needs to balance the financial cost of supporting incentives to work with the additional savings this would require from claimants out of work and its duties towards vulnerable groups.

Designing the scheme

- 2.10 The scheme needs to be simple, transparent and fair and have regard to -
- Government requirements
 - Local economic conditions
 - Local policy priorities
 - Demographic changes
 - Compliance with legal duties and risk of legal challenge
 - Software constraints, particularly in the short term
 - The consequences of behavioural change by individuals
- 2.11 The timescales for implementation are extremely challenging and there are limits on the scheme design choices available to Councils' at least in the short term. It is important for Councils' to closely monitor the impact of their first schemes in order to ensure they can be refined and improved over time.

3. Draft Local Schemes

- 3.1 Each BA in the County has designed its own scheme, which are intended to minimise impact on the collection fund as far as possible and be cost neutral to major precepting authorities by a combination of reducing current levels of Council Tax support and increasing revenue from the Council Tax Reforms, which are -
- 3.1.1 to allow billing authorities to levy up to 100% council tax on second homes, and
- 3.1.2 abolish class A exemption for empty dwellings under repair and class C exemptions for vacant dwellings and to allow a billing authority to instead give a discount of between 0% to 100% in each case, and
- 3.1.3 the option to levy an empty homes premium of up to 50% where a dwelling has been empty for at least two years. This means the maximum council tax could be 150% for long-term empty dwellings.
- 3.2 Further financial modelling is pending availability of software

Key Principles of the Local Schemes

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- 3.3 Each BA in the County has agreed to go forward by adopting the rules of the current CTB scheme with some changes. The key principles and aims of the local schemes are -
- 3.3.1 **Everyone must pay something**, it is proposed that all working age people (unless protected) should pay a prescribed percentage of their council tax under the CTS scheme. Each BA will set its own level according to local requirements.
- 3.3.2 **The vulnerable will be protected** to some extent, depending on circumstances. Each BA will set classes of persons who are to be considered as vulnerable, for example where a member of the household receives certain disability benefits or extra premiums for the disabled, or war disablement, war widows pensions. There may be other classes of persons in some BA areas
- 3.3.3 **The schemes should incentivise work**, each BA will prescribe its own set of rules to encourage people to go back into work or to increase the number of hours that they currently work to reduce the burden on the welfare state.

Local Scheme Preparation

- 3.4 Before the new scheme is made, the Council must in the following order:
- consult any major precepting authority which has power to issue a precept to it, and
 - publish a draft scheme in such manner as it thinks fit, and
 - consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 3.5 These basic obligations may be supplemented by more detailed regulations, which impose requirements as to the preparation of a scheme, in particular for the publication of documents

4. Financial Assessments

- 4.1 Proposed funding arrangements do not take account of future trends, e.g. increase in pensioner population or periods of local economic downturn due to the current recession. Conversely, should there be an improvement in the economy and less is spent then there is no reduction in Government funding and any excess is retained for the benefit of the local economy.
- 4.2 The Government has also stated it recognises that some Councils CTB is a large part of expenditure so a floor will be set so that the loss is not disproportionately high and a ceiling set for those who are less affected.

5. Administration Grants

- 5.1 Government has allocated a sum of money to each billing authority and County Council towards the cost of setting up the schemes.

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- 5.2 The cost of setting and operating the new schemes lies with the BAs; this will include software, staffing, loss of government subsidy on overpayments, publicity & consultation and court costs.
- 5.3 Local schemes that enable people to move from benefits to work will contribute to the economic success of the county. A contribution towards the administration costs of setting up and publicising the new local schemes may therefore be requested from Cambridgeshire County Council.

6. Impact on Precepts

- 6.1 The effects on the Precepting Authorities are threefold -
 - 6.1.1 a requirement to pay a share of any shortfall between government grant and the actual amount paid out in council tax support;
 - 6.1.2 a requirement to pay a share of any growth in council tax support payments;
 - 6.1.3 a reduction in the Council Tax Base as a result of reducing collection rates, although this could be partially offset by council tax reforms as shown in 3.1.
- 6.2 The proposed changes in council tax support will have a significant effect on the income received by BAs. It may lead to council tax being collected from some of the most vulnerable members of our community who have not had to pay any council tax in the past at a time of reductions in welfare benefits and lower wages. This in turn is likely to lead to higher collection costs and the need for an increased write-off provision. Despite higher cash receipts, the percentage collection rate will fall.
- 6.3 It is not possible to quantify the full financial impact as it will be partly dependant on the impact on council tax collection levels. Any loss of income from reduced collection levels will be proportionately borne by the precepting authorities.
- 6.4 Consequently, in the current economic climate it may be necessary to build in a contingency saving for additional losses.

7. Effect on Council Tax Base

- 7.1 Under the CTB system, the council tax base is unaffected by changes in the value of CTB granted, because the liability is unaffected. CTB is simply a way of meeting that liability.
- 7.2 However, under the local council tax reduction schemes, the council tax base will be affected by whether persons living in a dwelling are in receipt of a council tax reduction, as the BA will be foregoing council tax income from those dwellings.
- 7.3 These local council tax reductions will need to be reflected in the calculation of the council tax base, in order to calculate the correct amount of band D council tax for the billing or major precepting authority area.

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- 7.4 Unlike the single person discount the amounts may not be a set percentage, each BA will need to make their own estimate of the total cash value of the reductions to be offered. This will be offset by the proposed council tax support grant that the government is currently consulting on.

8. Consultation

- 8.1 Cambridgeshire County Revenues Group wants to ensure that the precepting authorities have an opportunity to comment on the financial impact of the BAs proposed future replacements for council tax benefit. Major preceptors will also have the opportunity to comment as stakeholders on each BAs detailed draft scheme in August / September 2012.
- 8.2 Cambridgeshire County Revenues Group is undertaking this consultation between the period 17 July 2012 and 31 July 2012. This timescale has been determined following receipt of policy statements of intent published by the Department for Communities and Local Government (DCLG) on 17 May 2012 and to permit sufficient time to evaluate responses received and to meet the statutory requirements in 3.5 above.
- 8.3 With the understanding that each BA needs to make significant savings and intends to do so by attempting to be cost neutral to precepting authorities, Cambridgeshire County Revenues Group are seeking your views and comments on the proposed schemes in section 3 above.

Comments should be sent to no later than 31st July 2012 to Geoff Kent, Head of Revenues services, Fenland District Council via email to GKent@Fenland.gov.uk

9. Key Dates

- 9.1 A high level timetable for formal decision making and public engagement and consultation is proposed as follows:
- July 2012 - Proposed draft schemes to be agreed by each BA
 - 17 July 2012 - Formal consultation with precepting authorities on draft scheme
 - 31 July 2012 - Deadline for Precepts consultation
 - August 2012 – Publish draft schemes
 - August/September 2012 - Formal public consultation on proposed scheme
 - October to December 2012 - Final schemes agreed by full Council in each BA
 - November/December 2012 - Software and systems design and Final financial implications included in budget planning for 2013/14
 - January 2013 - Testing for annual billing run - council tax base set - specific communication with affected households setting out changes
 - February 2013 - Councils' set their budgets
 - March 2013 - Council tax bills issued

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My ref:

Your ref:

Date: 30 July 2012

Contact: Caroline Ryba

Direct dial: 01223 699292

E Mail: Caroline.ryba@cambridgeshire.gov.uk

Geoff Kent

Head of Revenues Services

Fenland District Council



LGSS Finance

Corporate Finance Team

(by email)

Box RES 1211

Shire Hall

Castle Hill

Cambridge

Dear Geoff

Response to the Precepting Authorities Consultation on the Council Tax Reduction Scheme on behalf of Cambridgeshire County Council

Firstly I should like to thank the Cambridgeshire County Revenues Group for the opportunity to respond to this consultation. We note that this is the first of two consultations on this subject, and is necessarily done before detailed proposals on the billing authorities' Council Tax Reduction Schemes are available.

We strongly endorse the principle at 3.3.3 that schemes should incentivise work and ask that billing authorities ensure that proposed schemes do not encourage those of working age to stop work or reduce their working hours.

Our current financial plans (2012-17) show that we must make £128m of recurrent savings over the period. Since these plans were approved in February 2012 the outlook has deteriorated, with further cuts in funding expected from the next Comprehensive Spending Review and continuing spending pressures, particularly from demand-led services. Therefore we welcome the reassurance in paragraph 3.1 which states that the schemes will be designed to minimise the impact on the collection fund and be cost neutral to precepting authorities. As a major preceptor, we face a significant risk of funding shortfall if the schemes fail to deliver the necessary savings. We urge each billing authority to ensure that the schemes are designed to deliver in excess of the 10% savings, to provide a safety margin to cover potential losses from lower collection rates and increases in caseload.

We acknowledge that estimates and assumptions will have to be made by billing authorities when developing their schemes. We ask that billing authorities share their modelling, including

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risk and sensitivity analysis, with us as soon as draft schemes are approved for consultation to enable us to factor this into our financial planning. Similarly, early estimates of the impact on tax base of proposed Council Tax Reduction Schemes and changes to discounts and exemptions will be important to us for the same reason.

To date, the Cambridgeshire County Revenues Group and the Cambridgeshire Finance Officers have worked collaboratively. This has helped our understanding of the options and their potential impact on the county's residents, both directly and through possible budgetary impacts on our services. We look forward to continuing this collaboration as further guidance and draft regulations become available, and through 2013/14 as the schemes are implemented.

Yours sincerely

Caroline Ryba
Deputy S151 Officer

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1

Geoff Kent

From: Niki Howard <Niki.Howard@cambs.pnn.police.uk>

Sent: 31 July 2012 16:30

To: Geoff Kent

Subject: Localisation of Council Tax Support ~[NOT PROTECTIVELY MARKED]~

Thank you for the document, I have no questions regarding the content and I have built in a potential liability to my planning assumptions.

My only comment would be that the new Police and Crime Commissioner is required to set a budget by 21st December so the ability to have the council tax base agreed by then is probably not realistic.

Kind regards

Niki Howard

Director of Finance & Resources

Cambridgeshire Constabulary

To visit Cambridgeshire Constabulary's website please follow this link:

<http://www.cambs-police.co.uk/index.asp>

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Consultation - Public

The Draft Scheme was published on 14 September 2012 and invited members of the public, affected parties and support groups to comment. It was advertised in Cambridge Matters, 3,500 letters sent; 2,500 to Council tax Payers and 1,000 to Council Tax Benefit recipients.

We emailed and sent letters to 200+ organisations, including Citizens Advice Bureau, Landlords, disability and other support groups.

We received 67 responses by the time the consultation ended 31 October 2012. Responses below show our Key Principles received overall support in each category

1 being very important 5 being not important at all	1	2	3	4	5
The current level of Council Tax Support should be protected for as many people as possible under the new scheme	52.2%	13.4%	14.9%	1.5%	17.9%
Where it is not possible to protect everyone, the most vulnerable people should be protected.	70.1%	11.9%	1.5%	3.0%	13.4%
Changes in Council Tax discounts and exemptions should be used to fund the reduction in Government grant	42.2%	15.6%	18.8%	3.1%	20.3%
The scheme should encourage people to go into work or increase the number of hours worked	48.5%	13.6%	13.6%	7.6%	16.7%
Non-dependant adults in the household should contribute towards the Council Tax bill according to their income.	47.0%	24.2%	10.6%	7.6%	10.6%
The sacrifices made by members of the Armed Forces and their families should be recognised.	28.8%	13.6%	21.2%	15.2%	21.2%
Second Adult Rebate should not be included in the new scheme.	31.8%	13.6%	30.3%	9.1%	15.2%

Proposals for groups of people who should be classes as vulnerable are as follows, with the most popular highlighted:

	Agree	Don't Agree	Neither Agree or Disagree

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All families with dependant children	34.4%	52.5%	13.1%
Young people aged 18 to 24 with a history of social care	63.9%	26.2%	9.8%
Households where a member receives a Disability Benefit	72.1%	21.3%	6.6%
People who are registered as blind	83.3%	10.0%	6.7%
Carers who receive a Carer's Allowance	60.7%	23.0%	16.4%

We invited comments on the classes of vulnerable groups and some of these are given below.

Adults with mental health issues, especially single adults

People who are registered as disabled on low incomes but not necessarily on DLA

Asylum seekers. For their welfare.

Only families with children under 5

We also welcomed additional comments at the end of the consultation and a selection are given below:

I think you should gain the maximum amount from changes to tax on 2nd & empty properties etc.; also lobby government for higher tax bands & greatly increased tax on the highest bands, and use the money raised to ensure no-one loses out over the CT Benefit changes.

Removal of backdating will impact the vulnerable so should not be Implemented

Make sure that those either born with or acquired severe disabilities—both physical and mental are fully protected.

In addition to the defined consultation process above, opinions have been sought from the Cambridgeshire Financial Capabilities Forum, Diversity Forum and other groups. In general terms, the Draft Scheme has been well supported and there are only additional two proposals to be made following the consultations.

Consider allowing up to one month backdating – this brings the Cambridge City Council scheme in line with Universal Credit (to be introduced from October 2013 onwards), and protects people who for extenuating reasons were unable to make their claim earlier.

Consider placing charge payers who receive Disabled Band Reduction as a vulnerable class. These people may choose not to receive a disability income but could still be classed as disabled and therefore vulnerable.

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Council Tax Support Consultation 2012



1. With reference to the key principles document, please indicate how important these are to you. Give each a score according to how important they are to you: 1 being very important and 5 being not important at all.

	1	2	3	4	5	Response Count
The current level of Council Tax Support should be protected for as many people as possible under the new scheme.	52.2% (35)	13.4% (9)	14.9% (10)	1.5% (1)	17.9% (12)	67
Where it is not possible to protect everyone, the most vulnerable people should be protected.	70.1% (47)	11.9% (8)	1.5% (1)	3.0% (2)	13.4% (9)	67
Changes in Council Tax discounts and exemptions should be used to fund the reduction in Government grant	42.2% (27)	15.6% (10)	18.8% (12)	3.1% (2)	20.3% (13)	64
The scheme should encourage people to go into work or increase the number of hours worked.	48.5% (32)	13.6% (9)	13.6% (9)	7.6% (5)	16.7% (11)	66
Non-dependant adults in the household should contribute towards the Council Tax bill according to their income.	47.0% (31)	24.2% (16)	10.6% (7)	7.6% (5)	10.6% (7)	66
The sacrifices made by members of the Armed Forces and their families should be recognised.	28.8% (19)	13.6% (9)	21.2% (14)	15.2% (10)	21.2% (14)	66
Second Adult Rebate should not be included in the new scheme.	31.8% (21)	13.6% (9)	30.3% (20)	9.1% (6)	15.2% (10)	66
						answered question
						67
						skipped question
						0

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2. With reference to the Draft Scheme document, to what extent do you agree or disagree with the following proposals?				
	Agree	Don't Agree	Neither Agree or Disagree	Response Count
The current level of support for Council Tax will be maintained for as many people as possible	67.2% (41)	16.4% (10)	16.4% (10)	61
Council Tax changes for second homes should be used to fund some of the shortfall in Government grants for Council Tax Support	79.0% (49)	12.9% (8)	8.1% (5)	62
Council Tax changes for empty dwellings should be used to fund some of the shortfall in Government grants for Council Tax Support	77.4% (48)	11.3% (7)	11.3% (7)	62
In 2013-14 the rates of personal allowances, premiums and components shall be set in line with those for Housing Benefit	54.1% (33)	4.9% (3)	41.0% (25)	61
Fully disregard income from War Disablement Pension and War Widows/Widowers Pension	45.0% (27)	36.7% (22)	18.3% (11)	60
Change the deductions made for some non-dependant adults living with the Council Tax Payer	58.3% (35)	20.0% (12)	21.7% (13)	60
Abolish second adult rebate for working age people	45.9% (28)	36.1% (22)	18.0% (11)	61
A reduction to working age claims of between 0% and 20% will be reviewed and set each year according to budgetary needs (Draft Scheme for explanation)	41.7% (25)	28.3% (17)	30.0% (18)	60
In 2013-14 financial year, the above reduction shall be a close to 0% as possible (Draft Scheme for explanation)	53.4% (31)	19.0% (11)	27.6% (16)	58
Persons classed as vulnerable shall be exempt from the above percentage reduction	77.0% (47)	11.5% (7)	11.5% (7)	61

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Council Tax Reduction shall not be awarded for periods before the application is received by the Council	57.4% (35)	31.1% (19)	11.5% (7)	61
A cash limited discretionary "Exceptional Hardship Fund" should be set aside	72.6% (45)	12.9% (8)	14.5% (9)	62
			answered question	62
			skipped question	5

3. Please indicate if you agree or disagree that the following groups should be classed as vulnerable

	Agree	Don't Agree	Neither Agree or Disagree	Response Count
All families with dependant children	34.4% (21)	52.5% (32)	13.1% (8)	61
Young people aged 18 to 24 with a history of social care	63.9% (39)	26.2% (16)	9.8% (6)	61
Households where a member receives a Disability Benefit	72.1% (44)	21.3% (13)	6.6% (4)	61
People who are registered as blind	83.3% (50)	10.0% (6)	6.7% (4)	60
Carers who receive a Carer's Allowance	60.7% (37)	23.0% (14)	16.4% (10)	61
Are there other groups that you believe should be classed as vulnerable and therefore given extra protection?	35.6% (16)	24.4% (11)	40.0% (18)	45
			Please state which groups and your reason why:	18
			answered question	61
			skipped question	6




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4. What do you think the new scheme should be called?		
	Tick one only	Response Count
Council Tax Benefit	100.0% (13)	13
Council Tax Reduction	100.0% (6)	6
Council Tax Support	100.0% (35)	35
	Other	3
	answered question	54
	skipped question	13

5. We welcome any additional comments you have concerning the proposals		
		Response Count
		23
	answered question	23
	skipped question	44

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6. Are you responding as:		
	Please tick all that apply to you	Response Count
Running a business based in Cambridge	100.0% (2)	2
Private Landlord	100.0% (4)	4
Housing Association	100.0% (4)	4
Letting Agent	0.0% (0)	0
Voluntary/Community Organisation	100.0% (3)	3
Public Sector Organisation	100.0% (5)	5
Resident living in Cambridge	100.0% (44)	44
	Please give your post code	38
	answered question	53
	skipped question	14

7. Do you or someone in your household receive Council Tax Benefit?			
		Response Percent	Response Count
Yes		29.1%	16
No		69.1%	38
Not Sure		3.6%	2
	answered question		55
	skipped question		12

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8. Do you or someone in your household receive any of the following Benefits?		
	Tick all that apply	Response Count
Housing Benefit	100.0% (13)	13
Income Support, Job Seekers Allowance or Employment and Support Allowance	100.0% (7)	7
Child Benefit	100.0% (4)	4
Child or Working Tax Credits	100.0% (5)	5
Disability benefits including Disability Living Allowance	100.0% (9)	9
None of the above	100.0% (27)	27
	answered question	48
	skipped question	19

9. Which of the following age bands do you fall into?		
	Tick one that applies	Response Count
Under 18	0.0% (0)	0
18-24	100.0% (4)	4
25-34	100.0% (5)	5
35-44	100.0% (11)	11
45-54	100.0% (14)	14
55-64	100.0% (11)	11
65-74	100.0% (6)	6
75+	100.0% (2)	2
Prefer not to say	100.0% (4)	4
	answered question	57
	skipped question	10

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10. Are you Male/Female?		
	Tick one that applies	Response Count
Male	100.0% (26)	26
Female	100.0% (26)	26
Prefer not to say	100.0% (5)	5
answered question		57
skipped question		10

11. Is your gender identity the same gender you were assigned at birth?		
	Tick one that applies	Response Count
Yes	100.0% (47)	47
No	100.0% (1)	1
Prefer not to say	100.0% (6)	6
answered question		54
skipped question		13

12. Do you believe you have a disability under the Disability Discrimination Act definition?		
	Tick one that applies	Response Count
Yes	100.0% (8)	8
No	100.0% (42)	42
Prefer not to say	100.0% (7)	7
answered question		57
skipped question		10

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13. How would you describe your ethnic group?		
	Tick one that applies	Response Count
White - British	100.0% (45)	45
White - Irish	0.0% (0)	0
White - Other (please specify below)	100.0% (6)	6
Mixed - White and Black Caribbean	0.0% (0)	0
Mixed - White and Black African	0.0% (0)	0
Mixed - White and Asian	0.0% (0)	0
Mixed - Any other mixed background (please specify below)	100.0% (3)	3
Black or Black British - Caribbean	0.0% (0)	0
Black or Black British - African	0.0% (0)	0
Black or Black British - Any other Black background (please specify below)	100.0% (1)	1
Asian or Asian British - Indian	100.0% (2)	2
Asian or Asian British - Pakistani	0.0% (0)	0
Asian or Asian British - Bangladeshi	0.0% (0)	0
Asian or Asian British - Any other Asian background (please specify below)	0.0% (0)	0
Chinese	100.0% (1)	1
	Other (please specify)	9
	answered question	57
	skipped question	10

ANNEX D – PUBLIC CONSULTATION

Page 4, Q3. Please indicate if you agree or disagree that the following groups should be classed as vulnerable		
1	People who are setting up a home after a period of homelessness or other unsettled life should be classed as vulnerable for a set period. Particularly women moving to their home after living in a women's refuge	Oct 31, 2012 4:29 PM
2	Any person who can prove a need e.g. those in receipt of supplementary benefit (probably called something else now)	Oct 31, 2012 3:12 PM
3	Service people, Army, Air Force, etc	Oct 31, 2012 1:24 PM
4	People who are registered as disabled on low incomes but not necessarily on DLA	Oct 30, 2012 9:25 PM
5	often those on benefit are better off than those borderline cases. benefit is too generous in many cases and disabled get allowances which take into account some expenses. cambridge suffers from too many students who do not pay council tax so the council needs the funds from somewhere but why should others subsidise!	Oct 26, 2012 6:50 PM
6	The piss poor.	Oct 26, 2012 10:21 AM
7	Those who are off-work in the long-term because of illness, i.e. recipients of long-term incapacity benefit, if not included in the above "Household where a member receives a Disability Benefit"	Oct 25, 2012 4:31 PM
8	Adults with mental health issues, especially single adults without homeless These groups are vulnerable, arguably often much more vulnerable where they are not in receipt of a disability benefit than some of those who are.	Oct 22, 2012 2:18 PM
9	I am very concerned that those on Jobseekers Allowance will be expected to pay CT for the first time. On an income of £71 a week (single person) they are already living below the poverty line so could be at risk of not being able to sustain their tenancy. Mass non-payment by this group and others who simply cannot afford to pay may result in 'Poll Tax' type protests etc. Have we learned nothing from history? I am also keen to ensure that all those on income related ESA (both Support Group and Work Related Activity Group) should not have to pay any CT under the new rules.	Oct 22, 2012 2:12 PM
10	Separated dads who have at least one day per week contact with their children should be treated the same as the primary carer.	Oct 3, 2012 4:54 PM
11	Single parents with adult (18+) child away at college for part of the year, but still needing accommodation at home.	Oct 2, 2012 3:01 PM
12	geoups w	Sep 22, 2012 3:36 PM
13	people with mental illness and mental disability because they cannot fend for themselves and anyone on any illness related benefit	Sep 22, 2012 12:35 PM
14	Asylum seekers. For their welfare.	Sep 22, 2012 11:49 AM
15	students born in this country	Sep 20, 2012 5:05 PM
16	People who's sole income is welfare payments. They are vulnerable to changes in outgoings because they have no ability to control incoming payments. They do not pay other kinds of taxes such as income tax. I'm against using Council Tax as a punitive measure against the unemployed.	Sep 20, 2012 9:33 AM
Page 4, Q3. Please indicate if you agree or disagree that the following groups should be classed as vulnerable		
17	People who cannot get additional hours from their workplace or who cannot find another job to fit in with their existing job.	Sep 17, 2012 9:01 AM
18	Only families with children under 5	Sep 17, 2012 7:43 AM

ANNEX D – PUBLIC CONSULTATION

Page 5, Q4. What do you think the new scheme should be called?		
1	Does it matter	Oct 31, 2012 3:12 PM
2	Council Tax	Sep 22, 2012 7:56 PM
3	Super Council Tax Plus	Sep 22, 2012 11:51 AM
Page 5, Q5. We welcome any additional comments you have concerning the proposals		
1	in order to meet your aim for the scheme to be predictable and transparent, you should publish the details of the circumstances someone could claim a discretionary payment and clearly state the procedure for doing so. I would recommend that you consult with support workers/social workers etc to ensure that this aspect of your scheme will function adequately to protect those most vulnerable in our society at times of crisis and hardship.	Oct 31, 2012 4:32 PM
2	Explanation in the local papers	Oct 31, 2012 3:12 PM
3	The absolute provision for recovery of overpayments even when there is underlying entitlement (item4) seems draconian. We would like to see some discretion e.g. family with young children or disabled person, where partner has left or new one moved in, if the family is on max bens, the amount of CT reduction would remain the same. If the change is notified late for whatever reason, recovery of the overpayment is automatic. this could be detrimental and potentially damaging to children or disabled person. The scheme appears very harsh on claimants out of work. Although we note the comment that there are "job opportunities" the people we work with are frankly often "unemployable" in their current condition rather than "work shy". Also, is it fair to charge those who have been made redundant through no fault of their own but may have known no other employment, but are still actively looking for work. Or what about those who have been on IB for many years but have just been refused ESA and so are already having to adjust to a sudden and substantial cut in their income (3.69% - 5.32% of their min weekly ben - £71 for single people over 25 and £56.25 for under 25s - CT. Claimants may have to choose between paying CTax and eating/heating.	Oct 30, 2012 9:46 PM
4	Registered disabled should not pay any council tax, but armed forces personnel should.	Oct 28, 2012 10:31 AM
5	more careful means testing!!!	Oct 26, 2012 6:51 PM
6	I would just like to comment that this was a very difficult survey to complete and I think you could have made it easier.	Oct 26, 2012 2:53 PM
7	There should be consistency with any scheme implemented by SCDC	Oct 26, 2012 10:20 AM
8	I think you should gain the maximum amount from changes to tax on 2nd & empty properties etc.; also lobby government for higher tax bands & greatly increased tax on the highest bands, and use the money raised to ensure no-one loses out over the CT Benefit changes.	Oct 25, 2012 4:35 PM
9	Removal of backdating will impact the vulnerable so should not be implemented	Oct 24, 2012 3:50 PM
10	The council should make sure that it publicises that the changes have been forced upon them, due to changes made by central government. At a time of low wages, wage freezes, job losses, profound changes to the benefits system, increasing rents in the private sector and reductions in housing benefit support, any reduction of financial support will affect those who can least bear it.	Oct 24, 2012 11:20 AM
11	I appreciate that you are doing your best to cope with a difficult situation, but I am very concerned that those currently on means-tested benefits (an indication of very low income) will be expected to pay something towards their CT. It did not work with the Poll Tax and it will not work with the new CT Scheme, as they simply will NOT pay and the Council will spend more money on chasing the arrears than they actually collect from these groups!	Oct 22, 2012 2:15 PM

ANNEX D – PUBLIC CONSULTATION

Page 5, Q5. We welcome any additional comments you have concerning the proposals		
12	When assessing income you should include child benefit and child support payments.	Oct 3, 2012 4:55 PM
13	Reducing the discount for second homes should only go ahead if owners are given the right to vote in local elections . Fairness should apply to all residents and it is not fair that those who pay council tax receive no vote yet those who re rive full council tax can vote	Sep 25, 2012 9:38 PM
14	Don't waste money mailing 2 letters to one resident. Ensure those on Income Support or ESA do not need to pay any council tax, as in the past.	Sep 22, 2012 7:56 PM
15	Any additional burden on currently council tax paying residents is not tolerable.	Sep 22, 2012 3:38 PM
16	that for the disabled the council tax benefit should not be reduced and anyone on any disability benefit.	Sep 22, 2012 12:37 PM
17	Good luck Team.	Sep 22, 2012 11:51 AM
18	Council bands on properties of multiiple occupation should be increase to account for the fact that the property could be rated C or D band, contain 6 or more working adults. Due to this fact the council are losing revenue.	Sep 22, 2012 6:57 AM
19	Make sure that those either born with or acquired severe disabilities--both physical and mental are fully protected.	Sep 21, 2012 11:07 PM
20	Council tax is to pay for community services within a city, and for this reason, it should be paid per capita/household/occupied house to reflect the fact that each member of society bears the same cost. People who are not able to pay should not be exempt and instead should receive some extra-financial help according to their issue (so with more money they will be able to pay the council services). Likewise, charging someone twice (because they own 2 properties) is not really fair in my point of view.	Sep 21, 2012 12:54 PM
21	stop paying it to immigrants without them working here for 5 years and paying in to system. Regardless off status. apply it to every immigrant.	Sep 20, 2012 5:08 PM
22	I'm alarmed by the suggestion that Council Tax might be used as a way of punishing the unemployed to "motivate" them to seek work. This is not fair or just.	Sep 20, 2012 9:37 AM
23	Do not get rid of single person discount to fund the changes, please.	Sep 18, 2012 5:57 PM

ANNEX D – PUBLIC CONSULTATION

Page 6, Q6. Are you responding as:		
1	cb4 2jy	Oct 31, 2012 3:19 PM
2	CB4 1FR	Oct 31, 2012 1:26 PM
3	CB4 2US	Oct 31, 2012 12:22 PM
4	CB1 2BL	Oct 30, 2012 9:47 PM
5	CB4 1BJ	Oct 29, 2012 11:28 AM
6	CB5 8QY	Oct 28, 2012 2:22 PM
7	cb2 8ph	Oct 28, 2012 10:32 AM
8	cb1 9en	Oct 27, 2012 11:11 AM
9	CB2	Oct 26, 2012 6:52 PM
10	CB3	Oct 26, 2012 2:54 PM
11	cb6 1ad	Oct 26, 2012 10:30 AM
12	CB4	Oct 26, 2012 10:29 AM
13	CB4 1BS	Oct 25, 2012 4:36 PM
14	cb5 8bj	Oct 24, 2012 3:51 PM
15	CB2 1JN	Oct 24, 2012 12:58 PM
16	CB2 1JH	Oct 24, 2012 11:21 AM
17	CB24 9ZR	Oct 22, 2012 2:16 PM
18	Cb5 8tz	Oct 18, 2012 4:40 PM
19	CB4 1GL	Oct 16, 2012 5:13 PM
20	cb5	Oct 15, 2012 9:56 PM
21	cb4	Oct 3, 2012 4:56 PM
22	CB4 2AU	Oct 2, 2012 3:03 PM
23	CB3 9EU	Oct 1, 2012 6:10 PM
24	CB5 8TY	Sep 29, 2012 7:08 PM
25	CB1 9JT	Sep 26, 2012 9:14 PM
26	Cb 2 7 ty	Sep 25, 2012 9:39 PM
27	CB19JZ	Sep 22, 2012 8:06 PM
28	CB4	Sep 22, 2012 7:57 PM
29	cb1 3og	Sep 22, 2012 1:16 PM
30	CB4 3EZ	Sep 22, 2012 12:38 PM
Page 6, Q6. Are you responding as:		
31	cb2 8ah	Sep 22, 2012 11:57 AM
32	cb4 2ug	Sep 22, 2012 6:58 AM
33	CB21LR	Sep 21, 2012 11:08 PM
34	XB4 2BL	Sep 21, 2012 12:55 PM
35	cb58pr	Sep 20, 2012 5:13 PM
36	CB5 8EG	Sep 20, 2012 9:37 AM
37	Cb2 9lw	Sep 18, 2012 10:12 PM
38	cb4 1yf	Sep 18, 2012 6:00 PM

ANNEX D – PUBLIC CONSULTATION

Page 7, Q13. How would you describe your ethnic group?		
1	This section I consider irrelevant	Oct 31, 2012 3:13 PM
2	None of your	Oct 26, 2012 10:23 AM
3	Prefer not to say	Oct 26, 2012 10:21 AM
4	irrelevant	Oct 22, 2012 2:20 PM
5	Answering on behalf of an organisation	Oct 1, 2012 6:11 PM
6	prefer not to say	Sep 22, 2012 3:40 PM
7	None of your business, my race is not the issue here	Sep 22, 2012 1:17 PM
8	ENGLISH	Sep 22, 2012 6:59 AM
9	Prefer not to say	Sep 21, 2012 12:55 PM

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Non-dependant deductions

The amounts below are the expected contributions to household expenses from other adults in the household. These amounts will be deducted from Council Tax Support of claimants and may change depending on Department for Working Pensions uprating figures and Department for Communities and Local Government final Default Scheme figures for those reaching State Pension age.

DEDUCTIONS FROM WORKING AGE CLAIMANTS	Old Scheme	Working Age Scheme	State Pension Age*
Person aged at least 25 years receiving Income Support/ Jobseeker's Allowance (Income-based)/ Employment and Support Allowance (Income-related)	Nil	Nil	Nil
Person aged 24 years or less receiving Income Support/ Jobseeker's Allowance (Income-based)/ Employment and Support Allowance (Income-related)	Nil	Nil	Nil
Person aged at least 18 years receiving Employment and Support Allowance (Contributory)(Main phase)	£3.30	£3.80	£2.85*
Person aged at least 18 years not in remunerative work (part time) and not receiving Income Support/ Jobseeker's Allowance (Income-based)/ Employment and Support Allowance (Income-related)	£3.30	£3.80	£2.85*
Person receiving Pension Credit	Nil	Nil	Nil
Person aged at least 18 years in remunerative work receiving gross weekly income of £180 or less	£3.30	£3.80	£2.85*
Person aged at least 18 years in remunerative work receiving gross weekly income of £180 to £309.99	£6.55	£7.53	£5.70*
Person aged at least 18 years in remunerative work receiving gross weekly income of £310 to £386.99	£8.25	£9.49	£7.20*
Person aged at least 18 years in remunerative work receiving gross weekly income of at least £397	£9.90	£11.39	£8.60*

* Figures above for State Pension Age claims are taken from Draft Default Scheme and these figures yet to be updated for 2013/14

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Cambridge City Council Equality Impact Assessment



Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from David Kidston, Strategy and Partnerships Manager on 01223 457043 or email david.kidston@cambridge.gov.uk, or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

Localisation of Council Tax Support

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

As part of the welfare reforms being implemented by the Government, the City Council is required by law to administer a local council tax support system in the form of a Council Tax Reduction Scheme. This will replace Council Tax Benefit, which is a national Social Security benefit that is administered locally, but governed nationally.

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- Residents
 Visitors
 Staff

A specific client group or groups (please state):

People of working age, i.e. those who have not reached the qualifying age for State Pension Credit.

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- New
 Revised
 Existing

5. Responsible directorate and service

Directorate: Customer and Community Services

ANNEX F – EQUALITY IMPACT ASSESSMENT

Service: Revenues and Benefits

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

- No
 Yes (please give details):

Customer Service Centre, Strategic Housing, City Homes, Legal, Audit – internal and external, neighbouring local authorities / precepting authorities, social care, voluntary support agencies, landlords and registered providers of social housing.

7. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people)

Affects Working Age customers only i.e. individuals or if a couple, both have not reached State Pension Age.

ANNEX F – EQUALITY IMPACT ASSESSMENT

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

The proposed scheme considers the outcome of the Equalities Impact Assessment and endeavors to treat each of the Communities fairly.

This is achieved by adopting the Default Scheme rules for the level of personal allowances, premiums, known as the “applicable amount” (sums of money that the Government sets as a minimum requirement for each category of customer). The applicable amount is linked to those prescribed for the Housing Benefit scheme, and is uprated annually.

These applicable amounts, premiums reflect increased costs some sections of the community face, for example families and those with disabilities.

Use of these premiums and allowances will mitigate negative effects of Local Council Tax Support.

(c) Gender

No effect on gender.

(d) Pregnancy and maternity

Women who are pregnant and have worked during a relevant period may be entitled to either Maternity Allowance (MA) or Statutory Maternity Pay (SMP) from the 39th week of pregnancy, where medically unfit for work during the pregnancy a claim for Employment and Support Allowance (ESA) may be made. Additional allowances may be given if unfit to work and allowances are given when child born.

(e) Transgender (including gender re-assignment)

No effect on transgender.

(f) Marriage and Civil Partnership

No effect on marriage and civil partnerships as all couples, whether married, in a Civil Partnership or living together as a couple are treated the same.

(g) Race or ethnicity

No specific effect on race or ethnicity, although some families may have larger numbers of children than others and allowances given for children are not capped.

(h) Religion or belief

ANNEX F – EQUALITY IMPACT ASSESSMENT

No specific effect on religion or belief, although some families may have larger numbers of children than others and allowances given for children are not capped.

(i) Sexual orientation

No effect on sexual orientation.

(j) Other factor that may lead to inequality (please state):

None

8. If you have any additional comments please add them here

None

9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to David Kidston, Strategy and Partnerships Manager, who will arrange for it to be published on the City Council's website. Email david.kidston@cambridge.gov.uk.

10. Sign off

Name and job title of assessment lead officer:
Naomi Armstrong, Benefits Manager

Names and job titles of other assessment team members and people consulted:
David Kidston, Strategy and Partnerships Manager
Kim Larkin, Project Officer

Date of completion:
6 December 2012

Date of next review of the assessment:
1 December 2013



ANNEX F – EQUALITY IMPACT ASSESSMENT

Action Plan

Equality Impact Assessment title:

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	Working Age only claimants are affected by new scheme. Cumulative financial impact of broader welfare reform rest primarily on Working Age claimants and the effect of this must be understood.
Action to be taken to address the disadvantage or negative impact	Monitor outstanding debt levels, appropriate approach to recovery of debts. Offer financial planning advice
Officer responsible for progressing the action	Naomi Armstrong
Date action to be completed by	1 December 2013

Equality Group	Disability
Details of possible disadvantage or negative impact	There are often additional costs incurred by disabled people, these need to be identified and where income is received to cover these costs this needs to be identified and disregarded as appropriate.
Action to be taken to address the disadvantage or negative impact	The scheme proposed uses the Default Council Tax Reduction application of allowances, premiums and discounts to reflect an individual's household needs, reflecting individuals disabilities. Clear advice for customers and training for all staff on what incomes are to be disregarded and what additional allowance apply when calculating Council Tax Support.
Officer responsible for progressing the action	Naomi Armstrong
Date action to be completed by	1 December 2013

Equality Group	Gender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and maternity
Details of possible	Details of pregnancy may not be known.

ANNEX F – EQUALITY IMPACT ASSESSMENT

disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	Clear advice to customers and training for all staff to ensure that details of pregnancy are known so that any support or help can be given. Alliances, premiums and disregards within the scheme provide financial recognition in the calculation of Council Tax Reduction.
Officer responsible for progressing the action	Naomi Amrstrong 1 December 2013
Date action to be completed by	

Equality Group	Transgender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or ethnicity
Details of possible disadvantage or negative impact	Some ethnic groups may have larger than average families and will tend to have higher expenses.
Action to be taken to address the disadvantage or negative impact	Clear advice to customers and training for all staff to ensure that details of family makeup is gathered as allowances for children are not capped and income from child benefit and maintenance for children is disregarded.
Officer responsible for progressing the action	Naomi Armstrong
Date action to be completed by	1 December 2013

ANNEX F – EQUALITY IMPACT ASSESSMENT

completed by	
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Equality Group	Religion or belief
Details of possible disadvantage or negative impact	Some religious groups may have larger than average families and will tend to have higher expenses.
Action to be taken to address the disadvantage or negative impact	Clear advice to customers and training for all staff to ensure that details of family makeup is gathered as allowances for children are not capped and income from child benefit and maintenance for children is disregarded.
Officer responsible for progressing the action	Naomi Armstrong
Date action to be completed by	1 December 2013

Equality Group	Sexual orientation
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	The scheme has been drafted to protect classes of vulnerable people from reduction in Council Tax Support. However, the wider welfare reforms may make quantifying the long-term holistic impacts difficult.
Action to be taken to address the disadvantage or negative impact	The scheme will be reviewed annually and it is at the end of the first year that the longer-term impacts will start to become clearer.
Officer responsible for progressing the action	Naomi Armstrong
Date action to be completed by	1 December 2013