

Report of the Chief Officer (Welfare & Benefits)

Report to Scrutiny Board (Resources and Council Services)

Date: 29th September 2014

Subject: Local Council Tax Support Scheme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1.0 Executive summary

1.1 The report sets out proposals to change the Local Council Tax Support Scheme from April 2015 and sets out a number of challenges that need to be addressed. The proposals are aimed at providing a scheme that works with citizens to increase the prospects of finding work and help citizens to improve their financial situation.

1.2 The proposed scheme continues to protect the amount of support received by the most vulnerable citizens but also introduces a requirement for jobseekers to engage with the council in work-related matters. Jobseekers will get Council Tax Support for the first 6 months of their claim with future Council Tax Support being dependent on jobseekers working with the council to improve their employment prospects. Although it is expected that jobseekers will work with the council and will continue to get Council Tax Support, those who don't work with the council will see their Council Tax Support stopped.

1.3 The proposed scheme recognises that the direction of travel of the current Council Tax Support scheme does little to deliver the council's ambitions around helping people into work or tackling financial hardship. It also recognises that the current scheme is creating Council Tax collection issues that will see some citizens faced with repaying Council Tax arrears over many years.

1.4 The council is required to consult on proposed changes to Council Tax Support scheme and a public consultation exercise has recently been started. A final decision will be taken by Full Council in January 2015 following a recommendation from the December meeting of the Council's Executive Board.

2.0 Recommendations

2.1 Scrutiny members are asked to consider the proposed scheme, raise questions and provide comment on the design and administration of the scheme so that these may be fully explored as part of preparations and included in the report to executive board on 17 December 2014

3.0 Background information

3.1 In April 2013, the national Council Tax Benefit scheme was replaced by local Council Tax Support schemes designed and delivered by local councils. Government funding for the local schemes was reduced by 10% and the allocation to Leeds, inclusive of the element paid directly to Police and Fire Services, was £49.2m. By comparison, the Council Tax Benefit Scheme if it were still in place would currently cost £54.2m.

3.2 To keep spend within the available budget, support is currently limited for around 29,000 households to 74% of what they would have received in Council Tax Benefit. The level of support is unchanged for around 47,000 households who are protected from reductions: 29,000 are pensioners with mandatory protection and a further 18,000 deemed vulnerable and protected under the Leeds scheme.

3.3 Ongoing scheme costs are determined by a number of factors, including the number of households claiming support, the number of these that are in protected groups and the level of Council Tax charged. Increases in scheme costs mean either that the council has to put more money into the scheme or non-protected groups get less support.

3.4 Each year the Council must decide on its Council Tax Support scheme. The decision is a Full Council decision and must be taken by 31st January each year. Where changes are proposed to the scheme, a public consultation exercise is required. The results of the consultation are reported to Executive Board which recommends a scheme for Full Council to consider.

3.5 A public consultation is underway in relation to the scheme proposals contained in this report. The views of Scrutiny Board are also sought in relation to the scheme.

4.0 Main issues

4.1 Faced with the prospects of a scheme that, year on year, would become less effective, Executive Board agreed to consider looking at an alternative scheme aimed at supporting customers into work. The Executive Board report is attached at appendix A.

4.2 The aim of the proposed scheme is to support more people into work and in doing so reduce demand for Council Tax Support. When a Jobseeker moves into work their level of income is likely to be such that it will mean their entitlement to support will reduce. If their income is high enough, support will be removed entirely. If we can help jobseekers currently claiming Council Tax Support move into work, the cost of providing Council Tax Support to this group will reduce

4.3 As part of the Jobseekers agreement, Jobcentre Plus requires that jobseekers enter into a claimant commitment to undertake activity to prepare and search for work. Under the new scheme proposal *additional* support, delivered by the council, would be available to jobseekers to complement the support provided by Jobcentre Plus.

4.4 Appendix B provides further detail on the practical application of the proposed change

4.5 There are a number of issues that need to be addressed ahead of any changes to the current scheme. These are:

- Whether we have the power to introduce this level of conditionality;
- The scope of the cohort that will fall with the conditionality requirements
- The extent and type of conditionality to be introduced and the role of the key organisations
- The extent of the consultation we are able to carry out.

Do we have the power to introduce conditionality?

4.6 Councils are required to determine the 'classes' that are eligible for support. Some councils introduced a 'residence' requirement meaning that customers had to have been resident within the borough for a specified period of time in order to be able to apply for Council Tax Support. A recent judicial review confirmed that this approach is illegal and that councils are limited to looking at a customer's financial need when defining the classes that are eligible for support. This raised questions about our proposed scheme which requires Jobseekers to engage in work-related activity in order to continue to get Council Tax Support. Counsel opinion was sought on this matter and this has confirmed that, in counsel's opinion, the proposed scheme falls within the requirements of the relevant sections of the Local Government Act.

The cohort falling within the conditionality requirement

4.7 We need to consider who would fall within the conditionality requirements. As the aim of the conditionality requirements are about increasing employability, the scope is limited to out of work claimants. Income Support recipients are, in the main, single parents with a child under 5 and there is no expectation that Council Tax Support (CTS) for this groups should be conditional. Similarly, claimants in the support groups for Employment and Support Allowance are protected under the Leeds scheme and would not be subject to conditionality requirements.

4.8 This leaves Jobseekers Allowance (JSA) cases and Employment Support Allowance (ESA) - work related group and Employment Support Allowance - assessment phase cases.

- There are currently 9,380 JSA cases getting CTS; and
- There are currently 6,839 ESA cases getting CTS (these are not protected)

4.9 This potential volume of cases to be dealt with under the conditionality requirements is significant and needs to be carefully managed. Alongside this, there is a requirement for us to consider transitional protection when making major changes to the scheme. It is proposed therefore to operate a scheme as follows:

- Implement a scheme which introduces conditionality after 6 months for Jobseekers Allowance based cases only;
- Apply transitional protection for 1 year for JSA-based cases already getting CTS. A number of these cases will come off JSA in that 12 months period and this would allow us to build up the capacity to provide additional support for all 6-month-plus JSA cases from April 2016 onwards.
- Apply the new scheme conditionality requirements to all new JSA-based CTS claims from April 2015. Based on the assumption that we receive around 360 new JSA-based claims a month and that 50% move off JSA within 6 months, this would see 1080 JSA-based cases moving into the conditionality group at the rate of 180 a month from October 2015 (Appendix C);
- Leaving ESA cases out of the scheme recognises that this is a more difficult group and that there are practical administrative issues to be addressed:
 - o We would need to get additional information to establish whether someone was in the work-related group or the support group;
 - o There is much more movement between the work-related group and the support group because of the high success rate of appeals against decisions to place in the work-related group;
 - o We'd be dependent on DWP decision-making with many cases remaining on the 'assessment' phase for long periods (people remain in the assessment phase while DWP decides whether they should be placed in the work-related group or the support group).
- None of these issues are insurmountable and we could extend the scheme to cover the ESA (work related group). The volume of cases overall would need to be addressed and one way of managing the volume is to apply the conditionality rules to JSA-based cases and ESA-based cases after 1 year of being on JSA/ESA – local Jobcentre Plus figures suggest that 75% to 80% of claimants come off JSA within a year. Based on 360 new JSA-based claims a month, this would mean only 75 cases a month moving to conditionality. We also get around 170 new ESA-based cases a month which would need to be considered

The role of Jobs and Skills

4.10 The scheme requires input from 2 key services. Welfare and Benefits will assess entitlement, decide whether the case falls within a class that is subject to conditionality and make referrals to Jobs and Skills at the appropriate time for additional help with finding a job.

4.11 Jobs and Skills would be responsible for agreeing an action plan with the customer, delivering the additional support and monitoring compliance. Jobs and Skills will need to

work flexibly with each jobseeker who approaches them for a support package and take into account:

- jobseekers individual needs,
- the support already in place with Jobcentre plus;
- available resources; and
- agree what support and engagement is required.

Examples would be:

- Attending a Job shop for a 1:1 guidance appointment and completing appropriate tasks from an agreed plan eg: completing a CV; setting up an email account; having a mock interview; attending a signposted service etc.
- Attending scheduled appointments with an advisor for ongoing jobsearch support and receive guidance on further improving employability

4.12 For as long as the jobseeker engages in the agreed package they will continue to receive discretionary conditional support. Currently, 1,795 of the JSA cases getting CTS are also working with Jobs & Skills so this suggests that there is the capacity to deal with cases from April 2015 onwards (in reality this would be from October 2015 onwards).

Costs

4.13 The current scheme has a budget provision of £49.670m (including contribution from police and fire and rescue services) but is currently projecting an underspend of £815k. This is due to a reduced caseload and it is recommended that the projected underspend is treated with some caution at this stage

4.14 The cost of providing support to jobseekers is currently around £5m per year, £1.3m of this to 2,400 Jobseekers who have claimed JSA and CTS for less than 6 months and £3.7m in respect of 7,000 Jobseekers that have claimed for more than 6 months.

4.15 The scheme is aimed at supporting people into work and reducing dependence on Council Tax Support. Scheme costs need to be based on the following assumptions:

- That all claimants in the conditionality group actively engage and remain entitled to Council Tax Support;
- That transitional protection will apply in the first year of the scheme for existing claims;
- That there is a Council Tax increase in 2015/16 and in future years;
- That Conditional Support will be paid at the same rate as unconditional support; and
- That no support at all is paid where claimants fail to engage. Options were considered around reducing the level of support where claimants did not engage. These were not taken forward on the grounds that it watered down the incentive to engage and further complicated the scheme.

4.16 Given these assumptions, it is proposed to increase the reduction from 26% to 30% in 2015/16 with the expectation that the reduction will remain stable at 30% in future years. Appendix D shows the cost comparisons of both a 26% scheme and a 30% scheme against the budget of £49.67m for next year, 2015/16. Appendix E shows the comparisons for year 2 (16/17) of the scheme and this shows that even with a 30% reduction scheme there would be an overspend of £507k on current caseload figures. However, if the scheme works as intended and helps 900 Jobseekers find work, the scheme will come in within budget and would not require a further reduction in the amount of support non-protected groups receive.

4.17 Although the assumption is that 100% of jobseekers will engage with the scheme, we need to recognise the possibility that some claimants may not engage and will lose entitlement as a result.

Impact on affected Jobseekers

4.18 The jobseekers are currently subject to a 26% reduction in support. If these proposals are adopted it will mean new Jobseekers will be affected from April 2015 with existing Jobseekers cases coming on stream in April 2016 – some may come within scope sooner where they have a break in their Jobseekers Allowance claim or their Council Tax Support claim.

4.19 New JSA-based claims will receive 6 months unconditional CTS support. Further support will be subject to meeting conditionality requirements and where these are met, CTS support will continue at the same level as before – no JSA-based claim will be worse off if they engage. The expectation is that the additional support provided by Jobs and Skills will increase the prospects of getting a job.

4.20 New jobseekers who do not engage with the conditionality requirements will receive no support after 6 months. We need to develop procedures for continuing to encourage engagement and also to consider how best to support these residents.

4.21 Those who do not engage will see an increase in the amount of Council Tax they have to pay. Based on the current level of Council Tax and assuming 6 month support from 1st April and nothing thereafter:

- A single Jobseeker living in a Band A property would have to pay £435 compared to £174 payment required under the current scheme;
- A couple claiming Jobseeker's Allowance living in a Band A property would have to pay £581 compared to £232 payment required under the current scheme.

4.22 Appendix F provides information about the household make-up of the current JSA-based claims. This breakdown shows that the extent to which families, and large families at that, are included within the scheme. The presence of large families means that we need to be flexible when setting out conditionality requirements. We also need to make sure that we are joined up with Families First; just over 300 families on JSA have 4 or more children and only 144 of the JSA-based CTS cases are known to Families First.

4.23 We are required to undertake a consultation on the proposed scheme. The consultation process requires:

- That we publish our proposed draft scheme;
- That we consult with those likely to be affected;
- That we provide sufficient information to make the consultation meaningful; and
- That we allow sufficient time for an adequate consultation.

4.24 The public consultation has commenced and will run until 14 November, we will not be able to meet the 20 November deadline for submission of an Executive Board report for CLT and Cabinet clearance purposes. This is because we would need 2/3 weeks to analyse the results of the consultation and make an appropriate recommendation to Executive Board. It is proposed therefore to submit a report to the 17 December Executive Board.

4.25 In the event that Council adopts the proposed scheme, further work will be required between now and the publication of the scheme in January on the full extent of conditionality options and the opportunities to bring in other organisations to support this. If the scheme is approved by Council, there will be considerable work required around publicity and targeted information to the affected group as well as work on ensuring policies and processes are aligned and effective to deliver this change. We also need to develop a set of management information data that will enable us to monitor how effective the scheme is in supporting people into work and reducing dependence on Council Tax Support

Corporate Considerations

5.0 Consultation and Engagement

5.1 The Local Government Finance Act requires that a consultation is carried out. A consultation has commenced and will conclude 14 November 2014. The consultation will gauge the level of public support for the principle of introducing conditionality requirements for jobseekers, and withholding support for those that do not engage in activities that will prepare them for work.

5.2 The consultation is open to all on the Councils website through “talking point” and a number of working age recipients of Council Tax Support have been randomly selected and invited to respond.

5.3 The major pre-cepting authorities are being consulted as part of the consultation process.

5.4 Issues raised at this scrutiny board will also feed into the consultation process

5.5 A summary report of the consultation will be provided to the Executive Board on 17 December

6.0 Equality and Diversity / Cohesion and Integration

6.1 An Equality Impact Assessment in respect of the proposed change will be carried out and presented to executive board on 17 December 2014

7.0 Council policies and City Priorities

7.1 The policy supports one of the 4 citizens@leeds propositions - to help people into work in order to tackle poverty and deprivation in the city

8.0 Resources and value for money

8.1 The scheme has resource implications for the Council as once published the scheme cannot be changed during the financial year. Any additional expenditure over that forecast and budgeted for, must be met by the council and the precepting authorities

9.0 Legal Implications, Access to Information and Call In

9.1 Counsel opinion has been obtained and referred to in paragraph 3.6

9.2 A decision is not required by the board and therefore the matter is not subject to call-in

10.0 Risk Management

10.1 If a new scheme for 2015/16 is not published by the 31 January 2015 deadline for publishing a new scheme, by default the 2014/15 scheme would continue. This could have financial implications if there were a Council Tax Increase as this would increase the cost of providing support.

10.2 Scheme costs must continue to be constantly monitored as increased costs would need to be met from council budget

Recommendations

Scrutiny members are asked to consider the proposed scheme, raise questions and provide comment on the design and administration of the scheme so that these may be fully explored as part of preparations and included in the report to executive board on 17 December 2014

Report of Assistant Chief Executive (Citizens and Communities)

Report to Executive Board

Date: 16th July 2014

Subject: Localised Council Tax Support scheme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of the main issues

- 1 Council Tax Benefit was abolished in March 2013 and local Council Tax Support schemes came into effect from 1st April 2013. Each year the Council must agree a local Council Tax Support scheme. This needs to be done by 31st January each year and failure to propose, consult upon and agree a scheme by 31st January in any year will see the previous year's scheme rollover into the next year.
- 2 In 13/14, the Council adopted a scheme that protected the most vulnerable groups and maintained these protections in the 14/15 scheme. This report also recommends maintaining those protections in 15/16. However, the impact on non-protected groups will be that we continue to see a year-on-year decrease in the level of support available, consequential on council tax rises and making the assumption that the existing budget will not be increased. The table below shows the year-on-year reduction in support for non-protected groups:

	% reduction in support	Amount to pay*	Increase
12/13 –baseline	0	0	-
13/14	19%	£167 pa	
14/15	26%	£232 pa	39%
15/16**	31%	£278 pa	20%

* Band A Council Tax

** assumes no additional funding and a Council Tax increase

- 3 Council Tax collection rates for 13/14 show that around half the households affected by Council Tax Support changes paid their Council Tax in full; overall the in-year collection rate for households previously entitled to 100% Council Tax Benefit was 65% in 13/14. An increased charge is likely to prove more difficult to collect in 14/15 and there are particular concerns for those households who have carried forward arrears into 14/15. The current approach, without additional funding or a decrease in numbers needing help, is likely to continue to deliver a less generous scheme year on year.

- 4 The current scheme is based on the national Council Tax Benefit (CTB) scheme that preceded it. The national CTB scheme did little to encourage and support households into work and was a standalone financial support scheme with limited conditions attached. This report sets out alternative scheme options with a focus on supporting people into work where appropriate. These options reflect the Citizens@Leeds approach to tackling poverty and deprivation and include options based around the concept of 'high levels of support and high challenge' to help households improve their financial and employment prospects.
- 5 Any change to the current scheme will require a public consultation exercise.

Recommendations

Executive Board is asked to:

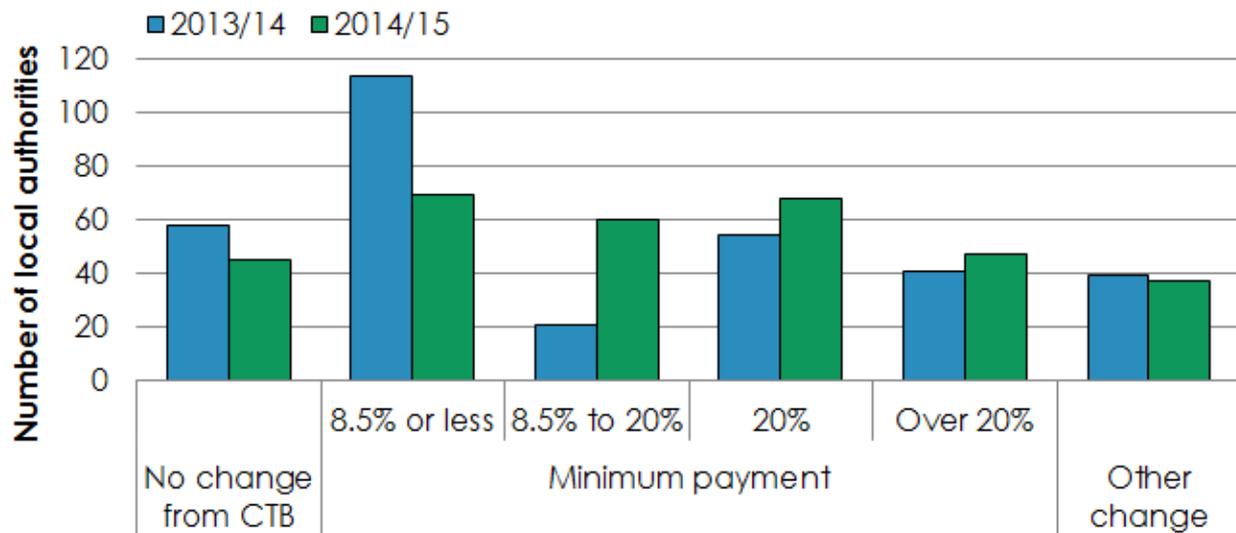
1. Note the issues created by the current approach to our Council Tax Support scheme and the need therefore to consider alternative approaches;
2. Agree that officers should undertake further work on options 2 and 3 and develop and consult upon a potential new Council Tax Support scheme, which is based around high levels of support and high levels of challenge with a focus on supporting people into work;
3. Confirm that funding for the 2015/16 Council Tax Support Scheme will be retained at the budgeted level for 2014/15.
4. Agree that the detail of developing a potential new scheme for consultation be delegated to the Assistant Chief Executive (Citizens and Communities). The decision to consult upon a new scheme would be made following discussions with relevant Executive Members and would be eligible for call-in. Any consultation would need to take place within the timescale set out in para 2.3.
5. Agree to receive a report in December 2014 outlining the outcome of consultation and making a recommendation based upon that consultation for the adoption of a new Council Tax Support scheme for 2015/16.

1. Purpose of this report

- 1.1 The report provides Executive Board with information on the likely costs and implications of maintaining the current Council Tax Support scheme for 15/16. The report also provides information on alternative schemes that support people moving into work and incentivise households to engage with the council to help improve work prospects.
- 1.2 The report asks Members of Executive Board to agree to develop and consult upon a potential new Council Tax Support scheme which is based around high levels of support and high levels of challenge with a focus on supporting people into work given the issues created by the current scheme.

2 Background information

- 2.1 Each year the Council must agree a local Council Tax Support scheme. This has to be done by 31st January each year and failure to propose, consult upon and agree a scheme by 31st January in any year will see the previous year's scheme rollover into the next year
- 2.2. The process for agreeing a scheme requires:
- a) confirmation of the funding for scheme in 15/16;
 - b) estimates of caseload; and
 - c) estimates of Council Tax levels.
- 2.3 Following legal advice received last year, any proposed changes to the scheme are subject to a public consultation exercise. In the event of any proposed changes to the scheme, the timetable for introducing a changed scheme is as follows:
- July 14: approval to consult on preferred scheme;
 - September 14: start of 6-8 week public consultation process;
 - November 14: analysis of consultation responses
 - December 14: report to Executive Board with scheme recommendation
 - January 15: report to Council with recommended scheme for adoption
- 2.4 In January 2014, Council adopted a scheme that kept scheme spend at 13/14 budgeted levels and allowed for a Council Tax increase of 1.99%. The scheme maintained protections for vulnerable groups but other groups saw their Council Tax Support reduced to 74% of the amount they would have got under the national Council Tax Benefit scheme – in 2013/14 non-protected groups had their Council Tax Support limited to 81% of the amount they would have got under the national Council Tax Benefit scheme.
- 2.5 The outcome for a family in a Band A property was that their Council Tax contribution increased by 39% from £167 a year to £232 a year. It is clearly too early to say what the larger impacts of the change have been in Leeds. However, the change in Leeds reflected the general trend cross the country with Council Tax Support schemes becoming less generous. The graph below from the New Policy Institute shows fewer councils in 14/15 providing schemes at previous Council Tax Benefit levels, a significant reduction in Councils continuing to limit schemes to no more than an 8.5% reduction and more councils increasing the amounts that residents have to contribute.



2.6 This trend is confirmed by a Joseph Rowntree Foundation report¹ that stated that 580,000 households nationally had seen their Council Tax payment increase by 55% on average in 14/15 as a result of changes to local Council Tax Support schemes.

Impact of the 13/14 scheme on collection

2.7 It is too early to say what impact the 14/15 scheme will have on collection rates for Council Tax. Information is available about the impact of the 13/14 scheme on collection rates. Throughout 2013/14, financial circumstances and therefore entitlement to support changes for a significant proportion of households and the analysis below represents the position based on entitlement at the end of March 2014.

- The total amount for Council Tax due from households with reduced Council Tax Support was £7.55M of which £5.51M (73%) had been collected. Of this value £4.19M related to the cases who had previously received 100% relief, and £2.72M of this had been collected (65%).
- Of those who previously would have received 100% support:
 - 12,787 accounts have paid in full (of which 1,575 accounts received a summons)
 - 13,319 had an outstanding balance at 31st March 2014. Of these:
 - 7,503 (59%) have been summonsed, and of these cases the current main areas of recovery are:
 - 172 - requests sent to DWP for deductions from benefits
 - 1,689 – awaiting current deductions for earlier debt to be cleared
 - 657 – have payment arrangements
 - Of the 5,816 cases not summonsed
 - 1,679 paid between 75% and 100% of the amount due
 - 955 paid between 50% and 75% of the amount due
 - 594 paid between 25% and 50% of the amount due
 - 339 paid something but less than 25% of the amount due
 - 2,206 no payments

2.8 Following requests to DWP for deductions to be made from benefits to pay Council Tax, we now receive monthly payments from DWP for 5,881 cases a month (76,283.24). This has risen from 3,938 cases a month (£48,581.08 pm) previously. DWP deductions are set at £3.60 a week and in many cases will be insufficient to repay Council Tax arrears in full.

Appendix 1 sets out the scenario for a household where the only payment being made is the £3.60 a week deduction from benefit – it should be noted that we do take a sympathetic approach to summons costs.

Estimated 15/16 scheme costs

- 2.9 Based on caseload as at the end of March 2014, the costs of maintaining the current scheme in the event of a 1.99% increase in Council Tax in 15/16 would rise from £49.7m to £50.7m. If no additional funding is provided then the current scheme would need to change and would see non-protected groups contribution increase to 30% or 31% in 15/16 (from 19% in 13/14 and 26% in 14/15). The table at appendix 2 shows how this figure is arrived at.
- 2.10 There is some evidence that the caseload is starting to reduce although it is too early to say whether this will be maintained for the rest of the year. If the caseload reduction is maintained this could potentially provide the scope for the Council to continue the current scheme, with its protections and a 26% reduction for non-protected groups, into 2015/16 with no additional funding requirements. This approach would carry a risk and if the council is ultimately minded to take this approach, it would be appropriate to consider creating a contingency for 15/16 in the event that the caseload reduction is not maintained.

3 Main Issues

- 3.1 Considering the issues and risks arising from the current scheme, there is a need to look at other possible options that would provide a longer-term solution, support people into work and complement the Citizens@Leeds approach to tackling poverty and deprivation. In November 2013 and December 2013, Executive Board approved an approach to tackling poverty and deprivation based around 4 key propositions:
- The need to **provide accessible and integrated services**;
 - The need to **help people out of financial hardship**;
 - The need to **help people into work**; and
 - The need to **be responsive to the needs of local communities**.
- 3.2 The propositions are underpinned by an expectation that financial support is provided as part of a package of support that includes advice and personal support with customers required to actively engage with agreed initiatives in order to continue to receive support. The current local Council Tax Support scheme, which is based on the national Council Tax Benefit scheme, acts as a standalone financial support scheme requiring no engagement in order to continue to receive financial support.
- 3.3 In light of the ongoing challenges in respect of the current scheme, particularly in relation to costs, impact and collection issues, this report sets out alternative options that are aimed at providing greater incentives and support for households to improve their employment prospects and better reflect the Citizens@Leeds approach. The schemes have been developed in conjunction with the Welfare Reform Club who were commissioned to look at schemes that would support the Council's intention to help people into work. Appendix 3 provides a summary of the key elements of the schemes.
- 3.4 The pros and cons of each scheme are set out below

Option 1: The current scheme

- Although the current scheme does little to encourage engagement in work-related activity, it has some advantages:
 - It is administratively simple to deliver;
 - It is familiar;
 - Costs can be controlled by changes to the % reduction in support; and
 - It protects some vulnerable groups
- The main drawbacks are:
 - It is limited in its aims
 - It requires little engagement from customers;
 - It provides no additional support;
 - It becomes increasingly less generous without additional funding or reductions in caseload

Option 2: A work-incentive scheme that provides time-limited support

- Such a scheme would rely on both the carrot of discretionary support, and the stick of strict conditionality in a scheme designed to incentivise behavioural change.
- All those expected to work would receive help at 90% of liability but for 6 months only, unless entering into work. Those entering work would continue to receive a level of Council Tax Support determined by their earnings.
- Support to protected groups is maintained at 100% of liability indefinitely.
- The savings from this time-limited and incentivised approach would be directed into a general hardship fund which would be used to support those whose time-limited support had expired with strict conditionality attached around engagement in activity aimed at improving work prospects. Early analysis suggests that between £2m and £3m could be generated for a hardship fund. An integrated service model involving advice, personal support and financial support would be an inherent part of such a scheme.
- The main advantages of this type of scheme are:
 - It's more generous at the start of a claim for non-protected groups both for in-work customers and out of work customers;
 - It best reflects the Citizens@Leeds approach to tackling financial hardship by providing wrap around support;
 - It provides an incentive for customers to engage in activity aimed at improving work prospects;
 - It continues to protect vulnerable groups;
 - Scheme costs can be contained through control of the discretionary element.
- The main risks are:
 - The scheme is more challenging to administer;
 - It requires effective intervention activity to help customers improve their work prospects and there would be resource implications arising from this. The scale of the intervention is significant and it may be more appropriate to move to such a scheme in phases over the next 2 years;
 - It could create hardship for individuals who lose entitlement and who do not engage after 6 months.

Option 3: A work-incentive scheme that supports those entering work.

- This scheme is more generous than the current scheme for those in work and moving into work. This is achieved by disregarding more of the earnings before they are taken into account and by withdrawing CTS at the rate of 10% rather than 20%. This type of scheme would cost more for in-work customers with the additional costs being offset by reducing support for those expected to work after 6 months. For example, support would reduce from 74% to 65% after 6 months.
- The advantages of such a scheme are:
 - It retains protections for vulnerable groups;
 - It incentivises work by making the scheme more generous when people move into work. This more generous scheme also helps with in-work poverty and low pay;
 - The low withdrawal rate also better supports people increasing their hours of work.
- The main risks associated with this scheme are:
 - Dynamic measures such as the numbers moving into work are difficult to model and represent a risk to funding requirements;
 - Scheme costs increase for everyone that moves into part-time work;
 - Reductions in scheme costs from increased reductions after 6 months may not offset the costs of the additional awards for in-work customers and are likely to create more hardship and may mean the scheme is not affordable or not affordable in the medium – to long- term.

3.5 Appendix 4 shows the comparative impact of the 3 potential schemes on different household types with each household type being assessed against a) being out of work, b) working part-time (16 hours at £7.65 an hour) and c) working full time (35 hours at £7.65 an hour). Table 1 below shows the comparative position for different household types working part-time. Table 2 shows the comparison for out of work households

Table 1 – monthly CTS entitlement for households working part-time

	Current scheme	Option 2	Option 3
Single person	£2.47	£11.46	£45.56
Lone parent: 1 child over 5	-	0.18	£53.75
Lone parent: 2 children, 1 < 5	£18.54	£18.54	£59.66
Couple: 2 children	£73.92	£89.90	£99.89
Couple: severe dis. Premium	£87.40	£87.40	£87.40

Table 2- monthly CTS entitlement for out of work households

	Current scheme	Scheme 2		Scheme 3	
		1 st 6 mths	After 6 mths	1 st 6 mths	After 6 mths
Single person	£41.58	£50.57	-	£41.58	£35.56
Lone parent: 1 child over 5	£48.51	£59.00	-	£48.51	£41.49
Lone parent: 2 children, 1 < 5	£65.55	£65.55	£65.55	£65.55	£65.55
Couple: 2 children	£73.92	£89.90	-	£73.92	£63.22
Couple: severe dis. Premium	£87.40	£87.40	£87.40	£87.40	£87.40

3.6 Two other options are set out in appendix 3. However, neither of these schemes can be recommended at this time. One scheme removes protections for vulnerable groups in order to make the scheme more generous for others and does little to provide work incentives. The other scheme provides an option that could be considered alongside

Universal Credit but given that Universal Credit will not be live in Leeds until at least 2016, this option is not relevant at this time.

Annual benefits uprating

- 3.7 Amendments are required to the scheme to take account of the annual benefit uprating. It is recommended that rates used in the Council Tax Support scheme are uprated in line with rates used in Housing Benefit administration. These are published by the Department of Work and Pensions each December. If the rates are not uprated this will increase some Council Tax Support awards and increase overall expenditure on the scheme. Scheme changes simply to reflect annual uprating are unlikely in themselves to trigger a requirement for public consultation.

Changes to Prescribed Regulations

- 3.8 The Local Government Finance Act allows for further prescribed regulations to be laid. DCLG have not indicated that there are likely to be changes to the prescribed regulations and the Council Tax administration and enforcement regulations. However, any additional prescribed regulations must be incorporated within the local scheme

Universal Credit

- 3.9 As indicated above, Universal Credit is not scheduled to be rolled out into Leeds in 2015 but under migration plans, claimants in the pilot areas who move into the local area may continue to claim Universal Credit if their circumstances mean that they qualify for it.
- 3.10 The Local Council Tax Support scheme provides that Universal Credit claimants are treated as set out in the national default scheme for 2013/14. The impact of this is that out of work claimants will receive a level of support similar to the level they received under the legacy benefits system; however working claimants whilst better off under universal credit will receive little or no Council Tax Support. It is recommended that until Universal Credit impacts are clearer that no change is made to the local scheme for 2015-16.

4. Corporate Considerations

4.1 Consultation and engagement

- 4.1.1 A formal consultation exercise will be required in order change the current Council Tax Support scheme.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 A detailed impact analysis was carried out during preparations for 2013-14. A further analysis will be undertaken in the event that the preferred scheme for 15/16 is different to the current scheme.

4.3 Council Policies and City Priorities

- 4.3.1 The local Council Tax Support scheme plays a key element in tackling poverty and deprivation. The current scheme is no strong on engagement and personal support and a move towards a scheme of financial support within a package of advice and personal support would better complement the Citizens@Leeds approach approved by the Executive Board in November 2013 and December 2013.

4.4 Resources and Value for Money

- 4.4.1 The current scheme remains affordable only if early caseload reductions are maintained into next year. The alternatives for the current scheme are to increase funding for 15/16 by £1m, based on caseload at the end of March 2014, or change the scheme so that non-protected groups face a reduction of 31% in 15/16
- 4.4.2 Option 2 provides an alternative scheme that is likely to be affordable both in the short and the long term and demands engagement from customers who are expected to work. The scheme, if successful, would help to reduce the numbers dependent on Council Tax Support and ultimately reduce future scheme costs. Option 3 also seeks to encourage customers into work through extra support for in-work customers. The costs of option 3 are difficult to gauge and further work is needed to more accurately estimate the financial impacts of this scheme.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Councils are required to confirm existing scheme or adopt a new local schemes by 31st January each year and in order to do so need to undertake meaningful consultation with major precepting authorities, the public and groups with an interest in the scheme design.
- 4.5.2 Although a full consultation was carried out ahead of the 13/14 scheme being adopted and again in relation to changes for 14/15, legal advice is that further changes would require further consultation.

4.6 Risk Management

- 4.6.1 The main risk attached to maintaining the current is around affordability and the ongoing adequacy of the unconditional support provided. Changing the scheme to a scheme that provides greater work incentives and requires greater levels of engagement from customers is more likely to have positive outcomes and be affordable in the long-term. However, it does carry the risk that some households will face even greater hardship where there is not the level of engagement required. .
- 4.6.2 All schemes are at risk of costs pressures caused by increases in caseload and increases in Council tax levels.

5. Conclusions

- 5.1 The current approach to Council Tax Support schemes is providing reducing levels of support to households without providing significant incentives for people to move into work. The long-term approach to providing support needs to be based around helping people into work with elements of the scheme conditional on citizen engagement with initiatives that are designed to improve work prospects. Such schemes are dependent on a number of factors including the provision of wrap around support that incorporates financial help, advice and personal support and would also require integrated delivery models.
- 5.2 If successful the new approach to Council Tax Support schemes would ultimately reduce scheme costs to the council and allow additional funding to be made available to continue helping people to move into work.

6. Recommendations

Executive Board is asked to:

1. Note the issues created by the current approach to our Council Tax Support scheme and the need therefore to consider alternative approaches;
2. Agree that officers should undertake further work on options 2 and 3 and develop and consult upon a potential new Council Tax Support scheme, which is based around high levels of support and high levels of challenge with a focus on supporting people into work;
3. Confirm that funding for the 2015/16 Council Tax Support Scheme will be retained at the budgeted level for 2014/15.
4. Agree that the detail of developing a potential new scheme for consultation be delegated to the Assistant Chief Executive (Citizens and Communities). The decision to consult upon a new scheme would be made following discussions with relevant Executive Members and would be eligible for call-in. Any consultation would need to take place within the timescale set out in para 2.3.
5. Agree to receive a report in December 2014 outlining the outcome of consultation and making a recommendation based upon that consultation for the adoption of a new Council Tax Support scheme for 2015/16.

Background documents¹

Background documents

7 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1 – Impact on a household where payments is secured through deductions from benefit

Year 1 scheme: 19% reduction in Council Tax Support

• 13/14 Council Tax charges	£166.74
• Summons costs:	<u>£ 90.00</u>
• Total to pay	£256.74

Summons action is normally only taken where there is no contact with the customer; it is required to secure a liability order which is needed to apply for deductions from national benefits

• DWP deductions (from 1/9, @ £3.60 pw)	£111.16
• Balance carried forward	£145.58

Year 2 scheme: 26% reduction in Council Tax Support

• Balance brought forward	£145.58
• 14/15 Council Tax charges	£232.53
• Summons costs	<u>£ 90.00</u>
• Total to pay	£468.11

A liability order is needed for each year's Council Tax in order to apply for deductions for national benefits. Deductions for year 2 will be queued up and will only commence when year 1 charges have been cleared

• DWP deductions (£3.60 x 52)	£187.20
• Balance outstanding (to be carried forward)	£280.91

Potential Year 3 scheme: 31% reduction in Council Tax Support

• Balance brought forward	£280.91
• 15/16 Council Tax charge	£278.00
• Summons costs	<u>£ 90.00</u>
• Total to pay	£648.91
• DWP deduction (£3.60 x 52)	£187.20
• Balance outstanding (to be carried forward)	£461.71

Appendix 2– current scheme costs vs scheme costs with an increase in Council Tax

Col.1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7
	Caseload		14/15 budgeted scheme costs	15/16 scheme costs with Ctax increase		30.5% scheme
Elderly	29605	Protected	£21,446,746	£ 21,875,681	Protected	£21,875,681
War Pensioners	33	Protected	£24,852	£25,349	Protected	£25,349
Severe Disability	2525	Protected	£ 1,766,880	£1,802,218	Protected	£1,802,218
Enhanced Disability	5968	Protected	£ 4,340,916	£4,427,734	Protected	£4,427,734
Carer	1688	Protected	£ 1,364,757	£1,392,052	Protected	£1,392,052
Lone Parent Child Under 5	6733	Protected	£ 4,644,337	£4,737,224	Protected	£4,737,224
Other	31302	26% reduction	£ 16,175,982	£16,499,502	30.5% reduction	£15,496,154
Total	77854		£ 49,764,473	£50,759,763		£49,756,415

Column 1: describes the category of case

Column 2: shows the number of cases as at 31st March 2014

Column 3: shows whether the category of case is protected and, if not, the level of reduction in CTS

Column 4: shows costs of the scheme based on 14/15 Council Tax levels

Column 5: shows costs of the scheme in 15/16 with a 1.9% increase in Council Tax in 15/16, using same protections and reductions as in Col 3

Column 6: shows whether the category of case is protected and, if not, the level of reduction in CTS

Column 7: shows the new costs of the scheme using a 30.5% reduction

Appendix 3 – options for alternative schemes

	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
	Current scheme	Work incentive scheme 1	Work incentive scheme 2	Minimum payment scheme	Best fit with Universal Credit
Protected groups	Pensioners; Severe or enhanced disability; Carers; War pensions; Lone parent with child under 5	Pensioners; Severe or enhanced disability; Carers; War pensions; Lone parent with child under 5	Pensioners; Severe or enhanced disability; Carers; War pensions; Lone parent with child under 5	Pensioners	Pensioners; Severe or enhanced disability; Carers; War pensions; Lone parent with child under 5
Reduction for non-protected groups					
In-work claims	26%	10%	0%	20%	26%
Out of work claims – 1 st 6 months	26%	10%	26%	20%	26%
Out of work claims – after 6 months	26%	100%	35%	20%	26%
Additional features					
	Support withdrawn at 20p for every extra £ earned	Same as scheme 1 except: No mandatory support after 6 months for people expected to work; Discretionary hardship fund to support households engaged in initiatives to improve work options	CTS worked out using 100% entitlement for in-work claims More generous work allowances than current scheme; Support withdrawn at 10p for every extra £ earned Support further reduced from 26% to 35% after 6 months for those expected to work	Support withdrawn at 20p for every extra £ earned Minimum £2 payment below which no CTS is paid	Support withdrawn at 65p in the £ to mirror Universal Credit position

Appendix 4 – illustrations of impact of alternative schemes on different households

Single Person, Under 35, Band A, Shared room rate, No children								
Gross Monthly Earnings	Scheme 1 Current scheme		Scheme 2 Strong work incentives Strict conditionality with enhanced front-line advice. Non-protected groups receive 90% support for 6 months only.			Scheme 3 Strong work incentives 10% Taper, run-on, cut in support after 6 months		
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 786.62	£ 41.58	£ 795.61	£ 50.57	£ -	£ 786.62	£ 41.58	£ 35.56
£531.86	£ 837.67	£ 2.47	£ 846.66	£ 11.46	£ 11.46	£ 880.76	£ 45.56	£ 45.56
£1,163.44	£ 1,265.92	£ -	£ 1,265.92	£ -	£ -	£ 1,265.92	£ -	£ -
Lone parent, One Child over 5, Band B, Two bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,253.19	£ 48.51	£ 1,263.68	£ 59.00	£ -	£ 1,253.19	£ 48.51	£ 41.49
£531.86	£ 1,572.40	£ -	£ 1,572.58	£ 0.18	£ 0.18	£ 1,626.16	£ 53.75	£ 53.75
£1,163.44	£ 1,795.41	£ -	£ 1,795.41	£ -	£ -	£ 1,795.41	£ -	£ -
Lone parent, Two Children, one under 5, Band B, Two bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,558.28	£ 65.55	£ 1,558.28	£ 65.55	£ 65.55	£ 1,558.28	£ 65.55	£ 65.55
£531.86	£ 1,917.38	£ 18.54	£ 1,917.38	£ 18.54	£ 18.54	£ 1,958.49	£ 59.66	£ 59.66
£1,163.44	£ 2,099.17	£ -	£ 2,099.17	£ -	£ -	£ 2,101.59	£ 2.42	£ 2.42
Couple, Two Children, Band C, Three bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,871.46	£ 73.92	£ 1,887.45	£ 89.90	£ -	£ 1,871.46	£ 73.92	£ 63.22
£531.86	£ 1,914.92	£ 73.92	£ 1,930.90	£ 89.90	£ 89.90	£ 1,940.89	£ 99.89	£ 99.89
£1,163.44	£ 2,298.81	£ -	£ 2,298.81	£ -	£ -	£ 2,349.41	£ 50.60	£ 50.60
£1,662.05	£ 2,582.07	£ -	£ 2,582.07	£ -	£ -	£ 2,582.81	£ 0.74	£ 0.74
Couple, no children, severe disability premium, Band B (permitted work)								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,883.12	£ 87.40	£ 1,883.12	£ 87.40	£ 87.40	£ 1,883.12	£ 87.40	£ 87.40
£531.86	£ 2,998.66	£ 87.40	£ 2,998.66	£ 87.40	£ 87.40	£ 2,998.66	£ 87.40	£ 87.40
£1,063.71	£ 2,434.65	£ 36.26	£ 2,434.65	£ 36.26	£ 36.26	£ 2,435.54	£ 37.14	£ 37.14

APPENDIX B

Outline of Changes

There will be no change for the protected groups.

The scheme will continue to protect:

- War Pensioners
- Disabled people in receipt of an enhanced or severe disability premium
- Carers
- Lone Parents of children under 5

The reduction for those affected will increase from 26% to 30%.

This will provide support at 70% of what would have been paid under Council tax Benefit

Changes for Job Seekers Allowance (Income Based) cases

From 1 April 2015 Jobseeker's entitlement to Council tax Support (CTS) will be limited to 6 months at 70%.

Transitional Protection for existing Jobseekers

Jobseekers who are in receipt of for JSA(IB) and CTS at 31 March 2015 will be transitionally protected and continue to receive CTS at 70% during 2015/16.

- Transitional protection will continue whilst ever the Jobseeker continues to receive JSA(IB) and CTS.
- If there is a break in either the JSA(IB) or CTS award the transitional protection will end.
- If there is no break in the JSA(IB) and CTS award, transitional protection will end on 31 March 2016

Discretionary Conditional Support

As Jobseekers approach the end of the 6 month award or transitional protection period, they will be offered a package of support provided by Jobs and Skills to provide help to prepare for, and find work.

If the Jobseeker takes up the support package offer, discretionary CTS will continue to be paid at the "Conditional Support Rate" whilst ever they continue to receive Jobseekers Allowance and work with Jobs and skills to prepare for work. If the jobseeker ceases to engage with Jobs and Skills the conditional support will cease.

The conditional support rate in 2015-16 will be 70%, the same rate that non protected claimants will receive.

The basis for the financial assessment of need will be identical to the assessment for Council Tax Support.

Identifying affected Jobseekers

It is proposed that the changes will apply only to Jobseekers who receive Income Based Jobseekers Allowance, a means tested benefit paid by Jobcentre Plus to Jobseekers who are actively seeking work. The means test applied by Jobcentre Plus is sufficient to determine that Jobseekers are in financial need of Council Tax Support. The method of assessing need mirrors the assessment that is made in the Council Tax Support assessment.

The changes will not apply to Jobseekers receiving contribution based Jobseekers Allowance which is based on the National Insurance contributions made prior to unemployment, and is time-limited to 6 months, after which subject to means test requirements the Jobseeker will move on to Income Based Jobseeker Allowance. The changes will affect these jobseekers 6 months after they move onto Income Based Jobseekers Allowance

The changes will not apply to Jobseekers that fall into the vulnerable groups, their support will continue to be protected at 100%.

Appendix C

	New Claims	Customers expected to "Sign off"	Cumulative new claims	Moving to Conditional Group	Cumulative conditional group claims	Cumulative net claims<6m
April	360	0	360	0	0	360
May	360	0	720	0	0	720
June	360	0	1,080	0	0	1,080
July	360	108	1,332	0	0	1,332
August	360	108	1,584	0	0	1,584
September	360	108	1,836	0	0	1,836
October	360	180	2,016	180	180	1,836
November	360	180	2,196	180	360	1,836
December	360	180	2,376	180	540	1,836
January	360	180	2,556	180	720	1,836
February	360	180	2,736	180	900	1,836
March	360	180	2,916	180	1,080	1,836
Total	4,320	1,404		1080		
					Average = 315	Average = 1494

New Claims

Jobcentre Plus advise that they are receiving around 300 new claims each month to date in 14/15 compared to 371 in 13/14

Data on new claim statistics suggests an average of 360 new claims have been paid based on JSA each month to date in 14/15

Calculation is based on the assumption that we will receive 360 new claims each month

DWP State in the oakley response

50% will sign off within 3 months

75% within 6 months

90% within a year

Local JCP state:

30% will sign off within 3 months

50% will sign off within 6 months

Calculation based on

30% will sign off after 3 months

50% will sign off after 6 months

Appendix D a) – costs based on the current 26% reduction in support

FEATURES

Existing protections continue

No change for Existing Jobseekers

No change for new Jobseekers for first 6 months

Conditional Support for new jobseekers after 6 months - **All engage**

Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	NO INCREASE		2% INCREASE	
						Projected Expenditure £	Cost / Saving based on current spend £	Projected Expenditure £	Cost / Saving based on current spend £
Elderly	29,098	20,551,064	706	100	100	20,551,064	0	20,962,085	411,021
War Pensioners	33	25,305	767	100	100	25,305	0	25,811	506
Severe Disability	2,585	1,820,840	704	100	100	1,820,840	0	1,857,257	36,417
Enhanced Disability	7,011	5,402,381	771	100	100	5,402,381	0	5,510,429	108,048
Carer	1,744	1,420,875	815	100	100	1,420,875	0	1,449,292	28,417
Lone Parent Child Under 5	6,503	4,362,362	671	100	100	4,362,362	0	4,449,609	87,247
New Jobseekers	1,494	808,314	541	74	74	808,314	0	824,480	16,166
Conditional Jobseekers engaging	315	170,428	541	74	74	170,428	0	173,836	3,409
Conditional Jobseekers not engaging	0	0	541	74	0	0	0	0	0
Protected Jobseekers	7,574	4,097,837	541	74	74	4,097,837	0	4,179,794	81,957
ESA (IR)	6,839	3,783,753	553	74	74	3,783,753	0	3,859,428	75,675
IS	1,894	1,081,206	571	74	74	1,081,206	0	1,102,830	21,624
Working	9,156	3,974,045	434	74	74	3,974,045	0	4,053,526	79,481
Others	2,517	1,342,480	533	74	74	1,342,480	0	1,369,330	26,850
Total	76,763	48,840,888	636			48,840,888	0	49,817,706	976,818
Budget		49,670,000				49,670,000		49,670,000	
Over / Underspend		-829,112				-829,112		147,706	

Appendix D b) – costs based on a 30% reduction in support

30% REDUCTION SCHEME

Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	NO INCREASE		2% INCREASE	
						Projected Expenditure £	Cost / Saving based on current spend £	Projected Expenditure £	Cost / Saving based on current spend £
Elderly	29,098	20,551,063	706	100	100	20,551,063	0	20,962,084	411,021
War Pensioners	33	25,305	767	100	100	25,305	0	25,811	506
Severe Disability	2,585	1,820,840	704	100	100	1,820,840	0	1,857,257	36,417
Enhanced Disability	7,011	5,402,381	771	100	100	5,402,381	0	5,510,429	108,048
Carer	1,744	1,420,875	815	100	100	1,420,875	0	1,449,292	28,417
Lone Parent Child Under 5	6,503	4,362,362	671	100	100	4,362,362	0	4,449,609	87,247
New Jobseekers	1,494	808,314	541	74	70	764,621	-43,693	779,914	-28,400
Conditional Jobseekers engaging	315	170,428	541	74	70	161,215	-9,212	164,440	-5,988
Conditional Jobseekers not engaging	0	0	541	74	0	0	0	0	0
Protected Jobseekers	7,574	4,097,837	541	74	70	3,876,332	-221,505	3,953,859	-143,978
ESA (IR)	6,839	3,783,753	553	74	70	3,579,226	-204,527	3,650,810	-132,943
IS	1,894	1,081,206	571	74	70	1,022,763	-58,444	1,043,218	-37,988
Working	9,156	3,974,045	434	74	70	3,974,045	0	4,053,526	79,481
Others	2,517	1,342,480	533	74	70	1,269,914	-72,566	1,295,312	-47,168
Total	76,763	48,840,888	636			48,230,941	-609,947	49,195,559	354,672
Grant		49,670,000				49,670,000		49,670,000	
Over / Underspend		-829,112				-1,439,059		-474,441	

Appendix E a) Year 2 costs based on 26% scheme

YEAR 2 OF CONDITIONAL SCHEME (2016/2017) – 26% REDUCTION SCHEME

FEATURES

No change for new Jobseekers for first 6 months

Conditional Support for new jobseekers after 6 months - All engage

Conditional Support for legacy jobseekers - All engage

**2% INCREASES
in 2015 and 2016**

Group	Cases	Current Expenditure £	Average award £	Current % Award	Proposed % Award	Projected Expenditure £
Elderly	29,098	20,551,063	706	100	100	21,381,326
War Pensioners	33	25,304	766	100	100	26,327
Severe Disability	2,585	1,820,839	704	100	100	1,894,401
Enhanced Disability	7,011	5,402,381	770	100	100	5,620,637
Carer	1,744	1,420,874	814	100	100	1,478,277
Lone Parent Child Under 5	6,503	4,362,361	670	100	100	4,538,601
New Jobseekers	1,836	993,349	541	74	74	1,033,480
Conditional Jobseekers engaging	1,548	837,529	541	74	74	871,366
Conditional Jobseekers not engaging	0	0.00	541	74	0	0
Legacy Jobseekers engaging	5,999	3,245,698	541	74	74	3,376,825
Legacy Jobseekers not engaging	0	0	541	74	74	0
ESA (IR)	6,839	3,783,752	553	74	74	3,936,616
IS	1,894	1,081,206	570	74	74	1,124,886
Working	9,156	3,974,044	434	74	74	4,134,596
Others	2,517	1,342,480	533	74	74	1,396,716
Total	76,763	48,840,880	636			50,814,054
Budget Provision		49,670,00				49,670,00
Over / Underspend		-829,120				1,144,054

Appendix E b) based on 30% scheme

30% REDUCTION SCHEME

**2% INCREASES in
2015 and 2016**

Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	Projected Expenditure £
Elderly	29,098	20,551,063	706	100	100	21,381,326
War Pensioners	33	25,304	766	100	100	26,327
Severe Disability	2,585	1,820,839	704	100	100	1,894,401
Enhanced Disability	7,011	5,402,381	770	100	100	5,620,637
Carer	1,744	1,420,874	814	100	100	1,478,277
Lone Parent Child Under 5	6,503	4,362,361	670	100	100	4,538,601
New Jobseekers	1,836	993,349	541	74	70	977,616
Conditional Jobseekers engaging	1,548	837,529	541	74	70	824,265
Conditional Jobseekers not engaging	0	0.00	541	74	0	0
Legacy Jobseekers engaging	5,999	3,245,698	541	74	70	3,194,294
Legacy Jobseekers not engaging	0	0.00	541	74	0	0
ESA (IR)	6,839	3,783,752	553	74	70	3,723,826
IS	1,894	1,081,206	570	74	70	1,064,082
Working	9,156	3,974,044	434	74	70	4,134,596
Others	2,517	1,342,480	533	74	70	1,321,218
Total	76,763	48,840,880	636			50,179,466
Budget Provision		49,670,000				49,670,000
Over / Underspend		-829,120				509,466

Appendix F

Family make up:

Number of children	Couples	Single people	Total
No Children	384	5,738	6,122
1 Child	474	891	1,365
2 Children	477	574	1,051
3 Children	324	201	525
4 Children	135	78	213
5 Children	49	21	70
6 Children	20	6	26
7+ Children	6	2	8
Total	1,869	7,511	9,380

Family make up and claimant's age

Age and status	No Children	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children	7+ Children	Total
< 25									
Couple	50	99	43	27	4				223
Single	734	43	3						780
25 - 34									
Couple	91	178	192	140	47	21	7	3	679
Single	1,222	299	210	74	19	5	2		1831
35 - 44									
Couple	50	90	158	116	62	19	11	2	508
Single	1,254	294	252	92	48	12	4	2	1,958
45 - 54									
Couple	102	77	70	32	16	9	1	1	308
Single	1563	218	99	35	10	4			1,929
>55									
Couple	91	30	14	9	6		1		151
Single	965	37	10		1				1,013
Total	6,122	1,365	1051	525	213	70	26	8	9,380