

**Report of Director of Resources and Deputy Chief Executive**

**Report to Executive Board**

**Date: 12<sup>th</sup> December 2012**

**Subject: Consultation outcomes on 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 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 main issues**

1. A public consultation exercise has been carried out seeking views on options for a local Council Tax Support scheme to replace Council Tax Benefit in April 2013.
2. The outcomes from the consultation are inconclusive with the majority of respondents who are non-benefit recipients preferring a scheme that limited spend to Government funding levels and the majority of respondents who are benefit recipients preferring a scheme that required additional funding from the council and precepting authorities.
3. There was, however, much greater consistency from both benefit recipients and non-benefit recipients for protecting vulnerable groups for reductions in support.
4. A range of options are set out in this report for Executive Board to consider. The options take account of both the consultation outcomes and the budget position facing the council.

**Recommendations**

1. Executive Board is asked to note the information in this report and approve a local Council Tax Support scheme that:
  - a) Protects vulnerable groups as set out in para 3.6 a) and b);

- b) Continues the current local scheme of disregarding in full Armed Forces Compensation Payments;
- c) Provides additional funding to cover the cost of protecting these vulnerable groups; and
- d) Reduces support for the remaining working age customers by a set percentage (currently estimated between 17% and 19%) for the remaining working age customers with the intention of containing overall scheme spend so that it does not exceed Government funding plus the additional funding for protected groups.

2. Executive Board is also asked to agree that:

- a) The report to Full Council is updated with a final figure for the percentage reduction for non-protected working age customers that reflects the Government Funding decision following the Autumn Statement and Local Government Settlement announcement in December 2012;
- b) The report to Full Council is updated with the outcome of the consultation on the Second Adult Rebate scheme.

## **1 Purpose of this report**

**1.1** The report provides information to enable the Executive Board to recommend a local Council tax Support scheme for adoption by full council by 31<sup>st</sup> January 2013. A range of scheme options has been set out that reflects both the consultation feedback and budget position facing the council. The requirement to adopt a local scheme by 31<sup>st</sup> January 2013 is contained within the Local Government Finance Act 2012.

## **2 Background information**

**2.2** Regulation 10(1)(2) of the Local Government Finance Act 2012 requires that each billing authority must put in place a Council Tax Reduction scheme. The deadline for adopting a scheme is set by regulation 4(6) of Schedule 1A to the Act which states that a default scheme will apply where billing authorities fail to adopt a scheme. The default scheme is equivalent to the current Council Tax Benefit scheme.

**2.3** Government funding for local schemes will be reduced by 10% in comparison to spending on Council Tax Benefit schemes. The baseline for the funding reduction will use the Office for Budget Responsibility's (OBR) estimates for what Council Tax Benefit spend would have been in 13/14 if that scheme had continued. Based on the last OBR estimate for CTB spend in 13/14, Leeds City Council and the precepting authorities would have received £48.35m against a current year spend of £54.57m. This is a shortfall of £6.2m and represents an 11.4% reduction in funding. A revised OBR estimate of CTB spend for 13/14 is expected in December 2012 and this will form the basis for the Government's funding allocation.

**2.4** In June 2012 Executive Board approved consultation on a scheme proposal that would see reductions in support for working age customers capped at 10% with some groups of customers fully protected from reductions. In September 2012, following consultation with the major precepting authorities, Executive Board approved an amendment to the consultation to seek views on:

- a) Option 1: A scheme option that would see the reductions in funding passed on to working age customers in full. This would be achieved by reducing support by up to 30% for non-protected working age customers; and
- b) Option 2: A first year scheme option that would limit the reduction in support for non-protected working age customers to 10%.

**2.5** Other than the percentage reduction for non-protected working age customers, both schemes shared the same features. These were:

- a) No reduction in support for protected groups. These were
  - customers who qualify for a severe or enhanced disability premium;
  - lone parents with a child under 5
  - customers in receipt of a War Widow (er)s Pension or War Pension
- b) Support for people moving into work through the continuing application of the 4-week run on
- c) Removal of the Second Adult Rebate scheme.

**2.6** The consultation exercise was launched on 17<sup>th</sup> September 2012 alongside the publication of a draft scheme (Appendix 1) that would see the reductions in funding passed onto working age customers.

**2.7** On 16<sup>th</sup> October 2012, the Government announced that it was making an additional £100m available to local councils for local Council Tax Reduction schemes. The additional funding is available for 1 year only and is available to councils who:

- a) cap reductions in support under their local schemes to no more than 8.5% for customers who currently qualify for 100% support;
- b) do not increase the rate at which support is withdrawn for additional income to above 25%; and
- c) do not have sharp reductions in support for those entering work.

The additional funding that would be available to Leeds and the precepting authorities if the scheme met these requirements would be £1.3m.

**2.8** Neither of the scheme options 1 or 2 meets the criteria for the additional funding available from the Government. However, if the '10% cap' scheme option was amended to cap the reduction at 8.5% for all non-protected groups, the scheme would qualify for the additional £1.3m. The net effect of the additional funding

would mean that the cost to the Council and preceptors of capping the reduction at 8.5% (between £1.96m - £2.72m using above assumptions) would be less than the cost of capping the reduction at 10% (between £3.0m and £3.7m). Legal advice suggests that there would be no need to re-consult if this scheme was adoption by Full Council.

**2.9** Appendix 2 sets out estimated cost implications for the scheme options that formed the basis of the consultation. The main factors that will determine the final costs of the scheme are:

- *Government funding levels:* paragraph 2.2 explains why funding arrangements are uncertain at the moment. Two sets of costs are shown with one set based on a straight 10% reduction in funding based on current spend and the other using indicative figures based on the OBR's latest estimates as provided by DCLG;
- *Council Tax levels:* changes to Council Tax levels change the costs of the Council Tax Reduction scheme. The costs implications set out in appendix 4 are based on Council Tax levels not changing in 13/14
- *Caseload changes:* Appendix 3 provides information about caseload trends in Leeds for the last few years. This shows a significant rise in working age caseload numbers between 2008 and 2010 slowing down to a more stable position over the last few months. The caseload trend for pension age claims over the same period shows a reduction in caseload. Subsidisable Council Tax Benefit expenditure is forecast to be less in the current year than in the previous year. On the basis of these trends, the costs analyses in Appendix 4 are based on no change to caseload levels in Leeds.

### **3 Main issues**

**3.1** The public consultation exercise started on 17<sup>th</sup> September 2012 and concluded on 8<sup>th</sup> November 2012. A copy of the consultation document is attached at Appendix 4.

**3.2** There were 5,615 responses to the consultation with 4,225 responses coming from Council Tax Benefit recipients, 953 responses from the Citizens Panel and 437 responses from the open-access public online survey. The main results from the consultation are set out below:

- a) Overall there was more support for additional funding being put into the scheme to limit the reduction for working age customers (55%) than there was for restricting spend to the level of Government support (32%)
- However, there were differences in views depending on whether the respondent was a benefit recipient or a not.
    - 54% of non-recipients agreed that funding for the local scheme should be limited to the Government funding levels while only 24% of benefit recipients agreed with this.

- o 29% of non-recipients disagreed that funding should be limited to the Government funding levels and 59% of benefit recipients also disagreed that funding should be limited to Government funding levels;
  - o 58% of benefits recipients agreed that the council should put money into the scheme to cap the reduction customers face while only 41% of non-recipients agreed with this.
  - o 42% of non-recipients disagreed that the council should put money into the scheme and 19% of benefits recipients disagreed with this.
- b) There was, however, consistent support from respondents, whether in receipt of Council Tax Benefit or not, for protecting vulnerable groups as set out in the draft scheme and including carers following the inclusion of a question about carers in the consultation document. Table 1 shows the results for both scheme option 1 and scheme option 2;

**Table 1 – level of agreement that certain groups should be protected**

	Non Benefits - % respondents agreeing with protection		Benefits - % of respondents agreeing with protection	
	Option 1	Option 2	Option 1	Option 2
Carers	70	67	80	81
Disabled people	76	74	95	90
Lone parents with child u5	53	52	74	76
War disablement Pension	73	71	80	85
War Widows/Widowers	60	58	73	79

- c) Respondents also suggested other groups that should be protected. These ranged from people on low income (20% of comments) through to families (2%);
- d) Around three-quarters of respondents agree the council should continue to support people moving into work

**3.3** A more detailed summary of the consultation results is provided at Appendix 5. It should also be noted that representation was received from the Royal British Legion seeking assurances that war pensioners and people in receipt of Armed Forces Compensation Payments would be protected.

**3.4** The consultation outcomes are one of the factors the Council needs to take into consideration when deciding on the local Council Tax Support scheme to put in place. The financial implications for the Council of the local Council Tax Support scheme also need to be considered in context of the overall financial situation faced by the council. A separate report is before Executive Board today dealing with budget issues.

### *Scheme recommendation*

**3.5** The consultation results are inconclusive on support for additional funding being put into the scheme with the majority of non-benefit recipients preferring that funding is limited to the Government funding, while the majority of benefit recipients prefer additional funding to be put into the scheme to limit the impact on working age recipients. There is majority support from both benefit recipients and non-benefit recipients for protecting carers, disabled customers, lone parents and people in receipt of war pensions and war widows pensions. There is also support for continuing to support people moving into work.

**3.6** On this basis, and given the financial and budget position facing the Council which is set out in a separate report, it is recommended that the scheme put to Full Council for adoption is as follows:

- a) Protects lone parents, carers<sup>1</sup> and customers in receipt of severe or enhanced disability premium from reductions in support. There is consistent support from respondents for protecting these groups ;
- b) Protects people in receipt of War Widows Pension or War Pensions. Again there is consistent support from respondents for protecting this group from reductions in support. This would also continue a longstanding policy whereby the Council has exercised its discretion to disregard war pensions in full;
- c) Passes on the reduction in Government funding to non-protected working age customers. However, the preference of the Administration is for the costs of protecting vulnerable groups to be met by the council and preceptors instead of also being passed onto customers. This would see non-protected customers facing a lower reduction in support of between 17% and 19% (depending on assumptions set out in paras 2.9) rather than 22% to 25%.

The costs of funding the protections would be between £1.2m and £1.46m based on current estimates of numbers in protected groups and these costs are lower than the options of capping reductions in support to 10% or the alternative 1-year option of capping support to 8.5% and more affordable with fewer pressures on other services given the budget pressures,. Table 2 shows the comparison in costs between the options. Full costs for both the 8.5% scheme and the recommended scheme with protections funded by the Council and preceptors are shown at appendix 6

This option recognises the support for protecting vulnerable groups among both benefit and non-benefit recipients and recognises that while there is no conclusive support for providing additional funding, there is stronger support

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<sup>1</sup>A carer is defined as

- a householder (or their partner) who is entitled to a carers allowance; or
- a householder (or their partner) who makes a claim for carers allowance and would be entitled but for overlapping benefits. The person for whom care is provided must continue to receive attendance allowance or the middle or highest rate of the care component of disability living allowance.

for putting additional funding into the scheme to reduce the impact on other working age customers.

It is also recognised that the costs of capping the support to 10% or 8.5% are not affordable in the current climate without impacting on other services for vulnerable people. Neither is it possible to protect other groups without increasing the costs and therefore the impacts on other service provision. It should be noted that the current scheme recognises age, children, disability and low income and these aspects will also be recognised in the recommended scheme with people on lower incomes getting more support than people on higher incomes.

Table 2

Options	Impact on customers		Costs for council and preceptors	
	From	To	From	To
<ul style="list-style-type: none"> <li>• Reductions capped at 10%</li> <li>• Vulnerable groups protected</li> </ul>	10%	10%	£3.0m	£3.7m
<ul style="list-style-type: none"> <li>• Reductions capped at 8.5%</li> <li>• Vulnerable groups protected</li> <li>• Additional Govt funding of £1.3m</li> </ul>	8.5%	8.5%	£1.9m	£2.7m
<ul style="list-style-type: none"> <li>• Reductions in funding passed onto customers</li> <li>• Vulnerable groups protected</li> <li>• Cost of protections funded by Council and preceptors</li> </ul>	17%	19%	£1.2m	£1.46m

d) Continues to support people moving into work. This would be done by continuing to apply the current run-on scheme which sees qualifying people who move into work continuing to receive the same level of support for the first 4 weeks of work. There is clear support from respondents for supporting people moving into work.

**3.7** Appendix 7 shows the average reduction in support for non-protected working age customers of all the scheme options including the recommended scheme.

#### *Second Adult Rebate*

**3.8** The published draft scheme contains an intention to remove the Second Adult Rebate scheme. The Second Adult Rebate scheme is a scheme where single customers can receive up to 25% off their Council Tax where they are not eligible for a Single Person Discount because another adult who is not their partner lives with them and:

- they have income levels too high to qualify for mainstream Council Tax Benefit; or
- they have income levels which would qualify for mainstream Council Tax Benefit but they would be better off getting a Second Adult Rebate.
- Awards are based on the income levels of the other adult in the property.

**3.9** Further consultation is currently underway with customers getting Second Adult Rebate as it is felt that more needs to be done to ensure the views of those

affected have been taken into account. There are around 550 recipients of Second Adult Rebate (less than 1% of the overall Council Tax Benefit caseload) and spend on Second Adult Rebate is around £110k (around 0.2% of overall Council Tax Benefit spend).

- 3.10** The outcome of this further short consultation on Second Adult Rebate will be included in the report to Full Council in January 2013 alongside Executive Board's preferred Council Tax Support scheme.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 A public consultation exercise has been undertaken details of which are set out at appendix 5

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality Impact Assessment has been undertaken and is attached at appendix 8.

### **4.3 Council policies and City Priorities**

- 4.3.1 The local Council Tax Support scheme is one of a number of welfare reforms that come into effect from April 2013. Others include the Benefit Cap, new under-occupancy rules in social sector housing and new local welfare schemes to be out in place by local councils. These changes, added together, have implications for key priorities around debt, housing and health.

### **4.4 Resources and value for money**

- 4.4.1 The scheme options set out in this report have resource implications for the Council and precepting authorities. A scheme option that sees the full reduction in Government funding requires no additional funding from the Council or precepting authorities but would have implications for the collection fund and council tax base as a result of increased levels of Council Tax arrears. A scheme option that sees the reduction in support capped through the provision of additional funding from the council and precepting authorities, has direct resource implications but is likely to reduce Council Tax arrears and lessen impacts on the collection fund.
- 4.4.2 The options set out in this report are also expected to have implications for customer contact. Appendix 9 provides more detail on the potential impact on customer contact and makes reference to other welfare reform changes, some of which will take effect at the same time.
- 4.4.3 Whilst it is impossible to predict exactly when and where individuals will contact us, the conclusion is that there will be a significant increase in customer contact occurring during the 2013/14 financial year and that there will be particular spike occurring between the period March 2013 to July 2013 . In recognition of this increase in demand, the appendix also includes information on some of the actions being pursued in preparation for this additional contact.



## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The decision on the Council Tax Reduction scheme is a decision of the Full Council and needs to be taken by 31<sup>st</sup> January 2013. Failure to put in place a local scheme by 31<sup>st</sup> January 2013 will see the default scheme imposed on the council. The default scheme, to all intents and purposes, replicates the current Council Tax Benefit scheme and imposition of this scheme in Leeds would require the council and major precepting authorities to meet the costs of the scheme over and above the Government's funding contribution. Based on current year scheme and taking into account the funding issues set out in paragraph 2.2, the additional contribution from the council and major precepting authorities would be between £5.4m and £6.2m. The final cost of failing to adopt a scheme by 31<sup>st</sup> January 2013 could be reduced by £1.3m if the Department for Communities and Local Government accepted that the default scheme qualified for the additional funding

### **Risk Management**

- 4.5.1 There are a number of risks associated with local Council Tax Reduction schemes.

#### *Council Tax collection issues*

- 4.5.2 The adoption of a scheme that reduces financial support for working age customers increases the risks of non-payment of Council Tax. An assessment of the impact of non-payment needs to be built into the calculation of the council tax base and will impact on the amount of Council Tax income for the council and the major precepting authorities.

#### *Scheme spend risks*

- 4.5.3 The costs analyses are based on assumptions that Council Tax and caseload factors remain the same in 13/14. Once a scheme is adopted it cannot be varied in year. Variations in Council Tax and/or caseload levels, including variations in numbers of customers in vulnerable groups, could lead to an increase in costs which would have to be met by the council and major precepting authorities. Similarly, variations that result in scheme costs reducing could not be used to increase support for working age customers in-year. The current arrangement of monitoring benefit spend will continue for the local Council Tax Support scheme.

#### *Scheme implementation*

- 4.5.4 There is a risk that the adopted scheme may not be implemented in time for the 13/14 Council Tax bills. This risk is minimised by adopting a scheme that retains most of the elements of the current Council Tax Benefit scheme.

## **5 Conclusions**

- 5.1 The results of the consultation exercise on local council tax support scheme options are inconclusive. However, there is clear support for protecting vulnerable groups including carers.

**5.2** The Government has not yet announced the available funding for local Council Tax schemes and this means that neither the final costs implications for councils and preceptors nor details of the full reductions faced by customers can be provided at this stage.

## **6 Recommendations**

**6.1** Executive Board is asked to note the information in this report and decide the scheme of local Council Tax Support to propose for adoption by full council in January 2013.

## **7 Background documents<sup>1</sup>**

**7.1** None

### **Appendices**

- **1: Draft scheme**
- **2: Scheme costs analysis**
- **3: Caseload trend**
- **4: Consultation document**
- **5: Consultation analysis**
- **6: Recommended scheme costs and 8.5% scheme costs analysis**
- **7: Average reductions for working age customers**
- **8: Equality Impact Assessment**
- **9: Impact on Customer Contact Centre**

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<sup>1</sup> 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 – published draft scheme**

### **Leeds City Council Draft Council Tax Support Scheme**

#### **Background**

On 1 April 2013, Council Tax Benefit, the current method of supporting low income households to pay their Council Tax, will be abolished by the Government. It will be replaced by a new local scheme of Council Tax Support defined and administered by each Local Authority.

The government has stated that pensioners will be protected from these changes and entitlement will be subject to the provisions of nationally defined regulations, similar to that of the current Council Tax Benefit scheme.

Working age claimants will be subject to the provisions of a new local scheme of Council Tax Support determined by Leeds City Council.

#### **Introduction**

This document outlines the proposed scheme of Council Tax Support in Leeds for 2013/2014 and should be read in conjunction with consultation documents seeking your views.

This Scheme sets out a number of proposals that will be dependent upon:

- The outcome of a consultation on this scheme;
- The passing of the Local Government Finance Bill and subsequent secondary legislation;
- Implementation of the Welfare Reform Act 2012 and any secondary legislation.

#### **Classes of Persons**

This draft Scheme sets out proposed rules for working age claimants. The government has concluded that support for pensioners should be delivered through a national framework of criteria and allowances. As such regulations will prescribe a scheme for claimants of state pension credit age. They will also prescribe certain classes of persons who are not eligible to claim Council Tax Support, principally those citizens from abroad and refugees who do not have leave to remain in the country.

It is proposed that eligibility for Council Tax Support will be means tested and determined by reference to the household composition, income and capital of the claimant and any partner; and by the income, capital and number of non dependants in the household.

This draft scheme proposes that the key principals and methods set out within the government's draft default scheme regulations issued in September 2012 be used to determine Council Tax Support.

#### **Key Features of the Scheme**

Our draft Scheme is based on the following principles:

- Working age claimants will have their Council Tax Support reduced by 30% of entitlement calculated under the draft national default scheme.
- people with disabilities (entitled to a disability premium or disabled child premium) should be protected from this requirement;
- people with dependant children under 5 should be protected,
- people in receipt of a war disablement / war widow(er)s pension should also be protected,

### **Classes of Reduction**

It is proposed that Council Tax Support be calculated as a means tested discount, defined in principle by the terms of the government's draft default scheme with the exceptions as identified below:

- The Council Tax Award calculated in line with the provisions of the draft default national scheme will be reduced by 30%.
- Second adult rebate will be abolished

As such most claimants of working age will be expected to contribute some payment towards their Council Tax bill the amount of which will be, dependent upon individual financial circumstances.

### **Protected Classes**

These people will not be subject to the reduction in benefit of 30% and will continue to receive Council Tax Support equivalent to 100% of their entitlement under the draft national default scheme for working age customers.

A customer falling within the protected classes will:

- be a lone parent with a child under the age of 5 or
- qualify for a severe disability premium or enhanced disability premium or
- be in receipt of a War Pension or War Widows Pension

The three conditions that qualify for a severe disability premium are:

- The householder must be in receipt of the high or middle rate care component of disability living allowance or receive Attendance Allowance and
- The householder must not be being looked after by someone who receives carer's allowance for looking after them and
- The householder must have no one living with them aged over 18 years unless that person is registered blind or in receipt of high or middle rate care component of disability living allowance or receive Attendance Allowance.

The qualifying criteria for an enhanced disability premium are:

- The householder (or their partner if they have one) are aged under 60yrs and
- The householder (or their partner if they have one) receive the highest rate of the care component of disability living allowance or
- A child or young person in the family receives the highest rate of the care component of disability living allowance.

**Backdating**

The backdating rules in the draft national default scheme, which allow claims to be backdated for up to 6 months will apply.

**Applications**

New applications should be made in accordance with the draft national default scheme. Claimants currently in receipt of Council Tax Benefit will transfer onto the new Council Tax Support scheme.

**Evidence**

Leeds City Council may request such evidence as it requires to determine entitlement. Claimants will be given one month to provide any information requested.

**Amendment and Withdrawal of Application**

Claimants may amend any application before Leeds City Council has made a decision on it.

Claimants can withdraw an application at any time.

**Claimant's Duty to Notify Change in Circumstances**

Claimants have a duty to notify Leeds City Council of any changes in their circumstances that may affect entitlement, in the same manner as within current Council Tax Benefit regulations.

**Overpayments**

Any overpayment of Council Tax Support granted to which a claimant was not entitled to receive will be recovered by an adjustment to the Council Tax bill.

**Appeals Process**

Leeds City Council will give all claimants the opportunity to make written representation where they believe their claim has been dealt with incorrectly and we will look at this decision again. Where a claimant remains unhappy with a decision following the above process, they may appeal to the Valuation Tribunal.

This is a draft document and as such may be subject to change following public consultation, Government statute or any other means deemed appropriate by Leeds City Council.

## Appendix 2- costs of draft schemes

	Number of claimants	12/13: Anticipated scheme spend £000s	13/14 option: 'no cost scheme' with funding reduced by 10% £000s	13/14 option 'no cost scheme' with funding reduced by 11.4% £000s	13/14 option 10% cap with funding reduced by 10% £000s	13/14 option 10% cap with funding reduced by 11.4% £000s
Total Benefit spend <sup>1</sup>		£54,455	£54,455	£54,455	£54,455	£54,455
Government funding <sup>2</sup>		£54,571	£49,114	£48,355	£49,114	£48,355
Shortfall		£0	£5,341	£6,100	£5,341	£6,100
<b>Total caseload</b>	<b>78,850</b>					
<b>Pension Age caseload</b>	<b>31615</b>	<b>£22,000</b>	<b>£22,000</b>	<b>£22,000</b>	<b>£22,000</b>	<b>£22,000</b>
<b>Working Age protected groups<sup>3</sup></b>						
- Lone parent with child u5	6452	£4,243	£4,243	£4,243	£4,243	£4,243
- Relevant Disability Premium	4265	£3,114	£3,114	£3,114	£3,114	£3,114
- War Pension	38	£28	£28	£28	£28	£28
- Carers	869	£683	£683	£683	£683	£683
<i>Sub-total</i>	<i>11,624</i>	<i>£8,068</i>	<i>£8,068</i>	<i>£8,068</i>	<i>£8,068</i>	<i>£8,068</i>
<b>Working Age non-protected</b>						
- Other working age	35611	£24,387	£24,387	£24,387	£24,387	£24,387
- Required reduction		£0	£5,341	£6,100	£2,438	£2,438
<b>Net spend on non-protected</b>		<b>£24,387</b>	<b>£19,046</b>	<b>£18,287</b>	<b>£21,949</b>	<b>£21,949</b>
'% reduction for non-protected			22	25	10	10
<b>Total scheme costs</b>		£54,455	£49,114	£48,355	£52,017	£52,017
<b>Costs to Council and preceptors</b>		<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£2,902</b>	<b>£3,662</b>

### Appendix 3 - Council Tax Benefit caseload and expenditure trend

#### Caseload

The table below shows the total Council Tax Benefit caseload mid financial year and the percentage change from the same point in the previous financial year:

Year	CTB Caseload	Change
2008	66,060	
2009	70,791	+7.16%
2010	75,485	+6.63%
2011	77,405	+2.54%
2012	78,635	+1.58%
May 2012	78,252	
Nov 2012	78,560	+0.4%

The caseload increased sharply between 2008 and 2010 and the rate has reduced considerably since then. In 2012 the caseload has been stable.

The table below shows the Council Tax Benefit caseload split between pension age and working age and the percentage change from the same point in the previous financial year:

Year	Pensioners	Change	Working Age	Change
2008	33,402		32,658	
2009	33,457	+0.16%	37,334	+14.31%
2010	33,485	+0.08%	42,000	+12.5%
2011	32,640	-2.54%	44,765	+6.58%
2012	31,740	-2.76%	46,931	+4.83%
May 2012	32,079		46,173	
Nov 2012	31,631	-1.4%	46,929	+1.6%

After a period of stability, the pension age caseload has reduced in the last 2 years. This is believed to be because of the equalisation of retirement age for women which is being phased in over a 5 year period. The pensioner caseload is expected to continue to reduce for a further 3 years until equalisation is complete.

Following a sharp increase in the working age caseload between 2009 and 2010, the rate of increase has slowed and is largely offset by the reduction in pensioner caseload.

The increase in working age caseload is driven by increase in the numbers of claims from in-work customers. Council Tax Benefit awards for in-work customers are less than awards for out of work customers.:

Year	Earners	Change
2008	3,461	
2009	4,158	+20.13%
2010	6,637	+59.62%
2011	8,239	+24.13%
2012	9,453	+14.73%

## Expenditure

The table below shows Council Tax Benefit subsidisable expenditure over the last few years.

Year	Subsidy Claimed from DWP	Change
2008/09	£45.2m	
2009/10	£50.9m	+12.61%
2010/11	£54.8m	+7.67%
2011/12	£55.4m	+1.09%
2012/13	£55.3m*	-0.18%

\*Projected at October 2012

Again, this shows that the sharp increase in expenditure between 2008 and 2010 has been replaced by a more measured increase since 2010 with expenditure forecast to drop slightly in the current year

## Forecasts for 2013/14

The statistics suggest that Council Tax Benefit expenditure is likely to remain stable in 13/14. This assessment is based in the fact that the unemployment level in Leeds is currently stable at around 4.5%, Council Tax Benefit caseload has stabilised and subsidisable Council Tax Benefit expenditure in the current year is forecast to reduce slightly in comparison to last year.