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**Report of Head of Governance and Scrutiny Support**

**Report to Citizens and Communities Scrutiny Board**

**Date: 13<sup>th</sup> February 2017**

**Subject: Development of a revised Council Tax Support Scheme – formal response to the Scrutiny recommendations**

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 type="checkbox"/> Yes	<input checked="" 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

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**Summary of main issues**

1. At its meeting on 27<sup>th</sup> June 2016, the Citizens and Communities Scrutiny Board agreed to undertake an urgent review to assist in the development of a revised Council Tax Support scheme. This review concluded in October 2016 and a report setting out the Scrutiny Board's findings and recommendations was published in November 2016 ([Click to access inquiry report](#)).
2. It is the normal practice to request a formal response from the relevant Directorate(s) to the Board's recommendations once a report has been published. Details of the formal response to the Board's recommendations are attached for Members' consideration (see appendix 1).

**Recommendations**

3. Members are asked to consider the formal response to the recommendations arising from the Scrutiny Board's review into the development of a revised Council Tax Support Scheme.

**Background papers<sup>1</sup>**

4. None

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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 – Response to the Scrutiny recommendations regarding the development of a revised Council Tax Support Scheme.**

<b>Scrutiny Recommendations</b>	<b>Directorate Response</b>
<p><b>Recommendation 1</b> That the Executive Board:</p> <p>(i) Acknowledges the support of the Citizens and Communities Scrutiny Board to the proposed new changes to the Council Tax Support scheme as presented as part of its review.</p> <p>(ii) Agrees to undertake a further review of the new Council Tax Support scheme during the summer of 2018, when the number of Universal Credit claimants is expected to be more significant in Leeds and the Council will be in a good position to gauge the extent to which the new scheme is achieving its overall aim.</p>	<p>A report was taken to Executive Board in December 2016 with the Scrutiny Board (Citizens &amp; Communities)’s report and recommendations appended along with specific reference to the work of Scrutiny on this issue. Executive Board acknowledged the work of Scrutiny on this issue.</p> <p>Executive Board agreed that a further report would be taken to Executive Board in 2018 with more information about the roll out of Universal Credit and options for reducing scheme costs.</p>
<p><b>Recommendation 2</b> That the Assistant Chief Executive (Citizens and Communities) ensures that the Executive Board is provided with a detailed options appraisal in determining when the Council revises the Council Tax Support award as part of the new Council Tax Support scheme and in doing so, acknowledges the support, in principle, of the Citizens and Communities Scrutiny Board towards an approach based on average earnings.</p>	<p>The new scheme design in itself will result in fewer revisions, as it will see lower earners qualify for maximum support and a number of higher earners no longer qualify for support.</p> <p>Executive Board delegated the design of the operational scheme for dealing with fluctuating income to the Assistant Chief Executive (Citizens and Communities). In making that decision, the Assistant Chief Executive will have regard to the options available, including the option, supported by Scrutiny, of an approach based on average earnings. The decision of the Assistant Chief Executive (Citizens and Communities) will be reported to Scrutiny, along with the options considered, as part of a report on the development of a hardship policy (see recommendations 3 &amp; 4).</p>

**Recommendation 3**

That the Executive Board:

(i) supports the option to remove protections entirely from 1<sup>st</sup> April 2017 for the majority of protected groups and only maintain protections for War Pensioners;

(ii) endorses the need to ring-fence an appropriate proportion of the cost savings arising from the removal of the protections scheme in order to secure sufficient funding for a new discretionary hardship scheme.

Executive Board did not approve Scrutiny' recommendation to remove protections entirely from 1<sup>st</sup> April 2017. A key principle of the proposed new scheme was to provide for Council Tax Support arrangements that are very clearly linked to the implementation of Universal Credit and the fact that many customers who are currently in receipt of protections would be better off under Universal Credit.

In developing the proposed scheme it therefore made sense to only remove protections when customers move onto Universal Credit. To adopt recommendation 3 from Scrutiny Board would move away from this key principle and see many customers worse off, potentially for a long period of time as customers are transitioned to Universal Credit, the timetable for which is still uncertain.

Whilst this could potentially be managed through the creation of a more significant hardship scheme, the reality is we would expect most people to claim for hardship support on the basis that all of those affected would see an immediate loss in support with little or no means to address that shortfall. Therefore any potential savings would be significantly offset by the need for a sizeable hardship scheme as well as the administrative burden of managing such a scheme for all customers.

The report to Executive Board highlighted that reductions in spend due to the removal of protections would be offset to some degree by costs of the discretionary hardship scheme. Executive Board delegated the design and value of the hardship scheme to the Assistant Chief Executive (Citizens and Communities) with a requirement that the hardship scheme is taken to Scrutiny Board.

It is expected that a report will be taken to the March 2017 meeting of Scrutiny Board on the design of the hardship scheme.

<p><b>Recommendation 4</b> That the Assistant Chief Executive (Citizens and Communities) ensures:</p> <ul style="list-style-type: none"> <li>(i) That the application of the discretionary hardship scheme is fair and transparent and based on the principle of supporting the most vulnerable of customers that would be worse off under the new Council Tax Support scheme and least able to cope.</li> <li>(ii) That the details surrounding the development of the discretionary hardship scheme are shared with the relevant Scrutiny Board.</li> </ul>	<p>See response to Recommendation 2 (ii).</p>
<p><b>Recommendation 5</b> That, linked to recommendation 1(ii), the Executive Board agrees to explore other potential scheme saving options when undertaking a wider review of the new Council Tax Support scheme during 2018.</p>	<p>Agreed – See recommendation 1(ii)</p>
<p><b>Recommendation 6</b> That the Assistant Chief Executive (Citizens and Communities) ensures that the work surrounding a review of methods of contact of customers during the Personal Work Support Package scheme and the development of a business case for an improved case management system is progressed with urgency and progress is reported back to the relevant Scrutiny Board.</p>	<p>A new triage process for initial assessment with customers has been drafted. Customer Services will begin a pilot in early February and if successful, will be rolled out across all Jobshops. The model is initially paper based but a draft specification for an electronic solution has been prepared and will be further developed.</p>

<p><b>Recommendation 7</b></p> <p>That the Assistant Chief Executive (Citizens and Communities) works with DWP's West Yorkshire Work Services District Manager to explore further opportunities for strengthening links between the Council's Personal Work Support Package scheme and the Back to Work Plan process undertaken by Job Centre Plus. In particular, to ensure that a customer's engagement with the PWSP scheme is appropriately reflected as part of the Claimant Commitment process with Job Centre Plus.</p>	<p>In managing the interface between PWSP and the Jobcentre Plus jobseeker conditionality, there is ongoing dialogue between DWP and the Council.</p> <p>Both parties are keen to eradicate any duplication in provision and/or conflict in obligations for the jobseeker and involvement in the PWSP programme is acknowledged within the Claimant Commitment. Ensuring consistency of practice remains a challenge. Nevertheless, this issue remains a priority and joint working to review process and practise will remain in place.</p>
<p><b>Recommendation 8</b></p> <p>That the Assistant Chief Executive (Citizens and Communities) explores additional funding opportunities through the pending ESIF programmes and the Work and Health Programme that could be utilised towards the expansion of the Personal Work Support Package element of the Council Tax Support scheme to those claimants in receipt of an Employment and Support Allowance.</p>	<p>Work is underway for joint working arrangements with Reed in Partnership who have secured ESIF funding. They are now located within a number of Hubs and offering additional engagement and support activities to PWSP customers to enhance the current offer. We are also exploring options with other partners ahead of expansion to the Employment Support Allowance cohort.</p>
<p><b>Recommendation 9</b></p> <p>That the Assistant Chief Executive (Citizens and Communities) leads on actively promoting the Personal Work Support Package element of the Council Tax Support scheme to the Secretary of State for Welfare and Benefits with a view to exploring opportunities of becoming a pilot authority and potentially securing additional funding to support the improvement and further expansion of the scheme.</p>	<p>It is expected that a letter will have been issued to the Secretary of State for Work and Pensions by the time the Board meets in February. If this is the case, a copy will be provided to Board members.</p>

**Recommendation 10**

That the Assistant Chief Executive (Citizens and Communities) leads on working with other relevant directorates and key partners to develop a communication strategy aimed at existing and future Council Tax Support claimants to enable them to fully understand their entitlements and also where to access further advice and support if needed, with particular attention given to vulnerable individuals.

In association with partners, we are exploring opportunities to enhance PWSP at the initial engagement phase by offering a more intensive induction and assessment model. Should this prove successful, this will present an ideal opportunity to improve communications about entitlement, support and the broader offer. This will be of particular benefit to the jobseekers who may have multiple and complex barriers to work. If this option is feasible, it could commence in April 2017.