

# Public Document Pack

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A meeting of the **Cabinet** will be held in Committee Room 2 at East Pallant House East Pallant Chichester West Sussex on **Tuesday 6 November 2018 at 09:30**

MEMBERS: Mr A Dignum (Chairman), Mrs E Lintill (Vice-Chairman), Mr R Barrow, Mr J Connor, Mrs J Kilby, Mrs S Taylor and Mr P Wilding

## **AGENDA SUPPLEMENT**

This agenda supplement contains the appendices to the reports for items 5, 6 and 7

### **5 Absence Management Policy** (pages 1 to 17)

- Appendix: Revised Absence Management Policy – October 2018

### **6 Determination of the Council Tax Reduction Scheme for 2019-2020** (pages 19 to 77)

- Appendix 1: Draft Council tax Reduction Scheme 2019-2020
- Appendix 2: Council Tax Reduction Scheme Survey 2018
- Appendix 3: Council Tax Reduction Scheme 2019-2020 Equalities Impact Assessment

### **7 Non-Domestic Rates Discretionary Scheme 2017-2021** (pages 79 to 83)

- Non-Domestic Rate Discretionary Scheme 2017-2021

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## EMPLOYMENT POLICY STATEMENT

**Policy Title:** Absence Management Policy  
**Date:** October 2018

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## 13.3 Capability

### **1.0 Introduction and Purpose**

This policy outlines the processes the Council will follow in cases where an employee's attendance is a cause for concern, managing attendance in a supportive and proactive way that minimises the impact on service delivery and makes the most of the effectiveness and the capability of the workforce.

The policy forms part of the Council's commitment to employee wellbeing and is one of the mechanisms through which the Council will seek to help employees maintain health and wellbeing in the workplace. However ultimately if an employee has long periods of sickness, this cannot be sustained indefinitely and action will be taken to address prolonged or persistent absence.

### **2.0 Supporting Factors**

The policy is underpinned by the following principles:

- All sickness absence is presumed to be genuine and matters raised relating to an employee's attendance does not imply any distrust of staff or concerns regarding their conduct.
- Consistency and fairness are important but each case will be different and a different level of action may be taken in each case. HR is available to give advice and support to everyone on all matters relating to the management of sickness absence.
- All cases of ill health will be handled sensitively and constructively with due regard to confidentiality. Medical information will be treated in confidence.
- Employee absence will be dealt with in a way that is non-discriminatory and in accordance with the Council's commitment to equality.
- Where a work problem or domestic problem is contributing to a poor health record or attendance the Council will aim to be supportive and where operationally possible management and HR will consider if appropriate changes to current working practices.
- Absences due to a life threatening condition or a terminal illness will not normally be included in the absence management process.

### **3.0 Scope of the Policy**

This policy applies in full to all employees following their probationary period.

If sickness absence issues arise during the staff member's probationary period the provisions of the Probationary Disciplinary & Contract Termination Procedure will apply, rather than this policy.

#### 4.0 Stages of the Absence Management Policy

| <u>Stage</u>   | <u>Type of Absence Management Meeting</u>  | <u>Trigger Points</u>   | <u>Possible Outcome</u>  |
|----------------|--|---|--|
| Informal Stage | Documented <b>Return to Work</b> discussion between employee and line manager.                 | This meeting will take place after every sickness absence.  | Welfare assessment. Record of conversation saved to Trent.   |
| Informal Stage | Documented <b>Welfare Meeting</b> between employee and line manager – to be recorded on Trent. | 7 days of sickness absence or 3 separate bouts of sickness absence. Absence giving cause for concern. | Welfare assessment. Possible adjustments to job role may be considered. Could proceed to formal stage.                           |
| Formal Stage   | <b>Stage 1</b> (potential Formal Written Caution)  | 14 days of sickness absence or 5 separate bouts of absence.   | Formal Written Caution issued (valid for 6, 9, 12 or 18 months) May require Risk Assessment or Occupational Health Referral.     |
| Formal Stage   | <b>Stage 2</b> (potential Final Written Caution)   | No set trigger point. Further amount of absence since previous caution issued.                        | Final Written Caution issued (valid for 12, 18 or 24 months) May require Risk Assessment. Occupational Health Referral required. |
| Formal Stage   | <b>Stage 3</b> (potential Dismissal)   | If the amount of absence is considered unsustainable  | Dismissal with notice.   |
| Formal Stage   | <b>Appeal</b>  | Employee has the right to appeal against a caution or dismissal.                                      | Confirm decision, reverse the action, impose a lower caution or reduce period that caution is valid.                             |

## **5.0 Responsibilities**

### 5.1 Role of Employees

- All employees have a contractual duty to attend work and carry out their duties unless not fit to do so.
- All employees must follow the correct procedure for reporting absence, provide the necessary documentation and maintain regular contact with their manager.
- All employees are required to co-operate with attendance management procedures such as requests to attend meetings, provide information and attend planned appointments at the occupational health service.

### 5.2 Role of Line Managers

Managers are required to manage sickness absence in a supportive, compassionate, consistent, proactive and fair way.

Monitoring and managing absence levels lies with the Divisional Managers, line managers and supervisors with support from HR. Managers are expected to intervene early to attempt to secure an improvement in employee attendance to maintain consistent levels of service.

Line Managers and Supervisors are accountable for the management of day to day sickness absence through:

- Ensuring employees are aware of their obligations including absence reporting procedures.
- Ensuring employee absence is accurately recorded on the Trent system and kept up to date.
- Undertaking Return to Work discussions with staff after each occasion of sickness absence, maintaining a record of the discussion on the Trent system and monitoring any agreed actions.
- Managers will ensure that if there are reasonable adjustments that could be implemented to support an employee that these are investigated, implemented and monitored as appropriate.
- Managers will undertake informal and formal meetings with employees in line with the agreed stages of the policy and evaluate each case on its individual circumstances.
- Maintain regular contact with staff on long term absence and undertake welfare visits where appropriate.

### 5.3 Role of Human Resources

HR will work collaboratively with managers to apply this policy, providing ongoing guidance, support and advice on individual cases to help ensure that the policy is applied fairly across the Council. It is important that HR support Line Managers in dealing with potential absence cases at the earliest stage possible.

- HR will provide monthly divisional sickness absence reports and bespoke individual reports as required. The reports will only be available to the relevant manager to take into account the sensitive nature of the information relating to individual employees. All information should be kept confidential.
- HR will arrange Occupational Health referrals and reports where appropriate.

- An HR Officer or the HR Manager will participate in stages one, two and three of the formal process and the appeal process.
- HR will work with the managers to investigate fully any appropriate reasonable adjustments for staff with a disability or other changes that could be implemented on a short term or long term basis to support the employee.

## **6.0 Procedure for Reporting Sickness Absence**

If an employee is unable to attend work through sickness or any other reason they are required to:

- Telephone their line manager on the first day of absence by no later than the time when they would normally commence work or by 09.30 a.m. at the latest.
- Notification via voicemail, email, text messaging or social media is not acceptable and neither is it acceptable to leave a message outside of the line manager's normal working hours.
- Employees must endeavour to speak to their line manager rather than leave a message with a colleague. If they can only speak to a colleague they must ensure they leave a contact number so the manager can contact them.
- Only in exceptional circumstances should someone other than the employee make the call.
- When telephoning to notify their absence, the employee should provide the following information:
  - the reason for absence e.g. the nature of the illness,
  - likely duration of the absence
  - whether or not a GP appointment is being sought
  - any work commitments that need to be re-arranged in the employee's absence
- The employee must update their manager on the second day of absence, unless otherwise agreed and afterwards continue to keep the manager informed as requested.
- If the employee is away for more than seven calendar days they must submit a medical certificate (fit note) to the manager on the eighth day or as soon as possible afterwards and must continue to provide certificates to cover the entire period of continuing absence. A delay in submitting a certificate may result in loss of pay.

## **7.0 Return to Work Discussion (Informal) - documented**

Following any period of sickness absence the manager must meet with the employee to discuss his/her sickness absence on the employee's first day back or as soon as possible thereafter.

The aim of the return to work discussion is to assist the manager to identify if they can help the employee on their return to work and/or how to prevent a similar absence reoccurring. This would also be an opportunity to update the employee with any developments in their absence or any work issues that have arisen.

- This will be a private discussion, welcoming the employee back to work, checking on their welfare, confirming the reasons for absence and whether any additional

support/reasonable adjustments are required in the short/long term. If a risk assessment is necessary then the manager must ensure that this is completed.

- As this meeting is informal there is no right to be accompanied.
- The manager can identify any issues which may be impacting on an employee's ability to attend work such as an underlying health reason or work related reason.
- The manager will record details of the discussion on Trent (Return to Work form).
- The manager will ensure the Trent record for the employee's absence has been closed and contains the correct dates for the period of absence.
- If the manager identifies that a stress risk assessment is required this must be completed and a copy sent to HR.

## **8.0 Trigger Points**

Trigger points will be used within the absence management policy to monitor absence effectively and create a consistent approach.

Most cases will follow the standard trigger point process and both informal and formal stages should be initiated on this basis. Any exception to this will require agreement from the Director of Corporate Services. However as above any absence that is due to a life threatening condition or a terminal illness will not normally be included in the absence management process.

The following trigger points are applicable:

- **Welfare Meeting** (Informal) - 3 separate bouts of absence or 7 days of absence in any twelve month period.
- **Stage 1 Absence Management Meeting** (potential Formal Written Caution) – 5 separate bouts of absence or 14 days in any twelve month period.  
At this meeting the manager may give an indication of the number of days of sickness absence that could occur during the period when this caution is live, which may result in the requirement for a Stage 2 meeting. This will be decided in consultation with HR.
- **Stage 2 Absence Management Meeting** (potential Final Written Caution)
- **Stage 3 Absence Management Meeting** (potential Dismissal)
- **Long term absence** is generally classified as four consecutive calendar weeks. Where this trigger has been reached or exceeded the formal absence management process will be instigated and a Stage 1 Absence Management Meeting will automatically take place. Full consideration of the welfare and health needs of the employee, with a referral to occupational health if appropriate, would form a part of this. If the employee is absent due to stress then the line manager will be required to complete a Stress Risk Assessment and ensure a copy is sent to HR. Where a staff member is returning to work after a longer term period of absence, a return to work programme should be discussed and implemented as necessary.

Once the initial trigger (3 separate bouts of absence or 7 days of absence as above) has been reached, the employee's previous sickness absence prior to the assessment period of 12 months may also be taken into account. This includes both where the staff member's previous sickness record has been good and where it has been poor. The previous record will be considered when deciding on the appropriate steps to take.

## **9.0 Welfare Meeting (Informal)**

A meeting between the manager and employee will be arranged if an employee's sickness absence has been either:

- **7 days or more in the preceding twelve months. or**
  - **3 or more bouts of absence in the preceding twelve months.**
- As this meeting is not a formal part of the policy the meeting will normally be attended by just the employee and their line manager – the employee does not have the right to be accompanied.
  - The meeting is intended to be supportive offering the services of both the manager and HR to help in resolving any recurring health problems and improve the attendance record. The manager will discuss what support may help in improving attendance such as the Employee Assistance Programme (EAP), support from the Wellbeing Team or Occupational Health.
  - The manager will ensure the employee is aware of the impact that high levels of absence can have on the Council's operational effectiveness and impact on other team members.
  - The manager will allow the individual an opportunity to give an explanation for the absence(s).
  - The manager will record the meeting in writing and save a copy to the employee's Trent record.
  - The manager will explain that the individual's absence will continue to be monitored and the decision may be taken to implement a programme of support meetings to review attendance levels and discuss options for assisting the employee.

## **10.0 Formal Absence Management Meeting Process – Applicable to Stages 1, 2, 3 and the Appeal Process**

An employee will be required to attend a formal absence management meeting when the frequency and/or duration of their absences have reached a trigger point. Any prior formal cautions that remain in force and the current medical prognosis will be taken into account. For stages 2 and 3, where there has been no pre-existing trigger point set, the manager will decide on the appropriate point to commence the next stage in the formal process on a case by case basis in consultation with HR.

The formal process for all sickness absences consists of three stages. An employee has the right to appeal after each formal stage. Stage 3 could lead to the dismissal of the employee and the notice arrangements must be in accordance with this policy.

### **10.1 Meeting Guidelines**

- The meetings will be organised by HR. The meeting will be conducted by a nominated manager, usually the employee's line manager or more senior manager within the service. A member of the HR team at HR Officer level or above will normally be present and play an active role at the meeting.
- The employee will be given **not less than two working days' notice in writing of the meeting arrangements.** The letter, sent by HR will outline the level of absence

and shall be accompanied by a copy of this document along with other relevant documentation that may be discussed e.g. the employee's absence record, copies of file notes; Absence Management Interviews and medical reports.

- The letter shall remind the employee of his/her right to be accompanied by a work colleague or a Trade Union representative.

In line with the provisions of the Employment Relations Act 2004 the employee's work colleague or a Trade Union representative may address the meeting in order to put the employee's case; sum up the employee's case; respond on the employee's behalf to any view expressed at the meeting and confer with the employee during the meeting. The representative does not however have the right to answer questions on the employee's behalf. Before the formal meeting takes place the employee should inform HR who they have chosen to accompany them.

Employees who are asked to accompany a colleague will be given reasonable time off to prepare for and attend meetings in agreement with their manager.

External representation will not normally be allowed at any of the formal stages.

- The meeting can be arranged to take place whilst the employee is on sick leave.
- It may be appropriate to conduct the meeting at the employee's home, with their agreement, as whilst the employee may not be well enough to attend work, they may be sufficiently well for a meeting to proceed at their home.
- If the employee is ill and unable to attend the meeting, requests more time to prepare for the meeting or if their representative is not able to attend the meeting it will be re-arranged. In these circumstances it is likely that it will only be re-arranged once. The employee will be notified that further requests for a deferment may be refused and that, in the absence of the employee at future re-arranged meetings, the meeting may be held in his/her absence.
- There is a requirement for notes to be taken at any stage of the formal process. Both parties should be aware that the notes taken will not be verbatim. The employee can receive a copy of the notes on request.

No recording equipment will normally be permitted at any stage of the process. This includes mobile phone devices.

- The absence management meeting will consider the employee's attendance record and all relevant factors and will determine what action, if any is required. Appropriate action can include the issue of a formal caution.

## 10.2 **Meeting Process**

- The manager will explain the purpose of the meeting and ensure that the available information about the situation is properly discussed. The manager must ensure that all factors which might be taken into account in the decision are disclosed during the meeting. The manager may call whomever he/she chooses to contribute to the meeting irrespective of whether or not they have previously been involved in the process.

- The manager will allow the individual an opportunity to give an explanation for their absence(s) and ensure they have an opportunity to ask relevant questions and present their own views to the panel. The manager must allow reasonable opportunities for the staff member to consult his/her accompanying union representative.
- The manager will discuss what support is available and may be appropriate for the employee such as temporary work arrangements, changes to working hours or days, temporary changes to duties and any reasonable adjustments that can be made in respect of an employee with a disability. Obtaining advice from occupational health and support from the Wellbeing team or Employee Assistance Programme (EAP) should also be discussed where relevant.
- The manager will inform the employee of what improvements in attendance are required and the consequences if this does not happen.
- At the conclusion of the meeting, the manager will adjourn the meeting to consider whether it is appropriate to issue a caution. He/she will then reconvene the meeting to announce the decision. Every effort will be made to reach a decision on the day of the meeting but if this is not possible the meeting will be adjourned. The adjournment will be as brief as possible and the meeting re-convened at the earliest opportunity.

As a result of the meeting, it may be considered appropriate to issue a Caution as detailed below.

## **11.0 Issuing a Caution**

A formal caution will normally be issued unless there is a compelling reason why this would be inappropriate. However the decision about whether or not a caution should be issued must be made by the manager in consultation with HR.

The purpose of the caution is to notify the employee that their absence is a cause for concern and that a failure to improve their attendance may lead to a further caution or it may lead to dismissal in cases where an employee triggers the policy while a Stage 2 final written warning is live.

The levels of action that can be taken under this policy are as follows:

### **11.1 STAGE 1 – FORMAL WRITTEN CAUTION**

Trigger point: 5 separate bouts of absence or 14 days in any twelve month period.

- The Caution where issued will be confirmed in writing to the employee within 7 working days of the conclusion of the formal meeting and will state the reason for its issue, details of any improvement required and confirmation of the consequences of a re-occurrence or failure to improve.
- A Stage 1 Formal Written Caution will normally be issued and remain valid for a period of 6, 9 or 12 months but not to exceed 18 months. If further absence occurs and the employee's absence remains at or above the trigger point whilst a Stage 1 warning remains live, the employee will be required to attend a further absence management meeting which may lead to a formal stage 2 caution.

- The Caution will remain valid until its expiry date, at which time, provided the employee's attendance has improved to a satisfactory level or is not causing concern it will not be taken into account in any future absence management proceedings.
- The letter will contain details of the employee's right of appeal.
- At this meeting the manager may give an indication of the number of days of sickness absence that could occur during the period when this Caution is live, which may result in the requirement for a Stage 2 meeting. This will be decided in consultation with HR.

## **11.2 STAGE 2 – FINAL WRITTEN CAUTION**

Trigger point: If a Stage 1 Formal Caution is in place and an unacceptable pattern of further sickness absence occurs.

- The Caution where issued will be confirmed in writing to the employee within 7 working days of the conclusion of the formal meeting and will state the reason for its issue as well as details of any improvement required.
- The letter should make it clear that dismissal is a likely consequence if the employee's attendance does not improve and reach a satisfactory level and the improvement is sustained.
- A Stage 2 Formal Written Caution will normally be issued to remain live for a period of 12, 18 or 24 months.
- An Occupational Health referral may be made at this stage to get medical advice.
- The Caution will remain valid until its expiry date, at which time, provided the employee's attendance has improved to a satisfactory level or is not causing concern it will not be taken into account in any future absence management proceedings.
- The letter will contain details of the employee's right of appeal.

## **11.3 STAGE 3 – DISMISSAL**

If a Stage 2 Final Written Caution is in place and an unacceptable pattern of further sickness absence occurs an employee can be fairly dismissed. This may be as a result of persistent short-term absence or a long-term medical condition that is causing the staff member to be absent.

An Absence Management meeting that may result in dismissal will normally be carried out by a Divisional Manager or Director. Exceptionally this may be delegated to a manager one level below.

The manager and / or HR will:

- Ensure that the medical position has been fully investigated and considered and ensure that an occupational health report has been received during the process.
- Ensure that the employee has been provided during the process with the opportunity to receive support including if appropriate temporary work arrangements, or

reasonable adjustments as well as access to the Employee Assistance Programme (EAP).

- If the manager concludes that dismissal is appropriate, it will be on the grounds of failing to meet the contractual obligations due to reasons of sickness absence.
- Notice will always be given, but the employee may not be required to work during their notice period.
- The letter to confirm dismissal will normally be dispatched within 5 working days of the conclusion of the disciplinary hearing and will confirm whether or not the notice period is to be worked. The staff member's appeal rights must be described.
- Before the decision is taken to dismiss, a thorough review of the employee's sickness absence record, including the number of days sickness and the reasons for absence, must have taken place during the formal Absence Management meeting.
- Dismissal letters will be prepared in consultation with HR and will normally be signed by a Divisional Manager or Director. All other outcomes and Cautions will be confirmed in letters issued by HR.

#### **11.4 APPEAL**

- Should an employee wish to appeal against a Caution or Dismissal, he/she must write to the Director of Corporate Services within 10 working days of the date of receipt of written notification of Caution or Dismissal. The appeal must be made in writing and should clearly state the grounds for appeal.
- The Director of Corporate Services or other nominated officer will convene an Appeal Panel, normally within 28 working days after receipt of the letter of appeal, at which the member of staff will present his/her grounds of appeal and may be accompanied by a work colleague or Trade Union representative (Shop Steward or Full-time official)
- For action up to and including a Final Written Caution, the Appeal Panel will normally consist of a Divisional Manager and senior member of HR. Members of the original panel that issued the Caution being appealed against cannot be members of the Appeal Panel.
- For action resulting in Dismissal, the Appeal Panel shall consist of one member of the Strategic Leadership Team and a senior member of the HR team. Members of the original panel that dismissed the employee cannot be members of the Appeal Panel.
- Any Director or Divisional Manager or other officer nominated by the Director of Corporate Services may be selected to sit on an Appeals Panel.
- The employee and / or their representative should present their grounds for making the Appeal to the Appeal Panel. The Appeal Panel must ensure that both parties are provided with the opportunity to present their views to the panel about all the issues raised. Either side may raise any issue relevant to the case. It is the Panel's responsibility to ensure that it sufficiently tests the evidence presented to it prior to making its decision. New evidence can be presented and will be considered. New documentation or evidence to be introduced at the Appeal must normally be made

available by both sides to all parties at least two working days before the Appeal hearing.

- The Appeal Panel may confirm or reverse the action taken by management, impose a lower level Caution or reduce the period for which the Caution is valid.
- The Appeal Panel's decision will normally be notified to the employee within 10 working days (5 working days if an Appeal against Dismissal) of the conclusion of the appeal hearing. The Panel's decision will be final subject to the employee's statutory rights.
- If following an appeal against dismissal the employee is re-instated he/she will be re-instated without a break in service.

## **12.0 General guidance – sickness absence**

### 12.1 Monitoring

After any formal Caution has been issued, the manager will be expected to monitor the employee's absence during the period following the meeting and they may implement a programme of monthly support meetings where this assists the situation to review attendance levels and the options for assisting the employee. Notes of all such meetings should be kept by the manager. All records must be kept confidentially and securely.

### 12.2 Home Visits

In appropriate circumstances, staff from HR and / or the employee's manager may visit an employee at home by agreement with them to discuss progress towards recovery and to assist in any other way. Such welfare visits will normally be for absences of two weeks or more but may also be carried out for employees who have experienced high levels of short-term illness.

### 12.3 Occupational Health

Provided that there are reasonable grounds to believe that a serious health issue exists or that the staff member has had a significant amount of sickness absence, the Council is entitled at any time to require an employee to undergo a medical examination by a medical practitioner appointed by the Council.

HR may refer an employee to the Council's occupational health service who can request a face to face or telephone consultation with the individual. They may also request a report from the employee's GP, with the written consent of the employee. The employee has the right to see any report from their GP before it is sent to the occupational health service.

If the staff member declines to participate in the Occupational Health process, the Council would then have to proceed with managing the situation on the basis of the more limited information available.

Depending on the circumstances, an occupational health report will often be obtained between Stages 1 (formal written caution) and Stage 2 (final written caution) of this policy.

In cases where the employee has a known disability, or informs the Council of this, which may be relevant to their employment and / or the amount of sickness absence that they are incurring, an Occupational Health report should normally be obtained before the second formal Caution stage is reached.

Prior to any formal consideration of Dismissal under this policy, an occupational health report would be obtained if this has not been done already. This would apply whether or not the employee had a recognised disability in order to ensure that we were aware of any underlying medical condition or disability and giving proper consideration to it if this was the case.

#### 12.4 Disability/Reasonable Adjustments

The Council will ensure that the Equality Act 2010, prohibiting unlawful discrimination on the grounds of disability, is fully adhered to in the carrying out of this policy. Where an employee has a disability that affects their ability to attend fully for work, the formal stages of this policy would still apply but higher levels of related sickness absence may be accepted depending on the individual circumstances i.e. it may be justifiable to accept more sickness absence in one case than it would be in another.

If the employee has a recognised disability and a formal Caution is being considered then their disability related sickness absence should be distinguished from their non-disability related sickness absence but this will not preclude action being taken under the Absence Management Policy.

If an employee becomes disabled or their disability becomes more significant, the Council are under a legal duty to consider making reasonable adjustments to enable the employee to carry on working in their role and where possible remove any identified disadvantage. Full consideration of the requirements to make reasonable adjustments for any employee with a disability would take place where this was relevant. It may be necessary to seek the opinion of occupational health and /or external organisations such as Access to Work on disability related issues and explore options for reasonable adjustments to support the employee.

Assistance to the employee may include changes to the workplace environment or equipment used, either on a temporary or permanent basis as detailed below:

- Changes to the workplace environment or equipment
- Further training and support.
- Re-allocation of some duties to another employee
- Alteration to working hours
- Phased return to work following sickness absence.
- Redeployment

#### 12.5 Maternity related sickness absence

Managers need to ensure that employees are not discriminated against as a result of maternity related sickness. Managers are not required to take formal action due to maternity related sickness absence under this procedure.

#### 12.6 Planned absences

If an employee knows in advance that they are going to be absent, for example, if they have to undergo an operation, then they must plan and discuss their absence in advance with their manager.

#### 12.7 Self-Certification

Self-certification applies up to and including the seventh calendar day of absence with a doctor's statement being required from the eighth consecutive day of absence.

The line manager or supervisor should ensure they complete the details on Trent when the absence begins and ensure they input the end date otherwise the absence will remain 'open'.

The Council is entitled to require any employee to obtain a medical certificate from his/her doctor at any time, irrespective of the duration of absence. However, if the duration of absence is less than seven days, the Council will in these circumstances refund any reasonable costs involved in obtaining a certificate.

#### 12.8 Illness whilst at work

If an employee becomes ill whilst at work and they subsequently need to leave work, the remainder of the working day will be recorded as sickness absence to the nearest half day. The manager must be notified before the individual leaves and will record the information onto the Trent system.

#### 12.9 Requests to work from home

If an employee is unwell and not able to attend work then ordinarily this is classed as sickness absence and should be recorded as such in the normal way. Any illness that affects the employee's ability to perform their duties should be recorded as sick leave.

If an employee is unable to come into the office – e.g. with a broken ankle then they can request to work from home. This can be considered and agreed by the line manager if they feel that the employee would be able to perform their work duties effectively at home. The line manager needs to be satisfied that it is appropriate and that productively can be demonstrated.

Please also note that in no circumstances should a staff member work from home, or in the office, whilst signed off as medically unfit for work. If the employee requests to work from home then they need to produce a fit note from their doctor to show that they are fit to work.

#### 12.10 Sickness absence during annual leave

In the event of an employee falling sick during annual leave, a doctor's fit note will be required stating 'unfit for work' to reclaim lost annual leave. On production of the statement the absence will be regarded as sick leave from the date indicated on the statement and the annual leave will be re-credited.

#### 12.11 Phased return to work

On advice from a GP or Occupational Health a phased return to work can be organised to assist an employee following a period of sickness absence to return to their normal working hours of work. A phased return will normally be carried out for a

period of up to 4 weeks with the employee returning to their normal hours of work at the end of this period. A phased return beyond four weeks will only be made in exceptional circumstances and following advice from a GP or Occupational Health.

The hours not worked as part of the phased return will be recorded as sick leave and paid accordingly.

#### 12.12 Sick Pay

If employees are on long-term sick leave for a long period of time or if they have persistent bouts of short-term sickness absence their employment is liable to be terminated.

The Council reserves the right to dismiss an employee before they have exhausted any outstanding entitlement to occupational sick pay.

#### 12.13 Confidentiality

All information relating to individual sickness absence will be treated as confidential and will only be available to line management within the employee's directorate, the employee and HR.

Access to medical records is restricted to Occupational Health who will ensure that medical information remains confidential. Sickness certificates, absence and interview records are restricted to HR and Payroll (who hold the data) and Managers/Divisional Managers on a need to know basis.

Employees may request that their medical condition is kept confidential from their managers due to its highly sensitive nature and HR / Payroll will respect this unless there are overriding health & safety reasons for disclosure. In these circumstances the staff member would be advised of this before any disclosure of the condition.

The GDPR regulations provide security for the protection of both manually held and computer information.

#### 12.14 Legislation and Codes of Practice

- Health and Safety at Work etc. Act (1974) as amended
- Data Protection Act (1998)
- Access to Medical Records Act (1990)
- Equality Act 2010
- General Data Protection Regulations (GDPR) 2018
- ACAS Code of Practice Disciplinary & Grievance Procedures (2018)

Whilst employees at Chichester Contract Services have different sickness absence payment schemes and sickness reporting requirements, in accordance with locally determined terms and conditions, this policy applies to the management of sickness absence for all employees.

#### 12.15 Trade Union Representative

If the formal stages of this procedure are being applied in relation to an accredited trade union representative, the appropriate Regional Office must be informed prior to any action commencing.

## 13.0 Other relevant guidance

### 13.1 Medical appointments

All staff are encouraged to make non-urgent routine medical appointments (Doctor, Dentist, Hospital etc.) outside of their normal working hours wherever this is possible.

However, in those cases where appointments can only be made during these working hours, staff will be allowed reasonable time-off. Ordinarily such appointments should be absorbed within the flexi-time system i.e. the time lost should be made up.

Longer medical appointments may be recorded as sick absence e.g. all day or half day hospital appointments.

The employee is required to obtain approval from their manager in advance for time off, and produce an appointment card on request.

The employee should only record the actual hours worked on that day.

There will be no sick pay for operations related to self-elective cosmetic surgery. However, some surgery of this type, such as that carried out for psychological or reconstructive reasons, may qualify for sick pay depending on the specific circumstances. Any unexpected complications from cosmetic surgery causing a period of absence would be paid.

Staff will not have sick pay withdrawn if injured following involvement in a particular sporting activity or similar. However, where a repeated pattern of sickness/injury resulting from undertaking an activity outside of work is identified, and the activity is repeated against doctor's orders, then the Council will reserve the right to limit or withdraw sickness payments following consultation with the employee.

#### IVF Treatment

Although there is no statutory right for employees to take time off work for IVF treatment, medical appointments related to IVF will be treated the same as any other medical appointment.

Further advice can be obtained from HR.

### 13.2 Absence from work

If an employee needs to be absent from work urgently there are several options available.

The Council will aim to be flexible in reviewing requests under these headings to meet urgent needs for absence, subject to operational demands. There are also certain statutory rights (under Time-Off for Dependents legislation) to short-term unpaid leave to assist dependants (usually family members within the same household). HR can provide advice on this.

- **Annual leave –**
  - **Buying and Selling Annual Leave** - An employee can choose to buy a maximum of 5 days annual leave (or the equivalent hours of one contractual week for employees who work part time and non-standard

hours) in each leave year. Please see e-Staff Handbook;  
<http://intranet.chichester.gov.uk/index.cfm?articleid=17689&detailid=17659&startat=L>

- An advance of the following year's annual leave may be granted in agreement with the line manager.
- **Flexitime scheme**
  - Most staff are eligible to participate in this scheme which allows staff to potentially accrue an extra day's leave or two half days' leave every 4 weeks. Please see e-Staff Handbook;  
<http://intranet.chichester.gov.uk/index.cfm?articleid=17683&detailid=17744&startat=F>
- **Unpaid Leave –**
  - There are situations where unpaid leave can be used in agreement with the line manager and subject to operational requirements.
- **Compassionate leave**
  - Paid leave for compassionate purposes will normally relate to the death or serious illness of an immediate relative. Requests should be made to the line manager. Depending on the circumstances, the normal maximum period of compassionate leave is 5 days.

Please also refer to the e-Staff Handbook 'Leave' section;  
<http://intranet.chichester.gov.uk/index.cfm?articleid=17689&detailid=17705&startat=L>

### 13.3 Capability

Issues relating to job performance should be dealt with through the council's Capability Procedure. If the employee's sickness/health or attendance means that they cannot attend work regularly then the provisions of this policy will apply. If their health means that they are able to attend work but are unable to do their job then the Capability Procedure may be applied as well as or instead of the Absence Management Policy.

October 2018

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**Local Council Tax Reduction Scheme  
April 2019 to March 2020**

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## Introduction

In April 2013 the national council tax benefit (CTB) scheme which helped people on low incomes pay their council tax was abolished. The Local Government Finance Act 2012 gave councils the freedom to develop their own council tax reduction (CTR) schemes for people of working age giving due consideration to the needs of their residents. This document details the scheme rules developed by Chichester District Council (the Council), known as the council tax reduction scheme (CTR Scheme). For each financial year the Council must consider whether to continue with its current scheme or to replace it with another scheme.

As has been the case in previous year's local CTR schemes only applies to working age people and the Government will continue to specify how pensioner claims are to be assessed. Pensioner claims will continue to be calculated in accordance with The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012 (as amended), referred to in this scheme as the Prescribed Requirements Regulations.

The CTR scheme will continue to protect claimants in all classes that are in receipt of war widows, war widowers or war disablement pensions. As in previous years these incomes will be disregarded in full when calculating entitlement to a reduction.

In 2018 the Council introduced a new class of persons into its CTR scheme; this class is for persons in receipt of Universal Credit (UC), which has been introduced across the county and combines a number of benefits into one single payment. It aims to simplify the benefits system and to make it easier for people to transition in and out of work. Entitlement for this class is calculated with reference to income bands rather than the means test that applies to other classes. This change was introduced to simplify the scheme and reduce the cost of administration while maintaining levels of support for those in receipt of UC within the community.

It is proposed for the seventh year the local CTR scheme (2019 – 2020) remains largely unchanged from the 2018 – 2019 schemes. However a few minor changes have been introduced aimed at making the scheme more cost effective to administer while maintaining levels of support available to residents. Amendments have also been made to bring the scheme into line with legislative changes that have occurred in the Housing Benefit scheme which is also administered by the Council, including the uprating of premiums, personal allowances and deductions.

Since its introduction the Council has been committed to ensuring the residents of the District continue to remain largely unaffected by the introduction of a local scheme in comparison to the previous national council tax benefits scheme that was in operation until 31<sup>st</sup> March 2013. This scheme is applicable from the 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020, although the Council may choose to extend it further.

## **1.0 Reduction for different classes**

**1.1** CTR schemes must state the classes of person who are to be entitled to a reduction under the scheme and the reduction to which persons in each class are entitled. Chichester District Council will have six classes of person: three classes for people considered to be of pension age and three classes for those of working age.

### **1.2 Pensioners**

The Prescribed Requirements Regulations define who is considered to be a pensioner and who is not. Claimants considered to be pensioners will fall into one of three pensioner classes as detailed below. The level of CTR to which they will be entitled is then calculated in accordance with the Prescribed Requirements Regulations.

- Class A: Pensioners whose income is less than the applicable amount.
- Class B: Pensioners whose income is greater than the applicable amount.
- Class C: Alternative maximum council tax reduction.

The Prescribed Requirements Regulations will be used to determine both the level of CTR that is awarded and how the CTR is calculated for each of these classes, with the exception of the treatment of war pensioners. The national CTB scheme allowed Councils to take local decisions regarding the extent to which war widows/widowers and war disablement pensions are taken into account when calculating entitlement. The Council will continue to completely disregard these pensions when calculating a claimant's income.

### **1.3 Working Age**

Persons who are resident in Great Britain (or treated as resident), and have not yet reached state pension credit age, fall into one of three working age classes, which are described below. The Prescribed Requirements Regulations determine matters that must be included in CTR schemes for people of working age. However these Regulations do not specify the level of support for this group of people or how CTR awards must be calculated. Entitlement for these classes will be calculated in accordance with these scheme rules. As with pensioner claims the local CTR scheme will continue to fully disregard war widows/widowers and war disablement pensions in the calculation of entitlement to CTR.

## **1.4 Working Age Class D**

The claimant must

- Be a person who has not yet attained the qualifying age for state pension credit.
- Be a person whose partner has not yet attained the qualifying age for state pension credit, except where the claimant is in receipt of income support, income based job seekers allowance or income based employment and support allowance.
- Be liable to pay council tax in respect of a dwelling in which they are resident.
- Is not deemed to be absent from the dwelling (see 3.4).
- Be a person in receipt of income support; income based job seekers allowance; income related employment and support allowance; maximum award of UC or be a person whose income is below their living allowance as calculated in the means test that applies to those in Working Age Class E.
- Not have capital in excess of £16,000.
- Have made an application for CTR and provided the necessary information and evidence to support that application.
- Not be a member of a prescribed group excluded from support, such as a person from abroad.

## **1.5 Working Age Class E**

The Claimant must

- Be a person who has not yet attained the qualifying age for state pension credit
- Be a person whose partner has not yet attained the qualifying age for state pension credit.
- Be liable to pay council tax in respect of a dwelling in which they are resident.
- Is not deemed to be absent from the dwelling.
- Be a person not in Working Age Class D and whose income is more than their applicable amount.
- Not have capital in excess of £16,000.
- Have made an application for CTR and provided the necessary information to support that application.

- Not be a member of a prescribed group exempted from support such as a person from abroad.

## **1.6 Working Age Class F**

The claimant must

- Be a person who has not yet attained the qualifying age for state pension credit.
- Be a person whose partner has not yet attained the qualifying age for state pension credit, except where the claimant is in receipt of UC.
- Be liable to pay council tax in respect of a dwelling in which they are resident for any week where the assessed income and household membership falls within one of the income bands specified by the scheme rules.
- Is not deemed to be absent from the dwelling.
- Not have capital in excess of £16,000.
- Have been assessed by the DWP for UC, or would have been awarded UC other than for any amendments, pre-payments, sanctions or waiting days.

## **2.0 Excluded Groups**

### **2.1 Persons from abroad**

The Prescribed Requirements Regulations define those persons excluded from CTR.

The exceptions to exclusions for persons from abroad will also remain and be prescribed by the Secretary of State. This will allow those who have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain granted outside the immigration rules and who are exempt from the habitual residency test to apply for CTR as long as their status has not been revoked.

### **2.2 Students**

Persons who are full time students will be excluded from entitlement to CTR, except for those entitled to Income Support, UC or Employment and Support Allowance (income related). Part time students and claimants who have a partner who is a student may apply. The Housing Benefit Regulations 2006

Part 7 defines which are excluded and how student income is assessed for those students who are entitled to support.

### **3.0 Who can claim council tax reduction**

- 3.1 CTR may be claimed only where the claimant is resident in and liable to pay council tax for a property. Where there is more than one resident the liable person is the one with the greatest legal interest in the dwelling.
- 3.2 When considering who is liable the Council will have regard to all the residents of a property. The liable person or persons will then be determined using the hierarchy of liability as set out in 3.3 below. Where more than one person is considered to be liable for council tax (other than a couple) CTR will be based on their proportion of the charge as determined by the Council (see figure 1 below).

#### **Figure 1: Calculation of proportion of council tax liability**

Claimant A shares a property with a friend. They rent the property from a non-resident private landlord and each pay half the rent.

Claimant A's CTR would be based on 50% of the council tax charge.

### **3.3 Hierarchy of council tax liability**

The person liable to pay the bill is normally the person or persons who reside in the dwelling as their sole or main home and who fits the description nearest the top of the following list:

- Residents who have a freehold interest in the property i.e. owner occupiers
  - Residents who have a leasehold interest in the property i.e. leaseholders
  - Residents who are statutory or secure tenants i.e. rent payers
  - Residents who have a contractual licence to occupy the property i.e. occupants of tied cottages
  - Residents with no legal interest in the property
- 3.4 Persons who are temporarily absent from the dwelling may, in some circumstances, continue to be eligible for CTR in accordance with the Prescribed Requirements Regulations.

## 4.0 How to apply for a council tax reduction

- 4.1 Applications for CTR will be made online, via a form available from the Council's website. Where a claimant is unable to claim online they will be offered support to do so by appointment with an officer from the Council, or in exceptional circumstances asked to make a claim by telephone by appointment.

## 5.0 The calculation of a reduction

- 5.1 CTR for pensioners will be calculated in accordance with the Prescribed Requirements Regulations. CTR for persons who fall into one of the three working age classes will be calculated as described below.

### 5.2 Working Age Class D

A maximum reduction of 100% of the charge will be awarded for claimants in Working Age Class D. The charge is the annual council tax calculated pro rata where a claimant is not liable for a full financial year (and to exclude any brought forward arrears) minus any other discount which may apply such as single residency discount.

The CTR reduction will be subject to a deduction for any non-dependants in the household. Non-dependants are other adults living with the claimant on a non-commercial basis e.g. adult sons or daughters, relatives or friends.

### 5.3 Working Age Class E

Claimants in Class E will be means tested for CTR. The amount of reduction will be calculated by comparing the claimant's income to their calculated applicable amount and applying a 20% taper to the income above the applicable amount, referred to as excess income.

The amount of CTR will be subject to non-dependant deductions and dependant on the level of excess income.

#### 5.4 Working Age Class F

The amount of CTR awarded for claimants in Class F will be determined in accordance with the income bands shown below. The level of household income will be determined in accordance with the award of UC and household composition. The amount of UC income will be that as determined by the DWP excluding any amount for housing costs.

| Reduction | Single Household |         | Couple Household |         | 1 Child Household |         | 2 or more Children |         |
|-----------|------------------|---------|------------------|---------|-------------------|---------|--------------------|---------|
|           | Income Band      |         | Income Band      |         | Income Band       |         | Income Band        |         |
|           | From             | To      | From             | To      | From              | To      | From               | To      |
| 100%      | £0.00            | £100.00 | £0.00            | £150.00 | £0.00             | £200.00 | £0.00              | £250.00 |
| 80%       | £100.01          | £120.00 | £150.01          | £170.00 | £200.01           | £220.00 | £250.01            | £270.00 |
| 60%       | £120.01          | £140.00 | £170.01          | £190.00 | £220.01           | £240.00 | £270.01            | £290.00 |
| 40%       | £140.01          | £160.00 | £190.01          | £210.00 | £240.01           | £260.00 | £290.01            | £310.00 |
| 20%       | £160.01          | £180.00 | £210.01          | £230.00 | £260.01           | £280.00 | £310.01            | £330.00 |
| 0%        | £180.01          | +       | £230.01          | +       | £280.01           | +       | £330.01            | +       |

The income for the purpose of calculating the income band is derived from the data supplied by the DWP. The calculation of income shall be as follows.

- The net UC earnings of the claimant (and/or partner) as defined by the DWP prior to any earnings allowances, these earnings will be included net of tax, national insurance and pension contribution as assessed by the DWP\*.
- Plus the UC award, which means any payment of UC payable, or would have been awarded other than for any deductions, amendments, pre-payments, sanctions or payments to third parties.
- Plus the UC other income, which is any other income defined by the DWP during the UC award.
- Less any child care element included within the UC award.
- Less any disregarded income, such as Personal Independence Payments and Attendance Allowance.
- This equals the total income for the purpose of Class F reduction in this scheme.
- This income will attract a level of discount as detailed above.

\*where the earned income includes a positive adjustment i.e. a rebate of tax an adjustment may be made to this figure.

## 5.5 Weekly eligible council tax

CTR is calculated on a weekly basis therefore eligible council tax is calculated as follows

- Start with the annual council tax due on the home
- If the claimant is entitled to a disability reduction on their council tax bill, use the council tax figure after that reduction has been made
- If the claimant is entitled to a discount, use the council tax figure after that discount has been made
- Apportion the result if the claimant is a joint occupier (see figure 1 above)
- Convert the final figure (net council tax liability) to a weekly amount by dividing by 365 (or 366 in a leap year) and multiplying by 7. For figures which do not relate to a whole year divide by the number of days covered by the charge and multiply by 7.

## 5.6 The applicant's household (applies to Classes D, E & F)

For CTR consideration needs to be given to the applicants family and household. Different categories of people affect the assessment of CTR in different ways.

The members of the applicant's household include:

- Family members
  - The applicant
  - Their partner(s)
  - Dependant children
  - Non dependants
- Other people in the dwelling may include
  - Boarders and sub tenants
  - Joint occupiers, whether joint owners or joint tenants
  - Certain carers

When determining household composition the Council's decision maker uses the Housing Benefit Regulations 2006. Part 4 of these Regulations define membership of a family.

- 5.7 CTR is reduced for each non-dependant normally living in the claimant's household. non-dependants are other adults living in the claimant's household on a non-commercial basis, typically adult sons, adult daughters, other relatives or friends.

For this scheme a non-dependant is defined using the Housing Benefit Regulations 2006, specifically Regulation 3 Definition of non-dependant. However the terms used within this Regulation are defined elsewhere within

the Housing Benefit Regulations, specifically Regulation 2 Interpretation. These Regulations determine when a non-dependant deduction should be applied and in what situations a deduction is not applied.

For working age Classes D & E the non-dependants income is calculated in accordance with the Prescribed Requirements Regulations, specifically Part 3, Regulation 8, this Regulation also details the level of deduction that applies.

For working age Class F a flat rate non-dependant deduction of £3.90 per week will be made in respect of each non-dependants aged 18 or over normally residing in the claimant's household that are in remunerative work.

#### **5.8 Excess income (applies to Classes D & E)**

Excess income is income which exceeds the calculated applicable amount.

If the claimant (and their partner's) income is less than their applicable amount they will be considered to be a person falling into Working Age Class D and therefore entitled to a maximum CTR reduction.

If a claimants income is more than their applicable amount the difference between their income and applicable amount will be referred to as excess income. A taper of 20% will be applied to this excess income. It is deemed that a person can afford to pay 20% of their excess income towards the cost of their council tax; therefore;

If 20% of the excess income figure is more than their eligible weekly council tax they will not be entitled to CTR

If 20% of excess income is less than the eligible council tax (net of any non-dependant deduction) the CTR award will be the eligible council tax minus 20% of excess income

Applicable amount and income are explained in more detail in the following sections of this scheme document. The Regulations and Schedules that apply to Housing Benefit are used to determine an individual's applicable amount and income. Specifically Part 5 applicable amounts and schedule 3 and Part 6 and Schedules 4, 5 and 6). The taper of 20% is the same that was used in the Council Tax Benefit Regulations 2006 that existed before the introduction of Local Schemes in 2013. This has been retained within the scheme for Working Age Classes D & E to give claimants equivalent levels of support that existed prior to the introduction of local schemes.

#### **5.9 Applicable amount**

The applicable amount is the figure used in calculating CTR to reflect the basic living needs of the claimant and household (excluding non-dependants).

This is made up of personal allowances and additional amounts (premiums) for special circumstances, such as disability, if applicable.

For the purpose of CTR the applicable amount for working age Classes D & E is calculated using the same rules that apply for Housing Benefit that is the Housing Benefit Regulations 2006. Specifically Part 5 and Schedule 3 of these Regulations.

#### **5.10 Income and Capital (applies to Classes D & E)**

All sources of income and capita of the claimant and partner are included in the means test. However some types of income are disregarded wholly or in part.

Examples of the types of income and capital to be **included** are;-

- Earnings, pensions and tax credits
- Other state benefits such as contribution based job seekers allowance, contribution based employment and support allowance and carer's allowance
- Savings and investments including property
- Trust funds and other awards for personal injury

The Council will decide what is treated as income and capital and for what period. These decisions will be made with reference to the Housing Benefit Regulations 2006. Specifically Part 6 and Schedules 4,5 and 6 of these Regulations.

#### **5.11 Income (applies to Classes D & E)**

The income of a claimant and partner if applicable shall be calculated on a weekly basis by:

- Calculating the amount which is likely to be the average weekly income
- Adding any weekly tariff income from capital (see below)
- Deducting any allowable child care costs
- Deducting any earned income disregards which may apply

Tariff income is assessed as follows:

- From the total amount of assessed capital deduct £6,000
- Divide the remainder by 250

If the result is not an exact multiple of £1, round the figure up to the next whole £1. This is the claimant's weekly tariff income

### **5.13 Minimum amount (applies to Classes D & E)**

A minimum amount of CTR will be applied for working age claims. The minimum amount applied will be £1.00 per week. For claimants determined to be entitled to CTR of less than £1.00 per week no CTR will be awarded.

## **6.0 When entitlement begins**

- 6.1 As a general rule entitlement to CTR will begin on the Monday following the date the application is made or treated as being made as determined by the Council. The Council may choose to treat a claim as being made earlier where a claimant can demonstrate that they have made enquiries earlier via a third party such as the Department for Work and Pensions. The Prescribed Requirements Regulations (Schedule 8 Part 2) determine certain circumstances where a claim must be treated as made earlier.
- 6.2 The earliest date that entitlement to CTR can begin is 1 month before an application is received. If a person has delayed making an application and they can demonstrate that they had continuous good cause for doing so, for example serious illness prevented them from making a claim, the Council will decide whether a claim may be backdated. The following rules will apply
- Requests must be made in writing; this may be on the online application form or later via email or in writing.
  - CTR may not be backdated more than one month before the date of the written request.
- 6.3 Where the Council decides to make a retrospective change affecting liability of a property and the claimant is able to demonstrate that they would have been entitled to a reduction had they been made liable and billed earlier, the Council will treat them as making a claim on the date that the liability commenced. Each case will be considered on its own merits.

## **7.0 Extended Payments**

- 7.1 Extended payments of CTR are awarded to assist long term unemployed claimants and their partner when they start work. Extended payments can be awarded for a period of 4 weeks to any claimant who has been out of work for 26 weeks who starts work, with the exception that the work will have a duration of 5 weeks or more.

A claimant is entitled to an extended payment if they satisfy the conditions set out in the Housing Benefit Regulations. Specifically (HB 2(1), 72, 73.

## **8.0 Notification of decisions**

In accordance with the Prescribed Requirements Regulations (Part 3) the claimant will be notified of the award of CTR within 14 days or as soon as possible. This will advise the claimant how much CTR has been awarded as a reduction against their council tax liability. As a minimum the notice will contain the following:

- The amount of CTR that has been awarded
- What the claimant needs to do if they want a further explanation of the decision or they think the decision is wrong
- Details of the requirement to report a change of circumstances

## **9.0 Payment of council tax reduction**

- 9.1 CTR is awarded as a reduction on the claimants council tax account. If there remains a residual liability it is billed as council tax due. If a claimant has made payments of council tax and therefore the award of CTR results in a credit on the account it will be processed as if it were excess council tax paid.

## **10.0 Changes of circumstance**

- 10.1 If at any time between the making of the claim and a decision being made on it, or during an award of CTR, there is a change of circumstances which would affect the calculation the claimant, their partner or representative, has a duty to notify the Council. The Prescribed Requirements Regulations (Schedule 8, Part 2, Regulation 9) defines a claimant's duty to notify a change in their circumstances. This applies to both working age and pensioner claims.

Claimants must notify any changes in their circumstances which may affect the award of CTR and can notify the Council in advance if details of a future change are known.

The matters to be notified include, but are not limited to:

- Changes in household composition
  - Changes in income
  - Changes in capital
  - Change of address
- 10.2 Notification of a change should where possible be made online. This is the quickest and easiest way to report a change. Where a claimant is unable to access online services alternatives will be accepted, such as in writing (including via email) and over the telephone.

- 10.3 Changes in circumstance which alter the amount of CTR paid shall take effect from the Monday following the date of change, even if it happened in the past. Annual uprating of DWP benefits will be effective from the 1<sup>st</sup> April in the financial year in which they occur.
- 10.4 The Council will terminate CTR where entitlement ends, the claimant withdraws their claim, or if any of the following circumstances apply
- There are doubts as to whether the conditions of entitlement to CTR are fulfilled and the claimant has failed to provide the relevant information requested by the Council.
  - The Council is considering whether to change the decision and the claimant has failed to provide the relevant information requested by the Council.
  - The Council considers that too much CTR is being paid and the claimant has failed to provide the relevant information requested by the Council.
- 10.6 Generally a claim will end on the date of the change that resulted in the end of entitlement, or the date of withdrawal. Where a doubt arises over entitlement or where further information is requested the date of termination will be determined based on the information received. If no information is received the date of termination will be decided by the Council based on the information that it has available.
- 10.7 For changes that result in an increased amount of CTR awarded, the increased amount will reduce the amount of council tax owed. For changes in circumstance that reduce the amount of CTR awarded, the reduced amount will increase the amount of council tax that is owed. In both cases a revised bill will be issued detailing the amount of council tax that is due; applicants can request further statements explaining how the change has been calculated. The Council will follow its collection and recovery procedures when collecting any revised amounts due. However consideration may be given to those who are vulnerable and experiencing financial difficulty. Particularly where it has been determined that there is an increase in council tax due.
- 10.8 For pensioner claims the effective date of change will be determined with reference to the Prescribed Requirements Regulations (Part 8).
- 10.9 Where a decision is made in respect of a change in circumstances which results in an increase in the amount of council tax that is due, the Council may in exceptional circumstances decide not to recover it. Such decisions will be made with reference to the Council's Discretionary Recovery Policy which can be found in Appendix 3. This policy applies to both working age and pension age claims.

## **11.0 Evidence & required information**

- 11.1 In accordance with the Prescribed Requirements Regulations (Schedule 8, Part 2, Regulation 7) an application for CTR must be supported by such information or evidence as is reasonably required to enable entitlement to be determined. The Council determines the level of evidence required to support a claim or a change of circumstances in accordance with its Risk Based Verification (RBV) Policy (see appendix 4).
- 11.2 This Policy allows the Council to allocate a risk score to a CTR claim or a reported change of circumstance, this risk score then informs the standard of verification that is applied to that claim for the purpose of calculating entitlement.
- 11.3 For all new claims evidence of the claimants (and any partner's) national insurance number and identity must be provided as a minimum.

## **12.0 Appeals**

- 12.1 A claimant may, at any time request the Council to review their entitlement to CTR, or the amount of any reduction to CTR, outside of the provisions for appeals detailed below. Requests can be submitted by email or in writing. A written explanation will be sent within 14 days or as soon as possible.
- 12.2 In accordance with the Prescribed Requirements Regulations (Schedule 7, Part 2) a claimant, or a person acting on their behalf, who is aggrieved by a decision made under the scheme may formally appeal against it. This appeal must be in writing to the Council and should state the grounds on which the appeal is being made.
- 12.3 The Council will consider the appeal and notify the claimant in writing of the outcome, the reasons for the decision and any steps that have been taken to deal with the grievance. If the appealant remains dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the claimant may appeal directly to the Valuation Tribunal for England.
- 12.4 Appeals against the decisions made using the Council's Discretionary Recovery Policy will be considered with reference to the Council's Policy, which can be found in Appendix 3 of this document.

## **13.0 Fraud**

- 13.1 When a claimant makes an application for CTR they are required to sign a declaration as part of the application process. This requests a customer to declare that the information given on the form is correct and complete and that they understand that if they knowingly give information that is incorrect or incomplete, that the Council may take action against them. This may include court action.
- 13.2 If a claimant dishonestly makes a false statement or fails to disclose information they are under a legal duty to disclose with intention to make a gain or cause a loss to another, they may be guilty of a criminal offence.
- 13.3 The Council reserves the right to investigate and prosecute potential offences committed by any claimant/recipient of its scheme. It may do so instead of, or as well as, taking any civil action open to it.
- 13.4 The Council has adopted a Risk Based Verification Policy for the purpose of determining entitlement to CTR. This specifically determines the standard of verification required to support an application. Claims that are determined to have a low risk of fraud an error only require a minimum standard of proof, while claims that are high risk will require a greater standard of proof. The adoption of this Policy aims to reduce the level of fraud and error. This is monitored for the purpose of this Policy and adjustments made where necessary.

## **14.0 Work incentives**

- 14.1 The Council is keen to support people into work, and to continue this support while they are in low paid work, or working variable hours. The introduction of a banded scheme for UC claimants aims to simplify the scheme for working age customers. These customers will remain in a particular band when they have small adjustments to their earnings, meaning that they will be better able to manage their finances and not be subject to a change in Council Tax payable every month (unless the change means that the claimant moves between bands).

## **15.0 Changes to the scheme**

- 15.1 The Local Government Finance Act 2012 stipulates that for each financial year the billing authority must consider whether to revise its scheme or replace it with another scheme. The authority must make any revision to its scheme, or any replacement scheme, not later than the 11<sup>th</sup> March in the

financial year preceding that for which the revision or replacement scheme is to have effect. The Secretary of State may amend this date.

**Appendix 1:**

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

[http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi\\_20122885\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf)

[http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi\\_20171305\\_en.pdf](http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi_20171305_en.pdf)

**Appendix 2:**

The Housing Benefit Regulations 2006

<http://www.legislation.gov.uk/uksi/2006/213/contents>

## Appendix 3 Discretionary CTR Policy

### 1.0 Changes in the amount of CTR awarded.

In certain limited circumstances the scheme provides discretion for the Council to decide not to recover an increase in council tax resulting from a change in CTR. These decisions should remain unfettered by laid down policy and each case should be considered on its own merits.

However in order to promote fairness and a consistent approach this policy seeks to define the process of determining an application, who will be involved in the decision making process and any subsequent appeals process and what factors may be considered when decision making.

An amount of council tax can be considered for write off if the Council uses its discretion and decides not to recover it. The Council may use its discretion from the outset when the increased amount of council tax is decided, based on information that it has, or may use its discretion later at the request of the claimant or the claimant's representative. These types of write offs are called discretionary write offs.

Increased council tax that arose as a consequence of fraud (that is where a fraud has been sanctioned) will not be considered for write off.

The usual scenarios for considering an amount for a discretionary write off will be on financial or hardship grounds. However the medical condition of the claimant or family may be relevant and should also be recorded to assist the decision making process.

Discretion is not prescriptive and there are no rules or examples that can be given. Each case must be decided on its merits.

However the following situations may be relevant when considering write off.

- Financial hardship
- Terminal illness
- Senility or learning disabilities
- Severe medical conditions, as evidenced by receipt of disability benefits
- Health and welfare
- Care leavers under the age of 25
- The circumstances of the overpayment
- All other relevant factors

### 2.0 Financial Hardship

In order to establish if the claimant is suffering financial hardship it is advisable to do an income and needs comparison and possibly interview the claimant.

Hardship is proven when the income, minus priority debts, gives a figure below the applicable amount. Priority debts include:

- Rent, council tax, utilities (the ongoing amounts plus any agreed arrangements to settle arrears)
- Fines
- Medical expenses. Although these are not priority debts as such, if it can be shown that the claimant has high prescription or travel costs to hospital, or special dietary requirements which must be maintained for health reasons, all relating to long term illness, then they may be considered priority debts.

Other factors considered in this scenario might be (this list is not prescriptive).

- The health of the claimant and members of the household
- Any savings the claimant has
- The level of disposable income in comparison to a person on a passported benefit such as IS/JSA(IB)/ESA(IB) & UC
- Whether they have tried to make an arrangement for minimum repayments
- Whether they have any priority debts (see above)
- Whether a non-dependant can contribute to other household expenses
- Writing off part of the overpayment rather than all of it
- Whether the claimant has contacted their other creditors to reduce payments in order to repay this debt
- The cause of the increased council tax liability

The decision not to recover an amount of council tax is an exceptional step and needs the claimants cooperation to prove hardship e.g. providing utility bills, rent statements etc. if the claimant is not prepared to provide such details the Council may decide to pursue recovery action.

If hardship can be proved the Council may consider a discretionary write off and the claimant will be notified of the decision.

In cases of possible hardship it may be prudent to advise the claimant to contact their local Citizens Advice Bureau (CAB) for financial advice.

### **3.0 The cause of the overpayment**

If increased liability arose as a consequence of an official error by the Council consideration will be given to whether the amount should be recovered from the person to whom it was paid. This may be the only factor considered or it may be combined with other relevant factors such as financial hardship or health.

In identifying the cause of an adjustment to a persons council tax liability the appropriate consideration is “what is the substantial cause of the increased charge viewed in a common sense way?” The claimant or a third party can only ‘cause’ an adjustment if they intentionally or unintentionally misrepresent, or fail to disclose a material fact.

If there is more than one cause of an adjustment, these must be separated out. In such cases the two (or more causes), periods and amounts must be separately identified, and separate decisions made about whether the amount will be recovered.

An official error is a mistake, whether in the form of an act or omission, made by the Council, or someone acting on their behalf (such as a contractor or housing association that verifies claims on the Council's behalf).

#### **4.0 Financial vulnerability as a result of the banded UC scheme (Class F)**

Where a claimant can demonstrate that the effect of the banded scheme for UC claims (Class F in the scheme) has caused financial hardship, in comparison to what they would have been entitled using a means (Class E) they may apply for a Discretionary Award of CTR. The circumstances in which this award would be made are limited, and restricted to those claimants whose CTR is calculated in accordance with the scheme for those falling into Class F and are disadvantaged as a result.

#### **5.0 How to make an application**

- Generally applications will be made in writing by letter or email from the claimant or representative.
- Give reasons for the application.
- Provide evidence of the personal circumstances that have led to the application.
- Provide details of any special, exceptional or extenuating circumstances as to why the overpayment should not be recovered.
- May also be made by a Senior Assessor or Officer of the Council where there is evidence that the claimant may not be able to make an application themselves due to ill health or vulnerability.

#### **6.0 Decision making**

A Senior Officer in the Revenues Division will determine the facts of the case and will confirm whether the decision resulting in the billable amount is correct. They will also consider whether all appropriate discounts have been awarded.

#### **7.0 Appeal process**

In the case of an appeal against a decision the case will be reconsidered by another Senior Officer of the Revenues Division to see whether any additional information that has been provided that may change the decision.

If the claimant still wishes to appeal he may do so by writing to the Valuation Tribunal directly.

## Risk Based Verification Policy 2019

### **1. Introduction**

Risk Based Verification (RBV) is already used on aspects of claims administered by the Department for Work and Pensions (DWP). It is the intention that RBV will be applied to all Universal Credit (UC) claims.

From April 2012 Local Authorities (LA) have been able to adopt RBV for the processing of Housing Benefit and Council Tax Benefit (now Council Tax Reduction) claims. Adopting RBV will provide the following benefits:

- Improved claim processing times, especially for those assessed as “low risk”
- Improved efficiency in administrative functions
- Improved opportunity to identify fraud and error on claims and better allocation of resources to target these claims.

Chichester District Council introduced its RBV Policy on 1<sup>st</sup> December 2017. This Policy document updates the Policy, informed by data collected since the introduction of RBV.

### **2. Risk Based Verification**

Risk Based Verification is a method of applying different levels of checks according to the risk associated with those claims. This determines the level of verification that is required in order to process the claim. The Council will use software provided by Xantura which will create a measured risk score, this score indicates the level of verification that needs to be applied to that case. The Xantura risk model utilises around 50 variables to predict the likelihood of Fraud and error at the gateway and is reviewed and updated in order to reflect both legislative and claimant behavioral change.

Change in circumstances can capture changes from a variety of sources such as the claimant, landlords, HMRC and the DWP. A risk score will only be requested where the claimant, or someone acting on their behalf notifies the Council of a change in their circumstances. This means that changes received from the DWP and HMRC through the systems provided by them will not need further verification.

Claims will be divided into 3 categories:

- Low risk
- Medium risk
- High risk

Low risks claims will be streamlined and additional verification applied to high risk claims.

Risk scores have been requested on all new claims and change of circumstances received since 1<sup>st</sup> December 2017. The tables below show the breakdown of risk scores for our case load.

| New Claims |          |             |           |       |
|------------|----------|-------------|-----------|-------|
|            | Low Risk | Medium Risk | High Risk | Total |
| 2017/18    | 207      | 189         | 141       | 537   |
|            | 39%      | 35%         | 26%       |       |
| 2018/19    | 241      | 178         | 80        | 499   |
|            | 48%      | 35%         | 16%       |       |
| Total      | 448      | 367         | 221       | 1036  |
|            | 43%      | 35%         | 21%       |       |

| Change of Circumstances |          |             |           |       |
|-------------------------|----------|-------------|-----------|-------|
|                         | Low Risk | Medium Risk | High Risk | Total |
| 2017/18                 | 228      | 260         | 156       | 644   |
|                         | 35%      | 40%         | 24%       |       |
| 2018/19                 | 403      | 217         | 139       | 759   |
|                         | 53%      | 29%         | 18%       |       |
| Total                   | 631      | 477         | 295       | 1403  |
|                         | 45%      | 34%         | 21%       |       |

Depending on the risk grouping of the claim the level of evidence required to process the claim will change. The table at Appendix 1 shows the evidence requirement dependent on the risk grouping. Evidence of a National Insurance Number and identity are required in all cases irrelevant of the risk grouping as per the legislation as seen in Appendix 2.

- **Low Risk**  
Evidence required will be proof of ID and National Insurance Number (NINO). For passported cases this can usually be confirmed by accessing CIS (the LA gateway to DWP systems) as the DWP will have conducted identity checks. Non passported claimants and their partners (where applicable) will be required to provide original evidence to confirm their identity and NINO.
- **Medium Risk**  
Evidence of ID and NINO are required as per low risk cases. Plus evidence of income, capital, expenses and rent are required. This can be photocopies or scanned documents.
- **High Risk**  
Will be required to provide the same level of evidence as a medium risk case but will be required to provide original documentation. These claims may also be subject to further additional checks, such as a visit to confirm residency, a telephone interview to check entitlement or a credit check carried out by a credit reference agency. A review period may also be set up to check circumstances in the near future, this will particularly help with verifying earnings or capital used on a claim.

### **3. Recording and monitoring**

Each claim passed through RBV process will be allocated a risk score by the software that will be recorded on the claim. Accuracy checks will be incorporated to ensure that the claim has been processed in accordance with this policy.

Cases can be upgraded to higher categories, officers would need to seek approval from a Team Leader to upgrade a case. The cases and reasons are recorded so that information can be fed through to the parameters if errors are found. Risk scores cannot be downgraded.

The risk scores will be monitored on a monthly basis using the software. The reporting will also detail the level of fraud and error within each risk score. The Single Housing Benefit Extract (SHBE) will also identify errors from the original claim and this will be reported monthly. This monitoring will be measured against our local baseline taken from cells 222 and 231 of SHBE.

Where the appropriate levels of fraud and error are not being identified the RBV policy will be reviewed, any appropriate changes will be made annually to ensure that the Policy remains relevant to the caseload distribution.

Claimants will claim and report changes online through Citizen Access Benefits (CA-B), RBV will score the claim or change of circumstances at the time of submission and notify the claimant immediately of what evidence is required in order for the claim or change to be processed.

Since implementing risk based verification we have seen that low risk claims are processed in less days than high risk claims.

#### **4. Implementation**

The policy will commence on the 1<sup>st</sup> December 2017. New claims and changes of circumstances received after this date will be risk scored by the RBV software as described by this policy. The claim will then be subject to the verification standards applied to the risk group to which they have been assigned.

Claims and changes reported prior to this date will be subject to full verification.

Claims will be checked to ensure that verification is being applied correctly.

## 5. Subsidy & Audit requirements

The Housing Benefit subsidy claim is audited annually. Part of this audit focuses on RBV and whether the Council has acted within its Policy. In order to satisfy the annual subsidy and audit requirement the policy will be reviewed annually and signed off by the Section 151 Officer and any changes to the policy will be reported and agreed by Members.

### Appendix 1 – Evidence Required

| Type of Evidence      | Sub-category of evidence                       | Low Risk                 | Medium Risk  | High Risk  |
|-----------------------|--|--------------------------|--|--|
| Identity and NINO     | Identity                                       | Originals or photocopies | Originals or photocopies                                     | Originals Required                                     |
|                       | NINO   | Originals or photocopies | Originals or photocopies                                     | Originals Required                                     |
| Residency/Rent        | Private Tenants                                | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Social Landlords                               | Not Required             | Originals or photocopies                                     | Originals Required                                     |
| Household Composition | Partner ID, NINO, Income, Capital              |                          | Originals or photocopies                                     | Originals Required                                     |
|                       | Dependants under 18                            | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Non-dependants – working                       | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Non-dependants – passported benefit            | Not Required             | Not Required   | Originals Required                                     |
|                       | Non-dependant – student                        | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Non-dependant – not in remunerative work/other | Not Required             | Originals or photocopies                                     | Originals Required                                     |
| Income                | State Benefits                                 | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Earnings/SMP/SSP                               | Not Required             | Originals or photocopies                                     | Originals Required                                     |
|                       | Self-employed income                           | Not Required             | Originals or photocopies along with fully completed SE1 form | Originals Required along with fully completed SE1 form |
| Child Care Costs      |  | Not Required             | Originals or photocopies                                     | Originals Required                                     |

|                |                                     |                          |  |   |
|----------------|-------------------------------------|--------------------------|--|---|
| Student Status | Student certificate                 | Originals or photocopies | Originals or photocopies   | Originals Required  |
|                | Student Income                      | Originals or photocopies | Originals or photocopies   | Originals Required  |
| Capital        | Under lower capital limit           | Not Required             | Originals or photocopies required if over £5,500 for working age or £9,500 for Pensionable Age claims. Not required if capital is below these amounts. | Originals required if over £5,500 for working age or £9,500 for Pensionable Age claims. Not required if capital is below these amounts. |
|                | Above lower capital limit           | Not Required             | Originals or photocopies   | Originals Required  |
|                | Above upper capital limit (£16,000) | Not Required             | Not Required   | Not Required  |
|                | Property                            | Not Required             | Originals or photocopies along with completed second property form   | Originals required along with completed second property form  |

## Appendix 2 – DWP Housing Benefit & Council Tax Benefit Circular S11/2011

### Risk-Based Verification of HB/CTB Claims Guidance

#### Introduction

1. This guidance outlines the Department's policy on Risk-Based Verification (RBV) of Housing Benefit and Council Tax Benefit (HB/CTB) claims.

#### Background

2. RBV allows more intense verification activity to be focused on claims more prone to fraud and error. It is practiced on aspects of claims in Jobcentre Plus (JCP) and the Pension Disability and Carers Service (PDCS). Local authorities (LAs) have long

argued that they should operate a similar system. It is the intention that RBV will be applied to all Universal Credit claims.

3. Given that RBV is practised in JCP and PDCS, the majority (up to 80%) of HB/CTB claims received in an LA may have been subject to some form of RBV. Already 16 LAs operate RBV. Results from these LAs have been impressive. In each case the % of fraud and error identified has increased against local baselines taken from cells 222 and 231 of the Single Housing Benefit Extract (SHBE), monthly data collection regime to DWP. In addition, in common with the experience of JCP and PDCS there have been efficiencies in areas such as postage and storage and processing times have improved.

4. We therefore wish to extend RBV on a **voluntary basis** to all LAs from April 2012. This guidance explains the following;

What is RBV?

How does RBV work?

The requirements for LAs that adopt RBV.

How RBV claims will be certified.

What are the subsidy implications?

**What is RBV?**

5. RBV is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. LAs will still be required to comply with relevant legislation (Social Security Administration Act 1992, section 1 relating to production of National Insurance numbers to provide evidence of identity) while making maximum use of intelligence to target more extensive verification activity on those claims shown to be at greater risk of fraud or error.

6. LAs have to take into account HB Regulation 86 and Council Tax Benefit Regulation 72 when verifying claims. The former states:

*“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person’s entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”*

Council Tax Benefit Regulation 72 is similar.

7. These Regulations do not impose a requirement on authorities in relation to what **specific** information and evidence they should obtain from a claimant. However, it does require an authority to have information which allows an **accurate assessment** of a claimant’s entitlement, both when a claim is first made and when the claim is reviewed. A test of reasonableness should be applied.

### **How does RBV work?**

8. RBV assigns a risk rating to each HB/CTB claim. This determines the level of verification required. Greater activity is therefore targeted toward checking those cases deemed to be at highest risk of involving fraud and/or error.

9. The classification of risk groups will be a matter for LAs to decide. For example, claims might be divided into 3 categories:

**Low Risk Claims:** Only essential checks are made, such as evidence of identity. Consequently these claims are processed much faster than before and with significantly reduced effort from Benefit Officers without increasing the risk of fraud or error.

**Medium Risk Claims:** These are verified in the same way as all claims currently, with evidence of original documents required. As now, current arrangements may differ from LA to LA and it is up to LAs to ensure that they are minimising the risk to fraud and error through the approach taken.

**High Risk Claims:** Enhanced stringency is applied to verification. Individual LAs apply a variety of checking methods depending on local circumstances. This could include Credit Reference Agency checks, visits, increased documentation

requirements etc. Resource that has been freed up from the streamlined approach to low risk claims can be focused on these high risk claims.

10. We would expect no more than around 55% of claims to be assessed as low risk, with around 25% medium risk and 20% high risk. These figures could vary from LA to LA according to the LA's risk profiling. An additional expectation is that there should be more fraud and error detected in high risk claims when compared with medium risk claims and a greater % in medium risk than low risk. Where this proves not to be the case the risk profile should be revisited.

11. LAs may adopt different approaches to risk profile their claimants. Typically this will include the use of IT tools in support of their policy, however, the use of clerical systems is acceptable.

12. Some IT tools use a propensity model which assesses against a number of components based on millions of claim assessments to classify the claim into one of the three categories above. Any IT system must also ensure that the risk profiles include 'blind cases' where a sample of low or medium risk cases are allocated to a higher risk group, thus requiring heightened verification. This is done in order to test and refine the software assumptions.

13. Once the category is identified, individual claims cannot be downgraded by the benefit processor to a lower risk group. They can however, exceptionally, be upgraded if the processor has reasons to think this is appropriate.

### **The requirements for LAs that adopt RBV**

14. RBV will be voluntary. However, all LAs opting to apply RBV will be required to have in place a **RBV Policy** detailing the risk profiles, verification standards which will apply and the minimum number of claims to be checked. We consider it to be good practice for the Policy to be examined by the authority's Audit and Risk Committee or similar appropriate body if they exist. The Policy must be submitted for Members' approval and sign-off along with a covering report confirming the Section 151 Officer's (section 85 for Scotland) agreement/recommendation. The information held in the Policy, which would include the risk categories, should not be made public due to the sensitivity of its contents.

15. The Policy must allow Members, officers and external auditors to be clear about the levels of verification necessary. It must be reviewed annually but not changed in-year as this would complicate the audit process.

16. Every participating LA will need a robust baseline against which to record the impact of RBV. The source of this baseline is for the LA to determine. Some LAs carry out intensive activity (along the lines of the HB Review) to measure the stock of fraud and error in their locality. We suggest that the figures derived from cells 222 and 231 of SHBE would constitute a baseline of fraud and error currently identified by LAs.

17. Performance using RBV would need to be monitored monthly to ensure its effectiveness. Reporting, which must be part of the overall Policy, must, as a minimum, include the % of cases in each risk category and the levels of fraud and error detected in each.

#### **How RBV claims will be certified?**

18. Auditors will check during the annual certification that the subsidy claim adheres to the LA's RBV Policy which will state the necessary level of verification needed to support the correct processing of each type of HB/CTB claim. The risk category will need to be recorded against each claim. Normally the LA's benefit IT/clerical system will allow this annotation.

#### **Other considerations**

19. The sample selection for HB/CTB cases will not change i.e. 20 cases will be selected for each headline cell on the claim form. The HB COUNT guidance used by the external auditors for certification will include instructions for how to deal with both non-RBV and RBV cases if selected in the sample. For non-RBV cases, the verification requirements will remain the same i.e. LAs will be expected to provide all the documentary evidence to support the claim.

#### **What are the subsidy implications?**

20. Failure by a LA to apply verification standards to HB/CTB claims as stipulated in its RBV Policy will cause the expenditure to be treated as LA error. The auditor will

identify this error and if deemed necessary extrapolate the extent and, where appropriate, issue a qualifying letter. In determining the subsidy implications, the extrapolation of this error will be based on the RBV cases where the error occurred. For this reason, it is important that RBV case information is routinely collected by ensuring that LA HB systems incorporate a flag to identify these RBV cases. If subpopulations on RBV cases can not be identified, extrapolations will have to be performed across the whole population in the particular cell in question.

21. We will now work with the respective audit bodies to incorporate this into the COUNT guidance. If you have any queries please contact Manny Ibiayo by e-mail [HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK](mailto:HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK)

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**CHICHESTER DISTRICT COUNCIL  
CONSULTATION TEAM**

**COUNCIL TAX REDUCTION SCHEME  
2019/20 SURVEY**

**CONSULTATION ANALYSIS REPORT  
SEPTEMBER 2018**

## Introduction

From 1 April 2013 councils have been able to create their own local Council Tax Reduction schemes (CTR) (formerly council tax benefit). Every year since then Chichester District Council (CDC) has consulted the public on the Council Tax Reduction scheme for the financial year ahead.

A banded scheme was introduced after the consultation last year and this year some administrative changes have been proposed to make administering the claims more efficient.

## Executive Summary

- **107 responses** were received over the 8 week consultation period
- Most respondents (**7 in 10**) pay council tax to Chichester District Council but do not receive council tax reduction.
- **86.9%** of respondents agree that council tax reduction and Housing Benefit claims should start on the same day
- **3 quarters** of respondents agree that the existing banded scheme should be expanded to include all working age claims
- Over **4 in 5** respondents said they would support the introduction of De Minimus parameters

There were **high levels of uncertainty** around most questions. This is likely due to the complex nature of the subject of this consultation. There were comments within the questionnaire and on social media about people not understanding the questions or some of the terms or acronyms within the questions. This has highlighted the importance of using plain English when writing for the public.

## Methodology

An electronic survey was available on the 'Current consultations' page of our website. The survey was available from Monday 9<sup>th</sup> July until Monday 3<sup>rd</sup> September 2018 – a period of 8 weeks. Paper copies were made available on request.

The survey was promoted via CDC's social media channels, including Facebook and Twitter, throughout the consultation period. Two Facebook posts were promoted to reach a wider audience and after each boosted post there was a spike in responses. A Twitter poll was also pinned to the top of the Council's Twitter feed. A full breakdown of engagement is included in Appendix A.

The Revenues and Benefits Team sent out leaflets promoting the survey with Council Tax correspondence and email acknowledgements contained notification that the consultation was live. 3,000 leaflets were sent out with the Universal Credit magazine encouraging people to respond. Housing Associations were sent the survey directly and consulted as stakeholders. Posters and leaflets were displayed in CDC's reception.

A total of **107 responses** were received. This level of response is typical of previous Council Tax consultations and considerably higher than the 2017 survey which received 71 responses.

This report presents and analyses the results of each survey question. Where percentages do not add up to 100% this is because respondents could select more than one answer. Agreement and disagreement figures quoted include all those who indicated they 'agreed/strongly agreed' or 'disagreed/strongly disagreed' with a particular proposal.

## Respondent Profile

The survey asked respondents about their current situation concerning Council Tax. The largest group among respondents were those who pay council tax to Chichester District Council (CDC) and do not receive Council Tax Reduction (CTR). The table below details the responses.

| Which of the following statements describe your current Council Tax situation? |               |                  |
|--|---------------|------------------|
| Council Tax Circumstance   | % respondents | No. of responses |
| Pay Council Tax to CDC and do not receive CTR                                  | <b>72.9%</b>  | <b>78</b>        |
| Pay Council Tax to CDC and receive CTR   | 23.4%         | 25               |
| Do not pay Council Tax to CDC  | 4.7%          | 5                |
| Landlord of property/properties in Chichester District                         | 3.7%          | 4                |
| Owner of an empty property in Chichester District                              | 2.8%          | 3                |

1 respondent said they represent a local or community sector organisation in Chichester District (Sussex Police and Crime Commissioner).

**92 respondents** provided valid postcodes which are shown by area in the table below.

| Area                   | Count     | Area            | Count |
|------------------------|-----------|-----------------|-------|
| <b>Chichester City</b> | <b>38</b> | Bosham          | 4     |
| Midhurst               | 9         | Lavant          | 3     |
| Selsey                 | 8         | Westhampnett    | 3     |
| Tangmere               | 5         | Bracklesham Bay | 2     |

Single responses were also received from: Arundel, Birdham, Bognor Regis, Chidham, Easebourne, East Harting, East Wittering, Emsworth, Fernhurst, Halnaker, Hambrook, Haywards Heath, Heyshott, Lewes, Southbourne, Stedham, Sutton and West Wittering.

The spread of ages is similar to the 2017 results with the exception that this year the largest age group among respondents was 55-64 (as opposed to 45-54 in 2017). The table below show the distribution of respondent ages.

| Age Group | % Respondents<br>(Counts) | Age Group         | % Respondents<br>(Counts) |
|-----------|---------------------------|-------------------|---------------------------|
| Under 16  | 0.0% (0)                  | 45 – 54           | 21.5% (23)                |
| 16 – 24   | 1.9% (1)                  | <b>55 – 64</b>    | <b>22.4% (24)</b>         |
| 25 - 34   | 15.9% (17)                | 65+               | 15% (16)                  |
| 35 - 44   | 19.6% (21)                | Prefer not to say | 3.7% (4)                  |

The male / female split of respondents was skewed towards females with women making up **57%** (61) of respondents. **37.4%** (40) were male and **5.6%** (6) did not wish to disclose this information.

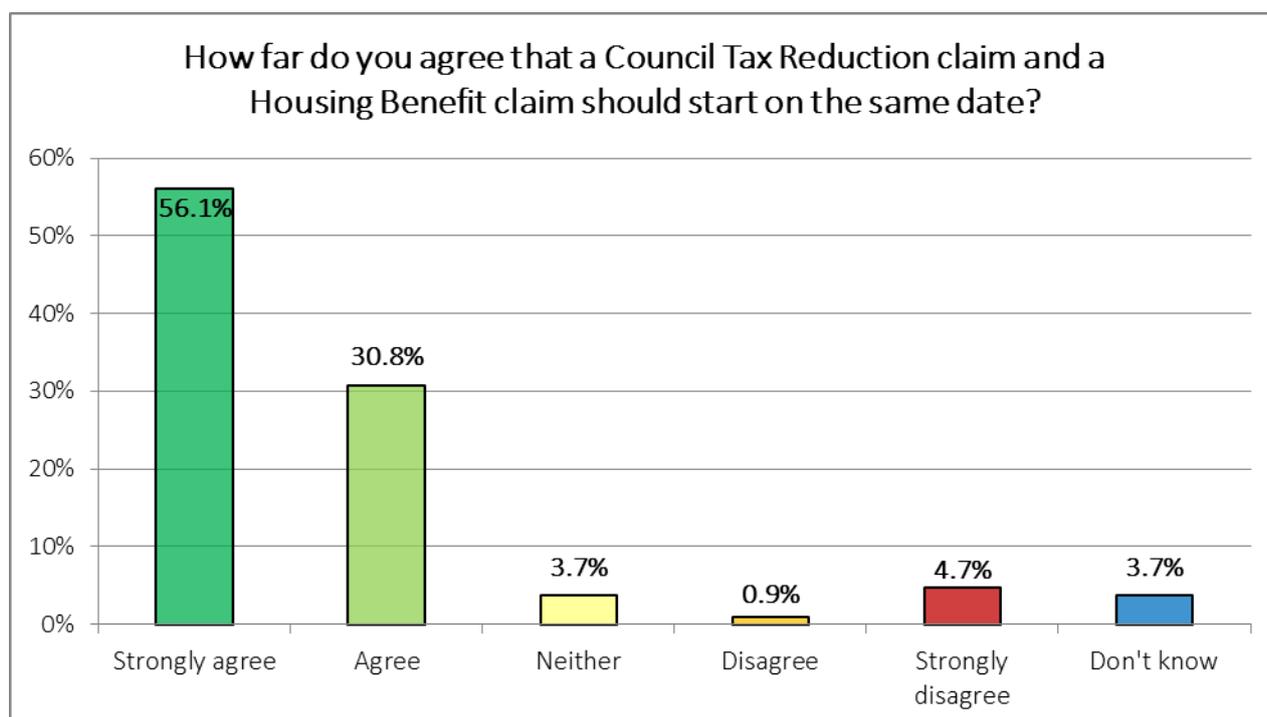
**15.9%** of respondents (17) have a long-term illness, health problem or disability which limits their daily activities, **67.3%** do not and **16.8%** did not wish to disclose their health status.

## Survey Results

Respondents were given some background information about the proposed administrative changes to the Council Tax Reduction scheme. They were then asked how far they agreed with the changes.

### Option 1 – Small Administrative Changes

Currently, the start date of a council tax reduction claim is the day the application is received. Housing Benefit, on the other hand, starts the Monday following the receipt of an application. The different start dates makes it difficult to manage the two claims. This could be improved by realigning the start dates.



**86.9%** (93) of respondents agreed that council tax reduction claims and housing benefit claims should start on the same date, **7.4%** (8) were uncertain or felt strongly neither way and **5.6%** (6) disagreed.

Currently, the calculation of UC includes a deduction for non-dependents based on their weekly earnings. A non-dependent is someone aged 18 or over living in your property who is not a partner, spouse, or lodger (e.g. a child who is now 18 or over and in work). The current CTR scheme applies the deductions as set out in the table below.

| Non-dependent Deductions        |                          |
|---------------------------------|--------------------------|
| Non-dependent's Weekly Earnings | Amount Deducted from CTR |
| Less than £202.85               | £3.90                    |
| £202.86 - £351.65               | £7.90                    |
| £351.66 - £436.9                | £9.95                    |
| £436.91+                        | £11.90                   |

A flat rate deduction regardless of the income of the non-dependent was proposed instead. As it stands currently, this amount would be the lowest deduction shown in the table above - £3.90.

Respondents were asked if they think non-dependent deduction levels for UC claims should remain the same or be introduced at a flat rate of £3.90. **37.1%** (39) said it should remain the same and a further **37.1%** agreed that it should be introduced at a flat rate. **22.9%** (24) were unsure.

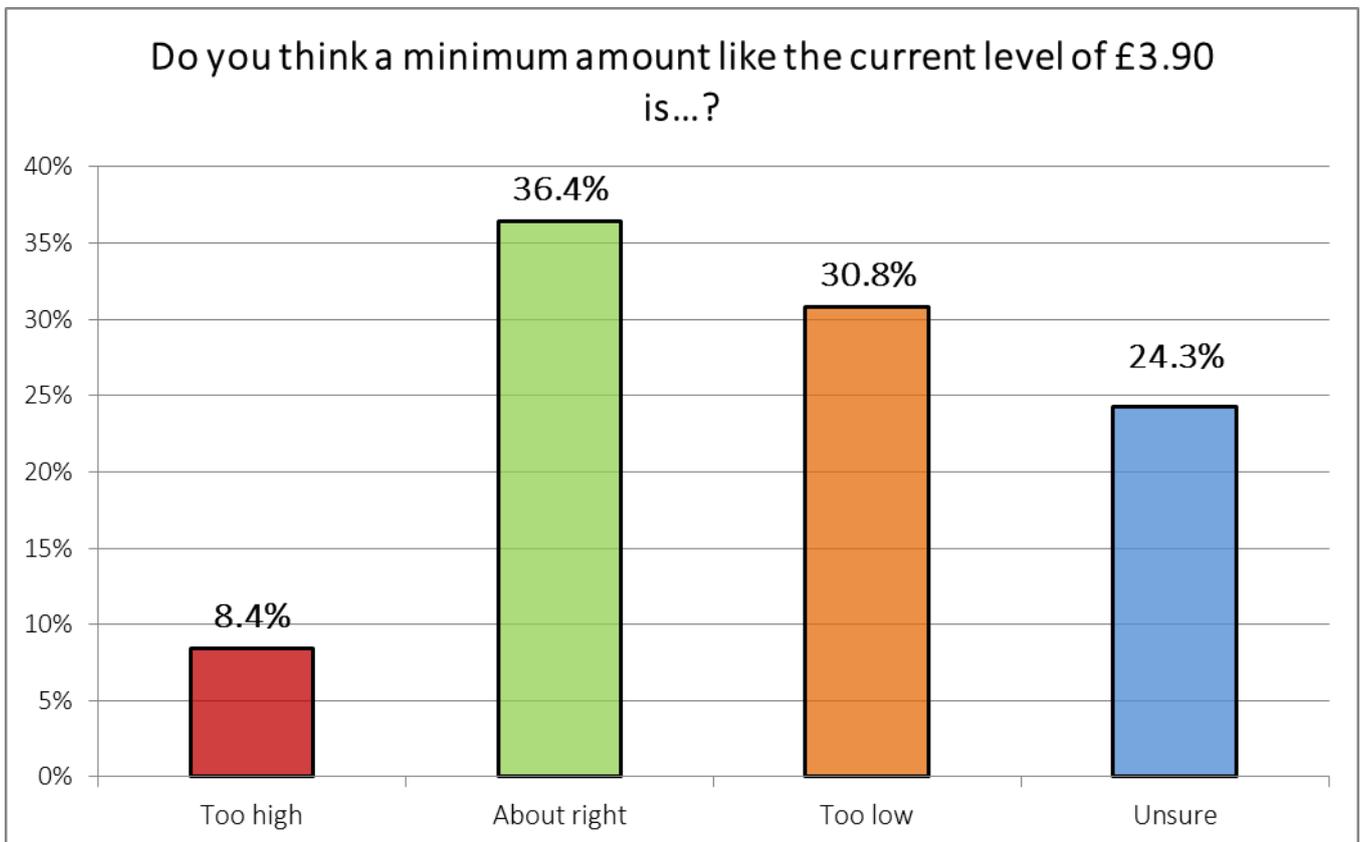
3 respondents ticked 'Other'. All 3 provided a comment explaining their suggestion:

*"Higher"*

*"Universal Credit is a Tory plot to screw the finances of the poor."*

*"I don't think they should have a reduced rate they should pay the same."*

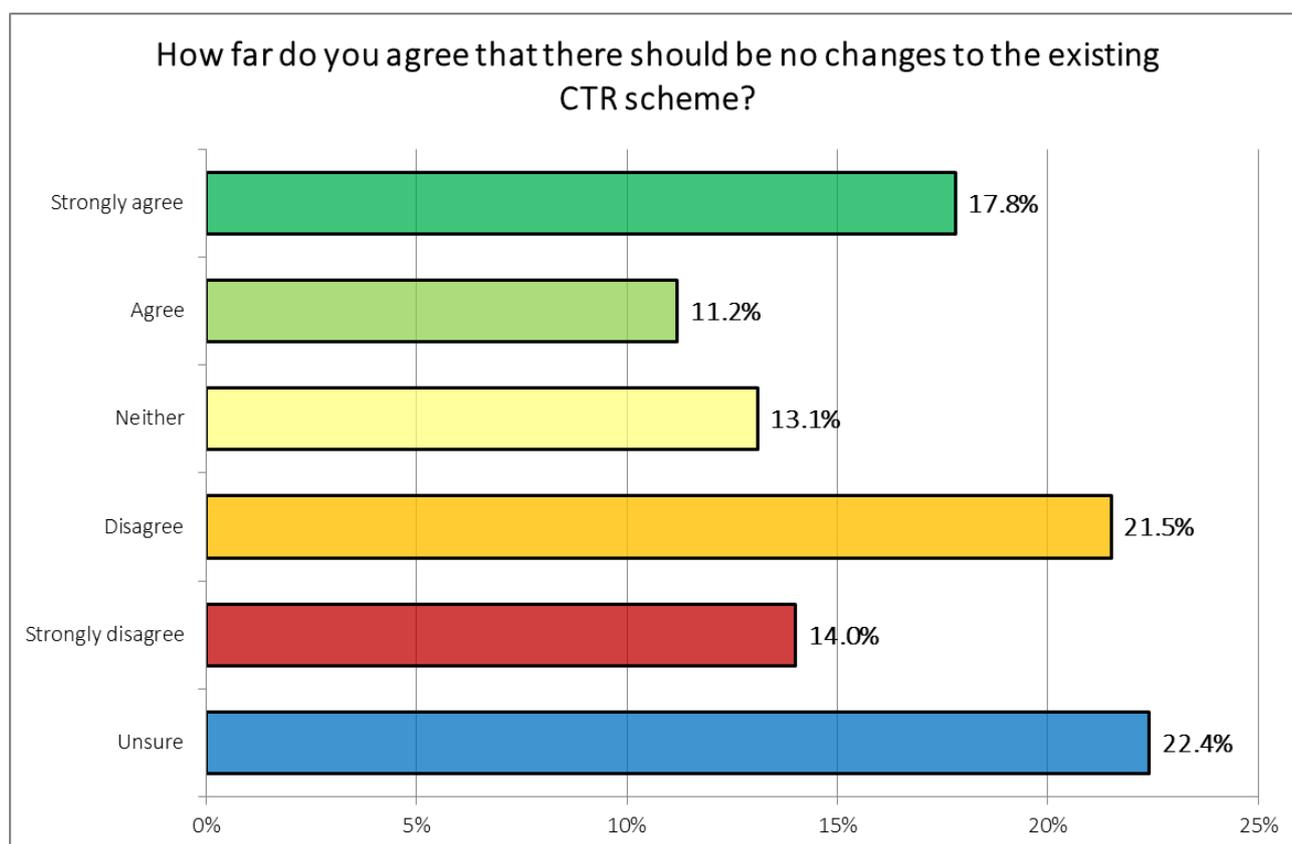
When asked whether they thought a minimum amount like the current level of £3.90 was too high, too low, or about right. The largest proportion of respondents (**36.4%** or 39) said it was about right. The chart below shows these responses.



## Option 2 – Make No Changes to Existing CTR Scheme

Respondents were asked how far they agreed with making no changes to the current scheme.

**35.5%** (38) were uncertain or had no strong feelings either way and further **35.5%** did not feel that the existing CTR scheme should be kept the same. **29%** of respondents (31) agreed that the current scheme should remain unchanged. The chart below details the breakdown of responses.

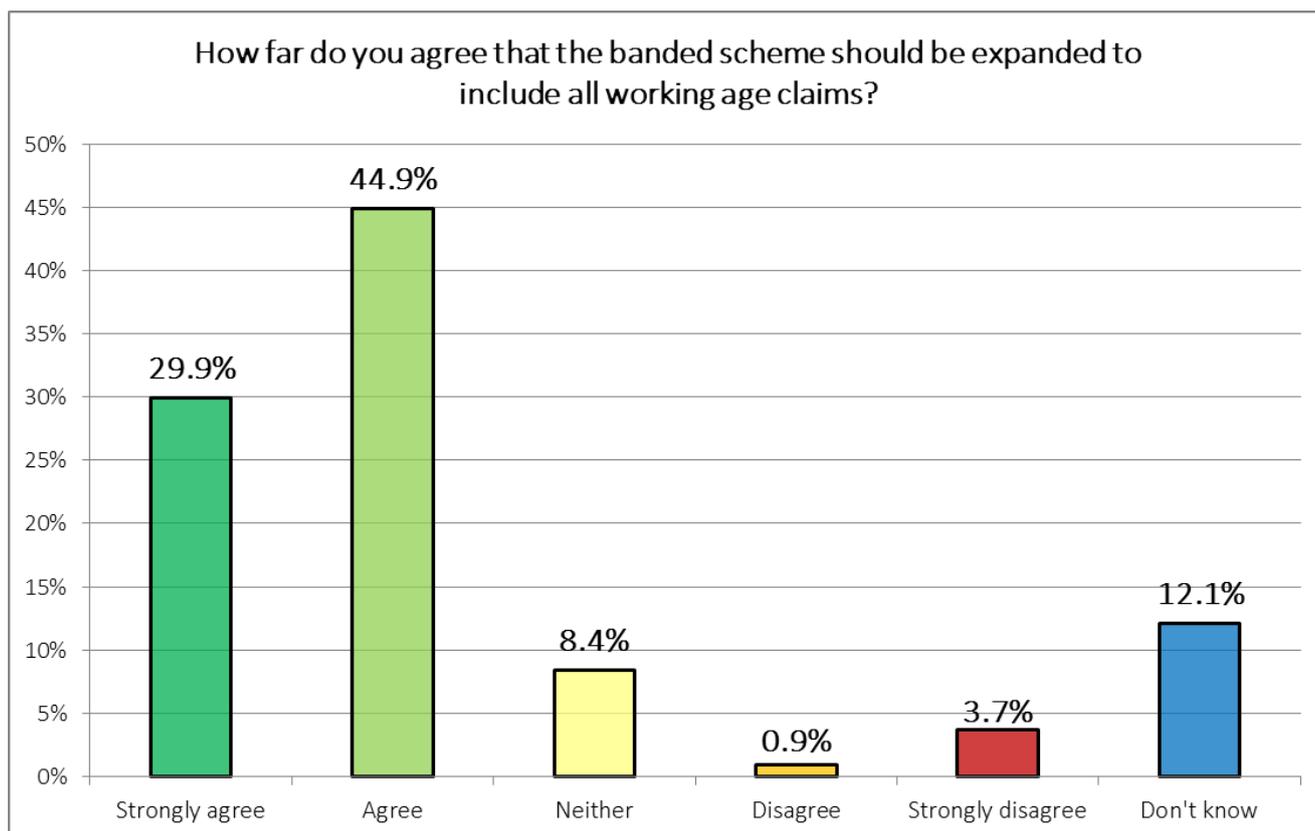


There is a high level of uncertainty in the responses to this question and a high level of disagreement.

### Option 3 – Alternative Changes

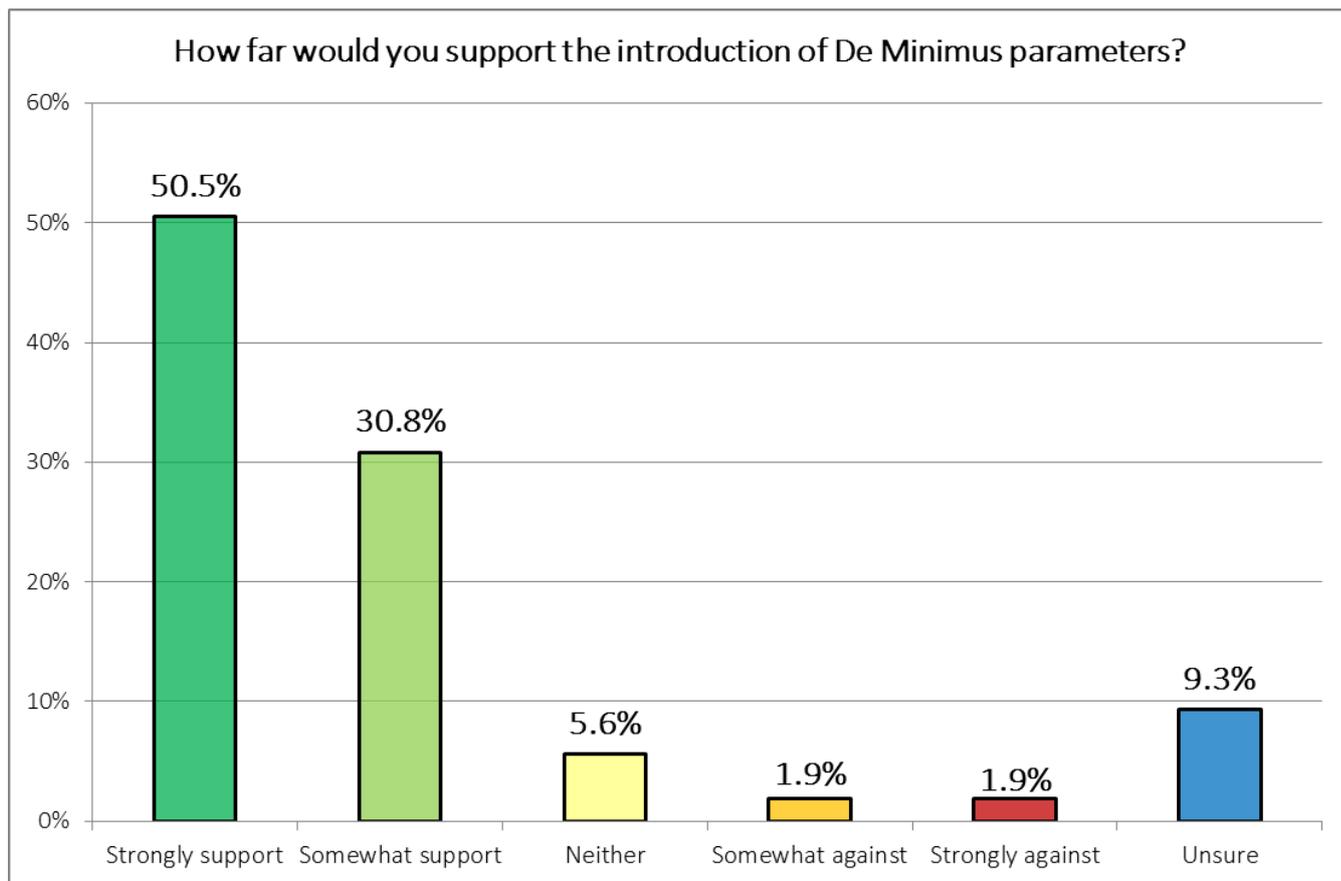
The existing banded scheme for UC claims was introduced to reduce the cost of administration. Expanding this scheme for all working age benefit claims could further reduce the cost of administration. It would also make the scheme simpler and easier for claimants to understand.

Respondents were asked how far they agreed that the banded scheme should be expanded to include all working age claims. There was a high level of agreement to this question. The chart below shows the response.



Currently, small changes in income can change a person's CTR entitlement. If De Minimus parameters were introduced, it would mean that working age claimants would not see any change to their entitlement if their income increases or decreases within a small range. It would also mean a further reduction in the cost of administration.

Respondents were asked how far they would support the introduction of De Minimus parameters. The chart below shows levels of support among respondents.



When asked what respondents felt was a suitable amount to be applied under the De Minimus parameters, most respondents (**55.3%** or 57) felt £1.00 was a suitable amount. **19.4%** (20) said 50p and the remaining **25.2%** (26) ticked 'Other'. There were 21 'Other' comments which have been categorised in the table below:

| What do you think is a suitable amount to be applied under the De Minimum parameters? [Other] |       |
|---|-------|
| Comment   | Count |
| £10   | 7     |
| £5  | 6     |
| No less than £2.50  | 1     |
| £100  | 1     |
| £2  | 1     |

3 comments did not give an answer of monetary value – these have been quoted in full below:

*“Ridiculous Tory Government scheme to tax the poor. Not strong and stable... STOP BREXIT save money.”*

*“A sensible balance to still help people”*

*“I don't understand exactly what you mean by De Minimus”*

## Further Comments

14 general comments were received at the end of the questionnaire. These are quoted in full below:

|  |
|--|
| <p>"I would also like to see more help for working people. Myself and my husband came off housing benefits as it was claimed we were earning too much. The moment we were taken off housing benefit we were expected to suddenly try and find the full amount for council tax. I did ask and was told we were now expected to find over £100 a month that we didn't have"</p>  |
| <p>"Really?! I don't understand what you are asking in the 1st question. And in The 3rd question are you genuinely saying that if a claimant's income changes by 50p/£1 in a week you will reassess the claim?! How much does it cost to reassess a claim? Then notify and implement?"</p>   |
| <p>"Please leave council tax reduction as it is. Universal Credit is a terrible"</p>   |
| <p>"People's individual circumstances should always be accessed individually as to lone parent family's on a low income every penny counts."</p>   |
| <p>"de minimus must be a practicable amount"</p>   |
| <p>"The scheme needs to be made as simple as possible, ie instead of sending out numerous pre-printed pages incurring postal charges just send out one notice that includes the total amount of council tax less a total figure of deductions and an amount that has to be paid. Please stop listing deductions for this and that as it is all very confusing"</p>   |
| <p>"It was difficult to answer these survey questions without more information. As an example I don't know how many households currently have non-dependents earning an amount greater than the current cut-off level for a £3.90 contribution. So my answers can only be based on the assumption that the council have done the analysis and believe that, in that example, the loss of revenue from introducing a flat rate is outweighed by the reduced administration costs of not having to keep track of non-dependents income."</p> |
| <p>"Whatever we say, CDC will do whatever they want to get additional money."</p>  |
| <p>"I feel very strongly that council tax should be means tested by income and number of residents per household, too much is spent on employing people to get in money from people who just can't afford the amount charged where as those with larger incomes bigger houses more waste bigger and more cars per household could pay more"</p>  |
| <p>"£5.00"</p>   |
| <p>"I think the banding seems are quite generous and that you should look to change the levels of the banding. I also feel that the value in the working non dependant reduction in benefit should apply to each and every working non dependant individually within the household. Eg. two working non dependants earning £180 per week each, 2 x £3.90 reduction."</p>   |
| <p>"You have not said what time period the de minimus relates too. Is it a change of 50p per day, week or month. If it's per week then I suggest a de minimus of more than £1 but no higher than £5"</p>   |
| <p>"The whole thing is loaded in your favour .if you are self employed you had to provide accounts every six months .if you are on a low income it costs more to pay an accountant than the rebate"</p>  |
| <p>"I think it should be higher, see child tax credit having a £2500 tolerance over a year"</p>  |

## Conclusions

- Most respondents (7 in 10) pay council tax to Chichester District Council but do not receive council tax reduction. There was also a large proportion of respondents who live in Chichester City. More women responded (57%) than men (37.4%)
- 86.9% of respondents agree that council tax reduction and Housing Benefit claims should start on the same day
- Respondents' views on non-dependent deductions levels were split with 37.1% agreeing that a flat rate of £3.90 should be introduced and a further 37.1% saying there should be no changes
- Very few respondents (8.4%) thought £3.90 was too high, in fact 30.8% felt it was too low. 36.4% thought £3.90 seemed about right
- 35.5% of respondents felt that there should be some changes made to the existing council tax reduction scheme. A further 35.5% were unsure
- 3 quarters of respondents agree that the existing banded scheme should be expanded to include all working age claims
- Over 4 in 5 respondents said they would support the introduction of De Minimus parameters
- Over half felt that £1.00 was a suitable amount. However, a quarter of respondents provided comments suggesting alternative amounts – these ranged from £2 to £100 but the most common suggestion was £10.

Overall, there were high levels of uncertainty around most questions. This is likely due to the complex nature of the subject of this consultation. There were comments within the questionnaire and on social media about people not understanding the questions or some of the terms or acronyms within the questions. This has highlighted the importance of using plain English when writing for the public.

### Appendix A – Social Media Engagement

Total number of posts: 12

Total number of clicks: 487

- Facebook: 353
- Twitter: 134

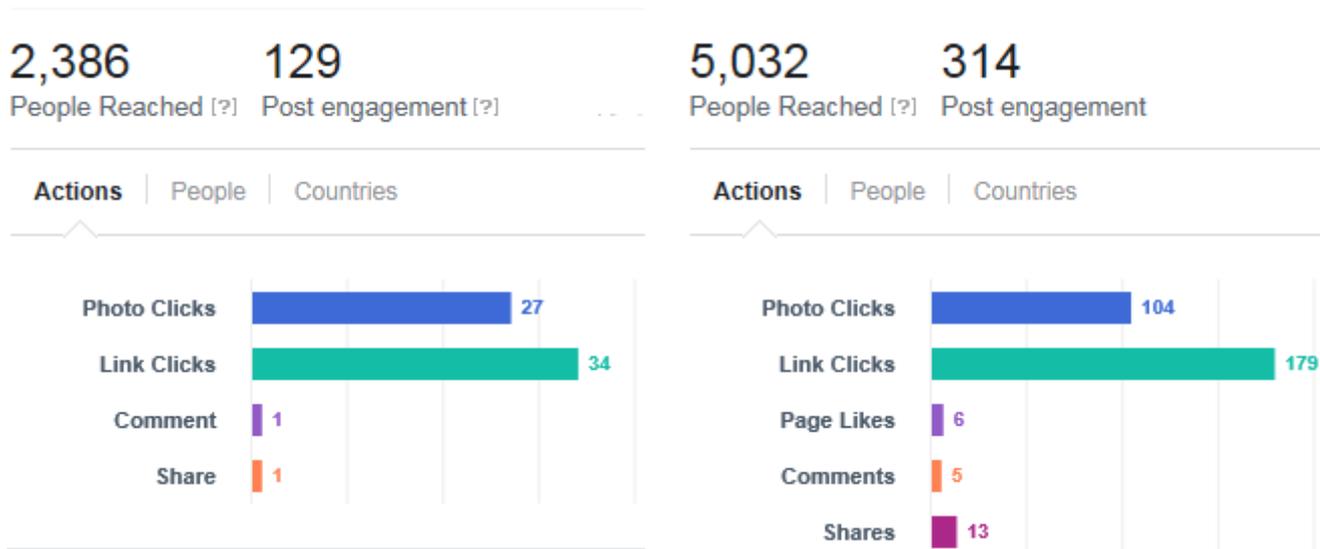
Total reach: 53,242 people:

- Facebook: 11,241 people
- Twitter: 42,001

Retweets / shares: x30

Likes: x32

Two of the Facebook posts were promoted and the results of their reach and engagement are shown below:



### **Appendix C – Most Effective Promotional Methods**

Respondents were asked at the end of the survey where they heard about the consultation. The table below shows the results:

| Where did you hear about this survey? | Percent |
|---------------------------------------|---------|
| Facebook                              | 68.2%   |
| Postcard / leaflet                    | 11.2%   |
| Council Tax bill                      | 11.2%   |
| Other                                 | 3.7%    |
| Twitter                               | 2.8%    |
| Web banner on Council website         | 1.9%    |
| Council offices                       | 0.9%    |

4 respondents ticked 'Other' and 2 of these provided comments to explain where they heard about the survey. Both respondents received a direct email from the Let's Talk Panel, notifying them about the consultation.

**Chichester District Council**

**Equalities Impact Assessment Local Council Tax Reduction Scheme**

**Effective for the period 1 April 2019 to 31 March 2020**

**Equality Impact Assessment**

Page 67

| Author/editor/assessor                      | Project Leader – Diane Kirkham (Divisional Manager Revenues & Benefits)<br>Service Manager - Marlene Rogers (Revenues Business Support Manager)<br>Impact Assessor – Marlene Rogers (Revenues Business Support Manager)   |  |            |  |             |   |                  |                            |                 |   |
|---|---|--|------------|--|-------------|---|------------------|----------------------------|-----------------|---|
| Partners/decision makers/implementers, etc. | Council Tax Reduction project team – to develop and design the scheme/s<br>Community Engagement and Development team –to advise and assist on consultation process<br>Members – Decision making<br>Consultation will be carried out with relevant parties and will include: <ul style="list-style-type: none"> <li>• County Council</li> <li>• Police Authority</li> <li>• The community including stakeholders, council tax benefit recipients and taxpayers – through consultation</li> </ul>   |  |            |  |             |   |                  |                            |                 |   |
| Start date                                  | The assessment process started in July 2018 when the Revenues Business Support Manager sought authorisation from Cabinet to consult on the proposed 2019/20 scheme.   |  |            |  |             |   |                  |                            |                 |   |
| End date                                    | Milestones that will influence impact assessment <table border="1" data-bbox="703 1203 2047 1386"> <thead> <tr> <th data-bbox="703 1203 1016 1241">Milestones</th> <th data-bbox="1023 1203 2047 1241"></th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1246 1016 1284">3 July 2018</td> <td data-bbox="1023 1246 2047 1284">Cabinet authorisation sought to consult on 2019/20 scheme</td> </tr> <tr> <td data-bbox="703 1289 1016 1327">3 September 2018</td> <td data-bbox="1023 1289 2047 1327">End of public consultation</td> </tr> <tr> <td data-bbox="703 1332 1016 1386">11 October 2018</td> <td data-bbox="1023 1332 2047 1386">Consider the impact of any amendments to the scheme identified through the stakeholder and interested parties consultation.</td> </tr> </tbody> </table> |  | Milestones |  | 3 July 2018 | Cabinet authorisation sought to consult on 2019/20 scheme | 3 September 2018 | End of public consultation | 11 October 2018 | Consider the impact of any amendments to the scheme identified through the stakeholder and interested parties consultation. |
| Milestones                                  |   |  |            |  |             |   |                  |                            |                 |   |
| 3 July 2018                                 | Cabinet authorisation sought to consult on 2019/20 scheme   |  |            |  |             |   |                  |                            |                 |   |
| 3 September 2018                            | End of public consultation  |  |            |  |             |   |                  |                            |                 |   |
| 11 October 2018                             | Consider the impact of any amendments to the scheme identified through the stakeholder and interested parties consultation.   |  |            |  |             |   |                  |                            |                 |   |

|           |   |  |
|-----------|---|--|
|           | 11 October 2018   | Prepare results of impact assessment for consideration by Cabinet on 6 November 2018 |
|           | 6 November 2018   | Propose scheme to Cabinet for recommendation to Full Council                         |
|           | 20 November 2018  | New scheme recommended for approval by Full Council                                  |
|           |   |  |
| Relevance | <p>The Welfare Reform Act and Local Government Finance Acts of 2012 abolished the national council tax benefit (CTB) scheme and put in place a framework for local authorities to create their own local council tax reduction (CTR) schemes from April 2013.</p> <p>The Government legislated that people of pensionable age would continue to receive support based on national rules so local schemes only apply to working age claimants.</p> <p>The process to be undertaken to adopt a local scheme requires the following:-</p> <ul style="list-style-type: none"> <li>• Consultation with major precepting authorities</li> <li>• Publication of a draft scheme</li> <li>• Consultation with other affected parties</li> <li>• Adoption of the scheme</li> </ul> <p>Since its introduction Chichester District Council's local scheme has broadly followed the rules of the CTB scheme that existed prior to April 2013 and the current Housing Benefit (HB) scheme. Last year saw the biggest change in the scheme with a new class being introduced to the scheme. This new class F was introduced for claimants in receipt of Universal Credit (UC). Reduction for this class is calculated in accordance with income bands rather than the means test that applies to the other classes in the scheme. The roll out of UC full service (UCFS) across the District from July 2018 prompted this change. From this date UC replaced all legacy benefits (including HB administered by the Council) for all new working age claims. As UC is intended to mimic work in how it is paid, this means that for customers with variable pay can</p> |  |

|                    |  |
|--------------------|--|
|                    | <p>expect to see the amount of UC awarded each month change in relation to their earnings. Under previous rules this would have resulted in a monthly change in the level of reduction, and this would have increased cost of administration of the scheme. Therefore the introduction of a banded scheme for this class was aimed at reducing the cost of administration while maintaining levels of support.</p> <p>For the 2019/20 scheme only some minor changes have been recommended. This includes the realignment of start dates with HB, a flat rate non-dependant deduction, bringing the means tested classes in line with the changes that have occurred in the HB scheme, including premiums, living allowances and non-dependant deductions. When the new class F was introduced the Council were keen to ensure that customers should not be disadvantaged by the introduction of the new scheme, therefore it ensured that its Discretionary Policy that sits within the scheme was sufficient to ensure that customers could receive additional support on a discretionary basis should they be disadvantaged. This part of the scheme has been reviewed to cover this as well as introducing a commitment to support Care Leavers under the age of 25 by identifying them as a vulnerable group.</p> |
| Policy Aims        | To design and adopt a Local CTR Scheme which complies with legislation , is efficient to administer, is delivered within the prescribed time limits and financial constraints having due regard for the guidance issued by DCLG.   |
| Available evidence | <p>DCLG has issued detailed guidance in respect of vulnerable people with particular duties in the following areas;</p> <ul style="list-style-type: none"> <li>• General Equality Duty under the Equality Act 2010</li> <li>• Duty to mitigate the effects of child poverty under the Child Poverty Act 2010</li> <li>• The nations obligations as set out in the Armed Forces Covenant</li> <li>• Results of consultation with precepting authorities</li> <li>• Results of stakeholder and public consultation</li> </ul>  |
| Evidence gaps      | This proposal is for the 2019/20 scheme. Chichester's CTR scheme has protected people on the lowest incomes since 2013 and the intention is to continue to do so for the 2019/20   |

|                                   |   |
|-----------------------------------|---|
|                                   | <p>scheme. It is acknowledged that as a consequence of the delay in the roll out of UC (in 2017 it was planned to be introduced from April, this was subsequently delayed until July 2018) that it is still unknown whether the bandings that are in place for UC claimants will be set at appropriate levels to ensure that support levels are maintained. This will be monitored to inform future schemes and any loss of support mitigated by the provisions within the discretionary policy that sits within the scheme.</p>  |
| Involvement and consultation      | <p><b><u>Major precepting authorities</u></b></p> <p>West Sussex County Council<br/>The Sussex Police Authority</p> <p><b><u>Stakeholders and interested parties</u></b></p> <p>Consultation ran between 9 July and 3 September 2018.</p> <p>Officers of Chichester District Council (CDC) felt that all residents could be considered as 'likely to have an interest in the operation of the scheme'. A consultation was therefore planned that would be open for all district residents to have their say about our draft scheme.</p> <p>The consultation was advertised in the news section of our website and on our Facebook and Twitter accounts. Posters and postcards inviting people to complete the survey online, or request a paper copy, were printed and made available in our office. Postcards were also included in all council tax bills sent out during the consultation period.</p> <p>The major precepting authorities were emailed directly to draw their attention to the consultation and to seek their comments on the CTR scheme in general.</p> <p>Responses received are detailed in the consultation document Council Tax – Local Council Tax Support Scheme 2019/20 Final Report.</p> |
| What is the actual/likely impact? | The amendments that are proposed to scheme for 2019/20 is likely to have little impact, other   |

|                                     |   |
|-------------------------------------|---|
|                                     | <p>than to ease administration of the scheme. The introduction of a flat rate non-dependant deduction will make the scheme for this group of customers fairer and easier to administer and understand. The realignment of start dates will reduce the need for manual intervention when processing applications, again making it easier to administer and understand.</p>   |
| Address the impact                  | <p>Chichester's CTR scheme has protected people on the lowest incomes since 2013 and the intention is to continue to do so for the 2019/20. The introduction of class F in 2018/19 will be monitored to ensure that the scheme provides equivalent levels of support. In cases where it does not this will be mitigated by the discretionary hardship arrangements which are sufficiently flexible to ensure that claimants in Working Age Class F are not disadvantaged by the banded scheme. As stated last year this and the other amendments will be monitored which will inform the scheme for 2020/21. <b>See below for detailed assessment of anticipated impact of the proposed administrative changes.</b></p> |
| Monitoring and review               | <p>Monitoring the effectiveness of all areas of the scheme will be used to identify any anomalies in entitlement and to influence the future design of the scheme.</p>  |
| Action Plan                         | <p>Located in s/drive/Finance/Revenues/Managers/Benefits/CTR scheme 2019/20</p>   |
| Decision making and quality control | <p>Cabinet 6 November ( recommend to Full Council)<br/>Full Council 20 November (to approve the 2019/20 scheme)</p> <p>Monitoring will continue in 2018/19 and into 2019/20.</p>  |

## Analysis of impact on those affected

| <b>Financial impact on services of maintaining CTR at current levels</b>  | <b>Positive</b>   | <b>Negative</b>  |
|---|---|--|
| <b>Chichester District Council and Council Tax payers of the district</b> | Chichester District Council is committed to maintaining levels of support to those in its communities that are on low incomes and eligible for a reduction while at the same time seeking to reduce the cost of administering the scheme. | <p>There will be a financial impact on the major precepting authorities of any level of support provided through the CTR scheme which cannot be met by additional income raised through the changes to council tax discounts, exemptions on some empty and second homes.</p> <p>Funding any shortfall may result in a reduction in services which could have a negative impact on the local economy, and services for example local planning, and environmental health services.</p> |

| <b>Impact on vulnerable groups</b>  | <b>Positive</b>   | <b>Negative</b>   |
|---|---|---|
| <b>Pension age claimants</b>  | The Government is committed to protecting pensioners on low incomes and does not want to see this group disadvantaged by this reform. Regulations to protect pensioners will be contained in the Prescribed Requirements Regulations. | <p>2019 uprating will increase spend by rate of inflation as at September 2018.</p> <p>Approximately 50% of CDC's caseload are claims in this group which mean that the budget reduction is equal to 20% for working age claimants.</p> |
| <b>Working age claimants<br/>Single person household<br/>Couple no children</b> | The scheme aims to maintain levels of support for these groups of working age claimants subject to the impact of the  | 2019 uprating will increase spend by rate of inflation as at September 2018.  |

|   |   |   |
|---|---|---|
| <b>Couple children</b><br><b>Lone parent families</b><br><b>Disabled working age claimant</b> | banded scheme.<br><br>Work incentives are included in the CTR scheme  | Members are committed to supporting the most financially vulnerable in our communities. Any funding shortfalls will be met by service efficiencies rather than cutting front line services.   |
| <b>War Widows and War Pensioners</b>  | The scheme continues to support claimants currently in receipt of war widows, war widowers or war disablement pensions and intends to continue its local decision to fully disregard these types of income when calculating entitlement to local CTR. | 2019 Uprating will increase spend by rate of inflation as at September 2018.<br><br>Members are committed to supporting the most financially vulnerable in our communities. Any funding shortfalls will be met by service efficiencies rather than cutting front line services. |
| <b>Pregnancy and maternity</b>  | The scheme for 2019/20 will maintain current levels of support for working age claimants in this group.   | 2019 Uprating will increase spend by rate of inflation as at September 2018.<br><br>Members are committed to supporting the most financially vulnerable in our communities. Any funding shortfalls will be met by service efficiencies rather than cutting front line services  |
| <b>Race</b>   | The scheme does not treat people in these groups differently. Facilities are available for those who whom English is not their first language   |   |
| <b>Gender</b>   | The scheme does not treat people in these groups differently.   |   |
| <b>Sexual orientation</b>   | The scheme does not treat people in these groups differently.   |   |
| <b>Religious beliefs</b>  | The scheme does not treat people in these groups differently.   |   |

## Direct impact of proposed changes on working age claimants

| Change  | Group   | Positive   | Negative   |
|---|---|--|--|
| Introduction of a flat rate non-dependant deduction from UC claimants falling into working age class F. | All claimants falling into working age class F. | As the calculation of UC entitlement includes a flat rate deduction for a non-dependant. The application of a flat rate deduction for those within class F, ensures fairness, maintains consistency and makes the scheme easier to understand. It also eliminates the need to obtain information, as these details are not passed through from the Department of Work and Pensions. This reduces customer contact and the administration associated with this. | From the consultation it is evident that some customers who are not on UC and therefore in class F feel that the application of a lower flat rate is unfair. However as there is also a deduction within the UC calculation this mitigates this criticism. Like all amendments made to the scheme. The intention is to simplify and reduce the cost of administration rather than to reduce or increase levels of support. |
| Realignment of start date with HB   | All working age classes.                        | Reduces the need for manual intervention when processing claims. This is particularly important with the use of online technology.   | Could mean that some customers will be disadvantaged if they delay making their application. This is mitigated by the discretion that exists within the scheme that can be used where a customer demonstrates vulnerability.   |
| Aligning the scheme with HB   | All working age classes (except class F)        | Eases administration and makes the scheme easier to understand.  | If allowances rates and premiums increase or decrease dramatically then this could   |

|  |  |  |                                   |
|--|--|--|-----------------------------------|
|  |  |  | impact on the cost of the scheme. |
|--|--|--|-----------------------------------|

### Results of public and stakeholder consultation

| Results  | Conclusion   | Respondents general comments   | Address comments  |
|--|--|--|---|
| <p>86.9% of respondents agree that Council Tax Reduction and Housing Benefit claims should start on the same day, 7.4% were uncertain or felt strongly neither way and 5.6% disagreed.</p>                       | <p>A high percentage of respondents agreed that this should be implemented.</p>  |  | <p>None to address.</p>   |
| <p>37.1% of respondents said that non-dependant deductions for UC claims should remain the same as working age deductions, 37.1% agreed that they should be introduced at a flat rate and 22.9% were unsure.</p> | <p>The majority of respondents supported the proposal. It was clear from the comments that some people were unsure. This could have been explained better in the consultation to ensure that those responding were clearer about the reasoning behind the proposals.</p> | <p>Comments included that non-dependant deductions should remain the same as for other working age claimants, indicating that a flat rate of the lowest deduction was unfair in comparison to the deductions that apply to other classes in the scheme. Other comments suggested that they should be higher.</p> | <p>As per conclusion, I think these comments were indicative of a question that was not fully explained. The idea of a flat rate for this class is to reduce the impact of deductions that apply in the UC calculation and to reduce the requirement for contact with this class in a process that aims to rely on data supplied directly from the DWP. This will not include non-dependant data.</p> |
| <p>36.4% of respondents said that they though the proposed flat rate of £3.90</p>  |  |  |   |

|   |  |   |  |
|---|--|---|--|
| <p>was about right, with 30.8% said it was too low, 24.3% said they were unsure and 8.4% said that they thought it was too high.</p> <p>Three quarters of respondents agree that the existing banded scheme should be expanded to include all working age claims. 44.9% of respondents agreed, and 22.9% strongly agreed that it should be expanded.</p> <p>More than four out of five respondents said they would support the introduction of <i>De Minimus</i> parameters. Most respondents (55.3%) felt that £1.00 was a suitable amount, with 19.4% saying that they thought 50p and the remaining 25.2% saying other. Of those that said other most thought that £10 would be about right.</p> <p>35.5% were uncertain or had no strong feelings either way and a further 35.5% did not feel that the existing CTR</p> | <p>Officers have decided to just update the scheme with the amendments that are required for 2019/20. With a view to carrying out a fuller consultation around either the expansion of a banded scheme for working age claimants or the introduction of a concept such as de minimus parameters, as essentially these two concepts do similar things.</p> <p>As above Officers have decided to just update the scheme with minor</p> | <p>Comments like 'a sensible approach to support people' supported the idea of the introduction of De Minimus rules. Other comments like; I don't understand' indicated that the concept requires a fuller explanation.</p> | <p>The comments supported the Officers decision to explore these concepts further in future schemes. A more detailed consultation will be considered to give communities a better idea of the advantages and disadvantages of both options. It was also considered better to have future changes of this nature informed by the performance of the banded scheme for UC claimants that was introduced in 2018.</p> |
|---|--|---|--|

scheme should be kept the same. 29% of respondents agreed that the current scheme should remain unchanged.

changes, aimed at ensuring that entitlement is maintained whilst enabling some savings in the cost of administering the scheme to be made.

### **Summary of impact assessment results**

The aim of the CTR scheme is to provide equivalent levels of support that existed under the National CTB scheme that existed prior to the introduction of local schemes. All the changes that have been made since the introduction of local schemes support this aim. The financial pressures faced by local government are also a consideration and therefore changes are also mindful of the need for the scheme to be cost effective to administer whilst maintaining levels of support. The proposed scheme 2019/20 is designed with these aims.

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CHICHESTER DISTRICT COUNCIL

Non Domestic Rates Discretionary Scheme

2017 – 2021

## 1) Introduction

In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over 4 years from 2017/18 to support those businesses that faced increases in their business rates as a result of the revaluation.

Each authority within England has been provided with a share of the £300 million fund to support local businesses. This is to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Finance Act 1988.

The funding is not provided equally over the four-year period but in the following percentage terms:

| Year 1 | Year 2 | Year 3 | Year 4 |
|--------|--------|--------|--------|
| 58%    | 28%    | 12%    | 2%     |

Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. However key criteria of this reimbursement will be that all Billing Authorities will consult with major precepting authorities when designing their scheme.

Chichester District Council's allocation of the Government funding for discretionary relief is set out below.

| <b>Amount of discretionary fund awarded (£000s) – Chichester District Council</b> |         |         |         |       |
|---|---------|---------|---------|-------|
| 2017-18   | 2018-19 | 2019-20 | 2020-21 | Total |
| 458   | 223     | 92      | 13      | 786   |

The funding is front loaded for 2017/18 and will each year be reconciled as part of the closedown for the financial year in order to determine whether any unallocated grant should be returned.

## 2) Discretionary Business Rate Relief Scheme 2017 to 2021

That relief under the scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value;
- b) In assessing potential entitlement to an award under this scheme, the Council will compare the following:
  - i. The rate liability of the ratepayer at 31<sup>st</sup> March 2017 after any reliefs and reductions (**A**); and
  - ii. The rate liability of the ratepayer at 1<sup>st</sup> April 2017 taking into account any transitional, mandatory or discretionary relief (**B**);
- d) Relief will be awarded where the calculation **A – B** would result in an increase above a level determined in section 5;
- e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted to unoccupied premises.
- f) Relief will only be granted to ratepayers who were in occupation at 31<sup>st</sup> March 2017 and in occupation on the 1<sup>st</sup> April and for each day subsequently.
- g) Ratepayers taking up occupation after the 1<sup>st</sup> April 2017 will **not** eligible for relief on the basis that new ratepayers would have not suffered from increases due to valuation.
- h) Relief may be awarded for more than one premises as long as all other criteria are met;
- i) Relief will **not** be awarded where:
  - Where the ratepayer has been awarded a reduction under S44a of the Local Government Finance Act 1988.
  - Hereditaments with a Rateable Value in excess of £100,000.
- j) Relief will **not** be awarded to hereditaments who are wholly or mainly used for:
  - Public Bodies such as the NHS or Local Government;
  - Public Utilities such as Water and Power Companies
  - Where the award of relief would not comply with EU law on State Aid;

## 3) State Aid

State Aid is the means by which the EU regulates state funded support to businesses. Providing discretionary relief would fall within the definition and in order to be compliant with the De Minimis Regulations, they must demonstrate that the award of relief is within the threshold of €200,000

received over a rolling 3 year period. Businesses will be required to declare to the Council if they exceed this threshold as part of the application process.

#### 4) Applications for relief under this scheme.

The Council will look to simplify the application process where possible, but will expect any ratepayer to provide such information as is required by the Council to support their application.

#### 5) Calculation of relief

For **2017/18** financial year, the relief is granted as follows;

- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is £20,000 or less relief will be granted to limit the increase calculated in 2b to a maximum of 4 %
- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is greater than £20,000 but less or equal to £100,000 relief will be granted to limit the increase calculated in paragraph 2b to a maximum of 5%

| Size of Property | Rateable Value (£s) | Restriction on increases |
|------------------|---------------------|--------------------------|
| Small            | Up to 20,000        | 4%                       |
| Medium           | 20,001 to 100,000   | 5%                       |

For **2018/19** financial year, the proposed relief will be granted as follows;

- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is less or equal to £20,000 the relief awarded in 2017/18 x 76%.
- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is more than £20,000 but less than or equal to £100,000 the relief awarded in 2017/18 x 76%

For **2019/20** financial year, the proposed relief will be granted as follows;

- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is less or equal to £20,000 the relief awarded in 2018/19 x 41%
- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is more than £20,000 but less or equal to £100,000 the relief awarded in 2018/19 x 41%
- No relief will be made where the award will be £5 or less.

For **2020/21** financial year, the proposed relief will be granted as follows;

- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is less or equal to £20,000 the relief awarded in 2019/20 x14%

- Where the Rateable Value of the hereditament at 1<sup>st</sup> April 2017 is more than £20,000 but less or equal to £100,000 the relief awarded in 2019/20 x14%
- No relief will be made where the award will be £5 or less.

#### **6) Variation and amendment of relief under the scheme**

As with all reliefs, the amount of relief awarded under the Discretionary Business Rates relief scheme will be recalculated in the event of a change of circumstances. This will include, for example, a backdated change in rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year. The Non-Domestic Rating Regulations 1989 (SI 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect from at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

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