

# NON-CONFIDENTIAL



## **Borough of Tamworth**

6 December 2012

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **THURSDAY, 13TH DECEMBER, 2012** at 6.00 pm in the **TOWN HALL, MARKET STREET, TAMWORTH**, for the transaction of the following business:-

### **AGENDA**

#### **NON CONFIDENTIAL**

**1 Apologies for Absence**

**2 To receive the Minutes of the previous meeting (Pages 1 - 4)**

**3 Declarations of Interest**

*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*

*When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*

**4 To receive any announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive**

**5 Question Time:**

- (i) To answer questions from members of the public pursuant to Procedure Rule No. 10.
- (ii) To answer questions from members of the Council pursuant to Procedure Rule No. 11

- 6 Localising Support for Council Tax Scheme** (Pages 5 - 136)  
(Report of the Portfolio Holder for Core Services and Assets)
- 7 Technical Reform of Council Tax** (Pages 137 - 142)  
(Report of the Portfolio Holder for Core Services and Assets)
- 8 Council Tax Base 2013/14** (Pages 143 - 144)  
(Report of the Portfolio Holder for Core Services and Assets)
- 9 Treasury Management Strategy Statement and Annual Investment Strategy  
Mid-year Review Report 2012/13** (Pages 145 - 164)  
(Report of the Portfolio Holder for Core Services and Assets)
- 10 Review of the Constitution** (Pages 165 - 166)  
(Report of the Solicitor to the Council and Monitoring Officer)
- 11 Regulation Of Investigatory Powers Act Policy Revised in Accordance with  
the Protection of Freedoms Act 2012** (Pages 167 - 210)  
(Report of the Solicitor to the Council and Monitoring Officer)

Yours faithfully



**CHIEF EXECUTIVE**

*People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail [committees@tamworth.gov.uk](mailto:committees@tamworth.gov.uk) preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.*

Marmion House  
Lichfield Street  
Tamworth



## **MINUTES OF A MEETING OF THE COUNCIL HELD ON 23rd OCTOBER 2012**

**PRESENT:** Councillor T Clements (Chair), Councillors J Garner, L Bates, M Clarke, S Claymore, D Cook, C Cooke, M Couchman, S Doyle, J Faulkner, D Foster, K Gant, M Gant, M Greatorex, G Hirons, A James, R Kingstone, M McDermid, R McDermid, K Norchi, J Oates, S People, R Pritchard, E Rowe, P Seekings, P Standen and M Thurgood

The following officers were present: Anthony E Goodwin (Chief Executive), Jane Hackett (Solicitor to the Council and Monitoring Officer) and Lara Allman (Democratic & Election Services Officer)

### **40 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors B Beale, A Lunn and S Pritchard.

### **41 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 11 September 2012 were approved and signed as a correct record.

*(Moved by Councillor D Cook and seconded by Councillor J Faulkner)*

### **42 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE**

#### **Announcement by Councillor J Faulkner**

Councillor S People is no longer eligible to sit on Audit and Governance Committee and so he has been replaced by Councillor M Clarke.

#### **Announcement by the Mayor**

Everyone is invited to attend the Remembrance Sunday Parade on Sunday 11 November.

#### **Announcement by Councillor S People**

For the whole town to join and stand together it was proposed that the Council acquire an additional wreath and invite the Chief Executive to present same as a former veteran of the Falklands conflict which has recently commemorated its 30<sup>th</sup> Anniversary. It was also proposed that wreaths are laid in commemoration of Private Spicer and Private Hewitt on the 10<sup>th</sup> anniversary of their deaths.

*(Moved by councillor S Peuple and seconded by Councillor K Gant)*

### **Announcement by Councillor J Garner**

On 13 September 2012 Councillor Garner, Andrew Barratt Director (Assets and Environment) and Melvin Clarke Street Scene Team Leader attended the awards ceremony for Britain in Bloom which was held in Birmingham. Not only were the efforts of Streetscene recognised once again and attained a Gold Award in their category but also there was recognition for LNR's (Local Nature Reserves) managed by Tamworth people with the support of Staffordshire Wild Life under the Wild About Tamworth project. In addition to this five of the Councils' Sheltered Schemes chipped in taking either 'Thriving' or 'Developing'. Once again Bright Crescent who were last year's successful winner were joined by Glenfield in taking Gold Award and both recoding Level 5 Outstanding performance in their category by the judges.

The final stage in this celebration of achievements came last Friday 19 October at Glascote Primary School who were presented with their award for best school in Tamworth in Bloom, not taking away from the marvellous performance by all the schools who entered. It was concluded that Tamworth Borough Council and the people of Tamworth together will do even better in 2013. Councillor Garner placed on record his thanks to everyone who took part in making this the success it is especially the many company sponsors who supported it.

Councillor Garner presented the awards to the Mayor.

### **Announcement by the Mayor**

A big thanks to Streetscene and all the staff involved in helping us achieve the Gold Award.

## **43 TAMWORTH LISTENS REPORT**

Councillor L Bates introduced the Tamworth Listens Report and thanked Charlotte Green (Corporate Consultation Officer) for producing the report.

Cabinet Members then gave an outline of the work done within their Portfolio.

Councillor D Cook moved a motion in terms of Rule 13(n) to suspend Rule 14.5 and this was seconded by Councillor R Pritchard and received unanimous support.

There then followed a full debate on the state of Tamworth.

Councillor J Faulkner moved a motion to suspend Rule 9.1 and this was seconded by Councillor M Couchman. This was not carried.

During the debate the following motions were approved

**RESOLVED:**

That:

- 1 The Leader to write to Staffordshire County Council in regard to dealing with weeds on public highways and member concerns in the ineffectiveness of the solution;
- 2 Council to investigate the possibility of holding a centenary event to mark 100 years since the start of WW1 in 2014;
- 3 Council to investigate the feasibility of an outdoor beer festival / food festival in coming years;
- 4 The Leader of the Council to write to all those involved in creating the second exit at Ventura / Sainsbury's to help address a major traffic problem in Tamworth;
- 5 The Leader of the Council and the Portfolio Holder of Economic Development to speak with English Heritage in regard to Tamworth Castle, and;
- 6 The Leader of the Council to update members on the progress Tamworth Borough Council is making on its efforts as a stakeholder to improve Education in Tamworth.  
*(Moved by Councillor D Cook and seconded by Councillor R Pritchard)*

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The Mayor

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## COUNCIL

13<sup>th</sup> December 2012

### REPORT OF THE PORTFOLIO HOLDER FOR CORE SERVICES AND ASSETS

### PROPOSED LOCALISING SUPPORT FOR COUNCIL TAX SCHEME FOLLOWING CONSULTATION RESPONSES

#### EXEMPT INFORMATION

This proposal is not exempt information for the purposes of Part 1 of Schedule 12 (A) to the Local Government Act 1972

#### PURPOSE

For Council to consider;

The proposed Local Council Tax Support Scheme for Tamworth from 1<sup>st</sup> April 2013. Options for the scheme were presented to Cabinet on 25<sup>th</sup> July, and on 15<sup>th</sup> August 2012 Cabinet chose the preferred option. Cabinet then endorsed this scheme on 28<sup>th</sup> November 2012. It must now be considered at full Council as the final scheme must have Council approval.

#### RECOMMENDATIONS

That Council endorse the proposed Local Council Tax Support scheme, having given consideration to the Localisation of Council Tax Consultation Final Report – **Appendix 1**, the estimated grant reduction figures – **Appendix 2** and the Equality Impact Assessment for this option – **Appendix 3**.

#### EXECUTIVE SUMMARY

This report details the key issues arising from the Local Support for Council Tax Scheme.

The Welfare Reform Act 2012 confirmed that Council Tax Benefit will be abolished from 1 April 2013, to be replaced by a new Localised Council Tax Support scheme. Grant funding will be reduced by 10% and distributed via the Department for Communities and Local Government rather than by the Department for Work and Pensions. The proposed scheme aims to deliver the required reduction in Council Tax benefit costs without being a cost to the General Fund or Preceptors – estimated at c. £700k.

The Government have specified that Pensioners must be protected from any grant cuts. Accordingly, regulations that mirror the current *Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) 2006* will be devised for Pensioners, which must be adhered to. For Working Age customers, Councils are free to decide their schemes, which will be subject to an overall 10% reduction in grant funding currently received.

The Authority has worked closely with all other Staffordshire District Councils, Staffordshire County Council and the Fire Authority, to design an over arching scheme. Local considerations were then also separately made by each Authority to achieve the savings requirements, based on each area's demographic make up and budgetary restrictions.

Options were presented to Cabinet on 25<sup>th</sup> July 2012 on how to deliver the reduced benefit cost from current Council Tax Benefit expenditure for working age customers in line with legislative requirements. Full Equality Impact Assessments were given for each option. On 15<sup>th</sup> August 2012, Cabinet's preferred option for a Local Council Tax Support scheme was decided, taking into account the grant cuts being imposed from 1<sup>st</sup> April 2013.

## **Consultation Responses**

An eight week consultation period then commenced with the public, focus groups and all other stakeholders to gauge views about the proposals. A total of 10 drop in events were held, both with the public and various groups. The drop in sessions attracted almost 800 visitors. Every benefit customer (totalling in excess of 7300 claimants at the time) was also sent a consultation questionnaire along with a consultation leaflet which explained that Council Tax Benefit is being abolished and encouraging them to give their views on its proposed replacement in Tamworth.

- ❖ 828 responses were received, which is a statistically robust number. This represents 1.075% of Tamworth's population, which compares favourably to the response rate of all other Staffordshire Local Authorities of between 0.3% and 0.6% of their residents/groups.
- ❖ The degree of endorsement for the proposals was varied, with most support being received for Proposal 9, which provides continued protection for those entitled to a Severe Disability Premium. Least support was received to Proposal 4 under which the Second Adult Rebate would be removed and those of a working age would be responsible for paying 100% of their Council Tax bill. There was a high level of support for five out of the ten proposals as outlined below:

### **High level of support**

- Level of support for pensioners, severely disabled and in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension (Proposal 1);
- Continuing to disregard childcare costs (Proposal 5);
- Claimants and the level of savings allowed (Proposal 6);
- Continuing to exclude Child Benefit payments (Proposal 7);
- Continuing to protect those claiming a Severe Disability Premium (Proposal 9).



There was a moderate level of support for the remaining five of the ten proposals as outlined below;

#### Moderate level of support

- calculation of support based on 75% of Council Tax liability rather than 100%, meaning everyone who is not proposed to be protected from any reductions has to pay at least 25% of their Council Tax liability (Proposal 2);
- limit the calculation of support to no more than 75% of Band D liability (Proposal 3);
- removal of Second Adult Rebate for all working age customers (Proposal 4);
- inclusion of maintenance payments as income (Proposal 8);
- increased non dependant charges of £5 per week (currently £3.30 pw) and £10 per week (currently £6.55 - £9.90 pw, depending on gross pay received).

Please refer to **Appendix 1** – Localisation of Council Tax Consultation Final Report for full details of the consultation responses

## RESOURCE IMPLICATIONS

The proposed scheme has been modelled on delivering an estimated benefit reduction in the region of £700k.

Based on recent caseload, the proposed scheme would deliver estimated benefit reductions of £718k (**Appendix 2**).

## CONCLUSIONS

### Proposed Local Council Tax Support Scheme

The scheme as endorsed for consultation (Cabinet 15<sup>th</sup> August 2012) delivers the estimated grant reduction- **Appendix 2**, required under the new Local Council Tax Support Scheme (10 % reduction on previous grant payments).

The results of the consultation are detailed in the Localisation of Council Tax Consultation Final Report – **Appendix 1**. There are no material implications raised following the consultation – as detailed above (Executive Summary), if the proposed scheme is endorsed without further amendment.

## LEGAL/RISK IMPLICATIONS

Full Equality Impact Assessments were considered and taken into account when the scheme proposals were drafted. **Appendix 3** gives details of the Equality Impact Assessment made prior to it being chosen as the preferred option, and prior to consultation.

If the Authority's Local Support to Council Tax Scheme is not endorsed or in place by the 31<sup>st</sup> January 2013 then the default scheme will have to be applied. The implementation of a default scheme would result in the Authority having to implement the existing scheme, financing the 10% reduction and suffering additional benefit cost in 2013 /14 (onwards) as the existing benefit limits may be up-lifted by inflation.

## SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the current Council Tax Benefit scheme will be changed from Annual Managed Expenditure (unrestricted reimbursement of Council Tax Benefit subsidy) to Departmental Expenditure Limit (restricted, pre allocated grant figure). The Council must be aware that there will be little room for contingency if, for instance, a major local employer goes into administration.

## REPORT AUTHOR

Karen Taylor x 529

## LIST OF BACKGROUND PAPERS

Cabinet Report / Slides – Cabinet 15<sup>th</sup> August 2012  
Draft Vulnerability Policy  
Draft Summary Local Council Tax Support Policy

## Appendices

Localisation of Council Tax Consultation Final Report – **Appendix 1**  
Estimated grant reduction figures – **Appendix 2**  
Equality Impact Assessment for the chosen option – **Appendix 3**  
Table of estimated weekly £ extra to pay based on proposed scheme – **Appendix 4**

## BACKGROUND INFORMATION

Council Tax Local Support Scheme Proposals 2013/14 (onwards)

The Government is committed to retaining Council Tax Support for the most vulnerable in society and taking forward plans for Councils to develop local Council Tax reduction schemes. The Welfare Reform Act 2012 contains provisions for the abolition of Council Tax Benefit, paving the way for new localised schemes. On 17<sup>th</sup> May 2012, *Localising Support for Council Tax – A Statement of Intent* was published.

The Statement of Intent sets out policy statements of intent for the regulations to be provided under the Local Government Finance Bill for England and explains the policy intent of the regulations and how they will enable the delivery of local Council Tax support. The document is specific in the rules for pensioners but has given Local Authorities little direction regarding policy for Working Age customers.

Consideration of the Department for Communities and Local Government policy intention document - *Localising Support for Council Tax Vulnerable people – key Local Authority Duties* was also made when devising the proposed Local Council Tax Support scheme.

*Localising Support for Council Tax – Funding Arrangements Consultation* gave details of how funding for a Council Tax reduction scheme will be reduced from 2013 onwards. Accordingly, regard for these budgetary cuts must also influence the design of a Local Council Tax Support scheme.

*Localising Support for Council Tax - Taking Work Incentives into Account* was also considered when drafting the policy.

If Councils do not have a local scheme in place by 31<sup>st</sup> January 2013, the Government will impose a 'default scheme' which is the current Council Tax Benefit scheme. This option is not sustainable as the current scheme is fully subsidised by the Department for Work and Pensions, regardless of caseload and any new scheme will have a fixed annual grant *only* which will be at least 10% less than it is now.

The results of the consultation have not identified any requirement to make any changes to the scheme. Cabinet have recommended that the scheme as consulted should be endorsed as the Authorities response to achieving the required reduction in Council Tax Support (namely 10% reduction) as required by legislation without imposing a further burden on the General Fund Budget 2013 / 14.

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# Localisation of Council Tax Consultation Final Report - Tamworth Borough Council November 2012

## DOCUMENT DETAILS

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This document has been produced on behalf of Tamworth Borough Council by the Staffordshire County Council Insight Team



Title	Localisation of Council Tax Consultation Report, Tamworth Borough Council
Date created	November 2012
Description	The purpose of this document is to provide Tamworth Borough Council with the consultation results on their proposals for localising their Council Tax Benefit Scheme.
Produced by	Heather Collier, Research Co-ordinator, Insight Team, Staffordshire County Council tel: 01785 27 7450 email: <a href="mailto:heather.collier@staffordshire.gov.uk">heather.collier@staffordshire.gov.uk</a>  Daniel Maddock, Research Co-ordinator, Insight Team, Staffordshire County Council tel: 01785 27 6538 email: <a href="mailto:daniel.maddock@staffordshire.gov.uk">daniel.maddock@staffordshire.gov.uk</a>
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Additional contributions	Susie Bentley, Emma Edwards and Jo Williams, Insight Team at Staffordshire County Council
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## I. EXECUTIVE SUMMARY

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The degree of endorsement for the proposals was varied, with most support<sup>l</sup> being received for Proposal 9, which provides continued protection for those claiming a Severe Disability Premium. Least support<sup>ll</sup> was received to Proposal 4 under which the Second Adult Rebate would be removed and those of a working age would be responsible for paying 100% of their Council Tax bill. There was a **high** level of support for five out of the ten proposals and these proposals are outlined below:

- Continuing to protect those claiming a Severe Disability Premium (Proposal 9).
- Continuing to disregard childcare costs (Proposal 5).
- Level of support for pensioners, severely disabled and in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension (Proposal 1).
- Continuing to exclude Child Benefit payments (Proposal 7).
- Claimants and the level of savings allowed (Proposal 6).

In addition, there was a moderate level of backing for all other proposals with least support being received for proposal 4, changes to the Second Adult Rebate under which the rebate would be removed and those of a working age would be responsible for paying 100% of their Council Tax bill.

The results must be considered in the context of the respondents. The majority of respondents identified themselves as either a 'Council Tax Benefit claimant' or a 'Resident of Tamworth' and the results have been analysed by person type to ensure that the views of different groups, including those who are vulnerable are clearly visible. Over half (51%) felt that the results would have a low impact upon them personally or upon the groups that they represent, a fifth (21%) thought the results would have a medium impact and over one quarter (28%) were concerned that the implementation of the proposals were impact highly upon them personally or upon the groups that they represent. Respondents overall were of the view that people should be encouraged to work and that everyone should pay something towards their Council Tax.

Broadly speaking there was little difference in the results when comparing results from 'Residents of Tamworth' and 'all other respondents'. The differences that did exist have been outlined below:

- More support from 'Residents of Tamworth' to Proposal 2, covering the level of benefit for working age people than from 'all other respondents'.
- More support from 'Residents of Tamworth' to Proposal 8, including Child Maintenance payments than from 'all other respondents'.
- Less support from 'Residents of Tamworth' for Proposal 7, continuing to exclude Child Benefit payments than from 'all other respondents'.

Responses for each proposal do also reflect differences by claimant type and these vary between the individual proposals. There is however a lower level of support from respondents claiming Income Support (in four of the ten proposals). The views of vulnerable communities are vital and must be assessed as part of the decision making process and additional vulnerable groups including those on a low income and students were also highlighted during the consultation period.

Those disagreeing with the proposals were slightly more likely to voice their concerns and provide commentaries explaining their viewpoint. These raise interesting issues with themes, including that proposals should purely be based on people's 'ability to pay' with means testing being the fairest way to ensure that those who can afford to pay do so, whilst those that need protecting the most, are duly protected.

Respondents also felt that changes that are implemented should be publicised in advance and be phased in their approach; both allowing time for appeals and for concerns to be dealt with in a timely manner. The cost and time involved in following up non payments also needs to be considered at an early stage and it is key that they are efficient and are not costly to maintain to ensure the savings which need to be made can be achieved.

Respondents also felt that employment opportunities and the availability of suitable affordable housing also need serious consideration due to pressures which arise should the proposals be implemented.

<sup>l</sup> Largest proportion of respondents that feel the proposal is 'reasonable' <sup>ll</sup> Largest proportion of respondents that feel the proposal is 'unreasonable'



## 2.1 INTRODUCTION

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Local Authorities currently deliver a national Council Tax Benefit scheme on behalf of the Government. This national scheme is being abolished and from April 2013 local authorities across the country will be expected to provide and deliver their own local Council Tax Support Scheme for working age people. The Government will still provide funding for localised schemes, but this will be reduced and in response to this the Council have developed a number of proposals designed to allow the Council to provide a localised scheme which costs less money than the current national scheme.

Tamworth Borough Council has consulted with residents, claimant organisations and other interested parties to ascertain views on the proposals to ensure that their views, and in particular the views of vulnerable residents, are used to shape the development of the future Localised Council Tax Support Scheme.

This report has been produced by Staffordshire County Council on behalf of Tamworth Borough Council and brings together analysis and key themes of all responses received. As this consultation has taken place across all local authorities in Staffordshire, it will be possible to place these results in the wider context and identify local differences. This analysis will be made available in December, once all local consultation has closed.

## 2.2 METHODOLOGY

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The methodologies used to capture views have been diverse and include telephone surveys, face-to-face interviews, online surveys, focus groups and consultation with Tamworth Borough Council's Citizen's Panel. All fieldwork was conducted between 4<sup>th</sup> September and 28<sup>th</sup> October 2012. This report brings together analysis from locally collected consultation responses as well as additional responses from telephone and face-to-face surveys undertaken by the market research company MEL.

A total of **511** responses were received through local consultation and **317** were received in response to the telephone and face-to-face surveys undertaken by MEL, resulting in a total of **828** responses. This is a statistically robust number of responses based on the population of Tamworth, resulting in a confidence interval of **+/- 3.4** percentage points at a confidence level of 95%.

Where the 'level of support' is quoted within this report, this is defined as:

- Low: 0% - 24% agree the proposal to be reasonable
- Some: 25% - 49% agree the proposal to be reasonable
- Moderate: 50% - 74% agree the proposal to be reasonable
- High: 75% - 100% agree the proposal to be reasonable

## 2.3 RESPONDENT PROFILE

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Out of the **511** local responses that have been received to the consultation, the largest proportion of responses are from **Council Tax Benefit claimants**. The profile of respondents is outlined below:

- A Council Tax Benefit claimant (67%)
- Resident of Tamworth (63%)
- A relative of a Council Tax Benefit claimant / Other / Housing Association (3% each)
- Resident outside of Tamworth / None of these / Private landlord (2% each)
- A friend of a Council Tax Benefit claimant / Voluntary organisation (1% each)

Full respondent profiles can be found in Appendix I.

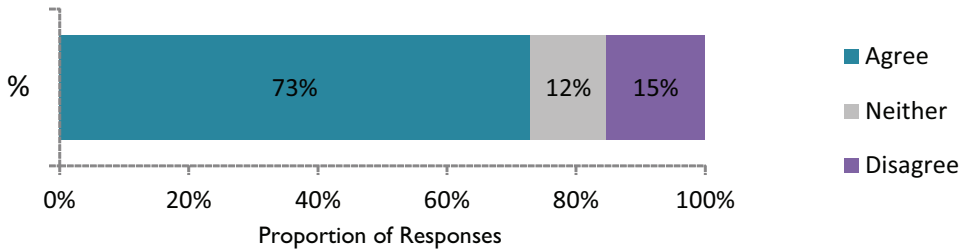
### 3. RESULTS - KEY PRINCIPLES

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Respondents were invited to state to what extent they agreed or disagreed with the following principles.

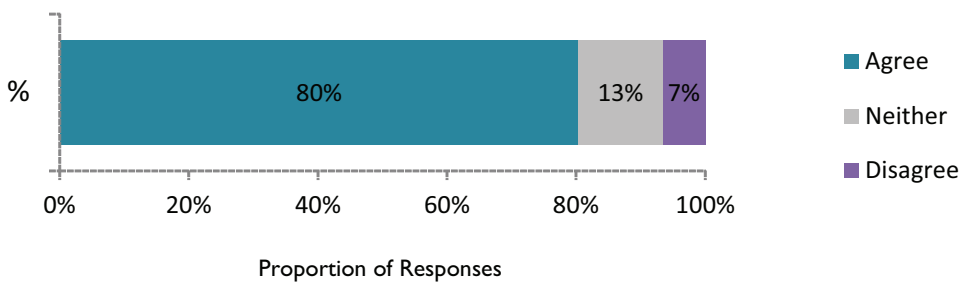
**Key Principle 1:** Every household with working age members should pay something towards their Council Tax bill.

#### Consultation responses



**Key Principle 2:** The Local Council Tax Support scheme should encourage people to work.

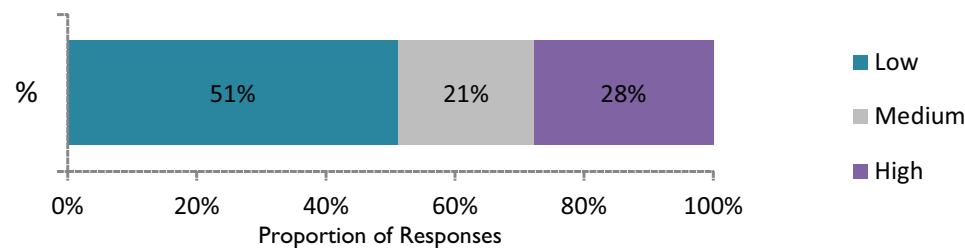
#### Consultation responses:



#### Financial Impact of Proposals

Respondents were also asked what impact the proposed changes would have to their financial situation, or the financial situation of those communities they represent

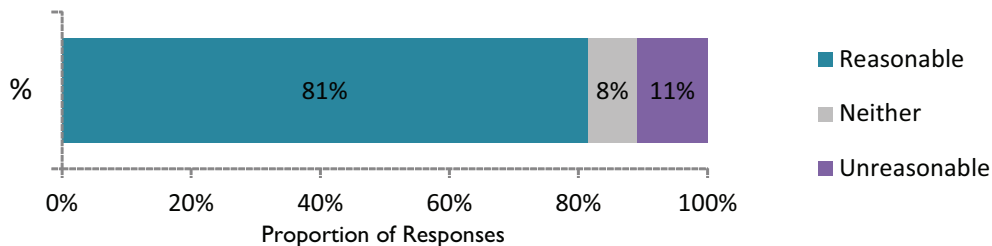
#### Consultation responses:



## 4. RESULTS - PROPOSALS

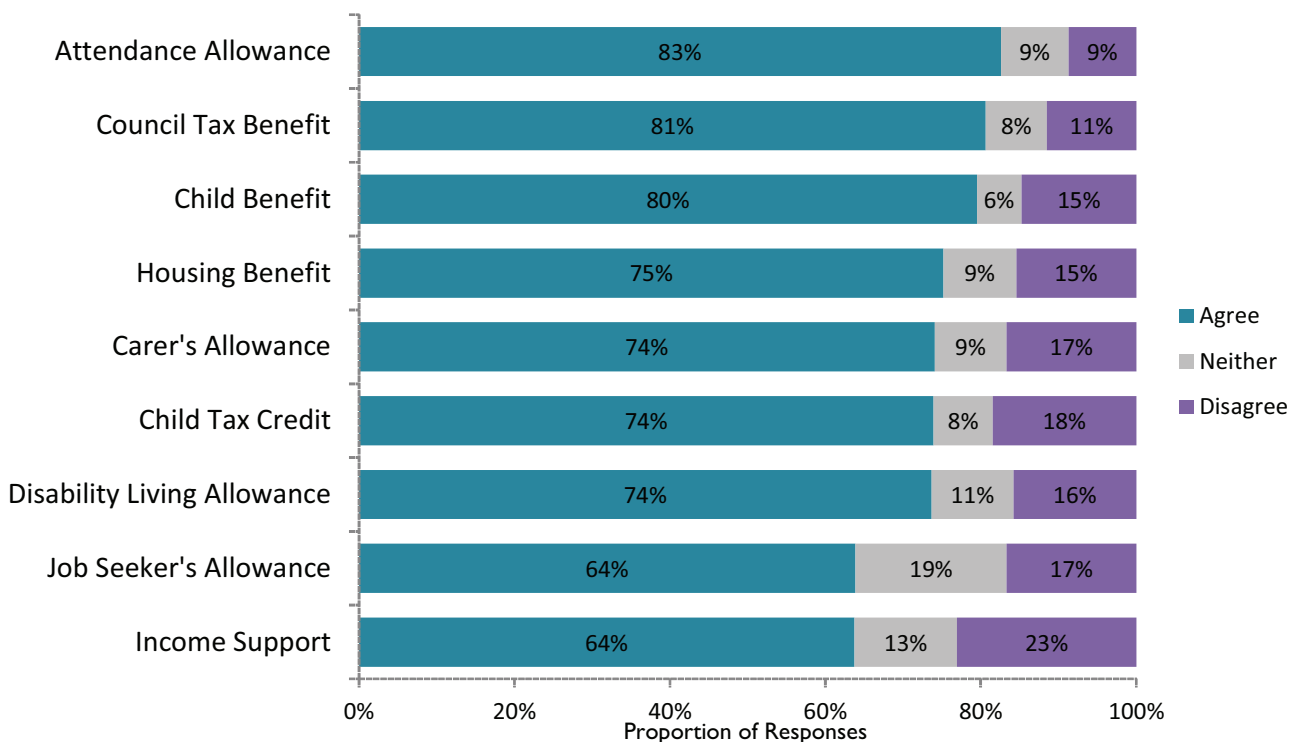
**Proposal I:** Pensioners would continue to receive support for up to 100% of their Council Tax bill as they will be protected by the Government under a national scheme. We propose to also protect working age claimants classed as severely disabled **and** in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension in the Local Council Tax Support Scheme. This means that pensioners, claimants classed as severely disabled who receive a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension would be the only claimants that could still receive support for up to 100% of their Council Tax bill. All other working age claimants would be expected to pay something towards their Council Tax bill.

### Consultation responses:



There is a **high** level of support for this proposal, with 81% of total respondents believing the proposal to be reasonable. The proportion of respondents who thought the proposal reasonable was similar when comparing 'Residents of Tamworth' with other<sup>1</sup> types of respondent.

The level of support for Proposal I was also dependent on whether the respondents household was in receipt of various benefits<sup>2</sup>. As illustrated below, there was moderate support from recipients of Carer's Allowance, Child Tax Credit, Disability Living Allowance, Job Seeker's Allowance and Income Support.



<sup>1</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>2</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal and this was partially reinforced through respondents comments, particularly in relation to protecting pensioners with respondents voicing that it was *“a positive move to support the elderly and vulnerable”*.

Whilst some respondents were also supportive of protecting the severely disabled or claimants with disabled children, others were less supportive and felt that apart from the most severely disabled, all others should contribute *“at least something”* towards their Council Tax.

Concerns were also raised about the implications for all other working age claimants with some feeling that they should be supported 100% whilst others conversely felt that they should pay their way if they are of *“working age”* and are *“in good health”*. Means testing was suggested as one way of ensuring that payments are fair and based on people’s *“ability to pay”*.

## **Pensioners**

There was a general agreement that *“pensioners”* should be *“protected”* and also those who receive *“war pensions”*. Many pensioners have paid contributions for *“50 years or more”* and they shouldn’t be *“penalised because of the current climate”*. *“We need to look after pensioners”*. One did feel that it was *“unfortunate that others have to pay more so that pensioners are protected”*.

## **Disabled**

The inclusion of a clause aimed at protecting claimants classed as severely disabled created a discussion amongst respondents with a number of diverse views being expressed.

Clarity on the *“definition”* of severely disabled was sought and in particular this was because there will be some people who need support but *“are not classed as severely disabled”*. For example someone who has *“24 hour care support may not qualify as they have a carer”*.

Others felt that everyone should contribute *“something”* towards their Council Tax, whether they are disabled or not with another reinforcing this point and adding that people with disabled children should contribute *“unless their parents can’t work because they need to look after them”*. Another felt that *“those who were disabled but not severely disabled”* should be *“considered”* and asked to *“contribute”* towards their Council Tax if they could *“afford”* to do so.

## **Working age claimants**

It is *“not possible for people on benefits to pay towards their Council Tax bill on any level”* and they may be forced to *“take money from their food or utilities bill to make ends meet”* with respondents questioning how this could be considered *“reasonable”*. People will *“struggle”* to be able to afford to *“feed and clothe themselves”*. It would also be unreasonable to hit them with *“a high charge”*. Any charge should be *“nominal”*.

Others commented on the current employment crisis and felt that the proposals act to *“penalise everyone who is genuine”*. *“Some people are out of work due to redundancy, not choice. How will you tell which people want to work and which don't?”*

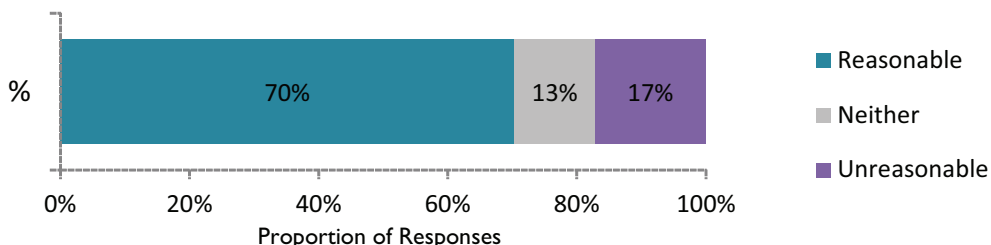
Another did feel that working age claimants should be included and asked to make a contribution if they could *“afford”* to do so but they recognised that if they are on very low benefits that this may cause *“difficulties”*.

## **Focus group responses**

Respondents agree that these were the right groups to be protected. There was a wish for the protection of all disabled claimants but respondents understood that this would put extra pressure on other working age claimants to make up this shortfall. The view was expressed that not all working age claimants that are on Job Seeker’s Allowance can work although their illnesses aren’t severe enough to receive Disability Living Allowance.

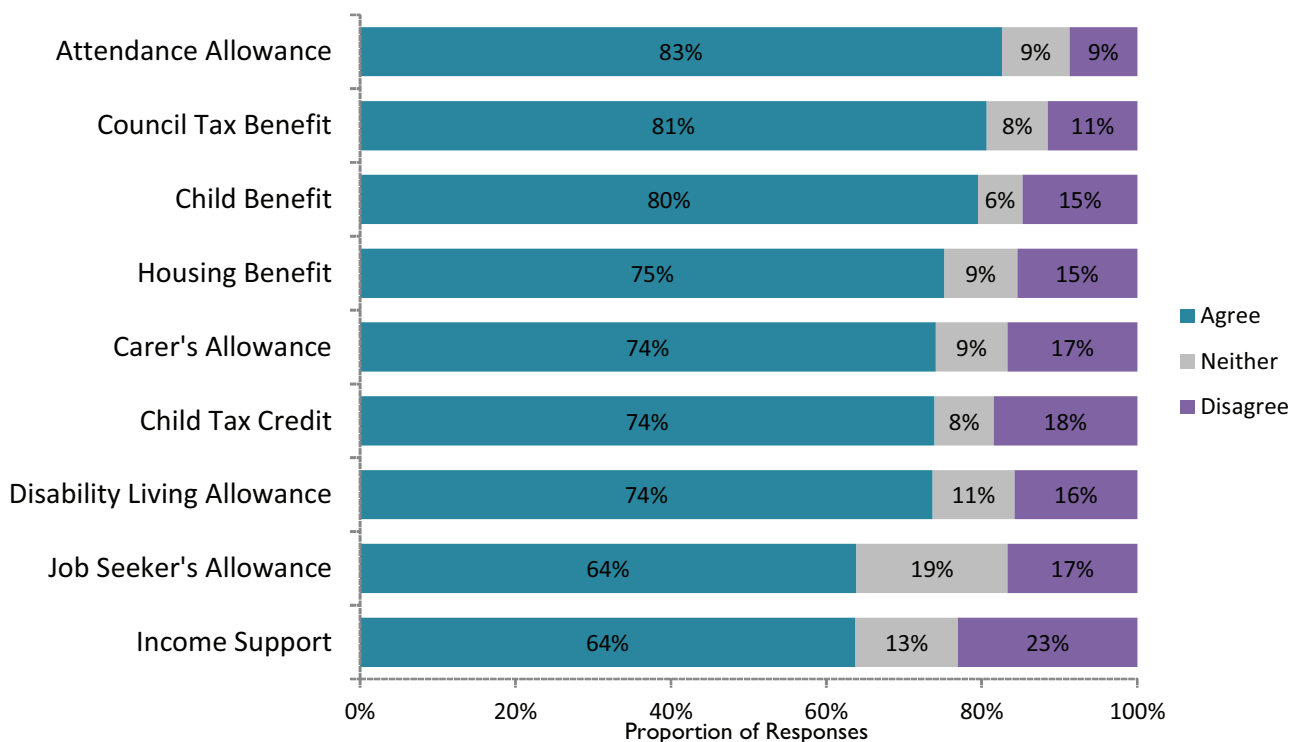
**Proposal 2:** Under the current scheme, Council Tax Support can be given to those of working age for up to 100% of their Council Tax bill. For the new scheme, we propose to reduce the Council Tax Benefit that people receive to 75%. This means that all working age claimants that are not protected would be expected to pay at least 25% of their Council Tax bill.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with 70% of total respondents believing the proposal to be reasonable. This proportion increased to a high level of support for ‘Residents of Tamworth’ compared to other<sup>3</sup> types of respondent.

The level of support for Proposal 2 was also dependent on whether the respondents household was in receipt of various benefits<sup>4</sup>. There was a high level of support from recipients of Attendance Allowance, Council Tax, Child Benefit and Housing Benefit.



<sup>3</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>4</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal, and respondents commented on why the proposal was both reasonable and unreasonable. Respondents were more likely to comment on why the proposal was unreasonable or to ask questions and comment on how the proposal could be adapted or changed to become more reasonable.

### **25% is a fair amount to pay**

Those that commented in support of the proposal felt that 25% wasn't too much to pay and that *"everyone should contribute a little to their Council Tax bill"* as this is *"reasonable"* and *"much better than getting 100%"*. It's *"quite a practical percentage"* and is *"fair enough"*. People should take *"some responsibility for their use of council services"* and this proposal will *"encourage people to work"*.

### **25% is too much to pay**

The majority of those commenting did however focus on questions and concerns that respondents raised in relation to this proposal with some being concerned on a general level that this proposal will just ensure that *"the poor become poorer whilst the well off will remain relatively unaffected"*. Respondents were also concerned that the unemployed *"just wouldn't be able to find the additional money"* and this was even more concerning considering *"the rising food and fuel prices"*. It would also cause difficulties for people going *"back to education"*. 10% would be a more reasonable amount or *"a sliding scale"* which was also suggested as a more appropriate alternative to the 25% payment of Council Tax.

### **Collection of the money**

Respondents questioned how the *"extra money would be collected"* and *"by who"* and *"who would go after the people who will not contribute"*.

### **Availability of jobs**

Respondents commented on the current lack of jobs feeling that *"work is not as easy to come by these days"*. It will be essential for the Council to do something to improve the prospect of *"jobs"* and *"encourage companies"* to *"set up"* in the local area.

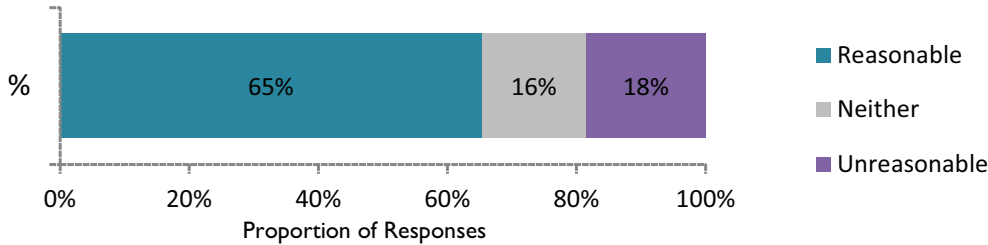
### **Focus group responses**

View from those who do not feel this proposal is reasonable feel that 100% CTB should still be allowed for all claimants as many will not afford to pay this additional bill, especially with the rises in food and energy costs.

Others express the view that the contribution is affordable and people will be able to find this extra money by making small cut backs.

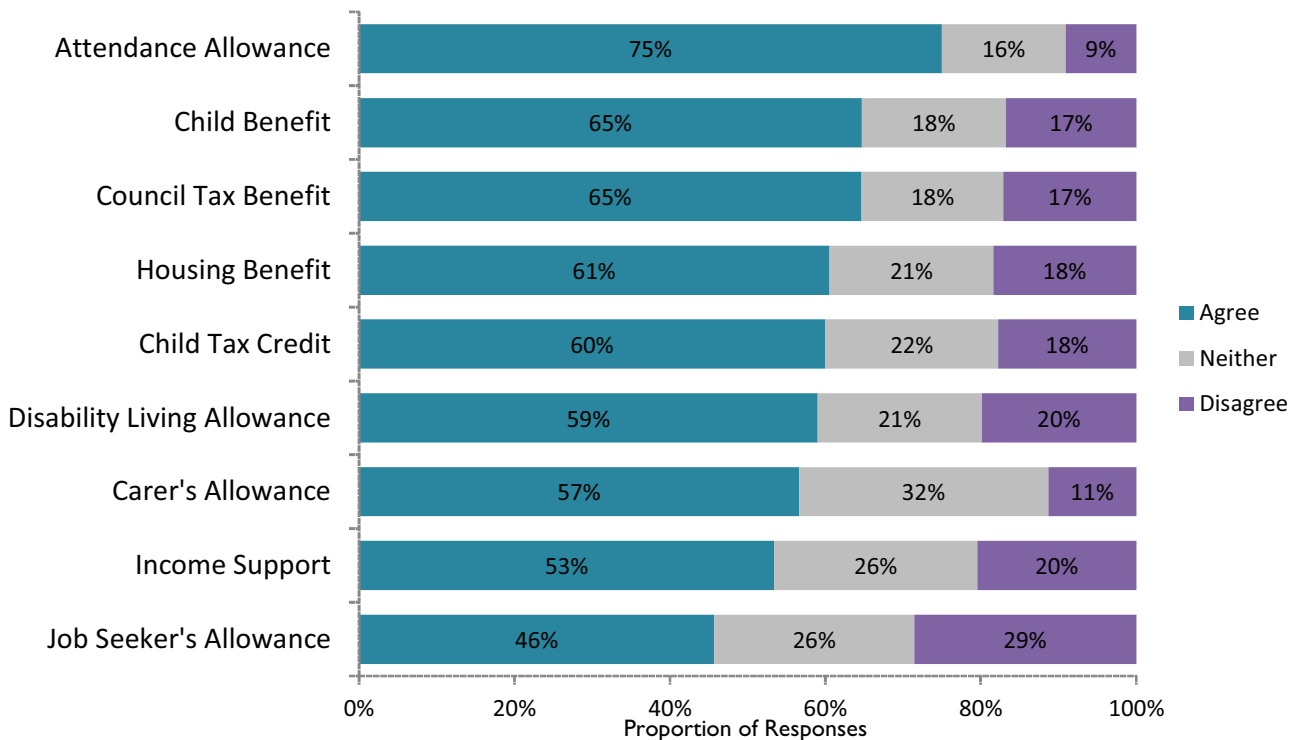
**Proposal 3:** In the current scheme, a person could get 100% Council Tax benefit no matter how large their house is. We want to change this so Council Tax Support is limited to the level that would be given for a smaller house. We propose that we limit the maximum support offered based on 75% of the Council Tax bill for a Band D property, even if the claimant lives in a property with a higher banding than D. This means that any claimant who lives in a property with a banding higher than D would have their support calculated as if they lived in a Band D property

**Consultation responses:**



There is a **moderate** level of support for this proposal, with just under two thirds of the total respondents agreeing that the proposal is reasonable. For ‘Residents of Tamworth’, the proportion who thought the proposal was reasonable was similar to other<sup>5</sup> types of respondent.

The level of support for Proposal 3 was also dependent on whether the respondents household was in receipt of various benefits<sup>6</sup>. There was a high level of support from recipients of Attendance Allowance, with some support from Job Seeker’s Allowance claimants.



<sup>5</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>6</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal and whilst few of those in support of the proposal provided comments, those that did felt that people should pay according to size and that *“people with bigger houses should pay a bigger bill or they should downsize”*.

## **Larger houses**

If people want to *“keep a larger house”*, *“the Council should not pay for that”*. The Council do however, need to *“make allowances for some people who are stuck where they live, why should they be penalised?”*

Almost a fifth felt the proposal was unreasonable and respondents provided more detailed explanations as to why they felt this was the case. Comments principally focused on concerns raised in regard to residents who are made redundant and the fairness of the proposals.

## **Redundancy**

*“If somebody is working and finds themselves redundant, they will be getting less help if they live in a nice house”*. These respondents felt that everyone should get *“equal support and help”*, especially considering that *“people who live in large houses will have paid more Council Tax in the past”* and to think that they *“will not receive support in times of need seems unfair”*. Support of *“the same magnitude”* should be provided.

## **Fairness**

*“Why punish someone for working hard to gain a large house”*. *“You could work all your life, buy a big house then become too ill to work”*. It seems *“unfair”*.

## **Base proposals on housing need not housing size**

Other respondents felt that the proposal should be *“based on housing need”* and not on *“housing size”*. Some may be able to adequately *“manage with less”* but others may be *“unable”* to do so and this in particular applies to those who live in *“a large household”*. *“Building houses for pensioners to free up larger houses for families”* was a further suggestion.

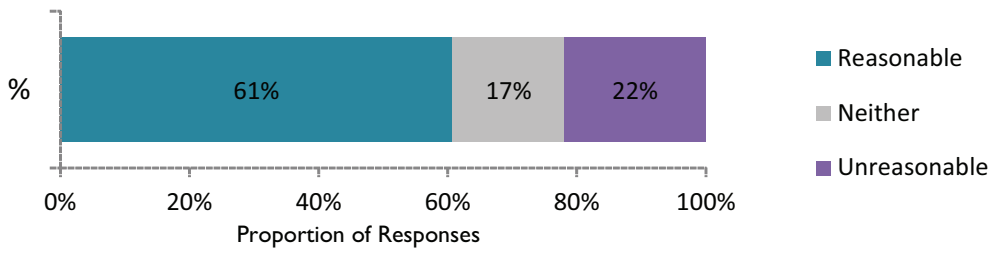
## **Focus group responses**

Many felt that this could be reduced to a Band C or a Band B property and expressed the view that people living in larger properties should not be subsidised by the tax payer.



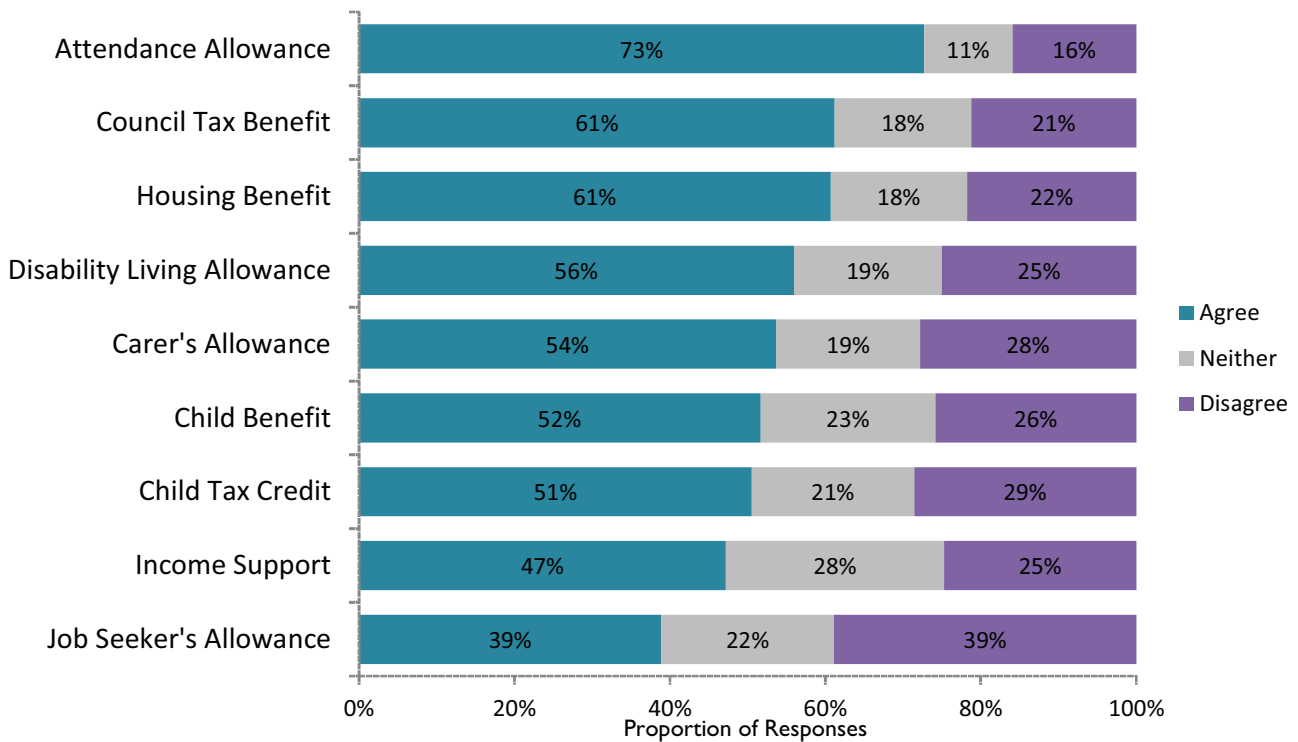
**Proposal 4:** We propose to remove the Second Adult Rebate under the new scheme which means that all those of working age currently entitled to a Second Adult Rebate may have to pay 100% of their Council Tax bill.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with 61% of total respondents agreeing that the proposal is reasonable. For ‘Residents of Tamworth’, the proportion who thought the proposal was reasonable was slightly higher than other<sup>7</sup> types of respondent, at 63%.

The level of support for Proposal 4 was also dependent on whether the respondents household was in receipt of various benefits<sup>8</sup>. There was some support from recipients of Income Support and Job Seeker’s Allowance, with just over half of those on Child Tax Credit and Child Benefit agreeing the proposal to be reasonable.



<sup>7</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>8</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal and whilst fewer in support of the proposal provided comments, those who did felt that if people were earning a certain amount then it was considered “reasonable” to expect them to “pay their full Council Tax bill”. “They can afford it if two people are working”. “It’s an appropriate thing” and “if they earn a good wage, they should pay 25%”. It’s “not that much” and they do “use the services”. “Families should look after each other” and in some cases, residents may have adult lodgers paying rent which is a second income and in such examples, the Second Adult Rebate should definitely be removed.

## **Fairness**

It would be “unfair” that one member of a household who is either “well paid or thrifty”, would have to “pay another persons Council Tax”. Tax should be calculated on “an individual basis”. People should not be “penalised for saving” with another questioning “where is the incentive to save for one’s retirement, if it is depleted in this way?”

## **Financial pressures and ability to pay**

It is highly likely that the removal of the second adult rebate would apply “more pressure to families” and respondents outlined examples of the likely impacts.

One respondent who had previously relied on the current scheme said that when her daughter was on Jobseeker’s Allowance, “the second adult rebate had been important” and without this she would have been “one hundred pounds a month worse off”.

Anxieties were raised about the effectiveness of this proposal because the implementation could lead to “many so called second adults being asked to leave the other persons property and having to find a place of their own where they would receive a 75% rebate on their Council Tax bill, instead of the 25% they currently receive”. This respondent felt in essence, that it was highly likely that this proposal would “increase the council tax benefit budget” and “not lower it”.

Another highlighted the difficulties for carers supporting people on benefits stressing that this proposal would just make the “financial pressure worse”. More “help is needed”.

## **Means testing**

Others felt that the changes should be purely “income” related and that payments should be based on “a means tested approach”.

## **Additional considerations**

- “Sudden change isn’t too good The second adult scheme protects those on low incomes- again an attack on the poor and in my view indefensible”.
- “Depends on who the second adult is. A relative might be treated differently to someone who just shares the house”.

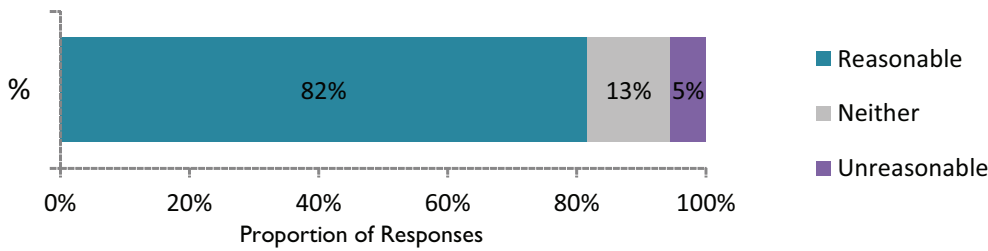
## **Focus group responses**

Many felt that this was a reasonable proposal as it was based on the income and affordability of the householder.

The view was expressed that this disadvantages people that are supporting mature students.

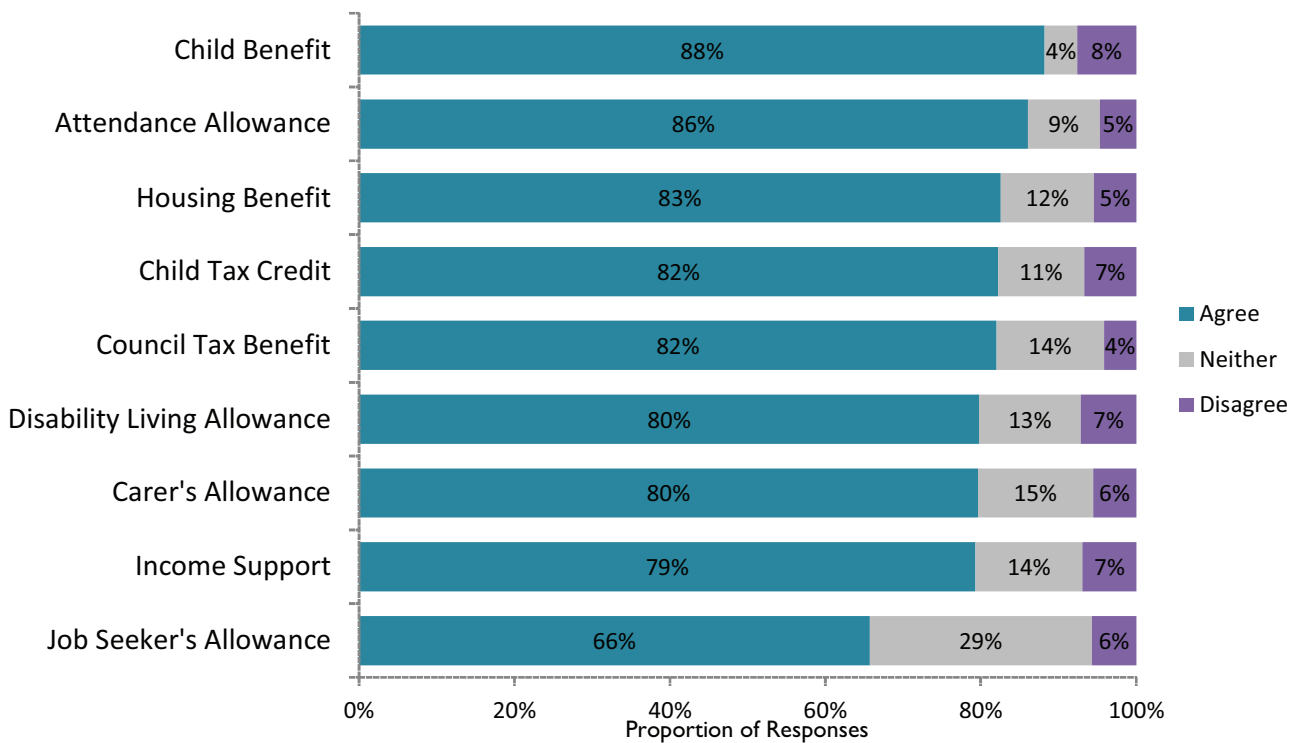
**Proposal 5:** We propose to keep disregarding child care costs when calculating Council Tax Support. This does not contribute to any reductions but would provide an incentive for parents to stay in work or return to work.

**Consultation responses:**



There was a **high** level of support for this proposal, with eight out of ten respondents believing the proposal to be reasonable. The level of support was similar for ‘Residents of Tamworth’ as for other<sup>9</sup> types of respondent.

The level of support for Proposal 5 was also dependent on whether the respondents household was in receipt of various benefits<sup>10</sup>, with recipients of Job Seekers Allowance expressing moderate support.



<sup>9</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>10</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal. Respondents provided comments on both the positive and the negative effects of the proposal and provided their suggestions for improvement to ensure the proposal could be effectively implemented.

### **Parents need the help and children need to be protected**

Disregarding child care costs was considered “good for families” and a “fair” proposal. “If people go to work, they need childcare and the cost is high”. “How do people afford to work and pay these fees? These people need the most help”.

This proposal would act as an “incentive” and “encourage” people to work: “It’s reasonable if it keeps people in a job”. Childcare should be taken into “consideration” and “children should be protected”. Another respondent was complimentary about the proposal and delighted to see a proposal that didn’t “come down hard on the low paid”.

Another who was a working mother commented, that she knew herself how expensive child care can be and agreed that “this should be taken into context when calculating Council Tax Benefit”.

### **Improving the jobs market**

In order for this proposal to be fully effective, more does need to be done to “improve the number of job vacancies” and furthermore to encourage “local employers” to “employ people from Tamworth”. It was also considered vital to “encourage employers to pay a proper living wage and not just a minimum wage” as this is likely to act as a further incentive to encourage people to “start looking for” and to “go back to work”.

### **Means testing**

Means testing is a theme which was broadly raised across multiple proposals and in particular it was viewed as important in relation to disregarding childcare costs. These should depend on the “income of the parent” and if there is “any financial support for children”. This support should be included and the support needed should be calculated on “a regular income basis” as it does still depend on “how much they earn”.

### **Limiting payments**

A few respondents felt that payments should be limited so that the proposal does not act as an incentive for parents to have more children with suggestions including “just paying for one”. Others questioned why individuals with children were treated “more favourably than those who have chosen not to burden society with children” feeling that “positive discrimination is still discrimination”.

### **Everyone should contribute**

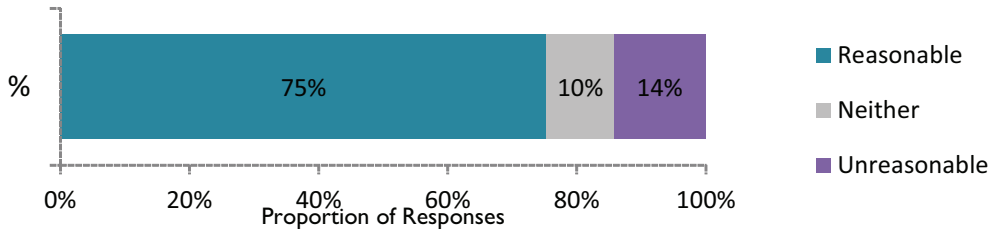
Others who disagreed with the proposal were vocal in their responses and as well as highlighting the general point that everyone should pay a “percentage” of their Council Tax, they also felt that people should not have children if they could not “afford to pay” for them. Furthermore, if parents choose to work then they should have the “money to pay for care” and providing incentives for parents may just encourage people to have “more children”.

### **Focus group responses**

No issues were raised over this proposal. All felt it is a good proposal as it does not disadvantage parents that work.

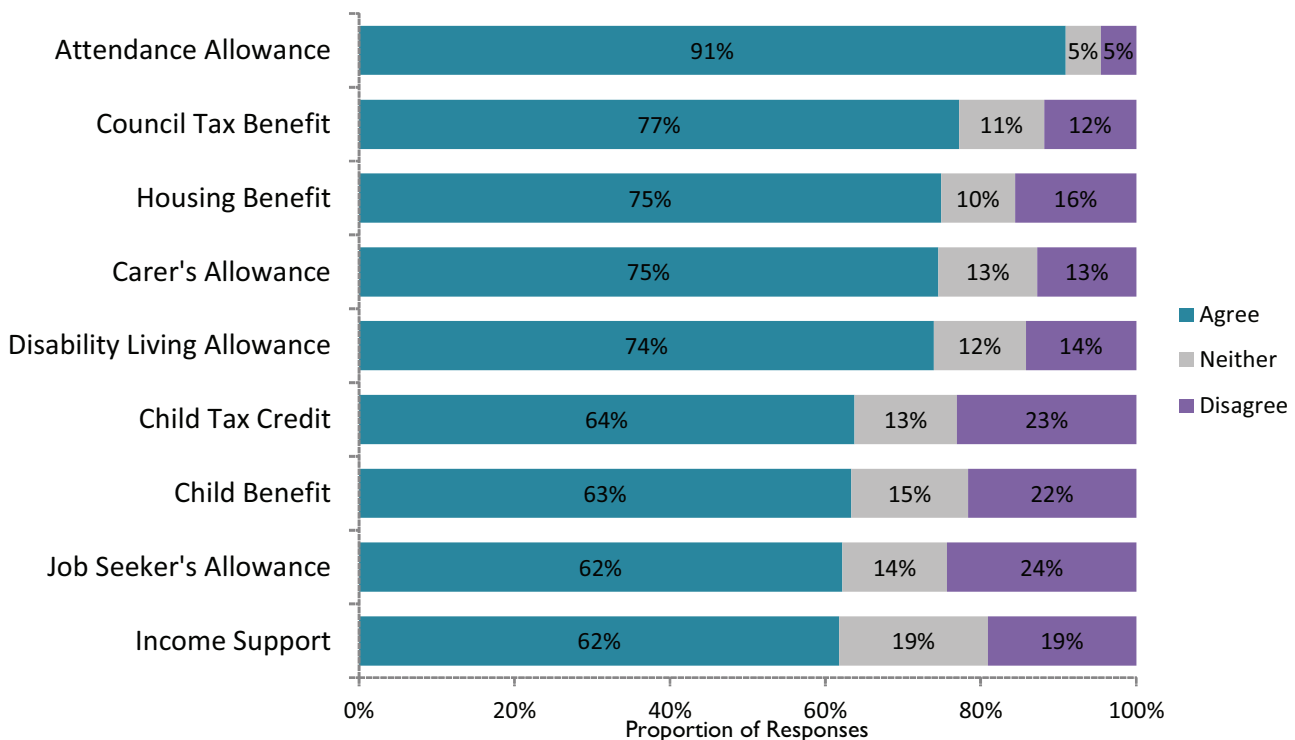
**Proposal 6:** Under the current scheme, claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax bill. We propose to keep this limit at £16,000. This means that claimants could have up to £16,000 in savings and still receive support for their Council Tax Bill. This would not contribute to any reductions but would encourage people to save and not disadvantage those who have savings.

**Consultation responses:**



There is a **high** level of support for this proposal, with three quarters of respondents believing the proposal to be reasonable. The high level of support was consistent across ‘Residents of Tamworth’ as well as other<sup>11</sup> types of respondent.

The level of support for Proposal 6 was also dependent on whether the respondents household was in receipt of various benefits<sup>12</sup>. Recipients of Job Seeker’s Allowance, Income Support, Child Benefit, Child Tax Credit and Disability Living Allowance expressing moderate support.



<sup>11</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>12</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal with respondents in support feeling that it is a “fair” and “reasonable” proposal. Others disagreed feeling that the levels of savings allowed should be either higher or lower, or should not be protected at all. Others were concerned that no matter what the threshold was, some people would try and “hide” their “savings”.

### **It's unfair on savers**

People should be able to “hold onto their savings” because £16,000 “really doesn't go too far these days”. Respondents felt that savings are “important” as people have “expenses other than Council Tax”. People who have “worked hard” and “saved” all their lives should not be penalised if it comes to a point when they have to claim benefits. They could be saving it for their “pension”.

### **The limit should be higher**

Whilst others agreed with the principle of protecting savings in general, there was some discussion as to the level at which savings should be protected. Others who agreed with the principle of protecting savings felt that savings should be protected to a higher degree than outlined in the current proposals with £25,000 suggested as a reasonable amount of savings to protect.

### **The limit should be lower**

Conversely, others who agreed with the principle of protecting “savings” felt that they should be protected to a level lower than outlined in the proposal. “£16,000 is a lot of money” and it's really “too much” with £10,000 being suggested as a more reasonable level. Putting a “time limit” on how long claimants can receive support before having to dip into their savings was additionally suggested as a measure which could ensure people do not have to immediately tap into their savings but would also ensure that they are “encouraged to work” in the longer term.

### **Savings shouldn't be protected**

Some respondents felt the proposal was unreasonable and did not feel that savings should be taken into account when calculating Council Tax benefit for claimants. Those who were in disagreement with this proposal felt that if people have £16,000 worth of savings then they “don't need help” with their Council Tax and they should “pay” if they can “afford to” as there are people who work full time and have to pay “all their bills” and consequently have “no savings”.

### **People will hide their savings**

Another raised concerns that this proposal would encourage people to save up to the £16,000 threshold and then “hide” any additional savings.

### **Sliding scale**

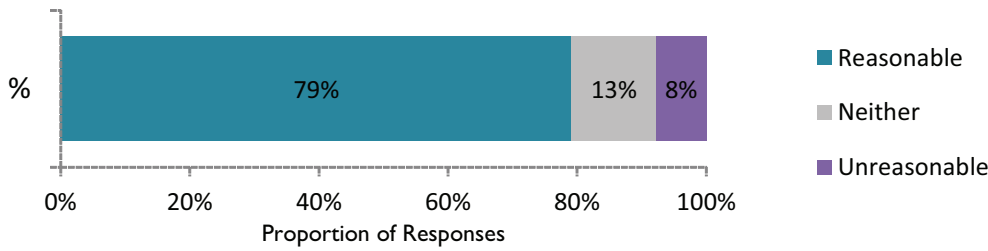
If the proposal will be implemented using “a sliding scale” then this should be explained more fully to allow respondents to make an informed decision.

### **Focus group responses**

Respondents tended to express the view that £16,000 was a little too high and felt it should be reduced. The reason for this was that people not entitled to Council Tax Benefit many be earning less than £16,000 per year so the amount should be reduced to reflect a low earning wage.

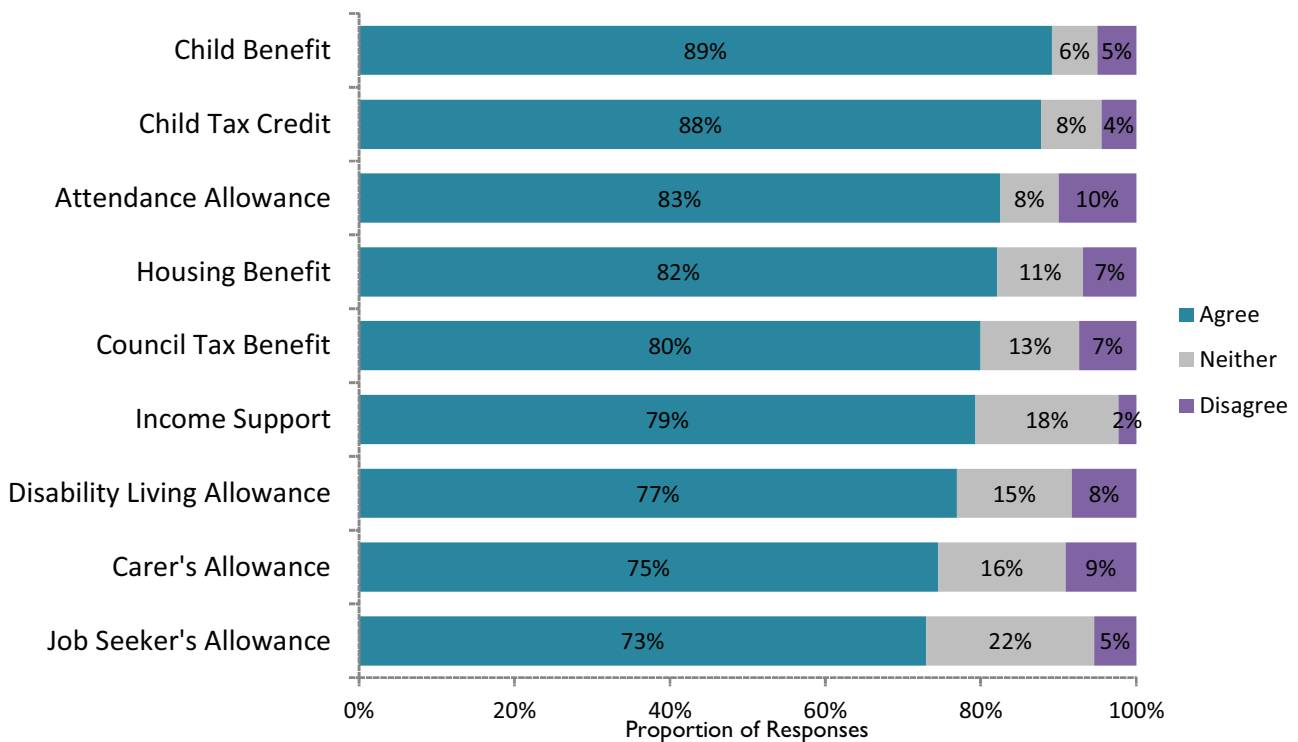
**Proposal 7:** For the new scheme, we propose to keep excluding Child Benefit payments as income when calculating the claimant's Council Tax Support entitlement. This would not contribute to any reductions but would not disadvantage working age people who work.

**Consultation responses:**



There is a **high** level of support for this proposal with 79% of respondents agreeing that the proposal is reasonable. The level of support was lower for 'Residents of Tamworth' (77%) than for other<sup>13</sup> types of respondent (81%).

The level of support for Proposal 7 was also dependent on whether the respondents household was in receipt of various benefits<sup>14</sup>, with a moderate level of support being expressed by Job Seekers Allowance claimants.



<sup>13</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>14</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal and the comments provided were mostly supportive or neutral in their nature.

### **Benefit is for the child's welfare**

Those in support commented that it is important to continue excluding child income when calculating Council Tax Benefit. "*Child Benefit is Child Benefit and should be dealt with separately*". It aims to reduce "*child poverty*" and it is "*for children and not for their parents*" so it should never be "*taken into consideration*".

### **Encourage parents to work**

Respondents also supported this proposal as it would encourage parents to "*continue working*" and it was regarded as a positive move to include a proposal which does not "*disadvantage workers*".

### **Discourage people from having more children**

One respondent felt that more "*detailed assessments*" were needed regarding the number of families who do not work over a long period of time. If these families continue to have more children knowing that Child Benefit will be part of their income, then Child Benefit should not be excluded as this would just "*encourage people to have more children*".

### **Treat everyone the same**

One respondent who felt this proposal was unreasonable commented that "*having children should not entitle people to any exclusions*".

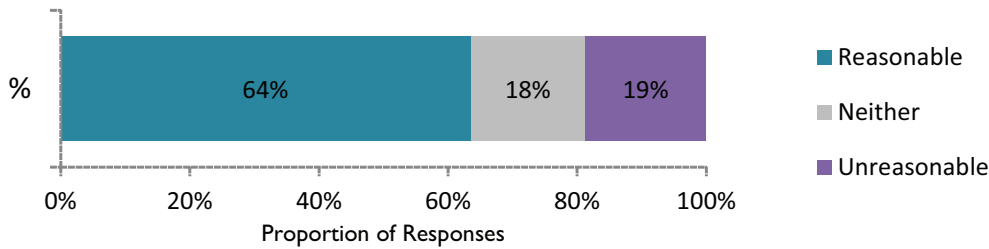
### **Focus group responses**

There were no issues raised over this proposal. There was support for this as it is a standard benefit that most parents receive so it is fair to all if excluded.



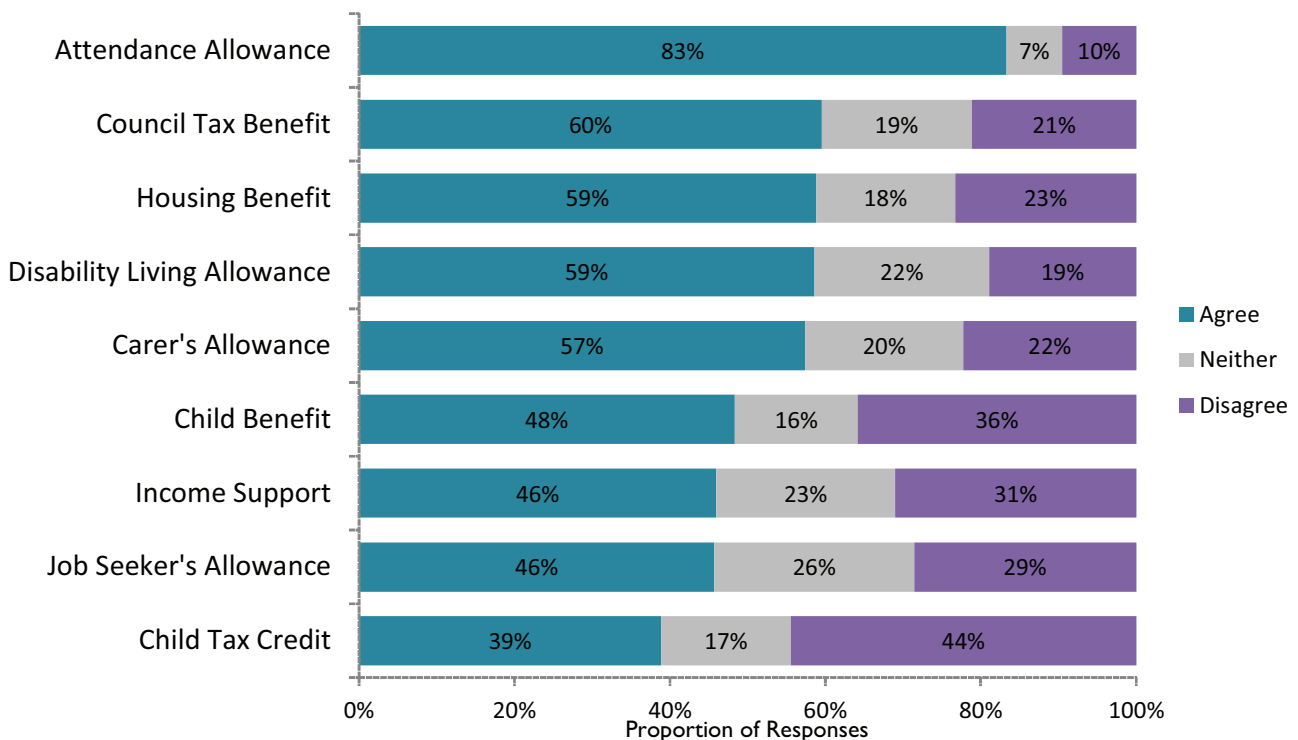
**Proposal 8:** Under the current scheme, maintenance payments are not included as income when calculating a claim. For the new scheme, we propose to include maintenance payments as income when calculating the claimant's Council Tax Support entitlement.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with just under two thirds of respondents agreeing that the proposal is reasonable. The proportion of respondents who thought the proposal reasonable was greater for 'Residents of Tamworth' (68%) compared to other<sup>15</sup> types of respondent (63%).

The level of support for Proposal 8 was also dependent on whether the respondents household was in receipt of various benefits<sup>16</sup>. There was a high level of support from recipients of Attendance Allowance, but considerably less from those in receipt of Job Seeker's Allowance and Child Tax Credit, who expressed some support.



<sup>15</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>16</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a moderate level of support for this proposal and respondents who felt it was reasonable said that it was a “good” proposal so long as “payments made” are on a “regular basis”. Where this is the case, it should be considered as “income” just like “any other income” and therefore it should not be “ignored”. Despite moderate levels of support for the overall proposal, the majority of comments received did focus on why the proposal was unreasonable with many respondents also being unsure about this proposal feeling that additional considerations should be taken into account before they would indicate their support.

### **This money is for the child’s welfare**

Those who felt the proposal was unreasonable felt that “any payments towards the cost of child rearing should not be included” and the reason given for this is because the money is given to make sure that ex spouses provide “enough money” for their children to be able to live on. It should continue to be “excluded” to ensure it is spent on “children” and their “needs and education” and not on “bills”.

One respondent currently relies on child maintenance payments to “top up” her income and losing the Second Adult Rebate along with including maintenance as income, would do little to help her financial situation so “other proposals should be considered first”.

### **Not sure**

Some respondents were unsure as to whether maintenance should be included or excluded with respondents feeling that it really depends on the “amount” of maintenance being received and upon how “reliable” it is. Maintenance payments can “differ greatly” in their amount and it is also a well known fact that maintenance payments are “prone to stop unexpectedly or to be irregular”.

### **All income should be included**

“This is income so should be calculated as such” and sometimes it can be “a large amount”. People who receive maintenance can often end up “better off”, so it is “about time” this was “taken into account”. One respondent felt that the deciding factor on whether maintenance is taken into account should be dependent on “how much maintenance is received”.

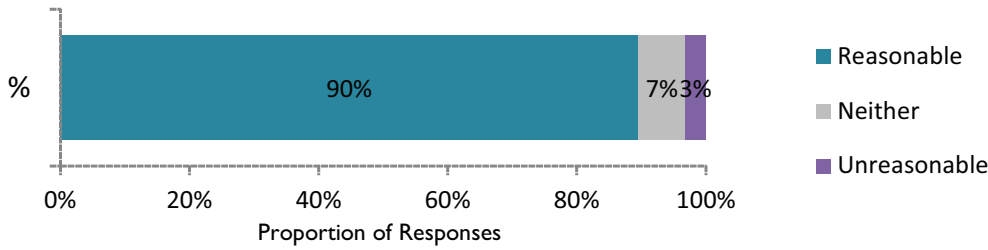
### **Focus group responses**

Generally attendees supported this proposal. Reasons given were that it can actually provide a reasonable extra income and if the absent parent were living with the family this money would be going to contribute to the Council Tax bill. Another reason given was that by disregarding maintenance payments we would be disadvantaging single parents who do not receive any maintenance and families living together whose second income is low but would still be included in their income calculation.

Many attendees expressed the view that administration of this proposal will be difficult and would rely on the claimant being honest about payment being received. They also expressed concern about irregular payments and feel that processes should be put in place to ensure that claimants are not put into financial hardship when the absent parent misses a payment.

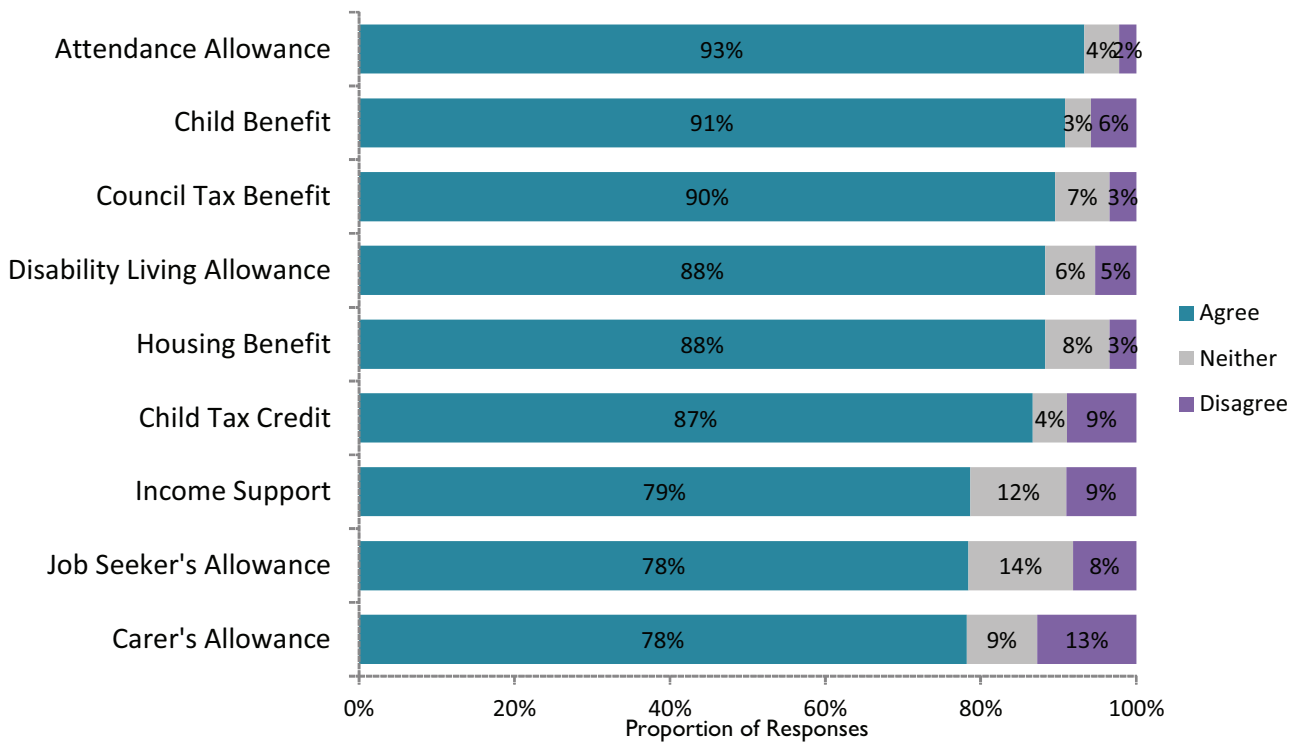
**Proposal 9:** Under the current scheme, claimants who are receiving a Severe Disability Premium can be given support for up to 100% of their Council Tax bill. We propose to keep this within the new scheme to protect our most vulnerable residents.

**Consultation responses:**



There was a **high** level of support for this proposal, with nine out of ten respondents believing it to be reasonable. There was little or no difference between the opinions of ‘Residents of Tamworth’ and other<sup>17</sup> types of respondent.

The level of support for Proposal 9 was also dependent on whether the respondents household was in receipt of various benefits<sup>18</sup>. The proportion of respondents that agreed with the proposal ranged from 78% of recipients of Carer’s Allowance, to 93% of recipients of Attendance Allowance.



<sup>17</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>18</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There was a high level of support for this proposal and the broad consensus was that all vulnerable people should be protected. One did feel that the proposal was difficult to understand and needed to be *“simplified”*.

## **Protect disabled people and others who are vulnerable**

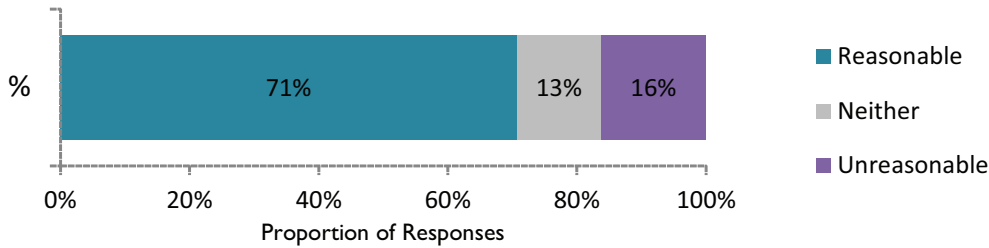
These people are *“vulnerable”* and should be *“considered”* and *“catered for”* with the severely disabled being *“protected”* and deserving *“all the assistance they can get”*. *“They need our help”*, they should receive *“extra support”*. It’s *“fair”* and we need to look after *“those who really need it”*. In addition, one also felt that *“carers should also be exempt from this bill”*.

## **Focus group responses**

Attendees agreed that claimants receiving Severe Disability Premium should be 100% protected but would like to see this extended to all severely disabled claimants regardless of whether they have a carer receiving a Carer’s Allowance.

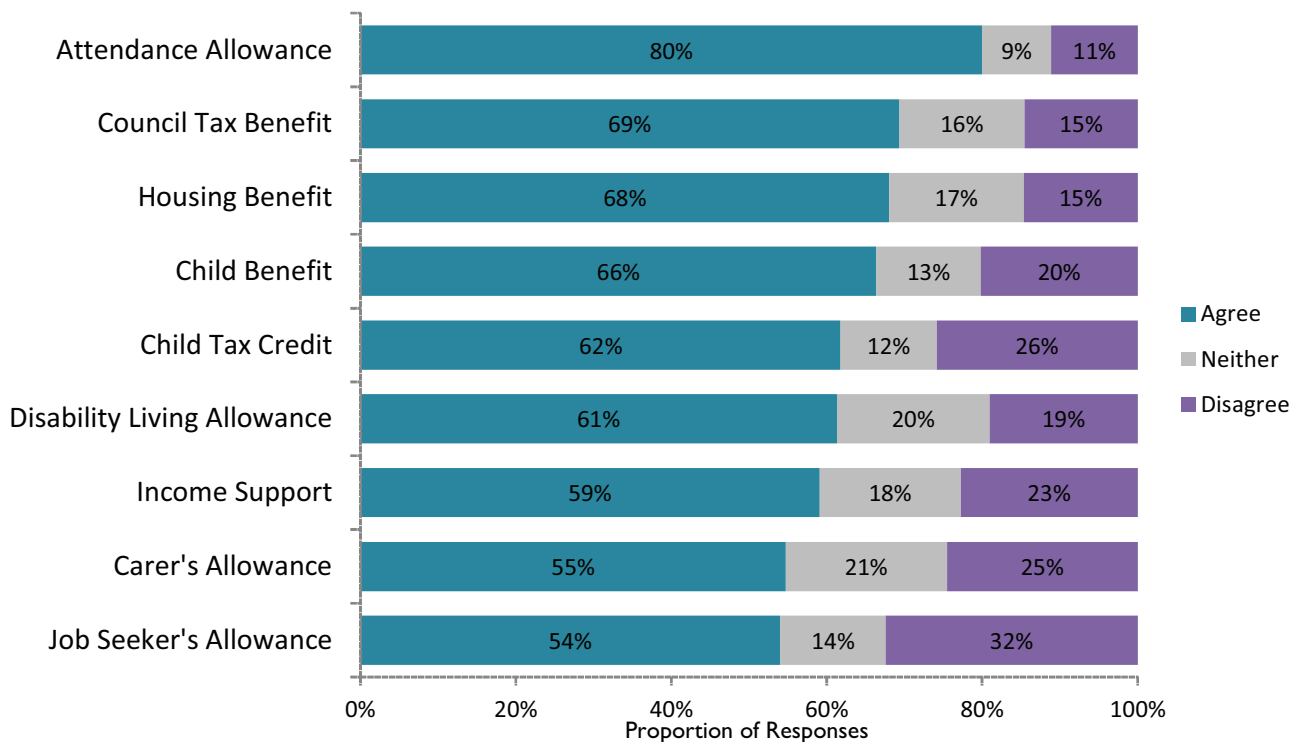
**Proposal 10:** We propose that any non-dependants living in the claimant's household would be expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be a £10 per week.

**Consultation responses:**



There was a **moderate** level of support for this proposal, with 71% of respondents believing it to be reasonable. There was little or no difference between the opinions of ‘Residents of Tamworth’ and other<sup>19</sup> types of respondent.

The level of support for Proposal 10 was also dependent on whether the respondents household was in receipt of various benefits<sup>20</sup>. Respondents in receipt of Attendance Allowance expressed a high level of support, whilst other types of benefit claimants expressed moderate levels of support.



<sup>19</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>20</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal with 71% agreeing that the proposal was reasonable.

### **Everyone should contribute something**

*“Adults should be expected to contribute to the household”* as it is a *“fair and proper way”* to share the bill and ensures that non dependents within a household are aware of their *“financial responsibilities”*. Most people can *“easily manage it”*, it sounds *“reasonable”* with some also suggesting that it would be feasible to ask for amounts *“higher than just £5 and £10”* a week.

### **It depends on who the non dependent is**

Another also agreed with the proposals to an extent but felt that it should depend on who the non dependent was. For example *“a working son or daughter”* should not have to pay but *“a lodger”* should.

### **Difficult for low earners**

Others agreed that the proposal was reasonable to an extent but did feel that it should be adapted. For example if a non dependent is working then it is *“acceptable”* for them to pay *“£10 a week”* but if they are not working then *“£5”* is *“a huge amount”* of money to pay. If anything they should be *“encouraged to contribute to the householder’s contribution”*.

### **It will be difficult to administer and police**

Respondents who were of the belief that this proposal was reasonable *“in theory”*, felt that *“in practice it would be impossible to collect”*.

### **It’s like the Poll Tax**

*“It’s going back to what Margaret Thatcher tried with the poll tax”* and *“people protested”*. Council Tax should only be collected on the *“banding of the house”* and not *“the people in it”* with the household owner being *“responsible”*.

### **Focus group responses**

Respondents would like to see this contribution remain income based rather than a set amount. The view was expressed many non-dependants are young people who are having difficulty obtaining more than a few hours of work a week and £10 being taken from their income means they may as well not work. There is a feeling that this proposal actually goes against the principles of the local Council Tax support scheme as it will not encourage people to work. Many confused this proposal with poll tax until it was explain that the money is actually deducted from the benefit and is not an addition payment on top of the full Council Tax bill.

## RESULTS—IMPACT OF THE CHANGES

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### **Financial impact upon individuals or upon the communities that they represent**

51% felt that the changes would have a low impact upon them personally or upon the groups that they represent, a further fifth (21%) agreed that they would have a medium impact whilst over one quarter (28%) felt that the proposed changes would impact upon them highly or impact highly upon the groups that they represent.

### **Groups who may be affected by the proposals**

A variety of groups are likely to be impacted by the implementation of the proposals and these include the unemployed and those on a low income including those working part time and single working parents. Young adults over the age of 18 and students are also likely to be affected.

Additional groups who will probably be affected also include those who are disabled and are hospitalised as well as those living in larger properties which have been adapted for medical needs but may be larger in size than they need.

People saving to buy homes, couples without children and single adults who may be asked to leave their home could all be affected by the proposals.

### **Likely affects of the changes**

The changes will affect “everyone to an extent” but they will hit “the poorest the hardest” and not the ones on the “higher incomes” with one respondent feeling that “all government taxes affect the most vulnerable”.

Adding an extra bill to households which are already stretched by the rising cost of living will mean that some families struggle and do not have enough money to pay for food and bills. In some cases, overdrafts and personal debts will increase as people work to try and make ends meet. For example one respondent commented that they had an overdraft which they are already finding difficult to clear.

*“Paying more Council Tax would mean having to cut down on other bills, and the only other bill I can cut down on would be the food bill. I already shop at Aldi because of the cheap prices, and I don't know where I could turn to for help”.*

Property owners may be affected “marginally” and people who are aiming to better themselves e.g. those returning to college to study would find it difficult to “get by”. Others who have mental illnesses may also find that the changes “impact upon their illness”.

On a positive note, the proposals may encourage people to look for “a job” so ensuring that jobs are available will be important if the proposals are to have a positive affect.

## **What can be done to ensure a smooth transition into the new scheme for those people affected by the proposed changes?**

Initially residents felt that the scheme would need to be “widely advertised” and this would work to ensure people are kept “up to date” and details of the changes should be “communicated”.

Residents who will be affected need to understand “why” the changes are happening and “how” they will be affected. “Give people the opportunity to find out how the changes will affect them individually, perhaps by phone or internet”. “Be aware that some can't read and write and some are disabled” therefore making sure the information is available in a range of suitable formats will be vital.

Long “lead in times” and “notification” on more than one occasion was considered necessary for anyone who will be affected by the changes. Suggested lengths for lead in times varied from “six months” through to a gradual implementation of changes over a “four year” period. The implemented proposals would need reviewing in “a year's time” and tailoring to ensure they “meet people's needs”.

“Means testing” was suggested as one way of implementing the changes in a fair way with others feeling that everything should be done to try and keep people “debt free”. Where there are cases of severe financial hardship, these should also be considered separately and genuine support should be provided. Providing “easier payment terms” e.g. “weekly” would also be useful and would ensure a smoother transition for those affected by the proposals.

Respondents also identified other ways of achieving savings which could be implemented either separately or alongside the proposals:

- “Concentrate on benefit fraudsters to save the money you need”.
- “Ensure everyone is on the right benefits that they are entitled to”.
- “Get more people off benefits by training”.
- “Provide incentives for more employment in the area”.
- “Introduce voluntary work” as a way of paying for “Council Tax”.



## APPENDIX I: ABOUT YOU

### Are you a resident of Tamworth?

Response	No' of Responses	%
Yes	484	99%
No	5	1%

### Does your name appear on the council tax bill for your household?

Response	No' of Responses	%
Yes	731	90%
No	56	7%
Don't know	25	3%

### Are you submitting your views as? \*proportion of local responses

Response	No' of Responses	%
A Council Tax Benefit claimant	348	67%
A relative of a Council Tax Benefit claimant	16	3%
A friend of a Council Tax Benefit claimant	7	1%
Nationally or locally elected member/MP	2	0%
Resident outside of Tamworth	14	3%
Resident of Tamworth	325	63%
Other	15	3%
Voluntary organisation	3	1%
Community group	1	0%
Housing Association	15	3%
Partner organisation	0	0%

### Does your household receive any of the following benefits?

Response	No' of Responses	%
Attendance Allowance	46	6%
Carer's Allowance	55	7%
Child Benefit	124	15%
Child Tax Credit	94	11%
Disability Living Allowance	174	21%
Housing Benefit	270	32%
Income Support	91	11%
Job Seeker's Allowance	37	4%
Council Tax Benefit	449	54%

### Does any of the following describe your household?

Response	No' of Responses	%
A family with one or two dependant children	99	12%
A family with three or more dependant children	134	17%
A lone parent household	21	3%
A household with full and/or part-time workers	224	28%
A household that includes someone who is disabled	77	10%
A single person household or a couple without children	97	12%
None of these	144	18%

### Do you regularly provide unpaid support caring for someone?

Response	No' of Responses	%
Yes	127	16%
No	643	84%

**Gender:**

Response	No' of Responses	%
Female	459	56%
Male	316	39%
Prefer not to say	38	5%

**Ethnic origin:**

Response	No' of Responses	%
Asian or Asian British	1	0%
Black or Black British	4	1%
Chinese	0	0%
Mixed Heritage	2	0%
White - British	738	93%
White - Other	39	5%
Prefer not to say	7	1%
Other	2	0%

**Disability or long term health condition?**

Response	No' of Responses	%
Yes	330	42%
No	399	51%
Prefer not to say	61	8%

**Are you receiving a Retirement Pension or Pension Credit?**

Response	No' of Responses	%
Yes	329	62%
No	174	33%
Prefer not to say	30	6%

**Age:**

Response	No' of Responses	%
18-24	14	2%
25-34	58	7%
35-44	89	11%
45-54	118	14%
55-64	162	20%
65-74	202	25%
75+	157	19%
Prefer not to say	14	2%

**Disability: If yes, please specify condition:**

Response	No' of Responses	%
Communication	8	2%
Mobility	181	34%
Hearing	37	7%
Physical	138	26%
Learning	7	1%
Visual	30	6%
Mental health	54	10%
Other	74	14%

**What is your relationship status?**

Response	No' of Responses	%
Single	301	38%
Living as a couple	47	6%
Married	374	47%
Civil Partnership	5	1%
None of these	54	7%
Prefer not to say	17	2%

## APPENDIX 2

Scheme Option 1 : Proposed Scheme - as Consulted

Scheme Attributes :

- Key Assur
- 1 Protection given to Sev Dis Prem/Dis Children/ War Widows and War Dis Pensions - as per proposed scheme
  - 2 All other working age = 25% reduction
  - 3 Restriction to 75% Band D liability
  - 4 Second Adult Rebate has still been removed for all working age
  - 5 Capital limit remains £16k
  - 6 Non dep charges increased to £5 and £10
  - 7 Maintenance is included as income
  - 8 Child benefit continues to be excluded as income

Table1 : Estimated Savings identified on current caseload as @ 5th November 2012

Ups Description	Claim	Count	Current Expenditure	Revised Expenditure	Savings	Saving Percentage
Elderly		3541	£2,716,262.41	£2,716,262.41	£0.00	0.00%
Working Age - Passported - Severe Disability		145	£107,197.76	£107,197.76	£0.00	0.00%
Working Age - Passported - Disability		264	£246,017.64	£183,197.23	£62,820.41	25.53%
Working Age - Passported - Disabled Child Premium		102	£90,307.36	£90,307.36	£0.00	0.00%
Working Age - Passported - Other		1949	£1,590,646.73	£1,165,203.46	£425,443.27	26.75%
Working Age - Non-Passported - War Pensioners		2	£1,028.91	£1,028.91	£0.00	0.00%
Working Age - Non-Passported - Severe Disability		23	£16,610.54	£16,610.54	£0.00	0.00%
Working Age - Non-Passported - Disability		179	£120,655.53	£80,576.11	£40,079.42	33.22%
Working Age - Non-Passported - Disabled Child Premium		50	£32,272.16	£32,272.16	£0.00	0.00%
Working Age - Non-Passported - Working		691	£358,666.91	£210,601.81	£148,065.10	41.28%
Working Age - Non-Passported - Other		188	£124,245.18	£81,841.40	£42,403.78	34.13%
<b>Grand Total</b>		<b>7134</b>	<b>£5,403,911.13</b>	<b>£4,685,099.15</b>	<b>£718,811.98</b>	<b>13.38%</b>

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# Equality Impact Assessment Template – Protecting Pensioner Cases and Severely Disabled Working Age Claimants

Name of policy/ procedure/ practice to be assessed	Introduction of Localised Council Tax Support (Council Tax Reduction)	Date of Assessment	July 2012
Is this a new or existing policy/ procedure/ practice?	<p>Officer responsible for the Assessment</p> <p>Karen Taylor Head of Benefits</p> <p>Department</p> <p>Benefit Services</p>		
1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?	<p>The national Council Tax Benefit (CTB) scheme comes to an end on 1<sup>st</sup> April 2013 and is to be replaced by a locally determined system of Council Tax Support (CTS). The funding available for the new scheme will be cash limited. The aim of the new support scheme is to provide financial assistance to council taxpayers who have low incomes.</p> <p>Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government.</p> <p>For working age applicants however the support they receive is to be determined by the local authority.</p> <p>This equality impact assessment looks at the potential for <b>not only</b> protecting pensioners (as required under the legislation) <b>but also</b> providing full support to all working age claimants who are considered <b>severely disabled</b> within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a <b>severe disability premium</b>, within either their Council Tax Benefit, Housing Benefit or other means tested benefit;</p> <p>The objective in adopting this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being he most seriously sick and not likely to be able to obtain work.</p>		

	<p>The main issue for the Council is that the funding for support has been reduced significantly (estimated shortfall in funding of £700k). However exempting this one additional group (bearing in mind that pensioners are already protected under the scheme by Central Government) would increase the shortfall in funding to be borne by working age claimants who are not deemed severely disabled.</p> <p>Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010. No definition has been given as to the level of disability which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so. This would not apply to those who are deemed severely disabled.</p> <p>The current level of assistance provided to pension age claimants and to working age severely disabled claimants is given at the end of this assessment.</p>
<p><b>2. Are there any associated policy/ procedure/ practice which should be considered whilst carrying out this equality impact assessment?</b></p>	<p>The authority is required to continue maintaining a full Housing Benefit scheme and also to continue to process claims for benefit alongside the introduction of the new scheme for Council Tax Support.</p>
<p><b>3. Who is intended to benefit from this policy/ procedure/ practice and in what way?</b></p>	<p>All persons within the Borough who have a low income may apply for support and assistance with their Council Tax.</p> <p>By making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Support scheme.</p> <p>In the case of all claimants, it will be essential for the authority to correctly process claims for support based on the new regulatory requirements and to ensure that all existing benefit claimants continue to receive support through the transition and onwards.</p>

**4. What are the desired outcomes from this policy/ procedure/ practice?**

The desired outcomes are as follows;

**Pension Age Claimants**

- That existing pensioner claimants for Council Tax Benefit (up until 31<sup>st</sup> March 2013) are successfully transferred to the new Council Tax Support scheme;
- That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012);
- That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax support in line with the regulations; and
- That all pensioner claimants continue to receive the correct level of support at all times.

**Severely Disabled Working Age Claimants**

- That existing severely disabled working age claimants who attract a Severe Disability Premium for Council Tax Benefit (up until 31<sup>st</sup> March 2013) are successfully transferred to the new Council Tax Support scheme;
- That all working age severely disabled claimants who attract a Severe Disability Premium receive the level of support currently provided under the existing Council Tax Benefit scheme
- That all new working age severely disabled claimants who attract a Severe Disability Premium or existing working age claimants who become severely disabled and attract a Severe Disability Premium are able to receive Council Tax support in line with current Council Tax Benefit scheme; and
- That all working age severely disabled claimants who attract a Severe Disability Premium continue to receive the correct level of support at all times.

**5. What factors/ forces could contribute/ detract from the outcomes?**

There are a number of factors which contribute to the outcomes of the new process namely;

- That the new Council Tax Support scheme broadly replicates the existing Council Tax Benefit scheme for pension age claimants;
- That management and staff are experienced in delivering means tested support / benefit schemes; and
- That there is a comprehensive project plan, which ensures that delivery of the new

	<p>scheme, will be on time and in line with legislative requirements.</p> <p>The factors / forces that could detract from these outcomes are as follows;</p> <ul style="list-style-type: none"> <li>• The failure of Central Government to approve the necessary legislation on time;</li> <li>• The failure of the Council's software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and</li> <li>• The failure to deliver these significant changes to the welfare benefit system on time.</li> </ul>
<p><b>6. Who are the main stakeholders in relation to the policy/ procedure/ practice?</b></p>	<p>In respect of the pension age and working age severely disabled claimants who attract a Severe Disability Premium for Council Tax Support, the main stakeholders are as follows;</p> <p><b>External Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority;</li> <li>• Parish Councils (local precepting authorities);</li> <li>• Pension Age claimants;</li> <li>• Working age severely disabled claimants</li> <li>• Potential pension age claimants;</li> <li>• Potential working age severely disabled claimants</li> <li>• Interested Groups such as Citizens Advice Bureau, Age Concern and Age UK, Disabled Persons Groups, RNIB, Action on hearing loss etc.</li> <li>• Council Taxpayers generally</li> </ul> <p><b>Internal Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Staff</li> </ul>
<p><b>7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?</b></p>	<p>All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme.</p> <p>A full consultation with the public is shortly to be undertaken as required by the legislation (Local Government Finance Act 2012). Whilst pension age claimants are protected, the authority will still, as part of the consultation process, look to</p>



<p>pension age claimants and pensioners generally to respond to the consultation itself.</p> <p>In respect of working age severely disabled claimants who attract a Severe Disability Premium, it will be essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.</p> <p>For working age claimants who are not classified as severely disabled within this policy, it will be essential that extensive consultation is undertaken to obtain their views given that the level of support they receive will be reduced significantly where additional groups are protected.</p> <p>The consultation process will be comprehensive and encourage a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants).</p> <p>Groups representing the disabled or chronically sick will be directly consulted as part of the process.</p> <p>Public consultation is to take place during the period September 2012 until October 2012.</p>			
<p><b>8. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on racial groups?</b></p>	<p><b>Y</b></p>	<p><b>N</b></p>	<p>✓</p> <p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due to race</p>

<p><b>9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due to gender</p>
<p><b>10. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them being transgender or transsexual?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due to a person being transgender or transsexual</p>
<p><b>11. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to disability?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants – and - where there is a Severe Disability Premium, this would maintain the level of support given to working age claimants due to the following;</p> <ul style="list-style-type: none"> <li>• The award of additional premiums for severe disablement;</li> <li>• Disregarding higher levels of income where a claimant is in remunerative work and is severely disabled; and</li> <li>• There is no requirement to have non dependant deductions where a claimant is severely disabled</li> </ul> <p>Likewise any working age claimants who do not attract a Severe Disability Premium would not benefit from the policy and would receive a reduction in support.</p>
<p><b>12. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to sexual orientation?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due to sexual orientation</p>

<p><b>13. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to age?</b></p>	<p><b>Y</b> ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium – <b>however there is a differential impact due to age;</b></p> <p>For working age applicants the support they receive is to be determined by the local authority.</p> <p>To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, However the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme.</p> <p>If working age severely disabled claimants who attract a Severe Disability Premium are to be protected in full, along with pension age claimants (as required by Central Government) there would be a decrease in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread.</p> <p>In the case of Tamworth Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled who attract a Severe Disability Premium would amount to 25% per annum</p>
<p><b>14. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?</b></p>	<p><b>Y</b> ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due to religious belief</p>

<p><b>15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact to gypsies or travellers</p>
<p><b>16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?</b></p>	<p><b>Y</b></p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium – however where any claimant has dependants or has caring responsibilities, this could potentially increase the level of support given due to the following;</p> <ul style="list-style-type: none"> <li>• The award of additional allowances for dependants within the household;</li> <li>• Disregarding higher levels of income where a claimant is in remunerative work and also has to pay for child care; and</li> <li>• Where there is a caring responsibility that results in the claimant of partner receiving carers’ allowance, additional premiums can be given – it should be noted however that where a carers’ allowance is in payment to another person (not the claimant) this might remove the claimants right to receive a severe disability premium.</li> </ul>
<p><b>17. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them having an offending past?</b></p>	<p><b>Y</b></p>	<p>This change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact due having an offending past</p>

<p>18. Are there concerns that the policy/ procedure/ practice could have an impact on children or vulnerable adults?</p>	<p>Y</p>	<p>N ✓</p> <p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and where there are children or vulnerable adults, the overall level of support <b>will not</b> change and all protections built into the Council Tax Benefit scheme that has been in place since 1993 remain under the new scheme. It is likely that by including the severely disabled who attract a Severe Disability Premium, the most vulnerable groups of claimants will be protected</p>
<p>19. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?</p>	<p>Y</p>	<p>N ✓</p> <p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium and there would be <b>no</b> differential impact identified that cut across equality strands</p>
<p>20. Could the differential impact identified in 8 – 19 amount to there being the potential for adverse impact in this policy/ procedure/ practice?</p>	<p>Y</p>	<p>N ✓</p> <p>The adoption of this policy would, for pension age groups and working age severely disabled claimants who attract a Severe Disability Premium have no adverse impacts whatsoever. However the Council will continue to encourage pensioners and working age disabled persons to make claims for assistance.</p>
<p>21. Can this adverse impact be justified:</p> <ul style="list-style-type: none"> <li>• on the grounds of promoting equality of opportunity for one group?</li> <li>• For any other reason?</li> </ul>	<p>Y ✓</p>	<p>N</p> <p>The inclusion of <b>just</b> working age severely disabled claimants who attract a Severe Disability Premium, as a protected group would provide significant additional protection <b>without</b> overburdening the remaining working age claimant base</p>

<p><b>22. As a result of carrying out the equality impact assessment is there a requirement for further consultation?</b></p>	<p><b>Y</b></p>	<p>There will be no requirement to undertake further consultation</p>
<p><b>23. As a result of this EIA should this policy/ procedure/ practice be recommended for implementation in it's current state?</b></p>	<p><b>Y</b> ✓</p>	<p><b>It is the Council's opinion that this policy to protect both pension age and all working age severely disabled claimants who attract a Severe Disability Premium would be equitable and would ensure protection to the most vulnerable within the Borough</b></p>

**PLEASE COMPLETE THE FOLLOWING ACTION PLAN FOR ALL IMPACT ASSESSMENTS**

# Equality Impact Assessment Action Plan

Complete the action plan demonstrating the changes required in order to meet TBC's commitment to equality and diversity. The action plan must contain monitoring arrangements, the publishing of results and the review period required for this policy.

ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Introduction of the Council Tax Support scheme for pensioners as prescribed by the Local Government Finance Act 2012 and defined within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012	Karen Taylor	1 <sup>st</sup> April 2013	Ongoing
<b>Monitoring arrangements:</b>		Data collected quarterly	
Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan	Karen Taylor	Monthly and quarterly collection of data to be undertaken by the Benefits Service	Ongoing
<b>Publication:</b>			
Central Government has published draft regulations relating to the scheme for pension age claimant in July 2012.  The Local Government Finance Act is due to receive Royal Assent in the Autumn time  The draft Council Tax Support scheme is to be published by the Council during August 2012 with the final scheme being agreed by full Council in December 2012.	Karen Taylor		Ongoing

Review Period:		Reviewed 12 monthly unless otherwise stated	
The scheme will be reviewed annually by both Central Government and the Borough Council	Karen Taylor		Ongoing

**Expand as appropriate**

Signed (Completing Officer) ..... Date .....

Signed (Head of Department) ..... Date .....

Signed Corporate Diversity/ Equality ..... Date .....



### Current level of Council Tax Benefit paid to Pension Credit Age claimants

Elderly - Passported Benefit	Single - Income Support	Caseload	Expenditure	Average
Single - JSA (IB)	0	£0.00	£0.00	
Single - ESA (IR)	0	£0.00	£0.00	
Single - Pension Credit (GC)	3	£2,484.56	£828.19	
Couple - Income Support	1,713	£1,337,097.32	£780.56	
Couple - JSA (IB)	0	£0.00	£0.00	
Couple - ESA (IR)	0	£0.00	£0.00	
Couple - Pension Credit (GC)	8	£7,873.84	£984.23	
	535	£565,301.88	£1,056.64	
	2,259	£1,912,757.60	£846.73	

<b>Elderly - Non-Passported Benefit</b>	Single - no Savings Credit	345	£163,694.96	£474.48
	Single - with Savings Credit	405	£269,797.84	£666.17
	Couples - no Savings Credit	272	£141,216.40	£519.18
	Couples - with Savings Credit	265	£232,267.88	£876.48
		1,287	£806,977.08	£627.02

<b>Elderly Totals</b>		3,546	£2,719,734.68	£766.99
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### Current level of Council Tax Benefit paid to Working Age Severely Disabled claimants

Severe Disability Premium	No.	Working Age
Yes	169	Total £124,519.20
		Avg £736.80

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## APPENDIX 4

£ extra to pay based on Local Council Tax Support proposal for working age customers

BAND	NO SPD	25% TO PAY-NO SPD		SPD	25% TO PAY - SPD	
		annual	weekly		annual	weekly
A	949.07	£237.26	£4.56 PW	£711.80	£177.95	£3.42 PW
B	1107.26	£276.82	£5.32 PW	£830.44	£207.61	£3.99 PW
C	1265.43	£316.36	£6.08 PW	£949.07	£237.27	£4.56 PW
D	1423.61	£355.90	£6.84 PW	£1,067.71	£266.93	£ 5.13 PW
E (75% band D)	1739.96	£672.25	£12.93 PW	£1,304.94	£503.88	£9.69 PW
F (75% Band D)	2056.33	£988.62	£19.01 PW	£1,542.25	£741.47	£14.26 PW
G (75% Band D)	2372.68	£1304.97	£25.10 PW	£1,779.51	£978.73	£18.82 PW
H (75% Band D)	2847.22	£1779.51	£34.22 PW	£2,135.42	£2402.35	£46.20 PW

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**How Tamworth Borough Council's policy for Local Council Tax Support addresses the issues of;**

- **Child poverty**
- **The chronically sick and disabled**
- **The Armed Forces Covenant; and**
- **Work Incentives**

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**Child Poverty**

## 1.0 Child Poverty

1.1 The Child Poverty Act 2010 requires the Secretary of State to meet four targets to eradicate child poverty by 2020. It requires a strategy every three years (the first being in Spring 2011) to meet these targets and report annually on progress. The Act conveys the following duties on Local Authorities and their partners:

- Co-operate to tackle child poverty in their area
- Prepare and publish a local child poverty needs assessment
- Prepare a joint local child poverty strategy
- Take child poverty into account when preparing or revising their Sustainable Communities Strategy

1.2 The Government published its first Child Poverty strategy in April 2011 (*A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives*). At the heart of this strategy is strengthening families, encouraging responsibility, promoting work, guaranteeing fairness and providing support to the most vulnerable.

1.3 Under the Act and from 2011 each local strategic partnership is required to have a Child Poverty Strategy to meet these targets and report on annual progress.

1.4 The definition used within this policy (which will be subject to change as Central Government) is as follows;

- Households with children in which income is less than 60% of the national median;

1.5 The authority is mindful of the proportion of dependant children within its area who live in households whose equivalised income is below 60% of the national median.

### How the Council's policy addresses the issues of child poverty

1.6 The Council in creating its policy has looked to maintain the key elements of the previous Council Tax Benefit regime and as such provides the following;

- a. Where the claimant or partner is in receipt of Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance (passported benefits) – Council Tax Support will be paid at the maximum determined by the authority;
- b. Child Benefit will continue to be disregarded as an income;
- c. Where the claimant or partner is not in receipt of the benefits specified in (a) above but is on a low income, their income will be compared with the specified applicable amounts (living allowances). The applicable amounts (living allowances) will continue to contain the following elements;



- i. Dependants Additions – an allowance for each child is used within the calculation;
  - ii. Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
  - iii. Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
  - iv. Family premium – where any claimant has at least one child, a family premium is awarded.
- 1.7 In all cases including those families in receipt of ‘passport benefits’, the approach taken provides support where income is low. Where the families are not in receipt of passport benefits, families with children will in the main, receive relatively more support than those claimants with no children.
- 1.8 All claimants are encouraged to undertake work and where they are able to achieve this, the policy allows for disregards to be made against earnings which will allow for child care charges to be disregarded (to the maxima specified within the policy)

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**Chronically Sick and Disabled**

## 2.0 Chronically Sick and Disabled

2.1 The definition of chronically sick and disabled is set out in the following legislation:

- Disabled Persons (Services, Consultations and Representation) Act 1986
- Chronically Sick and Disabled Persons Act 1970
- Equality Act 2010

### How the Council's policy addresses the issues of disability

2.2 As with child poverty, the Council has sought to maintain the key elements of the previous Council Tax Benefit scheme and as such provides protection in the overall calculation of the support. For claimants who receive a 'passported' benefit they will receive the maximum support offered by the Council (see below).

2.3 Where a claimant or their partner (if any) is not in receipt of a 'passported benefit', their calculation of benefit will include all of the premiums that existed under Council Tax Benefit including the following;

- a. Disability premium - awarded when a claimant or partner (if any) is disabled;
- b. Severe Disability Premium – awarded when both claimant or partner (if any) are both severely disabled in accordance with the scheme;
- c. Enhanced Disability Premium – Where either the claimant or partner (if any) are in receipt of Disability Living Allowance Care Component at the Highest Rate or where the claimant receives the support component;
- d. Work related activity component – where a similar component is awarded within a claimant or partner's Employment and Support Allowance; and
- e. Support component – where a similar component is awarded within a claimant or partner's Employment and Support Allowance.

2.4 In calculating the income of a claim for support where a claimant or their partner (if any) is not in receipt of a 'passported benefit', incomes related to disability such as Disability Living Allowance or Personal Independence Payments (from April 2013) will be disregarded in full.

2.5 In all situations, where a claimant or their partner (if any) is classified as disabled under the scheme, then no non-dependant deductions will be made where a claimant or partner is blind or where they are in receipt of the care component of Disability Living Allowance.

2.6 The Council will calculate Council Tax Support on 100% of a person's Council Tax liability where they receive a Severe Disability Premium within their calculation for Council Tax Support or where they receive that premium within either their Income Support, income based Jobseeker's Allowance or income-related Employment and Support Allowance (Support Component).

**The Armed Forces Covenant**

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### **3.0 The Armed Forces Covenant**

- 3.1 The Armed Forces covenant, published in May 2011, exists to redress the disadvantages that the Armed Forces community faces in comparison to other citizens, and to recognise sacrifices made. In some cases this will require special consideration, especially for those who have given the most such as those who are injured, disabled and bereaved as a result of service.
- 3.2 The covenant sets out an obligation the whole nation and State has towards those who have served their country in this way.

#### **How the authority's policy meets the Armed Forces Covenant**

- 3.3 In line with the above, all authorities within the Staffordshire Group have decided to maintain the existing disregard of 100% of all monies received in respect of War Widows/War Disablement Pensions/Armed Forces Compensation payments. This continues to be in excess of the existing central government requirement for a standard disregard of £10 per week and will assist all claimants and families who receive such payments.

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**Work Incentives**

#### 4.0 Work Incentives

- 4.1 A key part of any welfare benefit scheme is to incentivise claimants to return to work or to increase the number of hours they work, wherever possible. The Council Tax Benefit scheme, which is in place until 31 March 2013, does this in a number of ways and these have been replicated within the authority's Council Tax Support scheme, which is effective from 1 April 2013.
- 4.2 The authority is keen to encourage all households of working age to enter and remain in work and is aware that the transition between out of work benefits and receiving earnings is a particularly difficult time.
- 4.3 The work incentives built into the Council Tax Support scheme are as follows;
- a. Before taking earnings into account, only the net earnings are used in the calculation and depending on circumstances disregards of up to £25 are made from the net amount. The level of disregard will depend on the claimant circumstances and these are defined within schedule 3 of the authority's policy;
  - b. Where the claimant or their partner is able to undertake work for a longer period of time, then an additional earnings disregard may be applied;
  - c. Where the claimant has to incur childcare charges in order to allow them to go to work, the authority will disregard from any earnings up to the limit specified within the policy. It should be noted that this only applies where the full criteria are met as specified within section 17 of the policy;
  - d. Extended Payments of Support are also available where certain conditions are met and where the claimant has been continuously in receipt of certain unemployment benefits for a period of 26 weeks or more. These are outlined within section 60 of the policy.
- 4.4 The authority is keen to encourage claimants back to work where this is possible and feels strongly that the policy supports this.

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**Tamworth Borough Council  
Council Tax Support  
A summary of the scheme for Pension Credit Age persons and  
the draft scheme for Working Age persons**

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## Introduction

As part of the major changes to the Welfare Benefits system, from 1<sup>st</sup> April 2013 Council Tax Benefit will end and is to be replaced by a new scheme called Localised Support for Council Tax or Council Tax Support. Both systems are means tested which means that they compare your income and capital against an assessment of your needs.

For Working Age persons, the new scheme will largely be decided by each Council rather than nationally by Central Government. The monies available to each Council have been reduced and if you are of working age the amount of help you receive may be less than under the current scheme (Council Tax Benefit).

Central Government has decided to protect pensioners (persons who are of an age where they can claim Pension Credit) and therefore if you are a pensioner and are currently receiving Council Tax Benefit, then the amount of help you receive under the new Council Tax Support scheme will be broadly the same and operate in a similar way to the current Council Tax Benefit system.

To assist certain vulnerable groups, the Council has also decided that there will be additional protection given. More details are given later within this document.

The rules of the Council Tax Support scheme divide the persons who can claim support into various classes. The classes or groups are set by Central Government for pensioners and the classes or groups for working age applicants are set by the Council. The following section shows the classes that are in place from 1<sup>st</sup> April 2013:

**The Council Tax Support scheme for Pensioners (persons who have reached the age at which Pension Credit can be claimed)**

## **The Council Tax Support scheme for Pensioners (persons who have reached the age at which Pension Credit can be claimed)**

The Government has created three classes and the Council will decide which class each applicant is in. The class will determine the level of Council Tax Support that can be provided:

### **Class 1**

To obtain support the person must:

- a. have attained the qualifying age for state Pension Credit;
- b. not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment and Support Allowance;
- c. be liable to pay Council Tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. must have their assessed income **less** than or equal to the set living allowances (applicable amounts) set by Central Government; and
- f. have made a valid application for the support

The class also includes persons who have successfully claimed Pension Credit Guarantee.

### **Class 2**

To obtain support the person must:

- a. have attained the qualifying age for state Pension Credit;
- b. not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment and Support Allowance;
- c. be liable to pay Council Tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. have made a valid applied for the scheme; and
- f. have assessed income **above** the set living allowances (applicable amounts) set by Central Government

### **Class 3**

To obtain support the person must:

- a. have attained the qualifying age for state Pension Credit;
- b. not be somebody with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-based Employment and Support Allowance;
- c. be liable to pay Council Tax in respect of a dwelling in which they are resident;
- d. made a valid application for the for a scheme;
- e. be somebody who has at least one second adult living with them who is not his/ her partner, not somebody who pays rent, and who is on a prescribed low wage and/or prescribed benefit, as set out by Central Government.

### **What Council Tax Support will be payable to Pension Age persons?**

If a person matches the criteria in Class 1, including that their *income* is less than their *living allowances (applicable amounts)* that person qualifies for 100% reduction on their Council Tax liability. This also applies if a person in receipt of state Pension Credit Guarantee Credit from the Department for Work and Pensions (Pensions Service)

If a person matches the criteria in Class 2, it will mean the person's *income* is greater than their *applicable amount (living allowances)*. Twenty per cent of the difference between the two will be subtracted from this individual's Council Tax liability.

Council Tax Support for a person in Class 3 may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the Council Tax bill, but who cannot afford to do so, based on their low income or on prescribed benefits. This reduction

will equate to the *Second Adult Rebate* available under the Council Tax Benefit scheme and may be awarded at 100%, 25%, 15% or 7.5% of the Council Tax liability, depending on individual circumstances.

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**The draft Council Tax Support Scheme for working age persons**



## The draft Council Tax Support scheme for working age persons

The Council has decided that there will be three classes and we will decide which class each applicant is in. The class will determine the level of Council Tax Support that can be provided:

### Class 1

To obtain support the individual must:

- a. have not attained the qualifying age for state Pension Credit; or
- b. Has attained the qualifying age for state Pension Credit if he, and his partner, is a person on Income Support, on an income-based Jobseeker's Allowance or on an income-related Employment and Support Allowance.
- c. be liable to pay Council Tax in respect of a dwelling in which he is solely or mainly resident;
- d. not have capital savings above £16,000;
- e. be a person whose *income* is **less** than their living allowances (*applicable amount*) or the claimant or partner is in receipt of Income Support, Jobseekers allowance (income based) or Employment and Support Allowance (income related); and
- f. have made a valid claim for support.

### Class 2

To obtain support the individual must:

- a. have not attained the qualifying age for state Pension Credit; or
- b. has attained the qualifying age for state Pension Credit if he, and his partner, is a person on Income Support, on an income-based Jobseeker's Allowance or on an income-related Employment and Support Allowance.
- c. be liable to pay Council Tax in respect of a dwelling in which they are solely or mainly resident;
- d. be somebody in respect of whom a maximum Council Tax support amount can be calculated;
- e. not have capital savings above £16,000;
- f. be a person whose *income* is **more** than their living allowances (*applicable amount*);
- g. have made a valid claim for support;

### What Council Tax Support will be payable to a working age person?

If a person matches the criteria in Class 1, including that their *income* is less than their *living allowances (applicable amounts)* that person qualifies for 75% of their Council Tax liability, less any non dependant deductions. This also applies if a person in receipt of Income Support, on an income-based Jobseeker's Allowance or on an income-related Employment and Support Allowance.

If a person matches the criteria in Class 2, it will mean the person's *income* is greater than their living allowances (*applicable amount*). Twenty per cent of the difference between the two will be subtracted from the maximum Council Tax liability allowed. The Council has decided that for 2013/14, the maximum Council Tax liability will be 75% of the Council Tax the person is liable to pay, less any non dependant deductions.

### Protection for certain working age persons

Where a person qualifies for a Severe Disability Premium either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance (Support component) or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

Where a person's household includes a child for which a Disabled Child Premium is awarded, either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance (Support Component) or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

Where a person is in receipt of a War Widows or War Disablement Pension or an Armed Forces Compensation Payment, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

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## How Council Tax Support works

## **How Council Tax Support works**

### **Who can claim?**

If you have to pay Council Tax, you may be able to get Council Tax Support (CTS) from 1<sup>st</sup> April 2013.

You can only get support if you have a right to reside and are habitually resident in the United Kingdom (UK). If you have entered the UK within the 2 years before your claim for benefit, the Council will ask you about this.

People given refugee status, humanitarian protection or exceptional leave to remain in the UK will continue to be eligible for benefit.

Most full-time students are not entitled to Council Tax Support.

### **How much Council Tax Support can I get?**

The amount of support that can be given depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state Pension Credit) or are in the Working Age scheme;
- How much Council Tax you have to pay; and
- Who you live with.

### **How is maximum Council Tax Support calculated for the Pension Age Scheme?**

For the Pension Age Scheme the maximum Council Tax Support is set by the Government as up to 100% of the Council Tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document). If you are already getting or have claimed Pension Credit Guarantee the Council will continue to grant maximum Council Tax Support.

### **How is maximum Council Tax Support calculated for the Working Age Scheme?**

For the Working Age scheme the maximum Council Tax Support is set by the Council as up to 75% of the Council Tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document).

If you are already getting or have claimed Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance then you will receive the maximum Council Tax Support which will be based on 75% of your liability.

Where a person qualifies for the Severe Disability Premium either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance (Support component) or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay irrespective of the band of property they occupy.

Where a person's household includes a child for which a Disabled Child Premium is awarded, either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

Where a person is in receipt of a War Widows or War Disablement Pension or an Armed Forces Compensation Payment, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

### **Extended Payments**

If your Income Support, income-based Jobseekers Allowance or income-related Employment & Support Allowance or Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stops because you have found work.

Extended Payments of Council Tax Support are available and the payment is an extra four weeks of support to help pay towards your Council Tax when certain other benefits stop because you're going back to work, working more hours or earning more money.

You do not have to claim an Extended Payment if you or your partner, or civil partner (and they remain a partner throughout the claim) have stopped getting one of the benefits mentioned below because one of you is expected to do one of the following for five weeks or more:

- Return to work full time
- Work more hours
- Earn more money

And you've been getting one of the following:

- Jobseeker's Allowance, Income Support, or income-related Employment & Support Allowance or a combination of these benefits continuously for at least 26 weeks

**or**

- Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance continuously for at least 26 weeks

**and**

- You expect the work, increased hours or earnings to last five weeks or more and you've not been getting Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance with your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance when it ceased.

Normally you'll get the same amount of Council Tax Support as you did before your income-based Jobseeker's Allowance, Income Support, income-related Employment & Support Allowance, Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stopped.

It is paid by the Council directly to your Council Tax account. The Council will decide whether or not you are entitled to an Extended Payment. The Council will also consider whether you are entitled to in-work Council Tax Support. Once your Extended Payment period has ended, you can move onto in-work Council Tax Support (provided you are entitled to it) without having to make a new claim.

### **If you do not get Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance**

Even if you do not get Pension Credit Guarantee, Income Support, income-based JSA or income-related Employment & Support Allowance you may still get some help with paying your Council Tax. This is worked out by comparing the maximum Council Tax Support you could get with:

- your needs (called your living allowances or applicable amounts); and
- your income and capital resources

### **Capital**

If you have more than £16,000, you will not normally be able to get Council Tax Support (unless you are aged 60 or over and receive the Pension Credit Guarantee, in which case there is no limit to the amount of capital you can have).

### **Absences from home**

There are some special situations in which you may continue to get Council Tax Support and these are explained below.

### **Going away**

You should normally let the Council know if you are temporarily absent, for example if you go away on holiday. But the Council may not need to know if you will be absent for only a short time (for example 2-3 weeks) and your circumstances remain unchanged. If in doubt, ask us.

If you are temporarily absent you can normally get Council Tax Support for a maximum of 13 weeks as long as:

- you intend to return home; and
- in your absence you will not let or sub-let the part of your home where you normally live; and
- you will not be away for longer than 13 weeks.

In certain circumstances, you may be able to get Council Tax Support for up to 52 weeks, for example if you are in hospital, or are held in custody on remand, provided that:

- you intend to return home; and
- in your absence you will not let or sub-let the part of your home where you normally live; and
- you will not be away for longer than 52 weeks.

### **How to claim**

Claims for Council Tax Support can be made in writing and electronically. Go to [www.tamworth.gov.uk](http://www.tamworth.gov.uk) or contact the Council on 01827 709540 / email [benefits@tamworth.gov.uk](mailto:benefits@tamworth.gov.uk) for details.

All claims will need to be supported by evidence of your circumstances and this will need to be provided to the Council. If you are claiming Housing Benefit as well as Council Tax Support, you can make one claim to apply for both.

If you are married and your husband or wife normally lives with you, or if you live with someone as though you are a married couple, only one of you can make the claim for Council Tax Support. You may choose who is to make the claim, or if you cannot agree who is to claim, the Council will nominate one of you to be the claimant.

### **Appointees**

An appointee, for the purposes for Council Tax Support, is someone over 18 appointed by the Council, to manage the Council Tax Support claim of someone who is incapable of doing so themselves (mainly because of mentally incapacity).

If you are already an appointee for other benefits and wish to be the appointee for Council Tax Support, you should write to be appointed by the Council. The role and responsibilities are the same. If you wish to become an appointee you should get in touch with the Council; they will explain the process and your responsibilities. The authority can end the appointment at any time. It is ended automatically if one of the people listed below is appointed. As an appointee you can resign at any time. An appointee cannot be made where there is already someone acting for the customer's financial affairs in any of the following capacities:

- a receiver appointed by the Court of Protection
- under Scottish law, a tutor, curator or other guardian, a continuing attorney or welfare attorney
- someone appointed to have the power of attorney.

### **Information and evidence**

The Council may need more information or supporting evidence so that we can calculate your Council Tax Support. If all the information we need is not on the claim form, or we need to clarify something or want some more verification of your circumstances, we will write to you. If you do not reply within one month a decision will be made on your claim based on the evidence you have provided.

### **How long will it take to decide your claim for Council Tax Support**

The Council will deal with your claim for Council Tax Support as soon as possible after receiving all the information from you that we need to work out your entitlement.

### **Date of claim**

The date of claim will be the date of first contact typically by phone provided that the claim form is returned to an office of the authority within one month of the claim form being issued.

### **If you change your address**

If you move to a different Council area, you must make a new claim for Council Tax Support at your new Council. If you move within the same Council area, you must still tell the Council.

### **Backdating a claim**

If you are of working age, your claim to Council Tax Support may be backdated in some circumstances. You must prove to the Council that there was continuous good cause for not having made an earlier claim. However, for working age customers the maximum time the Council can go back is 6 months from the date your claim for backdating was actually made. You must show there was 'good cause' for not making an earlier claim throughout the whole of any period you want backdated up to the date your claim for backdating was made.

If you have reached the qualifying age for state Pension Credit your Council Tax Support may be paid for up to 3 months before the date you made your claim. You do not have to ask for this and you do not have to show "good cause" for not having claimed earlier.

### **Start of Council Tax Support**

If you become liable for the Council Tax for the first time, for example if you move to a new address or reach the age of 18 or stop being a registered student, you should claim either in advance (you may claim up to 13 weeks before you expect to become liable), or in the week that your liability starts. You then get support from the day you start being liable for Council Tax. If you claim later than this, your support starts on the Monday after the day you claim.

If you are already paying the Council Tax and become entitled to support because you have less money or your applicable amount changes, you also start getting benefit on the Monday after you claim.

### **Start of Council Tax support where a claimant acquires a partner**

If you acquire a partner, you and your partner will be jointly and severally liable for the Council Tax.

If you notify the Council of the change, either before, or in, the week that your partner becomes jointly and severally liable, benefit for you and your partner, as a couple, can be paid from the day that joint liability for Council Tax begins.

If you notify the Council of the change after the week in which your partner becomes jointly liable for Council Tax, support for you and your partner, as a couple, can only be paid from the Monday following the day you told the Council about the change. In this case, the Council will reassess your support entitlement from the Monday following the day you and your partner become a couple, and we will take any income and capital your partner has into account and will look at your joint needs.

### **End of Council Tax Support**

If you stop being liable for the Council Tax, for example if you move away from an address or

become exempt or start being a registered student, your Council Tax Support stops on the day you stop being liable. If you no longer qualify for Council Tax Support because, for example, your income increases or your applicable amount changes, your Council Tax Support will be stopped from the beginning of the next support week.

### **End of Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance entitlement**

If you stop getting Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance, you must tell the Council and we will have to stop your Council Tax Support. At the same time we will ask you to explain your new circumstances, because you may still be able to get some help with your Council Tax.

### **People who live with you – non dependants**

People who normally share your accommodation but are not dependent on you for financial support are known as non-dependants. Others who live with you as a family and any children you have fostered do not count as non-dependants.

### **Non-dependant deductions**

Any non-dependants who normally share your accommodation could affect the amount of Council Tax Support you get whether or not you are also getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee

The following people do not count as non-dependants, whether they share accommodation or not:

- carers employed by a charity that charges for the service;
- joint tenants;
- subtenants;
- boarders;
- tenants of owner occupiers; and
- landlords and their partners.

They do not count as part of your household.

Non-dependants are people like grown-up sons or daughters and elderly relatives. If you have non-dependants living with you, your Council Tax Support may be affected.

### **Non-dependant deductions from Council Tax Support**

Deductions will be made from your Council Tax Support for non-dependants aged over 18 who normally live with you. There are three levels of deduction. If the non-dependant is not working a deduction of £5 per week will be made. If the non-dependant is working a deduction of £10 per week will be made.

The third deduction is £nil – which will be applied in the following circumstances:

- the non-dependants' normal home is somewhere else; or
- you, or your partner, are registered blind or treated as blind; or
- you, or your partner, are receiving the care component of Disability Living Allowance or Attendance Allowance in respect of yourself or your partner; or
- the non-dependant is receiving Pension Credit Guarantee, Income Support or income-based JSA or income-related Employment & Support Allowance; or
- the non-dependant is a prisoner; or
- the non-dependant is severely mentally impaired; or
- the non-dependant is over 18 but Child Benefit is still payable for them; or
- the non-dependant is a student nurse or apprentice or on Youth Training; or
- the non-dependant has been a patient in hospital for 52 weeks or more; or
- the non-dependant is living in a residential care or nursing home; or



- the non-dependant is a resident of a hostel or night shelter for the homeless; or
- the non-dependant is a full-time student (even if they work full-time in the summer vacation).

A deduction may be delayed for 26 weeks if you or your partner are aged 65 or more and a non-dependant moves into your home, or the non-dependants' circumstances change to increase the deduction.

### **Working out the amount of Council Tax Support**

The maximum amount of Council Tax Support depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state Pension Credit) or are in the Working Age scheme;
- How much Council Tax you have to pay; and
- Who you live with.

### **How is maximum Council Tax Support calculated for the Pension Age Scheme**

For the Pension Age Scheme the maximum Council Tax Support is set by the Government as up to 100% of the Council Tax you are liable to pay less any non dependant deductions (see non dependant deductions). If you are already getting or have claimed Pension Credit Guarantee, the Council will grant maximum Council Tax Support.

### **How is maximum Council Tax Support calculated for the Working Age Scheme**

For the Working Age the maximum Council Tax Support is set by the Council as up to 75% of the Council Tax you are liable to pay (and based on a maximum of Band D) less any non dependant deductions (see non dependant deductions).

Where a person qualifies for the Severe Disability Premium either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance (Support component) or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay irrespective of the band of property they occupy.

Where a person's household includes a child for which a Disabled Child Premium is awarded, either in the calculation of their Council Tax Support or within any income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Income Support, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

Where a person is in receipt of a War Widows or War Disablement pension or an Armed Forces Compensation Payment, then the maximum Council Tax Support shall be calculated based on 100% of the Council Tax the person is liable to pay.

### **What if you do not receive Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance?**

If you do not get Pension Credit Guarantee, income Support, income-based JSA or income related Employment and Support Allowance, the Council has to work out if you can get Council Tax Support and if so, how much you can get.

To do this, the Council works out your maximum Council Tax Support, and then compares your needs – called the living allowances or applicable amount – with your resources (your income and capital).

For customers receiving the Savings Credit of Pension Credit, the Council will use a statement supplied by The Pension Service to assess your resources (income and capital).

### **Income less than applicable amount**

In this case you get maximum Council Tax Support (depending on whether you are of Pension

Age or Working Age this may vary in amount).

You will also get maximum Council Tax Support if your income is the same as your applicable amount.

### **Income greater than applicable amount**

In this case you will get an amount less than your maximum Council Tax Support. The amount by which your Council Tax Support is reduced is based on the difference between your income and your needs.

A percentage of this difference – called a taper – is taken away from your maximum Council Tax Support

### **Calculating your needs**

Your needs are known as your living allowance or applicable amount and this is an amount that is set each year. For the Pension Age scheme this is set and approved by Parliament. For the Working Age scheme this is set by the Council. Your applicable amount takes into account the size of your family, your age and extra needs you may have. It is made up of personal allowances and premiums. Premiums are included if you have a family, or disability, or a disabled child.

### **Living Allowances or Applicable Amounts**

The living allowances or applicable amount represents the needs of you and your family if you have one. The larger your family, the larger your applicable amount. The applicable amount is made up of three parts:

- a personal allowance; and
- personal allowances for children in your family; and
- premiums.

### **Personal allowance**

Your applicable amount always includes a personal allowance. Different amounts apply according to your age and whether you have a partner.

### **Personal allowances for children**

If you are looking after children (other than foster children) then you get an allowance for each child included in your applicable amount according to his or her age. This allowance is included until that child leaves school or reaches their 20th birthday.

A special rule applies if the child has left school and started work before the Child Benefit stops.

### **Premiums for your family**

Once personal allowances and allowances for children have been worked out, premiums can be added – if they apply – to make up your applicable amount.

### **Your children**

A family premium will be included if you have any dependent children in your household. No matter how many children you have, you can only get one family premium.

### **Premiums or components for disabilities**

These premiums are included in your applicable amount for people in your family with disabilities. There are three premiums and two components in this group:

- disabled child premium (for each disabled child in your household);
- disability premium (if you or your partner gets one of the benefits listed below or you have been off sick for more than 52 weeks);
- severe disability premium (if you are disabled and live in special circumstances);
- work related activity component; and
- support component.

### **Disabled child premium**

The disabled child premium is a flat-rate premium, which may be awarded for each disabled child in your household and can be included with any other premiums. Your child is considered disabled if they are:

- registered blind
- or receiving Disability Living Allowance.

### **Disability premium**

Disability premium will be included in your applicable amount if you and your partner are aged less than Pension Credit age and:

- either of you is registered blind; or
- either of you gets one of the qualifying benefits listed below; or
- has been off sick for 52 weeks or more.

### **Qualifying benefits**

You will get the disability premium if you or your partner get any of the following benefits:

- Disability Living Allowance at the lower rate; or
- Working Tax Credit Disability Element; or
- Constant Attendance Allowance; or
- War Pensioners' Mobility Supplement; or
- Severe Disablement Allowance; or
- Incapacity Benefit – long term rate or short-term higher rate paid at the long-term rate.

### **Severe disability premium**

This premium cannot be included on its own. You must first qualify for the disability premium.

*If you are single or a lone parent* - The severe disability premium may be included in your applicable amount if you:

- receive the care component of Disability Living Allowance at the highest or middle rate, Attendance Allowance or Constant Attendance Allowance; and
- live alone (but if others live with you, see below); and
- no one receives Carers Allowance for looking after you.

*If you have a partner*

You may get the severe disability premium if you both:

- receive the care component of Disability Living Allowance (DLA) at the highest or middle rate, Attendance Allowance (AA) or Constant Attendance Allowance; or
- your partner is blind and you receive the care component of DLA at the highest or middle rate, AA or Constant Attendance Allowance; and
- no one lives with you; and
- no one receives Carers Allowance for looking after either one or both of you.

For the purposes of the severe disability premium your Council Tax Support is not affected if other people living with you are:

- Children; or
- aged 16-17; or
- a person who is registered blind; or
- receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA); or
- people caring for you who are employed by a charity that makes a charge for this service

### **Enhanced Disability Premium**

Enhanced Disability Premium is awarded where you, or a member of your family, who is aged under 60 receives the highest rate of Disabled Living Allowance (DLA) or where the claimant is in receipt of Employment and Support Allowance Support Component. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are:

- a rate for each dependent child/young person in your household who receives the highest rate of DLA;
- a rate for a single person who receives the highest rate of DLA;
- a rate for couples where at least one member of the couple receives the highest rate of DLA.

### **Work Related Activity Component**

This is awarded where you or your partner receive main phase Employment and Support Allowance and receive a similar component within that benefit

### **Support Component**

This is awarded where you or your partner receive main phase Employment and Support Allowance and receive a similar component within that benefit

### **Carer Premium**

The Carer Premium is awarded if either you or your partner are looking after a disabled person and:

- receive Carers Allowance; or
- made a claim for Carers Allowance and would be entitled but for an overlapping benefit.

If both you and your partner satisfy the qualifying conditions two premiums can be awarded.

The carer premium continues for eight weeks after caring ceases.

### **Calculating your resources**

Your resources are made up of your income and your capital. These are worked out as a weekly amount of income.

#### **Income**

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your Council Tax Support (the disregards), or taken fully into account.

Normally, your resources and those of your partner are taken together when your income and capital are worked out.

#### **Income from employment**

This explains what counts as your income from work you do, when you are employed by someone else. If you are a company director or any other officeholder in a company you are classed as an employee of that company.

Earnings from employment means any money you are paid when you work for someone else. This includes the following types of payments:

- bonuses or commission (including tips);
- money you get instead of your normal pay (for example, a liquidator may give you money when your employer stops trading and you are owed some pay);
- money you get in place of notice to end your employment, or money you get to make up for losing your job;
- money you get for holidays you did not take (holiday pay) – but not holiday pay owed to you more than four weeks after you stopped work;
- money you get if you are kept on while doing no work (for example, a retainer paid to school cooks during school holidays);
- expenses you are given to cover your travel to and from work;
- expenses you are given to cover the costs of looking after someone in your family
- any expenses you are given that are not essential for you to carry out your work;
- money you get, under the Employment Protection (Consolidation) Act 1978, when you are not given work because of bad weather, or money you get because of unfair dismissal;
- money that an industrial tribunal orders your employer to give you if the period of notice or redundancy that is required by law has not been given;
- money you get from your former employer's redundancy funds if the business goes into liquidation;
- Statutory Sick Pay or Statutory Maternity Pay;
- Statutory Paternity Pay and Statutory Adoption Pay;
- Employer's sick pay or employer's maternity pay
- earnings from permitted work, that is, work while you are getting an Incapacity Benefit which your doctor thinks would benefit your health.

Earnings from employment do not include:

- payment in kind (where no money is involved)
- expenses you are given that are essential for you to carry out work
- any occupational pension.

### **Net earnings**

Once your gross earnings have been worked out, the Council will take away:

- your income tax payments (allowing for personal relief); and
- your National Insurance (NI) contributions; and
- half of any contributions you make to an occupational or personal pension scheme (any amounts paid to a pension scheme by your employer do not count).

This gives your net earnings, which are used to work out your Council Tax Support.

### **Self-employed earnings**

If you are self-employed, all the money you earn when you are not employed by someone else is known as your earnings from self-employment. You may have self-employed earnings even if you are also working for someone else, or if you are a franchise holder.

When working out your earnings the Council will want to know how much you earn when you are self-employed, and you will be asked to provide evidence of how much you earn.

There are three stages in working out your self-employed earnings. The first is calculating the gross profit of your business. In the second stage, deductions – which are called allowable expenses – are taken away from the gross profit to give the net profit of the business. In the third stage, tax, NI, and pension payments are taken away from your net profit to give your net earnings. If the calculation shows your self employment is running at a loss, £nil income will be used.

### **Childminders**

If you are a childminder only one third of your earnings from childminding will be taken into account when the Council works out your Council Tax Support.

### **Earnings and earnings disregards**

After working out your net earnings, any amount that is not counted in the calculation of your Council Tax Support is known as a disregard.

The amount of your earnings that is not counted depends on which premium is included in your applicable amount. There is more information on the applicable amount and premiums.

Weekly earnings disregards are as follows;

Single claimant	£5.00
Couple	£10.00
Auxiliary fireman or coastguard	£20.00
If you are classed as disabled	£20.00
Lone Parent	£25.00

### **Additional disregard**

If you work on average 30 hours a week or more you will usually be able to get an extra earnings disregard. In certain circumstances you can also qualify for the higher earnings disregard if you work 16 hours or more e.g. if you are a lone parent or disabled. This is the same amount as the 30-hour tax credit in your Working Tax Credit (WTC).

### **Childcare charges**

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for 2 or more children per week per family can be offset against your earnings. This disregard, which is in addition to the other earnings disregards, is available to:

- lone parents who are working 16 hours or more per week;
- couples where both are working 16 hours or more per week;
- couples where one member is working 16 hours or more per week and, generally, the disability premium, or, in certain circumstances, the higher pensioner premium, is included in the applicable amount on account of the other member's incapacity or the other member is in hospital or in prison.

It applies where formal childcare is provided by, for example, registered childminders or day nurseries for children until the first Monday in September following their 15th birthday (or the 16th birthday for children who are entitled to Disability Living Allowance or who are registered blind).

In certain circumstances, help with childcare costs can be given while you are on maternity leave or paternity or adoption leave or you are sick. The authority will be able to give you more details.

In some other cases explained here, different amounts of your earnings are not counted.

If you are in receipt of Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance then any earnings you get will not be counted again in working out Council Tax Support.

### **Notional Earnings**

If you have done some work and you seem to have been paid very little for it, then the Council will estimate what that work is worth. If you have a good reason for the pay being so low – for example, if you worked for someone who had very little money – then you should let the Council know. If necessary, the Council may check your statement of earnings by asking your employer.

### **Other income**

Other income is all the other money you have coming in apart from earnings from employment or self-employment. It is sometimes called unearned income. In some cases none of your unearned income is counted. Sometimes part of it is counted, In other cases it is all counted.

### **State benefits**

The following benefits are counted in full as income for Council Tax Support:

- Contribution-based Jobseeker's Allowance
- Contribution-based Employment and Support Allowance
- Universal Credit
- State Pension
- Incapacity Benefit
- Severe Disablement Allowance
- Carers Allowance
- Industrial Injuries Disablement Benefit
- Industrial Death Benefit
- Working Tax Credit
- Child Tax Credit (ignored if you or your partner are pension age)
- Savings Credit of Pension Credit
- Bereavement Benefits (ignored if you or your partner are pension age).

### **Unearned income that is not counted**

The following types of income are not counted by the Council when it works out your Council Tax Support:

- any income you get if you are getting the Guarantee Credit of Pension Credit, Income Support, income related Employment and Support Allowance (ESAIR) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit;
- money you get which takes the place of DLA, AA, CAA, or Income Support;
- War Pensioners' Mobility Supplement;
- any money you get from the Social Fund;
- Guardian's Allowance;
- money you get as a holder of the Victoria Cross, the George Cross, or any comparable award;
- any grants or allowances you get from your local education authority if you have a dependent child who continues in education after school leaving age;
- any training premium and any refunded travelling expenses or living away from home allowances when you are on a Department for Education and Employment Training Scheme training course or at an employment rehabilitation centre;
- any money such as interest or dividends from savings or investments;
- any expenses you get from an employer that you need to carry out your work;
- any expenses you get from a charity so that you can carry out unpaid work;
- any income in kind (where you are given something other than money);
- any income you have which has been held back outside this country, as long as it remains held back, and it is not within your control;
- any money you get for fostering a child;
- any money you get for looking after an elderly or disabled person temporarily (community boarding out schemes);
- any money you get from a local Social Services Department to help keep a child at home instead of putting them into care;
- any Council Tax Benefit you have previously received;

- special payments made with your War Widow's Pension if you have been designated as a pre-1973 war widow;
- any charitable or voluntary payments which are made regularly;
- payments made under the Employment Department's 'Access to Work' scheme for disabled people; or
- War Disablement Pension or a War Widow's/Widower's Pension, Armed Forces Compensation Payments or any similar payment from another country

Some types of income may be counted as capital.

#### **Unearned income that is counted in part**

The following are the types of unearned income that are only partly counted.

- the first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance;
- the first £20 of any money from sub-tenants; or
- the first £20 then 50% of the excess of money you receive from a boarder is ignored. The balance is treated as income.

#### **Notional income**

The Council may think that there is income, which you could get, but you are not claiming it. This is known as notional income because you do not actually receive that income. The Council may take this into account for Council Tax Support purposes

#### **Parental contributions to students**

If you are making a parental contribution to a student then part of your income is not counted to take account of this.

#### **Capital**

Your capital includes savings and investments held by yourself in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you do not occupy, after deducting 10% for expenses of sale.

If you have a partner, capital belonging to your partner is treated as yours for the purposes of Council Tax Support

#### **Capital outside the United Kingdom**

If you have capital – in the form of liquid or fixed assets – outside this country, the Council will need to know how soon it can be transferred and how much it is worth. If the capital cannot be brought into this country, enquiries will be made about how easily it can be sold, and whether a willing buyer can be found. If no willing buyer can be found, it may not be counted.

#### **Capital for Working Age**

If you have more than £16,000, you will not be able to get Council Tax Support. If you have less than £6000, this will be ignored

#### **Capital for Pension Age**

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £10,000. Actual interest payments or dividends are not counted as income but as capital.

For customers who receive the Guarantee Credit of Pension Credit there is no upper limit on the capital you can have.



If you are of pension age and have capital over £16,000, you may still be entitled to Second Adult Rebate, as your income and savings are not taken into account. However, the actual income received from the Second Adult's capital will be taken into account.

### **Personal possessions**

Personal possessions – for example, a car, furniture and fittings in your house, and family belongings – are usually not included in the calculation of capital. However, this may not be the case where the Council has good reason to believe that something has been bought to reduce your capital in order to gain or increase entitlement to support. If the Council decides that you deliberately got rid of capital just so that you can get Council Tax Support, it may assume that you have notional capital to the value of the capital you disposed of.

### **If you own your home**

The value of your property (including the house, garage and outbuildings) is not counted unless any part of the property could reasonably be sold off separately. Loans raised on the property will be counted as capital.

### **Property you own but do not occupy**

The value of this property is counted as capital but you may be able to get Council Tax Support even if the value of the property means that your savings are more than £16,000. This is because the value of the property may be ignored when your savings are worked out, in certain circumstances.

If the property is occupied by an elderly or disabled relative as their home, its value is not taken into account for as long as it is so occupied.

If you have recently acquired the property and you intend to occupy it as your home, its value may not be counted for 26 weeks, or for a longer period if reasonable, from the date you acquired it.

If you are trying to sell the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if you are finding it difficult to sell the property.

If you are carrying out essential repairs or alterations so that you can live in the property, its value may not be counted for a period of 26 weeks from the date you first arranged for repairs to be carried out. It may not be counted for longer than this if you are finding it difficult to finish the work.

If you are taking legal action so that you can live in the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if legal action is continuing and you cannot live in the property.

If you have left the property after the breakdown of a relationship, and it is occupied by your former partner, its value may not be counted for the first 26 weeks after you left. If the property is occupied by your former partner and they are a lone parent, the property will not be counted for as long as it continues to be so occupied.

### **Deposits on your accommodation**

Sums that have to be deposited with a housing association as a condition of your tenancy are not counted.

### **Earmarked capital**

If capital from the sale of a house is kept for a house purchase, it is not counted for up to six months, or longer if:

- major repairs or adaptations are needed for you to occupy your home; or
- the completion of the purchase of your new home is unavoidably delayed.

Compensation received for a burglary or for damage to or loss of a house is also not counted for

six months, as long as it is to be used for repair or replacement

### **Valuation of property**

Property will be valued at the price it would be expected to fetch on the open market, less any outstanding mortgage or legal charges on the property. Ten per cent of the current market value will also be deducted to take into account the cost of the sale.

If you have property outside Great Britain and there is no restriction on transferring money to this country, your property will be valued at its local sale value. If there is a restriction, its notional value will be the value of a sale to someone in the UK. In both cases, any outstanding legal charges on the property or mortgages will be deducted, together with 10% of the total to cover the cost of the sale.

### **National Savings Certificates**

National Savings Certificates of the current issue are valued at purchase price. Certificates of a previous issue are valued as if they were purchased on the last day of that issue.

### **Life assurance policies**

The surrender value of life assurance policies is not taken into account when assessing Council Tax Support.

### **Arrears of benefits**

Any arrears of Disability Living Allowance, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Working Tax Credit and Child Tax Credit that you get are not counted for up to 12 months.

### **Lump sum payment of deferred State Pension**

The gross amount of lump sum, or an interim payment made on account of a final lump sum, paid at the end of the period of deferring State Pension will be disregarded as capital for the life of the recipient.

### **Compensation payments**

For Council Tax Support purposes, compensation payments will normally be counted in full as capital. Capital will not be counted if it is held in trust or by the 'Court of Protection' as a result of a personal injury payment - for example, a criminal injury payment or a vaccine damage payment. For persons of Pension Age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

### **Business assets**

Business assets of a self-employed earner are not counted while engaged in that business. Nor are they counted in certain other circumstances, but any shares owned will be treated as capital.

### **Notional Capital**

The Council may think that there is capital which you could get but which you do not have. This is known as notional capital because you do not actually possess that capital.

- Capital you have disposed of - You will be treated as having notional capital if you have disposed of capital in order to get Council Tax Support or to get more Council Tax Support.
- Capital you could have got - If you have the right to money held in a private trust, then that is actually your capital, and will be taken fully into account.

If the Council has decided to treat you as possessing notional capital they will reduce the amount of this capital on a regular basis by a set calculation. This calculation reduces your notional capital by the amount of support you have lost as a result of deprivation.

### **How Council Tax Support is paid**

If you are liable to pay the Council Tax, we will send you a Council Tax bill net of your Council Tax Support. You will then have to pay only the reduced amount. This means that you will not

actually receive any money, but your Council Tax bill will be reduced.

### **How you will be notified about your Council Tax Support**

The Council will reach a decision on your entitlement to Council Tax Support as soon as possible after your claim and all supporting evidence is received.

### **How can I appeal?**

If you disagree with the decision you will need to write to the Council stating the reasons. The Council has a calendar month to reply to you. If the Council agrees with your appeal then the Council Tax Support will be amended and you will receive another Council Tax bill showing the revised amount.

If the Council does not agree with your appeal or you do not receive a response within a calendar month, you may appeal to the Valuation Tribunal. This is an independent tribunal who will hear your case (either in person or in writing). If the Valuation Tribunal agrees with you they will instruct the Council to amend your Council Tax Support accordingly.

Throughout the appeal you will still be required to make payment of your Council Tax liability as determined by the Council.

### **Changes of circumstances**

You must notify the Council immediately if there is a change in anything that might affect your right to or the amount of Council Tax Support.

This will include:

- where you live; or
- who you live with; or
- your income, savings and investments; or if you stop getting Pension Credit, Income Support, income-based Jobseeker's Allowance or Employment and Support Allowance; or
- if you get a job; or
- if you or your partner go into hospital; or
- if there is any other change in your circumstances which you might reasonably be expected to know might affect your right to Council Tax Support

The changes must be notified in writing although in certain circumstances the Council may accept this by telephone or electronically.

Most of these changes will affect your Council Tax Support in the following support week, but changes in the amount of Council Tax payable will affect your Council Tax Support from the day on which the change occurs.

### **Students**

Council Tax Support is not normally available for students. The exceptions are:

- vulnerable students, such as disabled students and lone parents;
- part-time students; and
- couples where one partner is not a student.

### **Loan and grant income**

The grant money you get is generally paid to cover the period you are studying. If it does not cover this period your council, or Student Awards Agency for Scotland, will tell you the period it does cover.

If you are eligible for a loan or have been awarded a grant the Council will assume that these

amounts are paid, whether they are actually paid or not.

The money you receive in your loan is your income for the period between the beginning of September and the end of June and is divided by the number of weeks in that period to give a weekly amount.

If you receive a dependants grant this will be taken into account over the same period as your loan unless you also receive, or only receive, a grant towards your personal maintenance.

Because much of your loan is meant for essential educational items, some of the grant is ignored when working out your income for Council Tax Support. The following elements of your loan or grant are not counted:

- tuition and examination fees;
- any disability allowance in your grant;
- the cost of term-time residential study away from your college;
- the Two Homes Grant – given when you have to maintain another home away from college;
- an allowance for books and equipment; and
- travel expenses.

### **Students and partners**

Your grant may have been reduced to allow for your partner's income because your partner can make a contribution to your expenses. An amount – equal to that contribution – is then ignored when the Council works out your joint income for Council Tax Support. If a student is required to contribute to his own grant income, an equivalent amount is disregarded from the income used to assess that contribution.

### **Other income**

Will be treated in the same way as grant income if it is intended for expenditure that is needed on the course. If the income is not intended for expenditure on the course, it is treated under the normal rules for income.

### **Loans from the Student Loans Company**

The maximum loan available to you will be taken into account regardless of whether you have borrowed up to your limit or not. The loan will be divided by the number of weeks between the beginning of September and the end of June to arrive at a weekly figure for assessment purposes. Up to £10 a week of the loan may be ignored.

### **Access funds**

These are discretionary payments made by educational establishments to students who are facing financial hardship.

The amount of the payment to be taken into account will depend on how it is to be paid and what the payment is for. Some payments from the funds can be disregarded in full.

### **Information and information sharing**

The Council will use information provided by, and share with, the Department for Work and Pensions and Her Majesty's Revenues and Customs for the purposes of Council Tax support, Council Tax liability, billing, administration and enforcement.

The Council may receive and obtain information and evidence relating to claims for Council Tax Support. The Council may receive or obtain the information or evidence from–

- a. persons making claims for Council Tax support;
- b. other persons in connection with such claims;
- c. internal Departments and other local authorities; or
- d. central government departments including the DWP and HMRC

The Council may verify relevant information supplied to, or obtained for Council Tax Support purposes.

### **Counter Fraud and Compliance**

In order to protect the finances of the Council and also in the interests of all Council Taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Support;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

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## CABINET

15<sup>th</sup> August 2012

### REPORT OF THE PORTFOLIO HOLDER FOR CORE SERVICES AND ASSETS

#### LOCALISING SUPPORT FOR COUNCIL TAX

##### EXEMPT INFORMATION

This proposal is not exempt information for the purposes of Part 1 of Schedule 12 (A) to the Local Government Act 1972

##### PURPOSE

To seek a decision from Cabinet, further to the presentation given on 25<sup>th</sup> July, of the preferred consultation option for a Local Council Tax Support scheme. The scheme will replace Council Tax Benefit, to help to those of working age on a low income pay their Council Tax from 1 April 2013.

##### RECOMMENDATIONS

That Cabinet confirm which of the three Options they wish to base Tamworth's Local Council Tax Support scheme on, after which public consultation will begin.

##### EXECUTIVE SUMMARY

The Welfare Reform Act 2012 confirmed that Council Tax Benefit will be abolished from 1 April 2013, to be replaced by a new Localised Council Tax Support scheme. Grant funding will be reduced by 10% and distributed via the Department for Communities and Local Government rather than by the Department for Work and Pensions.

The Government have specified that Pensioners must be protected from any grant cuts. Accordingly, regulations that mirror the current *Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) 2006* will be devised for Pensioners, which must be adhered to. For Working Age customers, Councils are free to decide their schemes, which will be subject to an overall 10% reduction in grant funding currently received.

Tamworth Borough Council is working closely with all other Staffordshire Local Authorities, Staffordshire County Council and the major preceptors, to devise an overarching County-wide scheme.

##### RESOURCE IMPLICATIONS

None identified.

## LEGAL/RISK IMPLICATIONS BACKGROUND

Full Equality Impact Assessments must be considered for all possible scheme options that will be considered.

## SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the current Council Tax Benefit scheme will be changed from AMEY (unrestricted reimbursement of Council Tax Benefit subsidy) to DEL (restricted, pre allocated grant figure). The Council must be aware that there will be little room for contingency if, for instance, a major local employer goes into administration.

## BACKGROUND INFORMATION

The Government is committed to retaining Council Tax Support for the most vulnerable in society and taking forward plans for Councils to develop local Council Tax reduction schemes. The Welfare Reform Act 2012 contains provisions for the abolition of Council Tax Benefit, paving the way for new localised schemes. On 17<sup>th</sup> May 2012, *Localising Support for Council Tax – A Statement of Intent* (**Appendix 1**) was published.

The Statement of Intent sets out policy statements of intent for the regulations to be provided under the Local Government Finance Bill for England and explains the policy intent of the regulations and how they will enable the delivery of local Council Tax support. The document is specific in the rules for pensioners but has given Local Authorities little direction regarding policy for Working Age customers.

Consideration of the Department for Communities and Local Government policy intention document - *Localising Support for Council Tax Vulnerable people – key Local Authority Duties* (**Appendix 2**) must also be made when introducing the new Localised Council Tax Support scheme.

The document – *Localising Support for Council Tax – Funding Arrangements Consultation* (**Appendix 3**) gives details of how funding for a Council Tax reduction scheme will be reduced from 2013 onwards. Accordingly, regard for these budgetary cuts must also influence the design of a Localised Council Tax Support scheme.

A further document - *Localising Support for Council Tax - Taking Work Incentives into Account* (**Appendix 4**) should also be considered when drafting the policy.

If Councils do not have a local scheme in place by 31<sup>st</sup> January 2013, the Government will impose a 'default scheme' which is the current Council Tax Benefit scheme. This option is not sustainable as the current scheme is fully subsidised by the Department for Work and Pensions, regardless of caseload and any new scheme



will have a fixed annual grant *only* which will be at least 10% less than it is now.

Please refer to the slides presented on 25<sup>th</sup> July for details on the possible options for a Localised Council Tax Support Scheme for those of working age, that must be considered and agreed by full Council. A consultation period must then commence with all stakeholders. It is recommended that 8 weeks is allowed for consultation.

#### REPORT AUTHOR

Karen Taylor x529

#### LIST OF BACKGROUND PAPERS

Presentation slides from Cabinet meeting of 25<sup>th</sup> July 2012

#### APPENDICES

Document Name and Version	Description	Location
(1) Localising Support for Council Tax A Statement of Intent	sets out the proposed policy for the key regulations to be provided under the Local Government Finance Bill	<a href="http://www.communities.gov.uk/documents/localgovernment/pdf/2146581.pdf">http://www.communities.gov.uk/documents/localgovernment/pdf/2146581.pdf</a>
(2) Localising Support for	Sets out consideratio	<a href="http://www.communities.gov.uk/documents/localgovernment/pdf/2146581.pdf">http://www.communities.gov.uk/documents/localgovernment/pdf/2146581.pdf</a>

<p>Council Tax Vulnerable people</p> <p>– key local authority duties</p>	<p>n to be made of the requirements of the Equality Act 2010</p>	<p>vernment/pdf/2148567.pdf</p>
<p>(3) Localising Support for Council Tax Funding arrangements - consultation</p>	<p>Outlines how the Government intends to distribute funding to support local schemes</p>	<p><a href="http://www.communities.gov.uk/documents/localgovernment/pdf/2146648.pdf">http://www.communities.gov.uk/documents/localgovernment/pdf/2146648.pdf</a></p>
<p>(4) Localising Support for Council Tax – Taking Work Incentives into account</p>	<p>Guidance on how to design local Council Tax reduction schemes for working-age applicants that will also support the wider objectives of welfare reform</p>	<p><a href="http://www.communities.gov.uk/publications/localgovernment/lscworkincentives">http://www.communities.gov.uk/publications/localgovernment/lscworkincentives</a></p>

# Localising Support for Council Tax Consultation Options

Karen Taylor, Head of Benefits

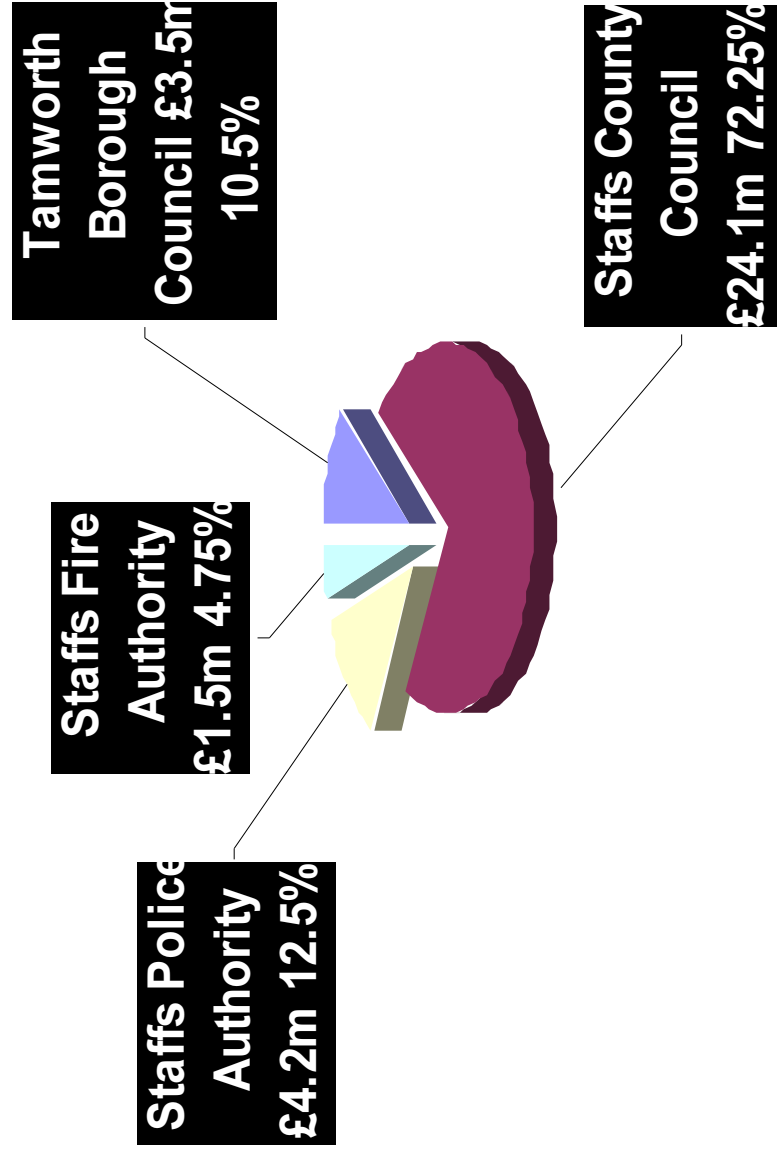


# Welfare Reform Act 2012 and Local Govt Finance Bill

- [The Spending Review 2010](#) confirmed that support for Council Tax would be localised from 1 April 2013
- [Welfare Reform Act 2012](#) abolishes Council Tax Benefit wef 1 April 2013
- Grant funding for Local Council Tax Support (LCTS) will be reduced by 10% and distributed by DCLG rather than DWP
- Purpose of today is to advise Cabinet of what the grant reduction means, to inform on options available to bridge the gap in funding and request consideration of Local Council Tax Support scheme options – with a decision sought at Cabinet on 15<sup>th</sup> August on the chosen option, which will then be subject to public consultation

# £33.3m Council Tax collected by Tamworth – preceptor split

## Precepting Composition 2012/2013

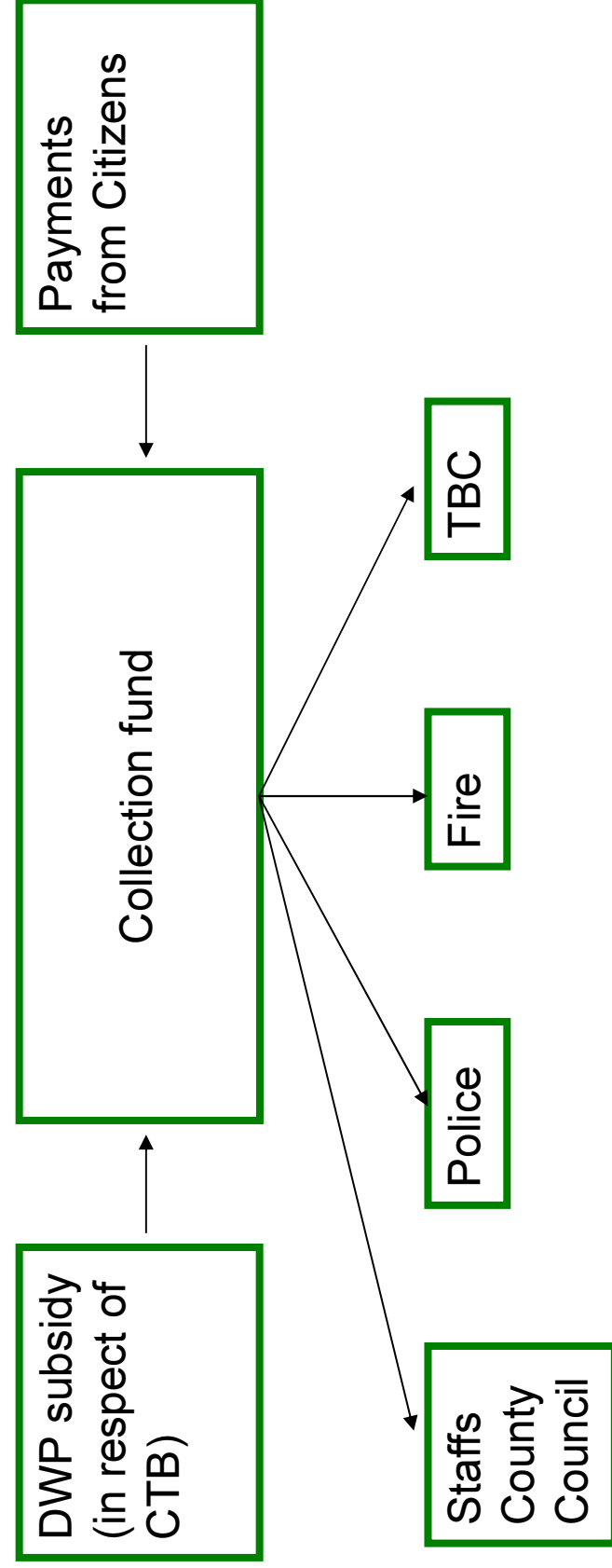


### Council Tax base – current arrangements

Measures number of dwellings that we can raise Council tax from

Number of chargeable dwellings

- addition for growth
- adjusted to reflect discounts and exemptions
- converted to band D equivalent
- reduction for projected rate of collection and successful appeals

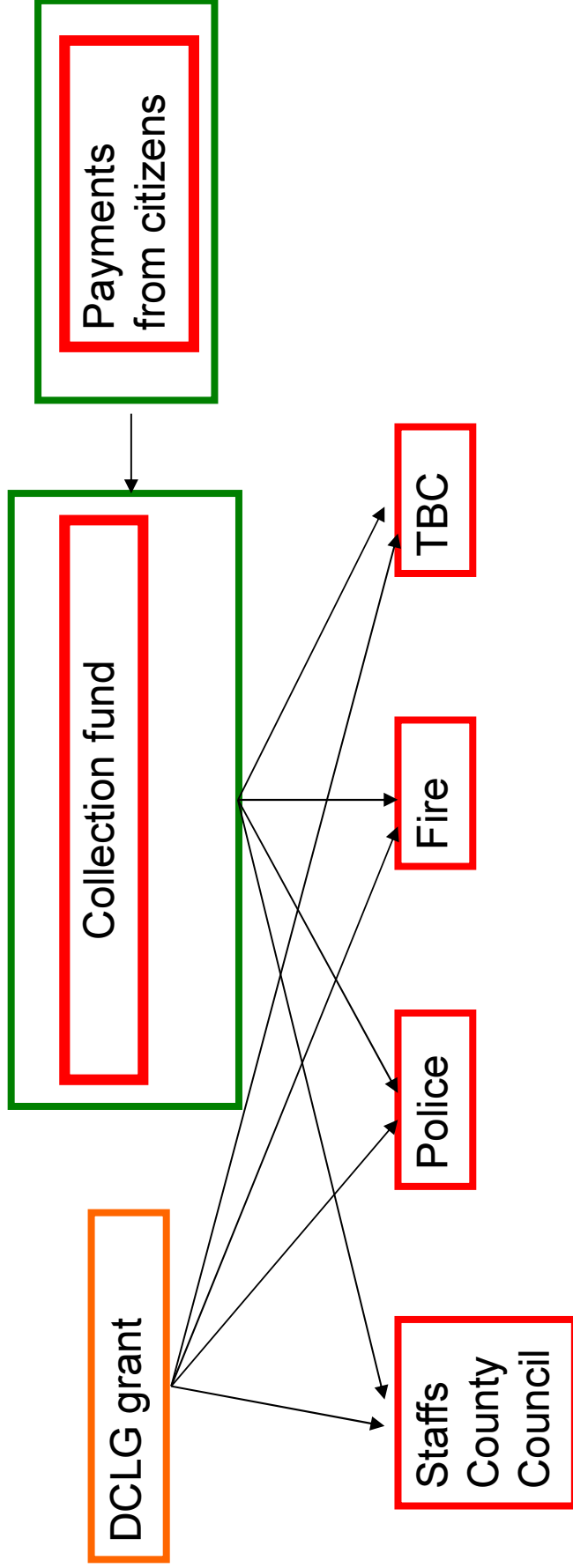


## Council Tax base –1<sup>st</sup> April 2013

Measures number of dwellings that we can raise Council tax from

Number of chargeable dwellings

- addition for growth
- adjusted to reflect discounts and exemptions
- further adjusted to reflect local support for Council Tax
- converted to band D equivalent
- reduction for projected rate of collection and successful appeals



# What is Localised Council Tax Support?

- Council Tax Benefit will be abolished and replaced with a Local Support scheme. Our replacement scheme has to be approved by full Council before 31/01/13 - Cabinet are today asked to consider the consultation options for our Local Scheme for Working Age claimants – options decision to be made at Cabinet on 15<sup>th</sup> August
- Support will be treated as discount for Council Tax base calculation purposes
- But – will still be a means-tested benefit for Pensioners under the new regulations – and will remain a means-tested scheme for those of Working Age under the local policy



# Designing a Local Scheme

DCLG advice –

- local schemes should encourage work incentives
- consider the most vulnerable, to mitigate the effects of child poverty and homelessness
- consider welfare needs of disabled people – but there is no official definition of ‘vulnerable’
- Pensioners will be protected via a new national scheme that mirrors the current Council Tax Benefit calculation

## Council Tax Benefit vs Council Tax Support

Council Tax Benefit	Council Tax Support	Impact
<p>Demand led – funding claimed back from DWP at end of year under AME rules</p>	<p>Funding limited – fixed value grant under DEL rules Funding is £10% less than current subsidy claimed as Council Tax Benefit</p>	<p>£600k-£700k reduction in funding for Tamworth, Staffs County Council and the Fire Authority</p>
<p>Counts as a payment towards Council Tax liability</p>	<p>Counts as a discount to Council Tax – reduces the tax base</p>	<p>Council Tax base reduces from 23,378 to approx 19,930 Equates to reduction in income to TBC of approx £586k, offset by grant of £521k = £65k net loss to TBC from April 2013</p>

# Council Tax Benefit vs Council Tax Support

Council Tax Benefit	Council Tax Support
<p>National rules that run from year to year for pensioners and Working Age</p>	<p>National rules for pensioners For Working Age, Councils will have their own scheme which will need to be reviewed as part of budget setting each year</p>
<p>Any growth in caseload is covered by government subsidy</p>	<p>The Council and its preceptors must fund additional (unpredicted) caseload from its own budgets, in year, whilst maintaining protection to pensioners</p>

## **Localising Council Tax Support**

- We must take into account changing demographics and funding reductions
- If a scheme is not in place by 31/01/13, the default scheme will be imposed (existing CTB scheme) which we cannot afford as is currently based on AME – Annual Managed Expenditure (open pot) – and new scheme will be based on DEL – Departmental Expenditure Limit (closed, fixed pot)

# The Staffordshire Framework – agreed

## *considerations*

**Claims based on maximum of Council Tax Band D liability**

**Claims based on xx% less liability – option to consider protection for those not expected to work through disability**

**Claims based on xx% of current CTB award – option to consider protection for those not expected to work through disability**

**Second Adult Rebate not retained for Working Age**

**\*\* £25 earnings disregard (future option, subject to software capabilities)**

**3 rates of non dependent deductions - £0, £5 and £10**

**capital cut off at £6k for non passported cases**

**\*\* Count Child Benefit and maintenance as income**

**Provision for a Hardship Fund – from Contingency budgets and subject to BRG consideration**

Each authority is considering how best to achieve savings from its Working Age claim base, using some or all of the above criteria

# Current Council Tax Benefit caseload

7150 total caseload @ 02/07/12

<i>Pensioner</i>	3532	49.4%
on full benefit	2243	
on partial benefit	1289	
<i>Working age</i>	3618	50.6%
on full benefit	2478	
on partial benefit	1140	

## Where can these savings be made?

From working age customers *only*, which is 50.6% of current Council Tax Benefit caseload

## Working Age caseload demographics

### Passported Claims

	number	total ctb £	average award
Single - Income Support	1,063	£822,828.24	£774.06
Single - JSA (IB)	401	£304,889.00	£760.32
Single - ESA (IR)	439	£340,644.72	£775.96
Couple - Income Support	238	£239,963.88	£1,008.25
Couple - JSA (IB)	182	£184,644.72	£1,014.53
Couple - ESA (IR)	155	£157,971.32	£1,019.17
	2,478	£2,050,941.88	£827.66

### Working and non passported claims

Single and Disabled	150	£95,644.12	£637.63
Single (Family or Lone Parent)	439	£215,844.20	£491.67
Single (Other)	227	£122,607.68	£540.12
Couple and Disabled	91	£67,353.00	£740.14
Couple (Family or Lone Parent)	206	£142,262.12	£690.59
Couple (Other)	27	£17,810.52	£659.65
	1,140	£661,521.64	£580.28

# Working age caseload breakdown

- 1301 Income Support
- 583 Jobseekers Allowance (IB)
- 594 Employment & Support Allowance (IB)
- 390 non primary benefits
- 750 work 71 < 16hrs pw  
679 > 16hrs pw



## Current Council Tax Benefit working age net liability profile

Net Liability Profile	Working Age		Council Tax Band	Working Age		
	No	%		No	Total	Ave
£0	2,711	74.9%	A	2,167	£1,535,194.44	£708.44
£0 to £50	49	1.4%	B	1,186	£932,454.12	£786.22
£50 to £100	63	1.7%	C	173	£151,019.96	£872.95
£100 to £150	40	1.1%	D	57	£53,711.84	£942.31
£150 to £200	94	2.6%	E	28	£28,821.52	£1,029.34
£200 to £250	53	1.5%	F	7	£11,261.64	£1,608.81
£250 to £300	62	1.7%	G	0	£0.00	£0.00
£300 to £400	118	3.3%	H	0	£0.00	£0.00
£400 +	428	11.8%	I	0	£0.00	£0.00

**Almost 75% of working age CTB recipients currently pay £0 towards their Council Tax liability**

# Working age caseload breakdown

## —who is vulnerable?

At least 168 claimants are severely disabled

At least 443 claimants are disabled  
152 claimants have disabled children

**845 claimants have children aged < 5**

The Staffordshire agreed definition of vulnerable is those who are not expected to work because of disability, which excludes claimants with children aged <5

## What are the choices?

1. Adopt the default scheme (potentially doubling financial impact from £65k to £130k)  
How can we make the savings? -
  - a) Reduce or remove services to make the required savings from the grant cuts;  
(which services are reduced or removed?)  
or
  - b) Increase Council Tax by an extra 2-4% which would trigger a referendum.
  
2. Implement a Local Council Tax Support scheme, absorbing the funding cuts)  
(Preferred option – Pan Staffordshire working group).

# How can we make the savings?

Savings can be made from a Localised Scheme for working age claimants

DCLG will design statutory regulations for Local Council Tax Support for pensioners

£600k - £700k must be saved from the current Council Tax Benefit subsidy received (£5.5m) – we can also consider technical reforms of Council Tax

Modelling tools have been used to analyse the financial impact of current Council Tax Benefit caseload, to form consultation options

## Option 1 - Local Council Tax Support Scheme – Protecting only Pensioners

		£ savings
1	Calculate based on maximum 75% liability	<b>£775,000</b>
2	Reduce current CTB by 20% and include Child Benefit as income*	<b>£752,000</b>
3	Reduce current CTB by 25%	<b>£703,000</b>
4	Calculate based on maximum of 78% of liability	<b>£700,000</b>
5	Calculate based on maximum of 85% of liability and include Child Benefit as income*	<b>£680,000</b>
6	Calculate based on maximum of 80% of liability	<b>£641,000</b>
7	Reduce current CTB by 15% and include Child Benefit as income*	<b>£578,000</b>

\*including Child Benefit as income will affect non passported claims only

Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the Council and more and more people require the Council's support.

For these reasons the Council has to consider doing things differently

**Option 2 – Local Council Tax Support Scheme –  
Protecting pensioners and all severely disabled/disabled/claimants  
with disabled children – consultation options**

	£savings
1 Calculate based on maximum 70% liability	<b>£735,000</b>
2. Reduce current CTB by 32%	<b>£708,000</b>
3. Reduce current CTB by 30%	<b>£667,000</b>
4. Calculate based on maximum 75% liability	<b>£625,000</b>
5. Reduce current CTB by 25%	<b>£564,000</b>
6. Calculate based on maximum 78% liability	<b>£560,000</b>

Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the Council and more and more people require the Council's support. For these reasons the Council has to consider doing things differently

**Option 3 – Local Council Tax Support scheme –  
Protecting pensioners and only severely disabled working age claimants  
– consultation options**

	savings £
1. Calculate based on maximum 75% liability	<b>£774,000</b>
2. Reduce current CTB by 27%	<b>£724,000</b>
3. Reduce current CTB by 26%	<b>£698,000</b>
4. Reduce current CTB by 25%	<b>£673,000</b>
5. Calculate based on maximum 78% liability	<b>£662,000</b>
6. Calculate based on maximum 80% liability	<b>£607,000</b>

Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the Council and more and more people require the Council's support. For these reasons the Council has to consider doing things differently

## Analysis based on disability

- If all severely disabled working age claimants are protected, this will cost £30,000 - £40,000 p.a (included in consultation options)
- If *all* disabled claimants and claimants who have disabled children are protected, this will cost £110,000 p.a (included in consultation options)
- Total of £140,000 - £150,000 p.a to protect working age claimants currently in receipt of Council Tax Benefit who are disabled or who have a disabled child

However – these are provisional figures - the number of disabled claimants will be higher (current Benefits data cleansing exercise being undertaken which will give more accurate figures before consultation starts)



## Case studies – £ benefit reduction with 75% maximum liability

### Protecting Pensioners only

- -£3.42 pw for Lucy, lone parent on Income Support with 3 children in Band A property
  - -£4.56 pw for Gary and Gail, couple on Jobseekers Allowance in Band A property
  - -£5.30 pw for Sarah, lone parent who works and has 3 children
  - -£5.30 for Paul and Caroline – Mr is disabled, Mrs works and they have 2 children
- £775k savings**

### Protecting Pensioners and only severely disabled claimants

- -£3.42 for Lucy
  - -£4.56 for Gary and Gail
  - -£5.58 for Sarah
  - -£5.58 for Paul and Caroline
- £735k savings**

### Protecting Pensioners and all disabled claimants

- -£3.42 for Lucy
  - -£4.56 for Gary
  - -£5.58 for Sarah
  - -£5.58 for Paul and Caroline
- £625k savings**

## Case studies – effect of 25% overall reduction in benefit

### Protecting Pensioners only

- -£3.42 pw for Lucy, lone parent on Income Support with 3 children in Band A property
  - -£4.56 pw for Gary and Gail, couple on Jobseekers Allowance in Band A property
  - -£3.87 pw for Sarah, lone parent who works and has 3 children
  - -£2.11 pw for Paul and Caroline– Mr is disabled, Mrs works and they have 2 children
- £703k savings**

### Protecting Pensioners and only severely disabled claimants

- -£3.42 pw for Lucy
  - -£4.56 pw for Gary and Gail
  - -£3.87 pw for Sarah
  - -£2.11 pw for Paul and Caroline
- £673k savings**

### Protecting Pensioners and all disabled claimants

- -£3.42 pw for Lucy
  - -£4.56 pw for Gary and Gail
  - -£3.87 pw for Sarah
  - -£2.11 pw for Paul and Caroline
- £565k savings**

75% max liability v overall 25% net reduction

% liability	100%	75%	25% (reduction to net award)
Max Council Tax to be used in calculation	£21.23	£15.93	£21.23
-20% of excess income	<u>£ 5.76</u>	<u>£ 5.76</u>	<u>(£ 5.76)</u>
Weekly award	£15.47	£10.17	£15.47 – 25% = £11.60 *

\* This shows earners and others not on passported benefit will lose less benefit if scheme is based on overall % net reduction

## Case Studies – Working Age

## Average £ Council Tax Support payable

Description	Current Average CTB award	75% max liability for all Working Age (1) £775k savings	75% max liability Severe Disability only protected (2) £744k savings	Average weekly CTB loss as per (1)	75% max liability all Disabled protected (3) £625k savings	Average weekly CTB loss as per (3)
Passported/severe disability (145)	£14.21	£10.65	£14.21	-£3.56	£14.21	£0.00
Passported/disability (264)	£17.92	£13.44	£13.38	-£4.48	£17.92	£0.00
Passported/disabled child (102)	£17.02	£12.77	£12.74	-£4.25	£17.02	£0.00
passported – other (1949)	£15.70	£11.78	£11.61	-£3.92	£10.96	-£4.74
non passported War Pension/War Disability (2)	£9.90	£7.42	£9.90	-£2.48	£9.90	£0.00
non passported/severe disability (23)	£13.88	£8.93	£13.88	-£4.95	£13.88	£0.00
non passported/disability (179)	£12.96	£9.44	£8.66	-£3.52	£12.96	£0.00
non passported/disabled child (50)	£12.41	£9.10	£7.75	-£3.31	£12.41	£0.00
non passported/working (691)	£9.98	£7.23	£5.86	-£2.75	£5.04	-£4.94
non passported – other (188)	£12.71	£8.62	£8.37	-£4.09	£7.80	-£4.91

# Additional savings

Possible adjustment	Saving	Impact	Risk
<b>Calculate on max Band D</b>	£10k	35 customers	minimal
<b>End Second Adult Rebate scheme</b>	£6k	22 customers	Minimal
<b>Count Child Benefit as income</b>	£183k	525 customers Affects non passported cases and will remove all benefit for 25% of earners	Reduces or removes support paid to working families and does not support the Make Work Pay agenda
<b>Increasing non-dependent deductions</b>	£16k	276 cases have to pay between £0.10 and £3.45 extra for each non dependent living with them.	Non-dependents do not pay which puts claimant under greater financial pressure
<b>Capital cut off @ £6k for non passport cases</b>	£13k	17 cases	minimal
<b>TOTAL IF ALL INCLUDED</b>	£228k		
<b>TOTAL IF ALL EXCEPT CHILD BENEFIT INCLUDED</b>	£45K		

## Preparing for Public Consultation

- **Full, detailed Local Council Tax Support Scheme** has been drafted, subject to the options choice and amendments pre/post consultation
- **Summary Local Scheme policy** has been drafted, subject to the options choice and any amendments pre and post consultation, which will be available as part of the consultation exercise
- **Vulnerability Policy** has been drafted which is subject to alteration dependant on decisions made about the definition of vulnerable, and will be available as part of the consultation exercise
- **Equality Impact Assessments** have been made, subject to the agreed definition of vulnerable and any amendments pre and post consultation

## Summary

Cabinet is requested to take time to consider the information given today

*On 15<sup>th</sup> August, Cabinet will be asked to choose Option 1, Option 2 or Option 3 of the proposals listed for a Local Council Tax Support Scheme. Public consultation will then begin on the chosen option, for at least an 8 week period*

- Consultation will be made with all stakeholders
- All current benefit recipients will be sent a paper consultation, to encourage maximum feedback
- On-line consultation will be encouraged
- 3 focus groups will be held in September 12

# Consultation - timeline

decide a draft scheme for consultation	Options to Cabinet 25/07/12 Decision at Cabinet 15/08/12	Have been consulted via SFOG. Local meeting to be arranged
consult with County and Fire preceptors	Consultations have been ongoing via Staffs group	Joint procurement with Staffs District Councils for organisation to produce this document is complete
publish draft scheme	End Aug 12	To be ran locally in each Authority and facilitated by Staffordshire & SOT Strategic Research Group
Carry out public consultation	Sept – Oct 12	
Analysis of responses	Ongoing – finalised end Oct 12	
Approve final scheme	Cabinet      Nov 12 Full Council    Nov/Dec 12	



# And other major changes.....a reminder.....

- Social Fund will be abolished and replaced with a local support scheme, to be commissioned to district LAs by Staffs CC
- Fairer charging and Welfare Benefits Advice will be delivered locally – also commissioned by Staffs CC. **Our replacement schemes have to be ready to deal with customers on 01/04/13**
- Introduction of Universal Credit and preparations for this
  - **Under-occupation (bedroom tax) starts 01/04/13**
  - **Benefit cap starts 01/04/13**
  - **Single Fraud Investigation Service – wef April 13?**
  - **Reform of private sector rent amounts (LHA) already started**
  - **Universal Credit – direct rent payment to customers starts Oct 2013**

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13 December 2012

**Report of the Portfolio Holder, Core Services and Assets****Technical Reforms of Council Tax****EXEMPT INFORMATION**

None

**PURPOSE**

The report seeks Council approval for proposed amendments to Council Tax discounts and outlines several reforms to the Council Tax system arising from the Local Government Finance Bill 2012.

**RECOMMENDATIONS****That Council**

- 1. Approve the following changes to Council Tax discounts and exemptions with effect from 1 April 2013:**
  - a. The removal of the 50% second homes discount so that all second homes are liable for full Council Tax;**
  - b. The granting of a 50% discount on properties undergoing structural work for up to 12 months;**
  - c. The granting of a 100% discount for 2 months on dwellings which are empty and unfurnished. After this period a full charge shall apply;**
  - d. The levying of the maximum allowable additional premium of 50% on properties that have been empty for two or more years.**
- 2. Endorse the other technical matters identified;**
- 3. Acknowledge the potential requirement for additional resource.**
- 4. Acknowledge that with effect 1<sup>st</sup> April 2013 the Authority charges recovery costs of £60 on the issue of a summons and a further £35 if a liability order is awarded to allow for increased recovery costs (as identified in 3. above).**

**EXECUTIVE SUMMARY**

The report sets out the Council's approach to the technical reforms of Council Tax proposed in the Local Government Finance Bill 2012. In addition it proposes a proactive approach in light of the economic conditions and upcoming changes in technical reforms as well as changes in support for Council Tax and Business Rates Retention with effect from 1 April 2013.

Since the presentation on technical reforms of Council Tax to members on 25 July 2012 the Government has revised the 6 month rule in respect of empty properties. In addition there has been a revision of estimated income to be raised from imposing an empty homes premium on properties which are empty for over 2 years.

As a result of the additional charges and workload created in respect of Council Tax and Business Rates, a Revenues Service review has been undertaken. This has identified that additional resources will be required to support the recovery process in

the future to ensure that income levels are maintained in light of the significant reforms planned within the Bill – which will be key to protect the Council’s finances as future non-collection will impact directly on the budget.

This will ensure that a robust and sustainable structure and processes are in place in order to optimise revenue collection and debt recovery. In order to provide sustainability it is proposed that additional resource be focused at the Recovery Team. The cost associated will be met from compensatory savings and from within existing budgets.

The review also considered the current charging policy at Magistrates Court as many Authorities have increased their court costs to cover the increasing cost of recovery action. Following a detailed review of charging policies of other local authorities and also those using the Stafford Magistrates Court it was evident that the recovery of court costs should be increased.

It should be noted that from 1<sup>st</sup> April 2013 the current charge will increase from £85 to £95 with a charge of £60 at summons stage and £35 at liability stage. The implications of the changes will be recovering from defaulters the true cost of dealing with the recovery process. It will aim to ensure that people and businesses that pay their Council Tax and Business Rates on time are not subsidising the late payers. This will be subject to the approval of Her Majesty’s Court Service.

## RESOURCE IMPLICATIONS

If the recommendations are approved the technical reforms of Council Tax would be built into the budgetary process from 2013/14 onwards. If empty homes are brought back into use more quickly, this could also marginally increase occupancy rates and reduce the cost to the Council of homelessness.

The table below covers the additional income anticipated for the collection fund (including precepting authorities) and for Tamworth Borough Council (TBC) of c.10% after allowing for potential changes in circumstances and potential collection levels.

Existing exemption/ discount	Existing Reduction	Proposed discount	Estimated Extra Income (£)	TBC Income c.10% (£)
Second home	50%	0%	10,349	1,035
Structural Repairs up to 12 months	100%	50%	5,536	554
Empty & unfurnished 0-2 months	100%	100%	0	0
Empty & unfurnished 2-6 months	100%	0%	47,833	4,783
Empty & unfurnished 6-24 months	50%	0%	64,219	6,422
Empty & unfurnished 24+ months	50%	150% charge	<u>47,335</u>	<u>4,733</u>
	<b>Total</b>		<b>175,272</b>	<b>17,527</b>

## LEGAL/RISK IMPLICATIONS BACKGROUND

An enabling measure has been included in Clause 9 of the Local Government Finance Bill and if enacted will amend section 11A of the Local Government Finance Act 1992 so that the Secretary of State may define a class of dwelling in respect of which an Authority may determine the range of 0% and 100%. This will

address the locally set level of discount.

Further clauses have been included in the Local Government Finance Act to allow for the other changes in the technical reforms.

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

### Second Home Discounts

Current legislation allows the discount to be as little as 10%. Neighbouring authorities award this reduced discount and the charge is 90%. Local Authorities will have discretion to levy full Council Tax on second homes from 1 April 2013. Currently, in Tamworth, they are eligible for a 50% discount. This affects 21 homes in Tamworth. It is proposed that the Council take advantage of this new flexibility in order to promote effective use of the town's housing stock.

The estimated additional income to the collection fund from this change is £10,349 and £1,035 per annum to the Council.

### Properties undergoing structural work

Currently properties undergoing structural work are eligible for a "Class A exemption". This means they are fully exempt from Council Tax when there are major repairs underway or structural alterations. This lasts for up to 12 months, or 6 months after the works are completed, whichever is the shorter.

In November 2011 there were 13 Class A exemption awards.

Under the new legislation, the Council now has the option of setting its own level of discount, between 0% and 100%. However, this needs to be balanced against encouraging property development. We also have an inspection regime to ensure that the system is operating effectively, and that Council Tax is brought in and charged at the earliest and fairest point. If we reduced the amount of discount to zero immediately, we would be introducing Council Tax bills for a landlord, homeowner or developer from the start of their projects, therefore introducing extra overheads from the beginning. It is considered that the Council should provide a reasonable but not excessive level of discount in order to promote property development, particularly supporting major upgrading and improvements to poor quality housing stock.

It is therefore proposed that the current Class A exemption which will cease as at 31 March 2013 is to be replaced by a 50% discount from 1 April 2013 which shall last a maximum of 12 months.

The estimated additional income from this change is £5,536 and £554 per annum to the Council.

### Empty properties (Class C exemptions)

The policy aims for reforming the former Class C exemptions to a new empty property discount are to:

- Allow a reasonable but not excessive exemption to support standard voids between tenancies.

- Encourage faster turnaround times on empty homes.
- Reduce the number of long term empty properties.

#### *Empty properties up to 6 months*

As a result of amended proposed Government legislation the Council has prepared an option for awarding a 100% discount, but limiting this award to 2 months instead of 6 months currently implemented.

This will be more than sufficient for the vast majority of cases of turnaround times and would negate a considerable amount of challenges over very small amounts of charge and time periods with inevitable challenges about collection. This would also remove any significant burden for landlords that would potentially be passed directly onto tenants in the form of higher average rents. Significantly for the Authority whilst we would be charging the Housing Revenue Account (HRA) for properties empty in excess of 2 months, analysis shows that only 2 properties were empty over this period. This would mean an additional cost of around £2k to the HRA.

In November 2011 there were 100 properties empty for up to 6 months.

The estimated additional income from this change is £47,833 and £4,783 per annum to the Council.

#### *Empty properties between 6 months and 2 years*

Legislation is already in place to permit a charge of up to 100% for properties empty over 6 months (Tamworth Borough Council currently applies a 50% discount in these cases). Neighbouring authorities charge 100%.

Whilst we would be charging the HRA for properties, analysis shows that only 2 properties were empty over this period. This would mean an additional cost of around £1k to the HRA.

In November 2011 there were 195 properties empty between 6 months and 2 years.

The estimated additional income from this change is £64,219 and £6,422 per annum to the Council.

#### *Empty properties over 2 years*

Currently properties that are empty and unfurnished are eligible for a "Class C exemption" which gives them full exemption from Council Tax for up to 6 months regardless of change in ownership. The Government will grant us discretion to levy a premium of up to 50% on homes that have been empty for more than two years.

It is proposed that the Council takes advantage of the new discretion to levy the maximum premium of 50% on homes that have been empty for more than two years. This is in order to promote effective use of the town's housing stock and will be an important tool for the Council's empty property team in bringing those units back into use. The Council will budget for a prudent increase in income as the aim would be for all properties to be brought back into use before the 2 year deadline.

In November 2011 there were 96 properties empty for over 2 years.

The estimated additional income from this change is £47,335 and £4,734 per annum to the Council.

## Other technical matters

### *Payment by instalments*

The Government has given consideration to whether Council Tax should be payable over a 12 month period rather than 10. It has decided to leave 10 months as the default position but will allow householders a legal right to request spreading their payments over 12 months, and the Council must ensure that they are informed of this right. It is not possible to provide an estimate of financial implications at present as there are too many unknowns, however consideration will need to be given of cash flow implications, reduction of in year collection rates, and administration/ resources.

### *Information to be supplied with demand notices*

Billing authorities will no longer be required to publish the quantity of information currently provided in the Council Tax leaflet supplied to all households with the annual demand, and most of this can now be supplied on-line. The Council will need to consider how best it wishes to communicate with householders and has increased flexibility over the means. Booklet production costs will be reduced, though not significantly as the information will still be required to be designed and printed for those who require hard copies.

### *Liability of Mortgagees in Possession (Current Class L exemption)*

Mortgagees, usually banks or building societies, do not currently become liable for Council Tax when they take possession of a dwelling under mortgage. The DCLG sought views in its consultation paper on whether mortgagees should be liable for Council Tax where there is no one resident in the dwelling. Their response is to continue to develop the proposal, along with a commitment that the measure will not be implemented without detailed discussion with the mortgage lenders sector.

### *Annexes to Dwellings*

The DCLG sought views on whether changes are desirable to require that where part of a dwelling has been adapted for separate occupation (e.g. a "granny annexe"), but is not in fact separately occupied, the whole property should be banded as one. The Government has decided that it will undertake a broader review of how annexes are to be supported.

## Technical Changes Estimated Additional Income

The table below covers the additional income anticipated for the collection fund (including precepting authorities) and for Tamworth Borough Council of c.10% after allowing for potential changes in circumstances and anticipated collection levels.

Existing exemption/ discount	Existing Reduction	Proposed discount	Estimated Extra Income (£)	TBC Income c. 10% (£)
Second home	50%	0%	10,349	1,035
Structural Repairs up to 12 months	100%	50%	5,536	554
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Empty & unfurnished 24+ months	50%	150% charge	<u>47,335</u>	<u>4,733</u>
	<b>Total</b>		<b>175,272</b>	<b>17,527</b>

It is anticipated that, in addition to the above, there is likely to be an additional £672,000 to be collected as a result of the changes to the benefits scheme.

Consequently, this represents an estimated increase of £850,000 in Council Tax to be collected.

This, along with the proposed Business Rate Retention changes and the current economic situation, will result in a marked increase in collection activity – including the need to pursue further measures to recover unpaid Council Tax and Business Rates such as:

- Further bailiff action;
- Court proceedings / attendance;
- Committals;
- Attachments of Earnings & Benefits;
- Charging Orders;
- Insolvency action.

Therefore it is considered that an additional resource will be necessary to maintain prompt administration and the maximisation of income – which will be key to protecting the Council's finances as future non-collection will impact directly on the budget. It should be noted that other services have also looked at the potential impact on staffing resources.

### REPORT AUTHOR

Michael Buckland, Head of Revenues, Telephone 01827 709523

### LIST OF BACKGROUND PAPERS

Local Government Finance Act 1998

Local Government Finance Act 1992

Council Tax (Administration and Enforcement) Regs 1992

Non Domestic Rating Collection and Enforcement Regs 1989

Local Government Finance Bill 2012



## REPORT OF THE PORTFOLIO HOLDER, CORE SERVICES AND ASSETS

### COUNCIL TAX BASE 2013/14

#### EXEMPT INFORMATION

None

#### PURPOSE

To report the Council Tax Base for the Borough Council 2013/14.

#### RECOMMENDATIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2013/14 to be 20,199 (2012/13 – 23,378).

#### EXECUTIVE SUMMARY

The Borough Council is required to calculate its Council Tax Base for each financial year and notify Staffordshire County Council, Staffordshire Police Authority and Staffordshire Fire Authority by 31 January preceding that financial year.

The Authority is required to approve the Council Tax Base.

#### RESOURCE IMPLICATIONS

The figure for 2013/14 Council Tax Base is calculated at 20,199.  
This represents a decrease in the current year of 3,179 or 13.6%.

#### LEGAL/RISK IMPLICATIONS BACKGROUND

If the base is not set in the legally required timeframe it can be calculated by precepting authorities and imposed upon us.

#### SUSTAINABILITY IMPLICATIONS

None

#### BACKGROUND INFORMATION

##### Purpose

Under the Local Government Finance Act 1992 as amended the Borough Council is required to calculate its Council Tax Base for each financial year and is required to notify Staffordshire County Council, Staffordshire Police Authority and Staffordshire Fire Authority by 31 January preceding that financial year.

**Consideration**

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992 as amended, the Tax Base for the year 2013/14 is calculated by applying a formula  $A \times B$ .

A is the number of properties in each band (expressed as a number of band D equivalents); and three factors have altered this figure in relation to 2012/13 which are as follows:

- 1. An estimate regarding changes to the physical state of the property base;
- 2. A revised treatment of benefit (local discount) changes as outlined in today’s report Local Council Tax Support Scheme Consultation Results (formally – Localising Support for Council Tax). Previously benefit entitlement did not effect the Tax Base calculations as subsidy was received from the DWP in respect of correctly awarded benefit. However the new Council Tax Support Scheme is treated as a discount for Council Tax purposes and therefore reduces the Council Tax Base;
- 3. An estimate of additional charges due to technical changes, as outlined in the Cabinet report of 17 October 2012.

A for 2013/14 is determined as follows:

2012/13 figure for A	23,734
Increase in Property Base from 2012/13	+32
Localising Council Tax Support	(3,251)
Technical changes	+117
2013/14 figure for A	20,632

B is the Authority’s estimate of its collection rate for that year. It is recommended that this should be 97.9% (98.5% 2012/13). This is a lower rate than the current financial year to take account of the anticipated challenges in collection of Council Tax from taxpayers previously receiving 100% Council Tax Benefit.

Applying the reduced collection rate to A gives a Council Tax Base of 20,199 (20,632 x 97.9%).

This represents a decrease on the current year of 3,179 or 13.6% - the reduction in Band D equivalents is due to the changes arising from the Local Support to Council Tax Scheme (impact on budget base line).

**REPORT AUTHOR**

Michael Buckland, Head of Revenues, Telephone 01827 709523

**LIST OF BACKGROUND PAPERS**

- Local Government Finance Act 1992
- Local Authority (Calculation of Council Tax Base) Regulations 1992
- Local Government Finance Act 2012
- Local Authority (Calculation of Council Tax Base) (England) Regulations 2012

13<sup>th</sup> DECEMBER 2012**REPORT OF THE PORTFOLIO HOLDER FOR CORE SERVICES AND ASSETS****TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL  
INVESTMENT STRATEGY MID  
YEAR REVIEW REPORT 2012/13****EXEMPT INFORMATION**

None

**PURPOSE**

To present to Members the Mid-year review of the Treasury Management Strategy Statement and Annual Investment Strategy;

**RECOMMENDATIONS**

That Council:

- 1. Accept the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2012/13;**
- 2. Formally adopt the CIPFA Code of Practice as revised in November 2011.**

**EXECUTIVE SUMMARY**

This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following

- An economic update for the first six months of 2012/13;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital Position (Prudential Indicators);
- A review of the Council's investment portfolio for 2012/13;
- A review of the Council's borrowing strategy for 2012/13;
- A review of any debt rescheduling undertaken during 2012/13;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2012/13.

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.

3. The investment portfolio yield for the first six months of the year is 1.12% compared to the 3 Month LIBID benchmark rate of 0.73%. This excludes all investments currently classified as 'At Risk' in the former Icelandic Banking institutions.

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this training on Treasury Management issues has been delivered for Members in February and October 2010 and September of last year.

## **RESOURCE IMPLICATIONS**

All financial resource implications are detailed in the body of this report which links to the Council's Medium Term Financial Strategy.

There are no staffing implications arising from the report.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

The Treasury Strategy has been the subject of an Equalities Impact Assessment.

## **SUSTAINABILITY IMPLICATIONS**

None

## **1 BACKGROUND INFORMATION**

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code of Practice for Treasury Management in November 2011, following consultation with Local Authorities during that summer. The revised Code suggests that members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2012/13 presented to Members this year and therefore ensures this Council is embracing Best Practice in accordance with CIPFA's revised Code of Practice. Cabinet also receive regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the Treasury Management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Treasury Management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. ”

## 2 Introduction

The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (November 2009) was adopted by this Council on 22<sup>nd</sup> February 2011. The code was revised in November 2011 following developments resulting from the Localism Act 2011, including HRA finance reform and General Power of Competence. The Treasury team have been working to the revised code and ask members to formally adopt it.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

This mid year report has been prepared in compliance with CIPFA’s Code of Practice, and covers the following:

- An economic update for the first six months of 2012/13;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s Capital Position (Prudential Indicators APPENDIX 1);
- A review of the Council’s investment portfolio for 2012/13;
- A review of the Council’s borrowing strategy for 2012/13;
- A review of any debt rescheduling undertaken during 2012/13;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2012/13.

### **3 Economic update**

#### **3.1 Economic performance to date**

Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July) despite a blip in October, UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.

On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the ECB bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

#### **3.2 Outlook for the next six months of 2012/13**

The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the recent result of the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. However, on 13 September the Fed announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid 2015.

Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture. A financial crisis was also rapidly escalating over the situation in Spain. However, in early September the ECB announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro. However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the UK. Nevertheless, this could prove to be as short lived as previous "solutions" to the Eurozone crisis.

The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank's forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

### 3.3 Sector's interest rate forecast

	17.9.12 actual	Dec- 12	Mar- 13	Jun- 13	Sep- 13	Dec- 13	Mar- 14	Jun- 14	Sep- 14	Dec- 14	Mar- 15
<b>BANK RATE</b>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
<b>3m LIBID</b>	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.90	1.10	1.40
<b>6m LIBID</b>	0.85	0.85	0.85	0.85	0.85	0.85	1.00	1.10	1.30	1.50	1.80
<b>12m LIBID</b>	1.30	1.30	1.30	1.30	1.40	1.50	1.70	1.90	2.10	2.30	2.60
<b>5yr PWLB</b>	1.89	1.50	1.50	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.30
<b>10yr PWLB</b>	2.91	2.50	2.50	2.50	2.60	2.70	2.80	2.90	3.00	3.20	3.30
<b>25yr PWLB</b>	4.15	3.70	3.70	3.70	3.80	3.80	3.90	4.00	4.10	4.20	4.30
<b>50yr PWLB</b>	4.32	3.90	3.90	3.90	4.00	4.00	4.10	4.20	4.30	4.40	4.50

*The above Sector forecasts for PWLB rates incorporate the introduction of the **PWLB certainty rate** in November 2012 which will reduce PWLB borrowing rates by 0.20% for most local authorities. The actual PWLB rates on 17.9.12 ought therefore to be reduced by 20bps to provide a true comparison to the forecasts.*

## 4 Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2012/13 was approved by Council on 28<sup>th</sup> February 2012.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

## 5 The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow;
- Compliance with the limits in place for borrowing activity; and
- A summary of Prudential Indicators can be found at **APPENDIX 1**.

### 5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.



Capital Expenditure by Service	2012/13 Original Programme £m	Budget B'fwd from 2011/12 £m	2012/13 Budget £m	Actual Spend @ Period 6 £m	2012/13 Projected Spend £m
General Fund	1.846	1.498	3.344	0.551	2.410
HRA	7.816	0.004	7.820	0.347	7.570
<b>Total</b>	<b>9.662</b>	<b>1.502</b>	<b>11.164</b>	<b>0.898</b>	<b>9.980</b>

## 5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. Any borrowing element of the table increases the underlying indebtedness of the Council by way of the CFR, although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2012/13 Estimate £m	2012/13 Revised Estimate £m
Supported	0	0
Unsupported	11.164	9.980
<b>Total spend</b>	<b>11.164</b>	<b>9.980</b>
Financed by:		
Capital receipts	1.088	0.591
Capital grants	1.224	1.367
Capital reserves	1.388	0.833
Revenue	7.464	7.189
<b>Total financing</b>	<b>11.164</b>	<b>9.980</b>
<b>Borrowing need</b>	<b>0</b>	<b>0</b>

## 5.3 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

### 5.3.1 Prudential Indicator – Capital Financing Requirement

The original forecast Capital Finance Requirement of £68.475m has changed to £69.588m. This is due to the reduced level of principal in respect of repayments received from the Icelandic Banks.

### 5.3.2 Prudential Indicator – External Debt / the Operational Boundary

	<b>2012/13 Original Estimate £m</b>	<b>Current Position £m</b>	<b>2012/13 Revised Estimate £m</b>
<b>Prudential Indicator – CFR</b>			
CFR – Non Housing	0.412	1.525	1.525
CFR – Housing	68.063	68.063	68.063
Total CFR	68.475	69.588	69.588
<b>Net movement in CFR</b>	<b>(0.017)</b>	<b>(0.080)</b>	<b>(0.080)</b>
<b>Prudential Indicator – External Debt / the Operational Boundary</b>			
Borrowing	72.268	72.268	72.268
Other long term liabilities	0	0	0
<b>Total debt 31 March</b>	<b>72.268</b>	<b>72.268</b>	<b>72.268</b>

### 5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	<b>2012/13 Original Estimate £m</b>	<b>Current Position £m</b>	<b>2012/13 Revised Estimate £m</b>
Gross borrowing	65.060	65.060	65.060
Plus other long term liabilities	0	0	0
Less investments	(11.612)	(23.085)	(11.612)
Net borrowing	53.448	41.975	53.448
CFR (year end position)	68.475	69.588	69.588

The Executive Director Corporate Services reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2012/13 Original Indicator £m	Current Position £m	2012/13 Revised Indicator £m
Borrowing	89.112	89.112	89.112
Other long term liabilities	3.000	3.000	3.000
Total	92.112	92.112	92.112

## 6 Investment Portfolio 2012/13

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy. Given this risk adverse environment, investment returns are likely to remain low.

The Council held £23.085m of investments as at 30 September 2012 (£15.699m at 31 March 2012) and the investment portfolio yield for the first six months of the year is 1.12% against a benchmark of the 3 months LIBID of 0.73%. A full list of investments held as at 30th September 2012 is in **APPENDIX 2**.

The Executive Director Corporate Services confirms that the approved limits within the Annual Investment Strategy were breached once during the first six months of 2012/13 due to a deposit payment instruction not being actioned. This resulted in the Authority exceeding the approved £2m maximum balance limit with our bankers, the Co-op, by £924k for one day.

The Council's budgeted investment return for 2012/13 is £220k, and performance for the year to date is £9k above budget.

### CIPFA Benchmarking Club

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance over the year against other members (38 Authorities).

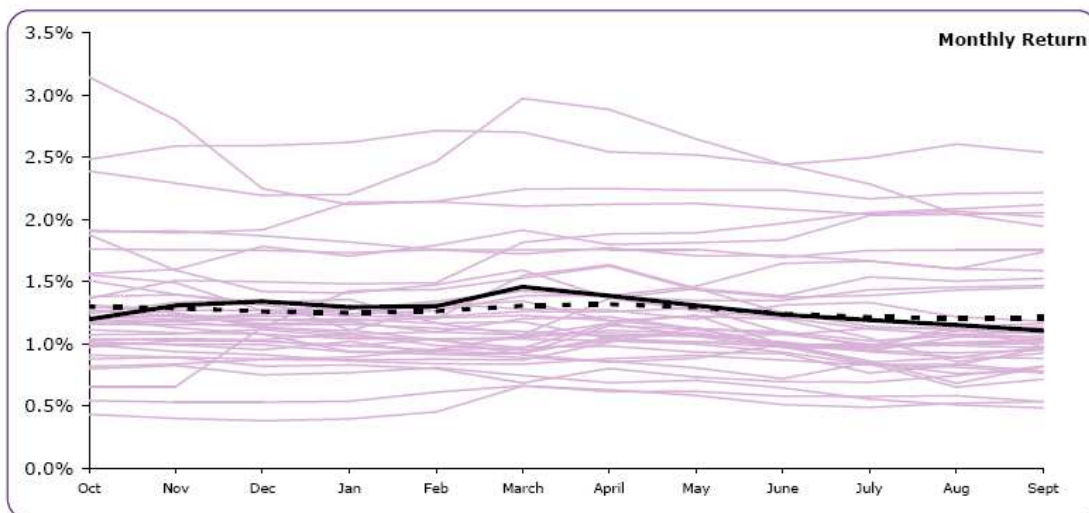
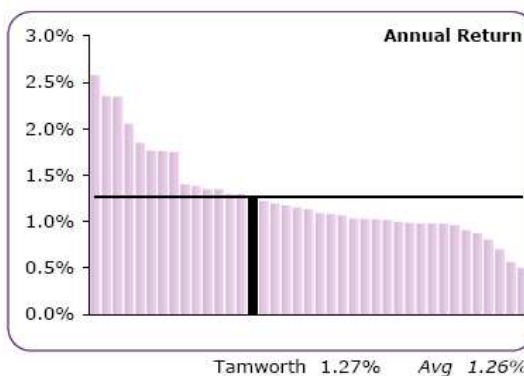
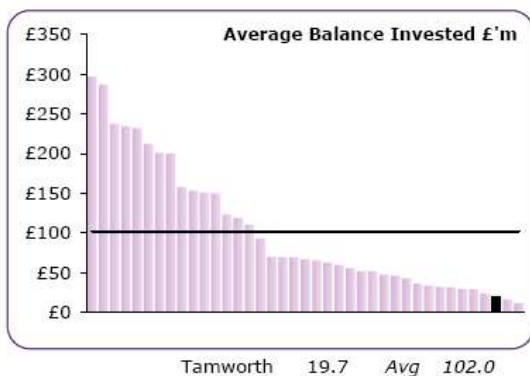
Our average return for In House Investments for the period October 2011 to September 2012 was 1.27% compared to the group average of 1.26% (information from CIPFA Benchmarking Draft Report Q2 2012/13) excluding the impaired investments in Icelandic banks. This is considered to be a good result in light of the current financial climate, our lower levels of deposits/funds and shorter investment time-lines due to Banking sector uncertainty, when compared to other Authorities.

This can be analysed further into the following categories:

Excluding Impaired Investments	Average Balance Invested £ m		Average Rates Received %	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Investments < 365 days Managed in-house	10.1	42.6	1.76	1.39
Investments > 365 days Managed in-house	0	21.0	1.91	2.41
Callable & Structured Deposits	0	14.6	0	2.37
Call Accounts	4.3	23.0	0.87	0.85
Money Market Funds	5.2	19.5	0.64	0.67
DAMDF (Govt Debt Management Office)	0	3.8	0.25	0.25
CD's Gilts & Bonds	0	16.5	0	1.71
<b>Average of All Investments Managed in-house</b>	<b>19.7</b>	<b>102.0</b>	<b>1.27</b>	<b>1.26</b>

The data above and graphs below display that despite the Council being a small investor in the markets, performance is marginally better when compared with other members of the benchmarking club and affirms our 'low appetite for risk' in the continuing unsettled markets.

## COMBINED IN-HOUSE INVESTMENTS (excluding impaired investments)



Monthly Return (Oct 11 - Sept 12)													
	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Year
Av Bal £'m	19.00	18.21	18.23	19.08	17.12	15.16	18.08	20.18	21.93	22.11	23.04	24.07	19.69
Earned £'k	19.3	19.6	20.8	21.0	17.7	18.8	20.6	22.5	22.3	22.4	22.6	21.9	249.4
% Return	1.20%	1.31%	1.34%	1.30%	1.30%	1.46%	1.39%	1.31%	1.24%	1.19%	1.15%	1.11%	1.27%
Average	1.30%	1.29%	1.26%	1.25%	1.26%	1.31%	1.32%	1.29%	1.24%	1.22%	1.20%	1.21%	1.26%
Margin	-0.10%	0.02%	0.08%	0.04%	0.04%	0.15%	0.07%	0.02%	-0.01%	-0.02%	-0.05%	-0.11%	

### Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the Treasury Management function.

## 7 Borrowing

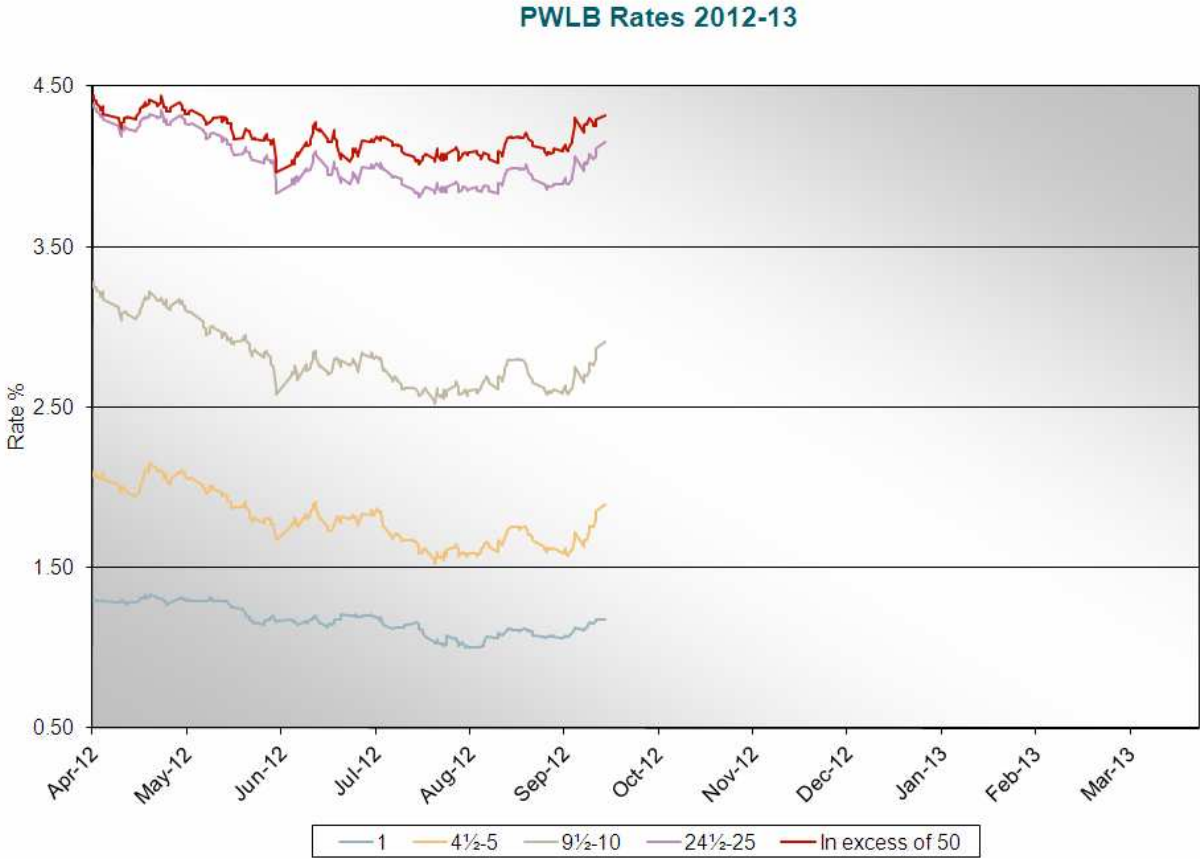
The Council's capital financing requirement (CFR) for 2012/13 is £69.588m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council has borrowings of £65.060m and has utilised £4.528m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

No new external borrowing was undertaken from the PWLB or the money markets in the first half of the year.

As outlined below, the general trend has been a reduction in interest rates during the six months, across all maturity bands.

It is anticipated that further borrowing will not be undertaken during this financial year.

The graph and table below show the movement in PWLB rates for the first six months of the year (to 10.9.12):



	1	1-1.5	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	GBR 1mth
<b>High</b>	1.330%	1.400%	1.690%	1.910%	2.150%	3.250%	4.370%	4.430%	1.500%
<b>Dates</b>	20/04/2012	20/04/2012	20/04/2012	20/04/2012	20/04/2012	02/04/2012	02/04/2012	24/04/2012	18/04/2012
<b>Low</b>	1.000%	1.030%	1.170%	1.320%	1.520%	2.520%	3.810%	3.960%	1.450%
<b>Dates</b>	02/08/2012	02/08/2012	23/07/2012	23/07/2012	23/07/2012	23/07/2012	18/07/2012	01/06/2012	01/08/2012
<b>Average</b>	1.171%	1.211%	1.410%	1.592%	1.801%	2.816%	4.032%	4.190%	1.478%
<b>Spread</b>	0.330%	0.370%	0.520%	0.590%	0.630%	0.730%	0.560%	0.470%	0.050%

**8 Debt Rescheduling**

Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2012/13.

**9 Icelandic Banks Update**

**Appendix 3** contains details of the situation with Icelandic investments as at 30<sup>th</sup> September 2012.

Expectations of future receipts and timeframes based on current information regarding each bank are given below;

- Glitnir

On 15<sup>th</sup> March 2012, the Council received £2.554m being the majority of our deposits with the bank, the balance of our approved claim, equating to £587k, is being held in an ESCROW account in Iceland. The release of these funds is dependent on a change in Icelandic Law which currently does not allow the distribution of ISK outside the country. Interest will accrue on these funds until the date of final settlement which is still unknown.

- Heritable

As at the end of September the Council had received £1.122m against our claim of £1.505m. Current estimates given by the Administrator project a total recovery of 85% or approximately £1.3m.

- Kaupthing, Singer and Friedlander

As at the end of September the Council had received £2.318m against our claim of £3.175m. Current estimates given by the Administrator project a total recovery of between 84% to 86.5% or approximately £2.7m with the majority of repayments being received by April 2013.

## REPORT AUTHOR

Please contact Phil Thomas Financial Accountant extension 239

## LIST OF BACKGROUND PAPERS

Background Papers:-	<b>Local Government Act 2003</b>
	<b>CIPFA Code of Practice on Treasury Management in Public Services 2011</b>
	<b>Treasury Management Strategy &amp; Prudential Indicators Report 2012/13</b>
	<b>Budget &amp; Medium Term Financial Strategy 2012/13</b>
	<b>Financial Healthcheck Period 6, September 2012</b>
	<b>CIPFA Treasury Management Benchmarking Club Report Quarter 2 September 2012</b>

## APPENDICES

APPENDIX 1 – Prudential Indicators

APPENDIX 2 – Current Investments

APPENDIX 3 – Icelandic Banking Situation

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PRUDENTIAL INDICATORS	2011/12	2012/13	2012/13	2013/14	2014/15
<b>Extract from budget and rent setting report</b>	<b>Actual</b>	<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Estimate*</b>	<b>Estimate*</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Capital Expenditure</b>					
Non - HRA	0.627	3.145	2.410	2.944	0.521
HRA	49.206	7.816	7.570	7.550	7.739
<b>TOTAL</b>	<b>49.833</b>	<b>10.961</b>	<b>9.980</b>	<b>10.494</b>	<b>8.260</b>
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Non - HRA	21.94	(2.15)	(2.15)	(3.12)	(3.60)
HRA	(3.48)	15.88	15.88	14.27	13.83
<b>Net borrowing requirement</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
brought forward 1 April	7.399	47.850	40.451	49.365	54.493
carried forward 31 March	47.850	53.928	49.365	54.493	55.996
in year borrowing requirement	40.451	6.078	8.914	5.128	1.503
<b>Capital Financing Requirement as at 31 March</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	1.606	0.412	1.525	0.396	0.380
HRA	68.063	68.063	68.063	68.063	68.063
<b>TOTAL</b>	<b>69.669</b>	<b>68.475</b>	<b>69.588</b>	<b>68.459</b>	<b>68.443</b>
<b>Annual change in Capital Financing Requirement</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	(2.227)	(0.017)	(0.080)	(0.016)	(0.016)
HRA	44.668	0	0	0	0
<b>TOTAL</b>	<b>42.441</b>	<b>(0.017)</b>	<b>(0.080)</b>	<b>(0.016)</b>	<b>(0.016)</b>
<b>Incremental impact of capital investment decisions</b>	<b>£ : p</b>	<b>£ : p</b>	<b>£ : p</b>	<b>£ : p</b>	<b>£ : p</b>
Increase in Council tax (band D)	1.04	0.28	0.28	0.52	0.26
Increase in average housing rent per week	0.07	0.08	0.08	0.13	0.12

\* Original estimates from 2012/13 TMS

TREASURY MANAGEMENT INDICATORS	2011/12	2012/13	2012/13	2013/14	2014/15
	Actual	Original Estimate	Revised Estimate	Estimate*	Estimate*
	£m	£m	£m	£m	£m
<b>Authorised Limit for external debt -</b>					
borrowing	83.600	89.112	89.112	89.112	89.112
other long term liabilities	3.000	3.000	3.000	3.000	3.000
<b>TOTAL</b>	<b>86.600</b>	<b>92.112</b>	<b>92.112</b>	<b>92.112</b>	<b>92.112</b>
<b>Operational Boundary for external debt -</b>					
borrowing	72.750	72.268	72.268	72.268	72.268
other long term liabilities	-	-	-	-	-
<b>TOTAL</b>	<b>72.750</b>	<b>72.268</b>	<b>72.268</b>	<b>72.268</b>	<b>72.268</b>
<b>Actual external debt</b>	65.060	-	-	-	-
<b>Upper limit for fixed interest rate exposure</b>					
Net principal re fixed rate borrowing / investments	14.570	58.000	58.000	58.000	58.000
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing / investments	2.737	7.000	7.000	7.000	7.000
<b>Upper limit for total principal sums invested for over 364 days</b>	3.500	3.000	3.000	2.500	2.000
(per maturity date)					

Maturity structure of fixed rate borrowing during 2011/12	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

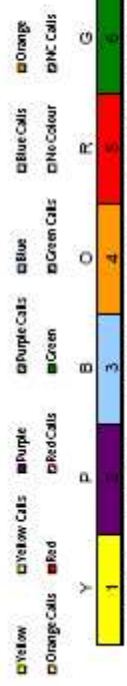
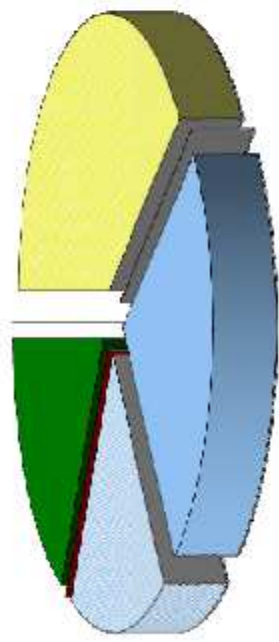
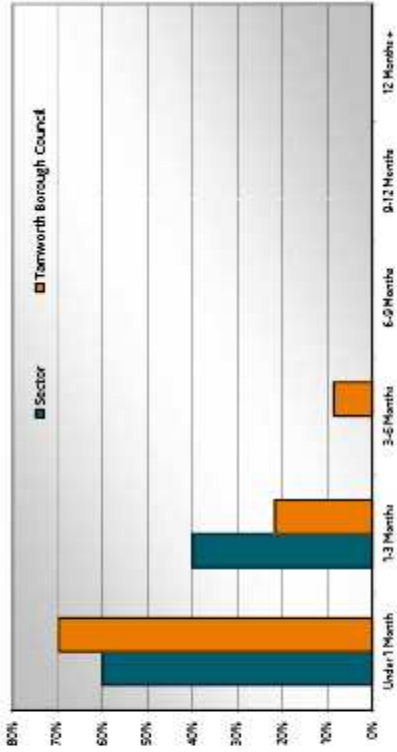
\* Original estimates from 2012/13 TMS

Current Investment List 30<sup>th</sup> September 2012

## Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Long Term Rating	Historic Risk of Default
National Westminster Bank Plc	1,999,000	0.80%		Call	A-	0.000%
Deutsche MMF	4,000,000	0.45%		MMF	AAA	0.000%
Ignis MMF	4,000,000	0.60%		MMF	AAA	0.000%
CCLA MMF	1,066,000	0.48%		MMF	AAA	0.000%
Barclays Bank Plc	2,000,000	0.82%	02/07/2012	01/10/2012	A	0.000%
Lloyds TSB Bank Plc	1,000,000	2.10%	05/10/2011	03/10/2012	A	0.001%
National Westminster Bank Plc	2,000,001	0.95%		Call30	A-	0.008%
Lloyds TSB Bank Plc	2,000,000	2.15%	04/11/2011	02/11/2012	A	0.008%
Lloyds TSB Bank Plc	1,000,000	2.25%	14/11/2011	12/11/2012	A	0.011%
Barclays Bank Plc	1,000,000	0.65%	15/08/2012	15/11/2012	A	0.012%
Barclays Bank Plc	1,000,000	0.59%	14/09/2012	14/12/2012	A	0.019%
Bank of Scotland Plc	2,000,000	3.10%	06/03/2012	13/02/2013	A	0.035%
<b>Borrower - Icelandic Exposure</b>	<b>Principal (£)</b>	<b>Interest Rate</b>	<b>Start Date</b>	<b>Maturity Date</b>		
Glitnir	209,664	6.28%	10/10/2007	09/10/2008		
Glitnir	209,664	6.55%	31/08/2007	28/08/2009		
Singer & Friedlander	270,000	6.69%	31/08/2007	09/08/2010		
Singer & Friedlander	270,000	6.16%	31/10/2007	29/10/2008		
Singer & Friedlander	270,000	5.90%	14/01/2008	14/01/2010		
Glitnir	209,664	6.16%	14/12/2007	12/12/2008		
Heritable Bank	127,190	5.38%	12/09/2008	13/10/2008		
Heritable Bank	254,379	5.45%	15/09/2008	22/10/2008		
<b>Total Investments - Icelandic Exposure Only</b>	<b>£1,820,560</b>	<b>6.11%</b>				
<b>Total Investments</b>	<b>£23,085,001</b>	<b>1.12%</b>				<b>0.006%</b>

Portfolio Composition by Sector's Suggested Lending Criteria



2.7

Portfolios weighted average risk number =

Sector	% of Portfolio	Amount	% of Colour		Amount of Colour in Calls	In Portfolio	WARoR	Excluding Calls/MMFs	
			In Calls	Up to 1yr				WARoR	WAM
Yellow	39.36%	£9,065,000	100.00%	0.00%	£9,065,000	39.36%	0.32%	0	0
Purple	0.00%	£0	0.00%	0.00%	£0	0.00%	0.00%	0	0
Blue	43.31%	£9,899,001	39.99%	17.32%	£3,999,001	17.32%	1.84%	44	220
Orange	0.00%	£0	0.00%	0.00%	£0	0.00%	0.00%	0	0
Red	0.00%	£0	0.00%	0.00%	£0	0.00%	0.00%	0	0
Green	17.33%	£4,000,000	0.00%	0.00%	£0	0.00%	0.72%	31	91
No Colour	0.00%	£0	0.00%	0.00%	£0	0.00%	0.00%	0	0
<b>Total</b>	<b>100.00%</b>	<b>£23,065,001</b>	<b>56.68%</b>	<b>1.12%</b>	<b>£13,065,001</b>	<b>56.68%</b>		<b>111</b>	<b>51</b>
								<b>25</b>	<b>111</b>
								<b>51</b>	<b>251</b>

WARoR = Weighted Average Rate of Return  
WAM = Weighted Average Time to Maturity

**ICELANDIC BANKING SITUATION (30/09/2012)**

	Deposit with;	Ref Number	Date Invested	Amount	%
1	GLITNIR	1696	10/10/2007	1,000,000	
	GLITNIR	1715	31/08/2007	1,000,000	
	GLITNIR	1754	14/12/2007	1,000,000	
	Total Principal			3,000,000	
	Estimated of Contractual or Interest due to point of administration (subject to currency exchange rate fluctuations)			140,911	
	Total of Claim			3,140,911	
	Repayments Received to date			(2,554,432)	81.33
	<b>Outstanding at 30/09/2012</b>			<b>586,479</b>	**

\*Partial repayment received on the 15th March 2012 in GBP/EUR/USD/NOK. The balance is currently being held in Icelandic Krone (ISK). Release of these funds is dependent on a change in Icelandic Law which currently does not allow the distribution of ISK outside the country. \*\*Interest will accrue on these funds until the date of final settlement and may also change due to exchange rate fluctuations.

- Best case recovery 100%

2	Heritable Bank	1802	12/09/2008	500,000	
	Heritable Bank	1803	15/09/2008	1,000,000	
	Total Principal			1,500,000	
	Interest due at point of administration 07/10/2008			5,127	
	Total of Claim			1,505,127	
	Repayments Received to date			(1,122,254)	74.56
	<b>Outstanding at 30/09/2012</b>			<b>382,874</b>	

- Current indications project an 85% recovery of our investments

3	Singer & Friedlander	1716	31/08/2007	1,000,000	
	Singer & Friedlander	1740	31/10/2007	1,000,000	
	Singer & Friedlander	1746	14/01/2008	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration 08/10/2008			175,256	
	Total of Claim			3,175,256	
	Repayments Received to date			(2,317,937)	73.00
	<b>Outstanding at 30/09/2012</b>			<b>857,319</b>	

- Current indications project an 84 to 86.5% recovery of our investments

<b>Summary</b>					
	Total Principal			7,500,000	
	Interest			321,294	
	Total of Claim			7,821,294	
	Repayments Received to date			(5,994,623)	76.64
	<b>Outstanding at 30/09/2012</b>			<b>1,826,672</b>	

1 Registered Bank in Iceland - In Administration under Icelandic Law

2 Registered Bank in UK - In Administration in UK by Ernst & Young Under English Law

3 Registered Bank in UK - In Administration in UK by Ernst & Young Under English Law

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13 DECEMBER 2012

**REPORT OF THE SOLICITOR TO THE COUNCIL AND MONITORING OFFICER****REVIEW OF THE CONSTITUTION AND SCHEME OF DELEGATION****EXEMPT INFORMATION**

None

**PURPOSE**

To review the governance process of the Council with regard to the Constitution and Scheme of Delegation with a view to improving current process, ensuring compliance with statutory obligations, to obtain fit for purpose documents that will be intra vires, equitable and legal.

**RECOMMENDATIONS**

**That the Council set up a project team comprising Chief Executive Leader and Deputy Leader of both parties, Independent Member and lead by an independent advisor (quotations have been received and are currently being evaluated ) to source**

- (a) review the Constitution and Scheme of Delegation thereafter;**
- (b) to report the results to Audit and Governance Committee, and**
- (c) with a report seeking approval of both revised documents being made to the first business meeting of the Council in 2013.**

**EXECUTIVE SUMMARY**

The Constitution and Scheme of Delegation are adopted by Council at the first business meeting each year to ensure probity and legal compliance. Each year the report takes into account changes in legislation. It can also include different political arrangements, changes that have arisen from practical considerations, and items, such as standing orders, which may require clarification. In addition there can be pragmatic suggestions designed to improve and enhance the Council's democratic processes.

The changes that have been proposed and approved and those imposed by legislation in the past year are set out in the links in the Appendices to the Constitution and Scheme of Delegation.

Articles 13 and 15 of the Constitution require the Solicitor to the Council to maintain, monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. As members are aware the Constitution has been subject to various amendments and additions and as a result of recent legislative changes and practical issues that arose in recent months, it is considered that now is a good time to undertake a complete review.

The Scheme of Delegation forms part 3 of the Constitution and requires approval by the Council in relation to those functions arising from the Local Government Act 1972 and subsequent legislation as well as those functions approved by the Leader in accordance with Section 14 of the Local Government Act 2000.

It is suggested that a project team be set up to take the review forward. It is proposed the group consist of the Chief Executive, Leader and Deputy Leader of the controlling and opposition groups, Councillor C Cooke, and lead by the external adviser.

The first meeting to discuss the issues in connection with the governance arrangements of the Council should be fixed in early January 2013, with regular meetings thereafter in accordance with a project plan, in order to complete the review within the proposed timescale.

## **RESOURCE IMPLICATIONS**

It has been considered that it will be essential to procure external advice for this project given the scope of the review that members wish to be undertaken at this time. Such expert advice will bring focus to the project team and ensure probity is maintained. Quotes for the work have been submitted ranging from £10,000 to £24,500. The most cost effective quote will be accepted which is expected to be the cheapest which has scope for savings within the quoted price. Accordingly the cost will be within present budget resource held by the Solicitor to the Council.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Failure to have a Constitution and Scheme of Delegation that comply with statutory requirements exposes the organisation to risk of challenge, damage to reputation and operating ultra vires which in turn could lead to serious financial consequences if challenged.

## **SUSTAINABILITY IMPLICATIONS**

It is essential that the Constitution and Scheme of Delegation are lawful and fit for purpose as the cost of legal challenge has no provision within any envisaged contingency

## **REPORT AUTHOR**

Jane M Hackett Solicitor to the Council and Monitoring Officer Tel: 01827 709258

## **LIST OF BACKGROUND PAPERS**

None

## **APPENDICES**

Link to Constitution

<http://democracy.tamworth.gov.uk:9071/ecCatDisplay.aspx?sch=doc&cat=12929&path=0>

Link to Scheme of Delegation

<http://democracy.tamworth.gov.uk:9071/ecCatDisplay.aspx?sch=doc&cat=12924&path=0>



13 DECEMBER 2012

**REPORT OF THE SOLICITOR TO THE COUNCIL****REGULATION OF INVESTIGATORY POWERS ACT 2000  
ADOPTION OF POLICY AND PROCEDURE****EXEMPT INFORMATION**

None

**PURPOSE**

This report advises Members of the proposed amendments to the Corporate Policy governing the Regulation of Investigatory Powers Act 2000 in light of the new requirements introduced by the Protection of Freedoms Act 2012 and seeks approval thereof.

**RECOMMENDATIONS**

**That the Council adopts the RIPA policy on Directed Surveillance, Covert Human Intelligence Sources (CHIS) and Acquisition of Communications Data**

**EXECUTIVE SUMMARY**

The Council has been given powers under the Regulation of Investigatory Powers Act 2000 (RIPA). These powers have been amended and changed in accordance with various pieces of legislation. The last change resulted in a revised RIPA Policy being approved in September 2011. The Protection of Freedoms Act 2012 require local authority authorisations under RIPA for Directed Surveillance or CHIS can only become effective on the granting of an order approving the authorisation by a Justice of the Peace. Further a local authority can now only have an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under the Licensing Act 2003 or the Children and Young Persons Act 1933.

RIPA provides a legal framework for the control and regulation of surveillance and information gathering techniques which Public Bodies such as Tamworth Borough Council undertake in the conduct of their duties. By adhering to this proposed Policy the Council will be using its powers lawfully and not be held to be in breach of Article 8 (the right to respect for private family life, home and correspondence) of the European Convention on Human Rights.

The current policy prepared in 2011 does not reflect recent changes to the legislation as mentioned above. To date these powers have been used primarily to detect those suspected of committing benefit fraud and anti social behaviour including criminal damage. In addition there have been no RIPA applications since August 2010.

The new policy and protocol will ensure that the acquisition and disclosure of data is lawful, necessary and proportionate, so that the Council is not held to be in breach of the Human Rights Act and that evidence of data obtained can be used to assist in the successful prosecution of criminal offences.

## **RESOURCE IMPLICATIONS**

There are no direct resource implications arising from the adoption of the policy and procedure. Any applications and training costs will be met from existing budgets.

## **LEGAL/RISK IMPLICATIONS**

Failure to follow the policy and procedure could result in the Council being open to challenge and ultimately responsible in damages for any breach of the Codes of Practice and Human Rights Legislation. The policy and procedure will provide guidance to staff on the processing and procedure to obtain a RIPA authorisation, reducing the risk of legal challenge to the procedure itself and the evidence obtained.

Should the recommendation be rejected, the Council will face an increased risk of being found in breach of the Codes of Practice and the Human Rights Act 1998 and in addition be at risk that any evidence obtained by the RIPA process is then excluded from use in legal proceedings

## **SUSTAINABILITY IMPLICATIONS**

Staff training seminars have taken place and it is recognised that there is a need to be trained from time to time to keep up to date with RIPA. Additionally, the Council will have to ensure at all times it has sufficient staff appointed as Authorised Officers as they play a key role in the process. Currently four members of staff have been appointed to the role of Authorised Officer and it is considered that this is sufficient number of officers to carry out this role for the Council.

## **REPORT AUTHOR**

Jane M Hackett, Solicitor to the Council and Monitoring Officer tel 01827 709258

## **LIST OF BACKGROUND PAPERS**

Regulation of Investigatory Powers Act 2000

Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010

The Protection of Freedoms Act 2012

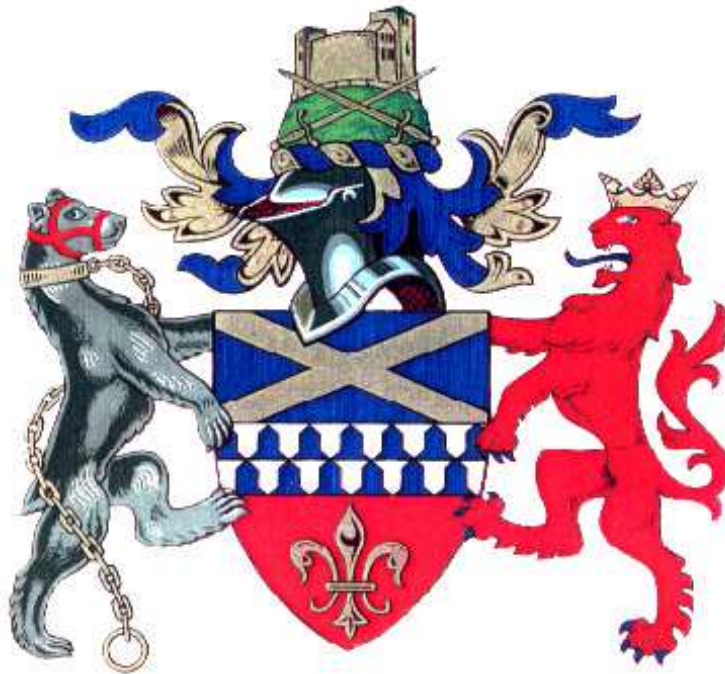
## **APPENDICES**

Proposed RIPA Policy and Procedure

# TAMWORTH BOROUGH COUNCIL

## POLICY & PROCEDURE

### REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)



Jane M Hackett  
Solicitor to the Council  
Tamworth Borough Council  
Policy date: Review: Revised: December 2012

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## **Section A**

### **Introduction**

#### **1. OBJECTIVE: SUSTAINABLE COMMUNITIES; SAFER AND STRONGER COMMUNITIES**

Tamworth Borough Council is committed to improving the quality of life for the communities of Tamworth which includes benefiting from an attractive place to live, meeting the needs of local people and employers with opportunities for all to engage in community life. It also wishes to maintain its position as a low crime borough and a safe place to live, work and learn. Although most of the community comply with the law, it is necessary for Tamworth to carry out enforcement functions to take full action against those who flout the law. Tamworth Borough Council will carry out enforcement action in a fair, practical and consistent manner to help promote a thriving local economy.

#### **2. HUMAN RIGHTS ACT 1998 – ARTICLE 8 – RIGHT TO RESPECT FOR PRIVATE & FAMILY LIFE, HOME AND CORRESPONDENCE**

The Human Rights Act 1998 brought into UK domestic law much of the European Convention on Human Rights and Fundamental Freedoms 1950. Article 8 of the European Convention requires the Council to respect the private and family life of its citizens, their homes and their correspondence. Article 8 does, however, recognise that there may be circumstances in a democratic society where it is necessary for the state to interfere with this right.

#### **3. USE OF COVERT SURVEILLANCE TECHNIQUES AND HUMAN INTELLIGENCE SOURCES**

The Council has various functions which involve observing or investigating the conduct of others, for example, investigating anti-social behaviour, fly tipping, noise nuisance control, planning (contraventions), benefit fraud, licensing and food safety legislation. In most cases, Council officers carry out these functions openly and in a way which does not interfere with a person's right to a private life. However, there are cases where it is necessary for officers to use covert surveillance techniques to undertake a specific investigation. The use of covert surveillance techniques is regulated by the Regulation of Investigatory Powers Act 2000 (RIPA), which seeks to ensure that the public interest and human rights of individuals are appropriately balanced. This document sets out the Council's policy and procedures on the use of covert surveillance techniques and the conduct and use of a Covert Human Intelligence Source. You should also refer to the two Codes of Practice published by the Government. These Codes, which were revised in 2010, are on the Home Office website ([Intranet?](#)) and supplement the procedures in this document. The Codes are admissible as evidence in Criminal and Civil Proceedings. If a provision of these Codes appear relevant to any court or tribunal, it must be taken into account.

Covert Surveillance and Property Interference Code of Practice:-

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-surveil-prop-inter-COP>

Covert Human Intelligence Sources Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-human-intel-source-COP>

There are also two other guidance documents relating the procedural changes regarding the authorisation process requiring Justice of the Peace approval from the 1<sup>st</sup> November 2012. These have been issued by the Home Office to both Local Authorities and Magistrates.

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

#### **4. ACQUISITION OF COMMUNICATIONS DATA**

RIPA also regulates the acquisition of communications data. Communications data is data held by telecommunications companies and internet service providers. Examples of communications data which may be acquired with authorisation include names, addresses, telephone numbers, internet provider addresses. Communications data surveillance does not monitor the content of telephone calls or emails. This document sets out the procedures for the acquisition of communications data. You should also refer to the Code of Practice which is available on the Home Office website.

Acquisition and Disclosure of Communications Data Revised Draft Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/acquisition-disclosure-cop>

## Section B

### EFFECTIVE DATE OF OPERATION AND AUTHORISING OFFICER RESPONSIBILITIES

1. The Policy and Procedures in this document have been amended to reflect the two revised Codes of Practice which came into force in April 2010, and the **recent legislative amendments which now require Justice of the Peace (JP) approval for all Local Authority RIPA applications and renewals, which came in effect on 1 November 2012**, changes in website addresses and application forms, as well as to reflect recommendations arising out of inspection by the Office of Surveillance Commissioners. It is essential, therefore, that Authorising Officers, take personal responsibility for the effective and efficient observance of this document and the **Office of Surveillance Commissioners (OSC) guidance documents**.
2. It will be the responsibility of Authorising Officers to ensure that their relevant members of staff are suitably trained as 'Applicants'.
3. Authorising Officers will also ensure that staff who report to them follow this Policy and Procedures Document and do not undertake or carry out **surveillance activity that meets the criteria as set out by RIPA** without first obtaining the relevant authorisations in compliance with this document.
4. Authorising Officers must also pay particular attention to health and safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should an Authorising Officer approve any RIPA form unless, and until they are satisfied that
  - the health and safety of Council employees/agents are suitably addressed
  - risks minimised so far as is possible, and
  - risks are proportionate to the surveillance being proposed.

If an Authorising Officer is in any doubt, prior guidance should be obtained from the Solicitor to the Council.

5. Authorising Officers must also ensure that, when sending copies of any Forms to the Solicitor to the Council (or any other relevant authority), that they are sent in **sealed** envelopes and marked '**Strictly Private & Confidential**'.
6. In Accordance with the **Codes of Practice**, the Senior Responsible Officer (SRO) with responsibility for Authorising Officers is the Solicitor to the Council. The Chief Executive in consultation with Corporate Management Team has power to appoint Authorising Officers for the purposes of RIPA. Authorising Officers will only be appointed on the Chief Executive being satisfied that suitable training on RIPA has been undertaken. **The SRO is responsible for**
  - **the integrity of the process in place within the public authority to authorise directed and intrusive surveillance**
  - **compliance with Part II of the 2000 Act, and with this code;**
  - **engagement with the Commissioners and inspectors when they conduct their inspections, and**

- where necessary, overseeing the implementation of any post inspection
  - action plans recommended or approved by a Commissioner.
- 7. The Solicitor to the Council will review the policy every six months and annual reports on performance of the policy will be presented to the Audit and Governance Committee of the Council.
- 8. Quarterly reports on the use of RIPA will be considered by the Audit and Governance Committee.



## Section C

### GENERAL INFORMATION ON RIPA

1. The Human Rights Act 1998 requires the Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, their homes and their correspondence.
2. The European Convention did not, however, make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere in the citizen's right mentioned above, if such interference is:-
  - (a) **in accordance with the Law;**
  - (b) **necessary** (as defined in this document); **and**
  - (c) **proportionate** (as defined in this document).
3. The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism (ie. 'in accordance with the law') for authorising **covert surveillance** and the use of a '**covert human intelligence source**' ('CHIS') – eg. undercover agents. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, RIPA and this Policy and Procedure document seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
4. Directly employed Council staff and external agencies working for the Council are covered by the Act for the time they are working for the Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf, must be properly authorised by one of the Council's designated Authorising Officers. **They may also be inspected by the OSC in respect of that particular operation. This should be pointed out during the instruction and contract stage. It is also important that the Authorising Officer is aware of the abilities of the operatives to ensure they are capable of undertaking the surveillance.** Please refer to Section H and to the paragraph on "Authorising Officers."
5. If the correct procedures are not followed, evidence may be disallowed by the courts, a complaint of maladministration could be made to the Ombudsman and/or the Council could be ordered to pay compensation.

## **Section D**

### **WHAT RIPA DOES AND DOES NOT DO**

**1. RIPA:**

- requires prior authorisation of directed surveillance.
- prohibits the Council from carrying out intrusive surveillance.
- requires authorisation of the conduct and use of a CHIS.
- requires safeguards for the conduct and use of a CHIS.

**2. RIPA does not:**

- make lawful conduct which is otherwise unlawful.
- prejudice or affect any existing powers available to the Council to obtain information by any means not involving conduct that may be authorised under this Act. For example, the Council's current powers to obtain information from the DVLA or from the Land Registry as to the ownership of a property.

**3. If the Authorising Officer or any Applicant is in any doubt, s/he should ask the Solicitor to the Council BEFORE any directed surveillance and/or CHIS is authorised, renewed, cancelled or rejected.**

## Section E

### TYPES OF SURVEILLANCE

‘**Surveillance**’ includes:

- monitoring, observing and listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It may be conducted with or without the assistance of a surveillance device.
- recording anything mentioned above in the course of authorised surveillance.
- surveillance, by or with, the assistance of appropriate surveillance device(s).

**Surveillance can be overt or covert.**

#### Overt Surveillance

Most of the surveillance carried out by the Council will be done overtly – there will be nothing secretive, clandestine or hidden about it. They will be going about Council business openly. Similarly, surveillance will be overt if the subject has been told it will happen (eg. where a noisemaker is warned (preferably in writing) that noise will be recorded).

#### Covert Surveillance

Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place. (Section 26(9)(a) of RIPA).

RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance) and the use of Covert Human Intelligence Sources (CHIS).

#### Directed Surveillance

Directed Surveillance is surveillance which:-

- is **covert**; and
- is **not intrusive surveillance** (see definition below – the Council cannot carry out any intrusive surveillance).
- is not carried out in an immediate response to events which would otherwise make seeking authorisation under the Act reasonable, eg. spotting something suspicious and continuing to observe it; and
- it is undertaken for the purpose of a **specific investigation** or operation in a manner **likely to obtain private information** about an individual (whether or not that person is specifically targeted for purposes of an investigation). (Section 26(10) RIPA).

*Private Information* in relation to a person includes any information relating to his private and family life, his home or his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others with whom s/he comes into contact. Private information may include personal data such as names, addresses or telephone numbers. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others. Privacy considerations are likely to arise if several records are examined together to establish a pattern of behaviour.

**For the avoidance of doubt, only those Officers appointed as ‘Authorising Officers’ for the purpose of RIPA can authorise ‘Directed Surveillance’ IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, are followed.**

### **Intrusive Surveillance**

This is when it:-

- is covert;
- relates to residential premises and private vehicles, even if used on a temporary basis and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

**This form of surveillance can be carried out only by police and other law enforcement agencies. Intrusive surveillance relates to the location of the surveillance, and not any consideration of the information that is likely to be obtained. Council officers cannot carry out intrusive surveillance.**

### **“Proportionality”**

This term contains three concepts:-

- the surveillance should not be excessive in relation to the gravity of the matter being investigated;
- the least intrusive method of surveillance should be chosen; and
- collateral intrusion involving invasion of third parties’ privacy and should, so far as possible, be minimised.

**Proportionality** involves balancing the intrusiveness of the activity on the subject and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case, or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.

The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers :

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

When considering the intrusion, it is important that the Authorising Officer is fully aware of the technical capabilities of any proposed equipment to be used, and that any images are managed in line with the Data Protection Act and Home Office Guidance. These issues have a direct bearing on determining proportionality.

### **Surveillance outside of RIPA**

There may be a necessity for the Council to undertake surveillance which does not meet the criteria to use the RIPA legislation particularly in light of the serious crime criteria which is now required. The Council still must meet its obligations under the Human Rights Act and therefore any surveillance outside of RIPA must still be necessary and proportionate having taken account of the intrusion issues. The decision making process and the management of such surveillance must be well documented.

The OSC have stated that it should be the responsibility of the SRO to monitor this type of activity. Therefore, before any such surveillance takes place advice must be sought from Legal Services

## Section F

### **Covert Human Intelligence Source (CHIS)**

Staff will need to know when someone providing information may become a CHIS, and in these circumstances the Council is required to have procedures in place should this be necessary. However If it appears that use of a CHIS may be required, Authorising Officers must seek legal advice from the Solicitor to the Council.

A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the council. However, the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Benefit Fraud Hot Line. Members of the public acting in this way would not generally be regarded as sources.

Under section 26(8) of the 2000 Act a person is a source if:

- a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
- b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

### **Conduct and Use of a Source**

The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

The **conduct of a source** is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfill whatever tasks are given to them or

which is incidental to it. **The Use and Conduct require separate consideration before authorisation.**

When completing applications for the use of a CHIS, the applicant must state who the CHIS is, what they can do and for which purpose.

When determining whether a CHIS authorisation is required, consideration should be given to the covert relationship between the parties and the purposes mentioned in a, b, and c above.

### ***Management of Sources***

Within the provisions there has to be;

(a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)

(b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)

(c) at all times there will be a person who will have responsibility for maintaining a record of the use made of the source

The **Handler** will have day to day responsibility for:

- dealing with the source on behalf of the authority concerned;
- directing the day to day activities of the source;
- recording the information supplied by the source; and
- monitoring the source's security and welfare;

The **Controller** will be responsible for the general oversight of the use of the source.

### ***Tasking***

Tasking is the assignment given to the source by the Handler or Controller by asking him to obtain information, to provide access to information, or to otherwise act, incidentally, for the benefit of the relevant public authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

In some instances, the tasking given to a person will not require the source to establish a personal or other relationship for a covert purpose. For example, a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items which have been labelled misleadingly or are unfit for

consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

**Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of all of the aspects relating to tasking contained within the CHIS codes of Practice**

### ***Management Responsibility***

The Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation.

The Handler of the source will usually be of a rank or position below that of the Authorising Officer.

It is envisaged that the use of a CHIS will be infrequent. Should a CHIS application be necessary, the CHIS Codes of Practice should be consulted to ensure that the Council can meet its management responsibilities.

### ***Security and Welfare***

The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before authorising the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

### ***Record Management for CHIS***

Proper records must be kept of the authorisation and use of a source. The particulars to be contained within the records are;

- a. the identity of the source;
- b. the identity, where known, used by the source;
- c. any relevant investigating authority other than the authority maintaining the records;
- d. the means by which the source is referred to within each relevant investigating authority;



- e. any other significant information connected with the security and welfare of the source;
- f. any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g. the date when, and the circumstances in which the source was recruited;
- h. the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i. the periods during which those persons have discharged those responsibilities;
- j. the tasks given to the source and the demands made of him in relation to his activities as a source;
- k. all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l. the information obtained by each relevant investigating authority by the conduct or use of the source;
- m. any dissemination by that authority of information obtained in that way; and
- n. in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

### ***Juvenile Sources***

Special safeguards apply to the use or conduct of juvenile sources (i.e. those under the age of 18). On no occasion can a child under 16 years of age be authorised to give information against his or her parents or any person with parental responsibility for him or her. Only the Chief Executive, or in his absence, the Deputy Chief Executive can authorise the use of a juvenile as a source.

### ***Vulnerable Individuals***

A Vulnerable Individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation.

A Vulnerable Individual will only be authorised to act as a source in the most exceptional of circumstances. Only the Chief Executive, or in his absence, the Deputy Chief Executive can authorise the use of a vulnerable individual as a source.

### ***Test Purchases***

Carrying out test purchases will not **normally** require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, **authorisation as a CHIS** would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter).

By contrast, developing a relationship with a person in the shop, to obtain information about the seller's suppliers of an illegal product (e.g. illegally imported products) will require authorisation as a CHIS. Similarly, using mobile hidden recording devices or CCTV cameras to record what is going on in the shop will require authorisation as directed surveillance. A combined authorisation can be given for a CHIS and also directed surveillance. **However it will be necessary to complete the relevant separate application forms.**

Authorising Officers should consider the likelihood that the test purchase will lead to a relationship being formed with a person in the shop. If the particular circumstances of a particular test purchase are likely to involve the development of a relationship Authorising Officers must seek legal advice from the Solicitor to the Council.

**If several shop premises are included on one application for Directed Surveillance, each premises will be required to be assessed by the Authorising Officer individually on their own merits.**

### ***Anti-Social Behaviour Activities (eg. Noise, Violence, Race etc)***

**As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour, unless there are criminal offences involved which attract a maximum custodial sentence of six months. Should it be necessary to conduct covert surveillance for disorder which does not meet the serious crime criteria of a custodial sentence of a maximum of six months, this surveillance would be classed as surveillance outside of RIPA, and would still have to meet the Human Rights Act provisions of Necessity and Proportionality? (See section of surveillance outside of RIPA)**

Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (eg. the decibel level) will not normally capture private information and, therefore, does not require authorisation.

## Section G

### THE ROLE OF THE RIPA CO-ORDINATOR

#### Key Responsibilities of the RIPA Co-ordinator

- In this document the RIPA Co-ordinator is the Solicitor to the Council. The key responsibilities of the RIPA Co-ordinator are to:
- Retain all applications for authorisation (including those that have been refused), renewals and cancellations for a period of at least **three years** together with any supplementary documentation;
- Provide a unique reference number and maintain the central register of all applications for authorisations whether finally granted or refused (see section below);
- Create and maintain a spreadsheet for the purpose of identifying and monitoring expiry dates and renewal dates although the responsibility for this is primarily that of the officer in charge and the Authorising Officer;
- Monitor types of activities being authorised to ensure consistency and quality throughout the Council;
- Ensure sections identify and fulfil training needs;
- Periodically review Council procedures to ensure that they are up to date;
- Assist Council employees to keep abreast of RIPA developments;
- Provide a link to the Surveillance Commissioner and disseminate information on changes on the law, good practice etc. Officers becoming aware of such information should, conversely, send it to the RIPA Co-ordinator for this purpose;
- Check that Authorising Officers carry out reviews and cancellations on a timely basis.

#### Central Record of Authorisations

A centrally retrievable record of all authorisations will be held by the RIPA Co-ordinator (Solicitor to the Council) which must be up-dated whenever an authorisation is granted, renewed or cancelled. These records will be retained for a period of **three years** from the ending of the authorisation and will contain the following information:

- The type of authorisation;
- The date the authorisation was given;
- The name and title of the Authorising Officer;

- The unique reference number of the investigation (URN);
- The title of the investigation or operation, including a brief description and the names of the subjects, if known;
- Whether the urgency provisions were used and if so why;
- Whether the investigation will obtain confidential information;
- Whether the authorisation was granted by an individual directly involved in the investigation;
- The dates the authorisation is reviewed and the name and title of the Authorising Officer;
- If the authorisation is renewed, when it was renewed and the name and title of the Authorising Officer;
- The date the authorisation was cancelled.
- **Joint surveillance activity where Council staff have been authorised on another agencies authorisation will also be recorded.**

Access to the data will be restricted to the RIPA Co-ordinator and Authorising Officers to maintain the confidentiality of the information.

## Section H

### AUTHORISATION PROCEDURES

1. Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

#### *Authorising Officers*

Forms can only be signed by Authorising Officers. The Authorising Officers are:

<b>Chief Executive</b>	Tony Goodwin
<b>Executive Director Corporate Services</b>	John Wheatley
<b>Director Assets &amp; Environment</b>	Andrew Barratt
<b>Director Communities, Planning &amp; Partnerships</b>	Rob Mitchell

Appointment of the aforesaid officers is subject to the training requirements set out in the paragraph below.

Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and any internal departmental Schemes of Management.

RIPA authorisations are for specific investigations only, and must be renewed or cancelled once the specific surveillance is complete or about to expire. **The authorisations do not lapse with time.**

Authorising officers should not normally be responsible for authorising operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable, especially in the case of small organisations, or where it is necessary to act urgently or for security reasons. Where an authorising officer authorises such an investigation or operation the centrally retrievable record of authorisations should highlight this and the attention of a Commissioner or Inspector should be invited to it during the next inspection.

#### *Training*

Authorising Officers will only be appointed if the Chief Executive is satisfied that they have undertaken suitable training on RIPA. Evidence of suitable training is to be supplied in the form of a certificate/confirmation from the trainer to the effect that the Authorising Officer has completed a suitable course of instruction.

The Solicitor to the Council will maintain a Register of Authorising Officers and details of training undertaken by them.

If the Chief Executive is of the view that an Authorising Officer has not complied fully with the requirements of this document, or the training requirements then that Officer's authorisation can be withdrawn until they have undertaken further approved training or has attended a one-to-one meeting with the Chief Executive.

## **Grounds for Authorisation**

On 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

**The crime threshold, as mentioned is only for Directed Surveillance.**

Therefore the only lawful reason is **prevention and detection of crime** in respect of its Core Functions. As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour unless there are criminal offences involved which attract a maximum custodial sentence of six months.

## **APPLICATION PROCESS**

No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

The effect of the above legislation means that all applications and renewals for covert RIPA activity will have to have a JP’s approval. It does not apply to Reviews and Cancellations which will still be carried out internally.

The procedure is as follows;

All applications and renewals for Directed Surveillance and use of a CHIS will be required to have a JP’s approval.

The applicant will complete the relevant application form ensuring compliance with the statutory provisions shown above. The application form will be submitted to an

Authorising Officer for consideration. If authorised, the applicant will also complete the required section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

It will then be necessary within Office hours to arrange with Her Majesty's Courts & Tribunals Service (HMCTS) administration at the magistrates' court to arrange a hearing. The hearing will be in private and heard by a single JP.

Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP. If in doubt as to whether you are able to present the application seek advice from the Solicitor to the Council.

Upon attending the hearing, the officer must present to the JP the partially completed judicial application/order form, a copy of the RIPA application/authorisation form, together with any supporting documents setting out the case, and the original application/authorisation form.

The original RIPA application/authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

The JP will read and consider the RIPA application/ authorisation and the judicial application/order form. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

The JP may decide to

**Approve the Grant or renewal of an authorisation**

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the technique in that particular case.

**Refuse to approve the grant or renewal of an authorisation**

The RIPA authorisation will not take effect and the local authority may **not** use the technique in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the application/authorisation has met the tests, and this is the reason for refusal the officer should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

**Refuse to approve the grant or renewal and quash the authorisation or notice**

This applies where the JP refuses to approve the application/authorisation or renew the application/authorisation and decides to quash the original authorisation or notice. However the court must not exercise its power to quash the application/authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal section who will consider whether to make any representations.

Whatever the decision the JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA application and authorisation form and the judicial application/order form. The officer will retain the original application/authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date, The officers are now allowed to undertake the activity.

The original application and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant and if necessary by the Authorising Officer.

A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the Legal team will decide what action if any should be taken.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject, the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits.



An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

**Application, Review, Renewal and Cancellation Forms**

***Applications***

All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team in order that they are aware of the activities being undertaken by the staff. Applications whether authorised or refused will be issued with a unique number by the Authorising Officer, taken from the next available number in the Central Record of Authorisations.

If authorised the applicant will then complete the relevant section of the judicial application/order form and follow the procedure above by arranging and attending the Magistrates Court to seek a JP's approval. (see procedure above RIPA application and authorisation process)

**Duration of Applications**

<b>Directed Surveillance</b>	3 Months
Renewal	3 Months
<b>Covert Human Intelligence Source</b>	12 Months
Juvenile Sources	1 Month
<b>Renewal</b>	<b>12 months</b>

**All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire. (See cancellations page 16)**

## Reviews

The reviews are dealt with internally by submitting the review form to the authorising officer. There is no requirement for a review form to be submitted to a JP. However if a different surveillance techniques is required is is likely a new application will have to be completed and approved by a JP.

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.

Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably, or the techniques to be used are now different a new application form should be submitted and will be required to follow the process again and be approved by a JP. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

## Renewal

Should it be necessary to renew a Directed Surveillance or CHIS application/authorisation, this must be approved by a JP.

Applications for renewals should not be made until shortly before the original authorisation period is due to expire but the applicant must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant authorising officer and a JP to consider the application).

The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusion issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and

information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

If the authorising officer refuses to renew the application the cancellation process should be completed. If the AO authorises the renewal of the activity the same process is to be followed as mentioned earlier for the initial application.

A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

## **Cancellation**

The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer

As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations (see paragraph 5.18 in the Codes of Practice). **It will also be necessary to detail the amount of time spent on the surveillance as this is required to be retained by the Senior Responsible Officer.**

The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issues instructions regarding the management and disposal of the images etc.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Before an Authorising Officer signs a Form, they must:-

- (a) Be mindful of this Policy & Procedures Document and the training undertaken
  - (b) Be satisfied that the RIPA authorisation is:-
    - (i) **in accordance with the law;**
    - (ii) **necessary** in the circumstances of the particular case on the ground mentioned
- and**
- (iii) **proportionate** to what it seeks to achieve. (see section on proportionality)
- (c) In assessing whether or not the proposed surveillance is proportionate, consider other appropriate means of gathering the information.

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explain how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- consider whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidence, what other methods have been considered and why they were not implemented.

**The least intrusive method will be considered proportionate by the courts.**

- (d) Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**collateral intrusion**). Measures must be taken wherever practicable to avoid or minimise (so far as is possible) collateral intrusion. This matter may be an aspect of determining proportionality;
- (e) Set a date for review of the authorisation and review on only that date;

- (f) Obtain a Unique Reference Number (URN) for the application from the Solicitor to the Council on 01827 709258
- (g) Ensure that a copy of the RIPA Forms (and any review/cancellation of the same) is forwarded to the Solicitor to the Council, Central Register, **within 5 working days of the relevant authorisation, review, renewal, cancellation or rejection.**

### ***Additional Safeguards when Authorising a CHIS***

When authorising the conduct or use of a CHIS, the Authorising Officer must also:-

- (a) be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved.
- (b) Be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety issues through a risk assessment;
- (c) Consider the likely degree of intrusion of all those potentially affected;
- (d) Consider any adverse impact on community confidence that may result from the use or conduct or the information obtained;
- (e) Ensure **records** contain particulars and are not available except on a need to know basis.
- (f) Ensure that if the CHIS is under the age of 18 or is a vulnerable adult the Authorising Officer is the Chief Executive or in his absence, the Deputy Chief Executive.

The Authorising Officer must attend to the requirement of section 29(5) RIPA and of the Regulation of Investigatory Powers (Source Records) Regulations 2000. It is strongly recommended that legal advice is obtained in relation to the authorisation of a CHIS.

### ***Urgent Authorisations***

As from 1 November 2012 there is now no provision under RIPA for urgent oral authorisations.

## Section I

### WORKING WITH / THROUGH OTHER AGENCIES

When some other agency has been instructed on behalf of the Council to undertake any action under RIPA, this document and the forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements. The agency must be made aware explicitly what they are authorised to do. **The agency will be provided with a copy of the application form (redacted if necessary) or at the least the authorisation page containing the unique number.**

**Equally, if Council staff are authorised on another agencies RIPA authorisation, the staff will obtain a copy of the application form (redacted if necessary), or at the least the authorisation page containing the unique number, a copy of which should be forwarded for filing within the central register. They must ensure that they do not conduct activity outside of that authorisation.**

**Provisions should also be made regarding any disclosure implications under the Criminal Procedures Act (CPIA) and the management, storage and dissemination of any product obtained.**

When another agency (e.g. Police, Customs & Excise, Inland Revenue etc):-

(a) wishes to use the Council's resources (e.g. CCTV surveillance systems), that agency must use its own RIPA procedures and, before any Officer agrees to allow the Council's resources to be used for the other agency's purposes, the Officer must obtain a copy of that agency's RIPA form (redacted if necessary) **or at the least the authorisation page containing the unique number** for the record (a copy of which must be passed to the Solicitor to the Council for the Central Register) **Should this be an urgent oral authorisation they should obtain a copy of the contemporaneous notes of what has been authorised by the Authorising Officer in line with current guidance. A copy of these notes will be forwarded for filing in the central register.**

(b) wish to use the Council's premises for their own RIPA action, the Chief Officer or Head of Service should, normally, cooperate with the same, unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the other agency for the Council's cooperation in the agent's RIPA operation. In such cases, however, the Council's own RIPA forms should not be used as the Council is only 'assisting' not being 'involved' in the RIPA activity of the external agency.

If the Police or any other Agency wish to use Council resources for general surveillance, as opposed to specific RIPA operations, an appropriate letter requesting the proposed use, extent of remit, duration, who will be undertaking the general surveillance and the purpose of it must be obtained from the police or other Agency before any Council resources are made available for the proposed use.

Any person granting or applying for an authorisation will also need to be aware of particular sensitivities in the local community where the surveillance is taking place and of any similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. It is therefore recommended that where an authorising officer from a public authority considers that conflicts might arise they should consult a senior officer within the police force area in which the investigation or operation is to take place.

**If in doubt, please consult with the Solicitor to the Council at the earliest opportunity.**

## **Section J**

### **RECORD MANAGEMENT**

**The Council must keep detailed records of all authorisations, renewals, cancellations and rejections in Departments and a Central Register of all Authorisation Forms will be maintained and monitored by the Solicitor to the Council.**

#### ***Records Maintained in the Department***

The following documents must be retained by the Department authorising the surveillance:

- a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the Authorising Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorising Officer;
- the Unique Reference Number for the authorisation (URN).

#### ***Central Register maintained by the Solicitor to the Council***

Authorising Officers must forward a copy of the form to the Solicitor to the Council for the Central Register, within 5 working days of the authorisation, review, renewal, cancellation or rejection. The Solicitor to the Council will monitor the same and give

appropriate guidance to Authorising Officers from time to time, or amend this document in the light of changes of legislation or developments through case law.

### ***Retention and Destruction of Material***

Arrangements are in place for the secure handling, storage and destruction of material obtained through the use of directed or intrusive surveillance or property interference. Authorising Officers, through their relevant Data Controller, must ensure compliance with the appropriate data protection requirements under the Data Protection Act 1998 and any relevant codes of practice produced by individual authorised relating to the handling and storage of material.

The Council will retain records for a period of at least three years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) can audit/review the Council's policies and procedures, and individual authorisations.

The Office of the Surveillance Commissioners will also write to the Council from time to time, requesting information as to the numbers of authorisations made in a specific period. It will be the responsibility of the Solicitor to the Council to respond to such communications.

### **Errors**

There is no requirement as set out in the OSC procedures and Guidance 2011 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This would be known as an error. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA. (See oversight section below)



## **Section K**

### **ACQUISITION OF COMMUNICATIONS DATA**

#### **What is Communications Data?**

Communication data means any traffic or any information that is or has been sent by or over a telecommunications system or postal system, together with information about the use of the system made by any person.

#### **Powers**

There are two powers granted by S22 RIPA in respect of the acquisition of Communications Data from telecommunications and postal companies ("Communications Companies").

S22 (3) provides that an authorised person can authorise another person within the same relevant public authority to collect the data. This allows the local authority to collect the communications data themselves, i.e. if a private telecommunications company is technically unable to collect the data, an authorisation under this section would permit the local authority to collect the communications data themselves.

In order to compel a communications company to obtain and disclose, or just disclose communications data in their possession, a notice under S22 (4) RIPA must be issued. The sole grounds to permit the issuing of a S22 notice by a permitted Local Authority is for the purposes of "preventing or detecting crime or of preventing disorder". The issuing of such a notice will be the more common of the two powers utilised, in that the Communications Company will most probably have means of collating and providing the communications data requested.

#### **Single Point of Contact**

In accordance with the Home Office Acquisition and Disclosure of Communications Data Code of Practice the Council is required to have a "Single Point of Contact" ("SPoC"). The role of the SPoC is to enable and maintain effective co-operation between a public authority and communications service providers in the lawful acquisition and disclosure of communications data. Before an officer can be a SPoC specialist training recognised by the Home Office has to be undertaken. A SPoC must also register his or her details with the Home Office. The Solicitor the the Council is SPoC for Tamworth Borough Council.

Details of the training undertaken is kept in the Central Register.

The functions of the SPoC are to:

- Assess, where appropriate, whether access to communications data is reasonably practical for the postal or telecommunications operator;

- Advise Applicants and Authorising Officers on the practicalities of accessing different types of communications data from different postal or telecommunications operators
- Advise Applicants and Authorising Officers on whether communications data falls under section 21(4)(a), (b) or (c) of RIPA
- Provide safeguards for authentication
- Assess any cost and resource implications to both the Council and postal or telecommunications operator.

### **The Senior Responsible Officer**

In accordance with the Code of Practice each public authority must have a Senior Responsible Officer who is responsible for:

- The integrity of the process in places within the public authority to acquire communications data;
- Compliance with Chapter II of Part 1 of RIPA and with the Code;
- Oversight of the reporting of errors to the Interception of Communications Commissioner's Office (IOCCO) and the identification of both the cause of errors and the implementation of processes to minimise repetition of errors;
- Engagement with the IOCCO inspectors when they conduct their inspections and;
- Where necessary, oversee the implementation of post – inspection action plans approved by the Commissioner

The Council's Senior Responsible Officer is the Solicitor to the Council.

### **Application Forms**

Only the approved Accessing Communications Data forms referred to in Appendix 4 must be used. The forms have to be downloaded and completed in the Applicants handwriting

### **Procedure**

All applications to obtain communications data must be channelled through the SPoC. If an investigating officer is considering making an application to obtain communications data they should contact the SPoC for advice and to obtain the appropriate forms.

In completing the forms the investigating officer must address the issues of necessity, proportionality and collateral intrusion. The following is guidance on the principles of necessity, proportionality and collateral intrusion.

“Necessity” should be a short explanation of the crime (together with details of the relevant legislation), the suspect, victim or witness and the telephone or communications address and how all these three link together. It may be helpful to outline the brief details of the investigation and the circumstances leading to the application as this will assist with justifying necessity. The source of the telephone number or communications address should also be outlined. E.g. if the number was

obtained from itemised billing or a business flyer there should be specific identifiers such as the telephone number or exhibit number.

As regards “proportionality” there should be an outline of what the investigating officer expects to achieve from obtaining the data and explain how the level of intrusion is justified when taking into consideration the benefit the data will give to the investigation. The investigating officer should give an explanation as to why specific date/time periods of data have been requested. An explanation of what is going to be done with the communications data once it is acquired and how that action will benefit the investigation will assist with the justification of proportionality. The investigating officer should outline what other checks or methods have been tried e.g. visiting other known addresses, ringing the number etc or why such methods are not deemed feasible.

“Collateral intrusion” should also be addressed on the suspect or individual in question to demonstrate that the intrusion is not arbitrary or unfair. There will only be minimal collateral intrusion in relation to subscriber checks or none will be identified at the time of making the application. In some case it will be clear that the suspect has been contacted on the actual telephone number by the complainant or the investigating officer and therefore this reduces the potential for collateral intrusion. Investigating officers should also mention whether it is known that the telephone number (or other type of data) has been used to advertise the business, either in the press/internet or on business cards/flyers as this would also be evidence to show that the suspect is actually using the telephone number and further reduce the potential for collateral intrusion. Collateral intrusion becomes more relevant when applying for service use data and investigating officers should outline specifically what collateral intrusion may occur, how the time periods requested impact on collateral intrusion and whether they are likely to obtain data which is outside the realm of their investigation.

Once the investigating officer has completed the application form it should be passed to the SPoC together with a draft Notice to the Communications Service Provider. If the SPoC is satisfied that the application should proceed, the Application and the draft Notice to the Communications Service Provider will be considered by an Authorising Officer<sup>1</sup>. If the SPoC decides that the application is not justified it will be rejected. If the SPoC requires further information in order to consider the application this will be requested from the investigating officer and recorded on the SPoC Log Sheet.

The Authorising Officer must consider:

- (a) whether the case justifies the accessing of communications data for the **purposes of preventing or detecting crime or of preventing disorder** and why obtaining the data is **necessary**;

and

- (b) whether obtaining access to the data by the conduct authorised, or required of the postal or telecommunications operator in the case of a notice, is **proportionate** to what is sought to be achieved.

The Authorising Officer will complete the Application Form as appropriate.

If the Authorising Officer becomes directly involved in the operation, such involvement and their justification for undertaking the role of Authorising Officer must be explicit in the written considerations on the Application Form or alternatively the application should be passed to another Authorising Officer for consideration.

If the accessing of communications data is authorised the Authorising Officer will sign the Notice to the Communication Service Provider, complete the date/time of issue and return all forms to the SPoC

The SPoC will then issue the Notice to the Communications Service Provider

1. NOTE: The Code of Practice referred to in paragraph 5 above refers to "Designated Persons" as those whose authority is obtained with regard to the application. However, for the purposes of this policy and procedure the term "Authorising Officer" will be used for that of "Designated Person".

## **Duration**

Authorisations and notices are only valid for one month. A shorter period should be specified if this is satisfied by the request. An authorisation or notice may be renewed during the month by following the same procedure as obtaining a fresh authorisation or notice.

An Authorising Officer shall cancel an authorisation or notice as soon as it is no longer necessary or the conduct is no longer proportionate to what is sought to be achieved. The duty to cancel a notice falls on the Authorising Officer who issued it.

## **Record Management**

Applications, authorisations and notices for communications data must be retained by the SPoC until audited by the IOCCO. All such documentation must be kept in locked storage.

## **Errors**

Where any errors have occurred in the granting of authorisations or the giving of notices, a record shall be kept and a report and explanation sent to the IOCCO as soon as reasonably practicable.

## **Oversight**

The IOCCO will write to the Council from time to time requesting information as to the numbers of applications for communications data and confirmation as to whether there have been any errors which have occurred when obtaining data communications. It will be the responsibility of the Solicitor to the Council to respond to such communications.

## **Section L**

### **CONCLUSION**

Obtaining an authorisation under RIPA and following the guidance and procedures in this document will assist in ensuring that the use of covert surveillance or a CHIS is carried out in accordance with the law and subject to safeguards against infringing an individual's human rights. Complying with the provisions of RIPA protects the Council against challenges for breaches of Article 8 of the European Convention on Human Rights.

Authorising Officers will be suitably trained and they must exercise their minds every time they are asked to sign a Form. They must never sign or rubber stamp Form(s) without thinking about their personal and the Council's responsibilities.

Any boxes not needed on the Form(s) must be clearly marked as being 'NOT APPLICABLE', 'N/A' or a line put through the same. Great care must also be taken to ensure accurate information is used and is inserted in the correct boxes. Reasons for any refusal of an application must also be kept on the form and the form retained for future audits.

For further advice and assistance on RIPA, please contact the Solicitor to the Council (who is also the Monitoring Officer).

## **APPENDIX 1**

### **A FORMS**

#### **DIRECTED SURVEILLANCE**

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

Application for Authorisation Directed Surveillance

Application for Review of a Directed Surveillance Authorisation

Application for Renewal of a Directed Surveillance Authorisation

Application for Cancellation of a Directed Surveillance Authorisation

## APPENDIX 2

### B FORMS

#### CONDUCT OF A COVERT HUMAN INTELLIGENCE SOURCE

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

Application for Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS).

Application for Review of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for renewal of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for Cancellation of an authorisation for the use or Conduct of a Covert Human Intelligence Source.

## APPENDIX 3

### C FORMS

#### ACQUISITION OF COMMUNICATIONS DATA

All forms can be obtained from the Home Office: RIPA Codes of Conduct website:  
<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

Part I Chapter II request schedule for subscriber information

Specimen Part I Chapter II authorisation

Specimen Part I Chapter II Notice

Chapter II application for communications data

Guidance notes regarding chapter II application form

RIPA Section 22 notice to obtain communications data from communications service providers

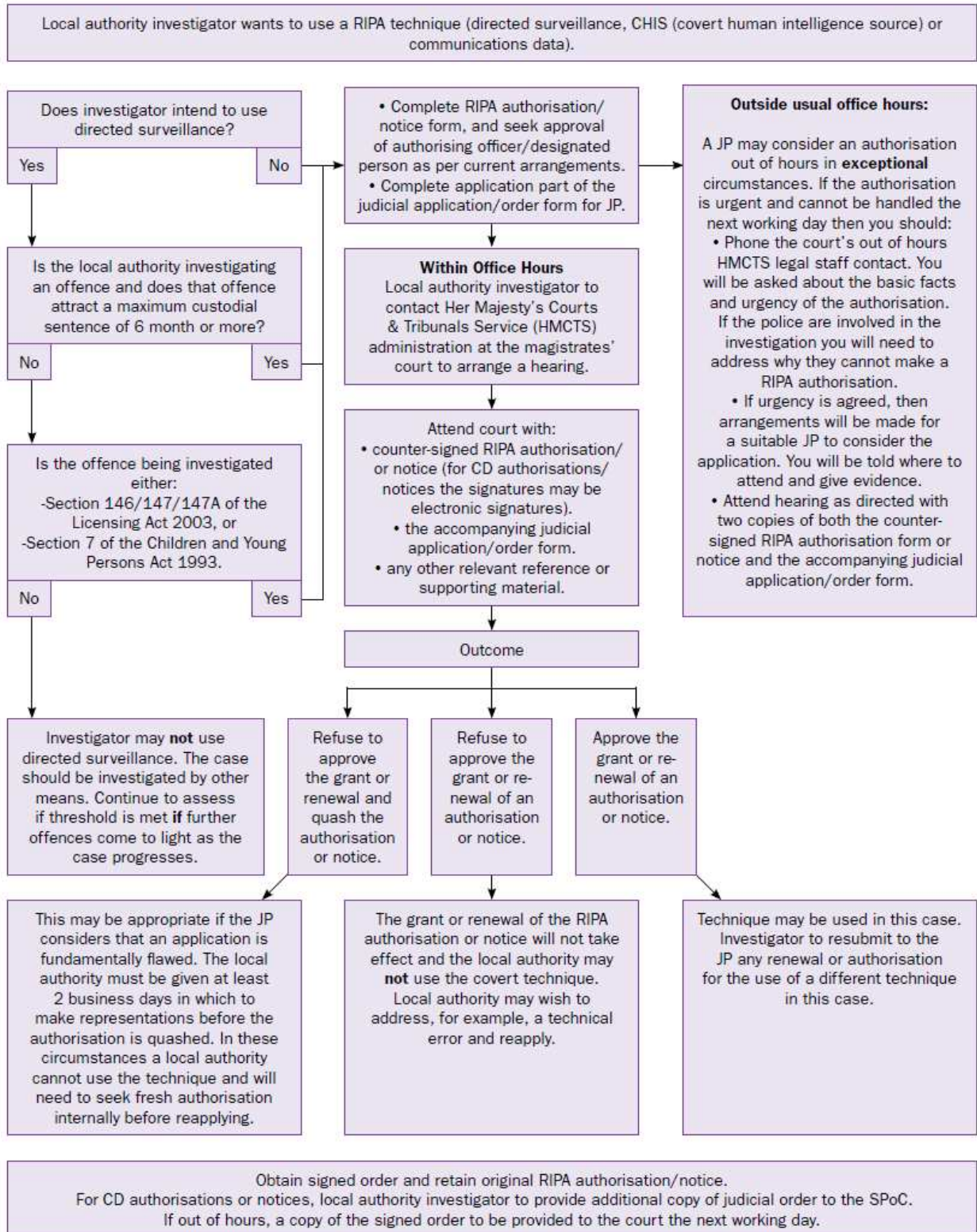
Reporting an error by a CSP to the IOCCO

Reporting an error by a public authority to the IOCCO



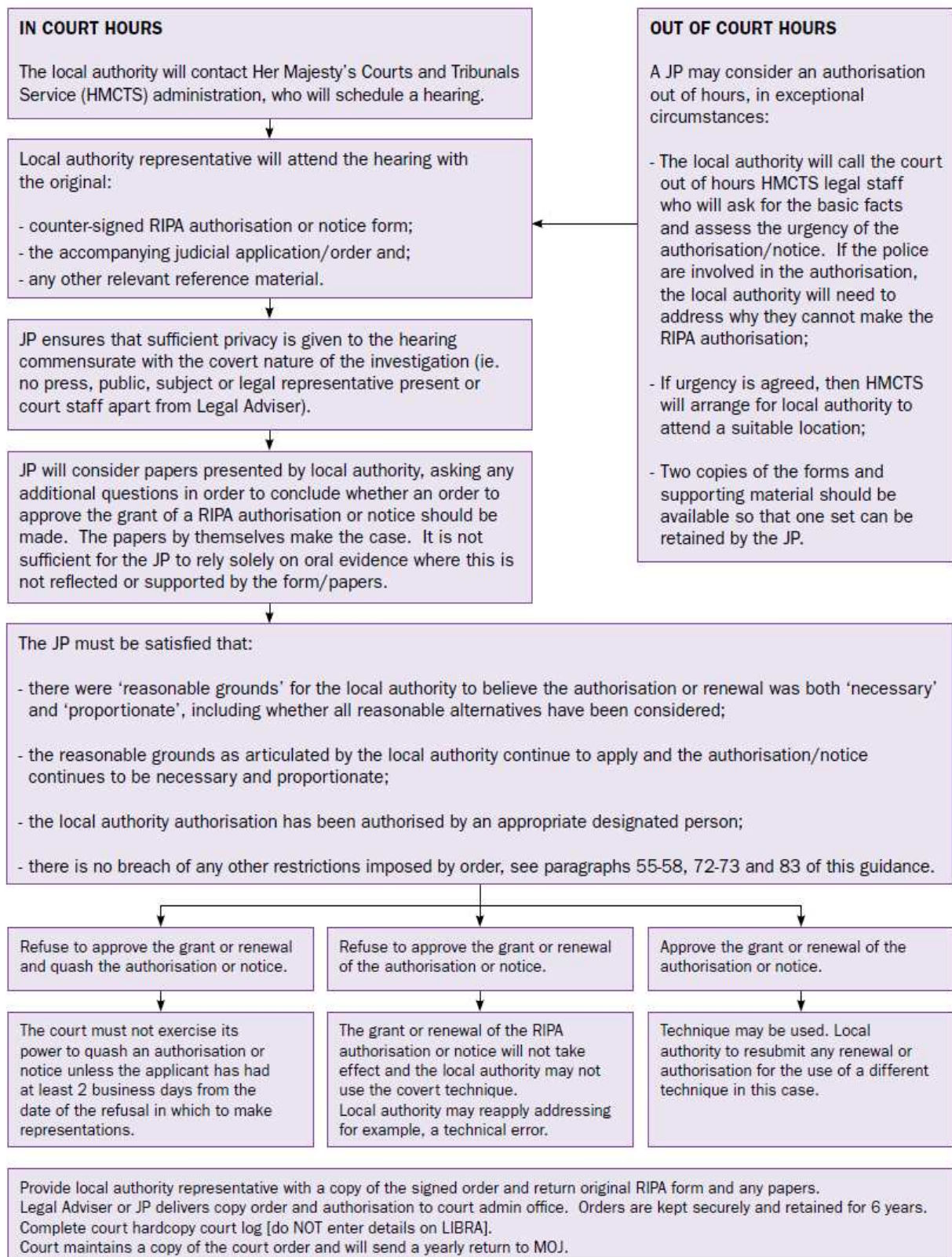
Annex A Local Authority Procedure

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



## Annex B P Procedure

### PROCEDURE: LOCAL AUTHORITY APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



**Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Local thorty:.....

Local authority department:.....

Offence under investigation:.....

Address of premises or identity of subject:.....

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Covert technique requested: (tick one and specify details)

**Communications Data**

**Covert Human Intelligence Source**

**Directed Surveillance**

Summary of details

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**Note:** this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:.....

Authorising Officer/Designated Person:.....

Officer(s) appearing before JP:.....

Address of applicant department:.....

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Contact telephone number:.....

Contact email address (optional):.....

Local authority reference:.....

Number of pages:.....

**Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Magistrates' court:.....

Having considered the application, I (tick one):

- am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal and quash the authorisation/notice.

Notes

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Reasons

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Signed:

Date:

Time:

Full name:

Address of magistrates' court: