# Council tax reduction scheme as a discount

Councillor Rob Strachan, Cabinet Member for Finance & Commissioning

Date: 5 September 2023

Agenda Item: 5

Contact Officer: Lizzie Barton, Assistant Director of Customer,

**Resident & Business Services** 

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Key Decision? YES

**Local Ward Members** All

Lichfield district council

**CABINET** 

# 1. Executive Summary

- 1.1 Lichfield District Council launched its new banded council tax reduction scheme for working-age claimants on 1 April 2023.
- 1.2 Cabinet previously on 5 April 2022 approved the desired outcomes for the new scheme (those in bold are most relevant to this decision):
  - A simplified scheme for the customer.
  - Future proofed as far as possible.
  - Simplified administration.
  - Reduction in poverty and refocus on ability to pay.
  - To recognise and tackle exceptional hardship.
  - To remain affordable.
  - The costs of implementation are affordable.
- 1.3 The new scheme makes it possible to for the council to alter the way it processes claims for support and transfer them from a complex 'benefits' approach to a straightforward 'discount' a bit like a single person discount.
- 1.4 Transferring the scheme from a benefit to a discount simplifies both the customer experience and the back-office processing of the scheme and will speed up processing decisions and awards of financial support to local people.
- 1.5 This paper proposes that the council adopts transforms its council tax reduction scheme from a benefit to a discount from 1 November 2023.

# 2. Recommendations

- 2.1 That Cabinet approve transforming the way the council administers the local council tax reduction scheme and transforms it into a discount-based scheme from 1 November 2023, including the procurement of an intuitive form and campaign technology that can be met from within existing service budgets.
- 2.2 That Cabinet delegates any final decisions in relation to the roll out of the transformed scheme to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151).

# 3. Background

#### **Benefits**

- 3.1 Many customers are currently confused about local council tax support and whether they can claim it because of this many don't claim it when they could be entitled. A discount is far easier to understand than a benefit if you are on a low income, you can get a discount and the discount you get depends on the income you get. Anecdotal evidence from councils who have transformed their council tax reduction scheme into a discount is that customers find it easier to understand and are more willing to claim support if they think they may be entitled.
- 3.2 Currently benefit assessors with complex benefits knowledge are required to process new council tax reduction claims and changes to claims. Our current performance target baseline is 20 days for new claims and 5 days for changes in circumstances and the team is utilising robotics to speed up some change of circumstances. A move to a discount, with the support of an intuitive form, would mean staff with no benefits skills could process a new claim or a change in circumstance (or they could be automated), leading to same day processing and immediate awards of financial support for new claims and changes, exceeding our target of two and one day respectively. In place of the existing robot, the team has identified further processes within the service to benefit from robotics processing.
- 3.3 The move to a discount would also allow the team to deliver within its new structure which was reduced in size in readiness for administrative savings that are achievable through such a move. The change will also help to improve processing timeframes in relation to housing benefit claims through a reduction in team workload in relation to the current scheme.

#### The proposed customer experience

- 3.4 New customers will complete an online application form to make a claim. In most cases they will be told immediately whether they are eligible and what their discount is, along with details of how much their income will need to change (up or down) before they are required to report a change. Currently new claims are uploaded to our benefit system and pended until the DWP report the amount of universal credit awarded. The claim is then created which requires an enhanced level of skill and understanding of LCTS legislation and can create delays in awarding support to the customer. See Appendix 1 for an overview of the customer journey.
- 3.5 Existing claimants who have a change to their income will complete an online form to update their details and be told immediately whether their income change has affected their discount and by how much. Any change would then be applied immediately. Currently changes of circumstances are received, processed by robotics where possible, authorized manually and then each claim is reassessed and LCTS is adjusted manually, which requires an enhanced level of skill and understanding of LCTS legislation. Again, this can cause delays in awarding support to the customer.
- 3.6 Requesting all claimants to report any changes in income is a change from the current scheme for Universal Credit claimants, insofar as currently the council processes updates to UC claimants' income based on a daily file it receives from the DWP, the vast majority of which does not change customers' claims, as most income changes do not alter the discount band a customer is within. Processing this file is not a requirement and the council is keen for all customers to manage their own discount and report changes to their income, regardless of whether they claim Universal Credit. Anecdotally this approach has led to customers better understanding their discount and has not generated any negative customer feedback.

3.7 Further to this, some councils have adopted a penalty charge system to encourage customers to report changes in circumstances. Whilst this paper does not propose this approach is adopted initially, it recommends that the decision to implement such an approach is delegated to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151).

#### **Evidence gathering and risk**

- 3.8 Currently the council requests evidence of all income (benefits or earnings), bank statements, proof of ID of all household members from all claimants, even if customers claim Universal Credit and have already been checked by the DW&P. This can significantly slow down a claim and cause delays in awarding support to the customer.
- 3.9 Several councils who have moved to a discount-based approach, have reduced the upfront evidence requirement on customers when making a new claim or reporting a change in circumstances, and have moved instead to a risk-based audit approach, which has seen a proportionate number of claims assessed annually based on risk levels. These councils have seen no rise in fraud or levels of claims through adopting this approach.
- 3.10 The council tax reduction scheme for working-age claimants' costs approximately £2,400,000 per annum, of which the council funds approximately £240,000. Conversely, the single person discount scheme is approximately £6,700,000 per annum, of which the council funds approximately £670,000. Currently the council requests no evidence when someone contacts us to let us know they are living alone and carries out risk-based sample checks to satisfy audit requirements post award.
- 3.11 As such, this paper recommends the council adopts a similar approach to working-age council tax reduction claimants and works closely with the audit team and the council's S151 officer to monitor the impact of this approach on the overall cost of the scheme, and to implement robust audit checking procedures to ensure the council remains robust in its approach to risk and fraud in this regard. In line with the roll out of the scheme, the agreed audit checking levels will be delegated to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151). These checking levels will be determined before the scheme is implemented, and an audit will be carried out during early implementation to ensure the levels of checking are adequate.
- 3.12 To provide assurance to the organisation that arrangements are in place on the adequacy of the internal control environment, a risk-based audit plan is produced. Therefore, in addition to ongoing checking detailed above, a wider assessment of this discount based scheme could be incorporated into a future audit plan to provide assurance to the Council. A review of the revised scheme including performance measures will also be presented to Audit & Member Standards Committee within the first year of operation.
- 3.13 To support robust audit checking, the team are investigating automated software that will enable the council to request evidence from customers to support claim reviews in line with audit recommendations. This technology is available from our system supplier for the cost of £5,000 per annum, with an additional £1,100 set-up cost in year one, and can be met from within existing budgets. This tool can also be used to carry out checks on single person discount, empty homes and other council tax discounts.

- 3.14 Should the audit checking raise any concerns about cases, the council could revert to requesting full evidence at point of application/change of circumstances, through the intuitive form. This could be adopted at any point should the council want a more robust approach to evidence gathering but would slow down processing times. The council also retains the ability to check claimant's income with the DWP, so at any point any claim can be appropriately verified.
- 3.15 This approach has been reviewed the council's audit team who have advised accordingly (see 3.11). Councils who have moved to a light touch approach to evidence include Rochford and Basildon, the later who uses the same intuitive form proposed within this paper.

#### The online form

- 3.16 This paper proposes the council adopts a specialist form to support year one of the roll out of the discount-based scheme as a minimum. This form has been tried and tested with other authorities and has delivered positive results.
- 3.17 Longer term, the council will consider incorporating the application process into the council's existing CRM forms package, however, recommends adopting a specialist form for the first year of operation, to help to increase the success of the scheme overall and minimise risks.
- 3.18 The cost of the form is £15,000 in year 1 and approximately £6,000 per annum and can be met from within existing service budgets.

#### Roll-out of the new approach

- 3.19 Subject to approval by Cabinet, the council will implement the following to ensure that all customers are aware of the changes to the scheme and feel confident and able to claim/report any changes to their income:
  - Write to existing claimants to tell them what income band they are in (also shown on their council tax bill) and that they must notify us if their income goes up or down.
  - Contact new claimants, following a DWP report, to signpost them to the new form.
  - Meet with the Job Centre and CAB to advise them of the new process so they can direct claimants to our online form.
  - Deliver regular campaigns to inform current claimants of the need to report changes of circumstances.
  - Offer a six-month back date period that will allow sufficient time for a claimant to apply should they receive a demand notice or recovery notices. Customer's discounts will be backdated to the start of the claim or six-months, whichever is the longest.
  - Continue to process stop notifications from the DWP where Universal Credit has been terminated to stop discounts in a timely fashion.

### Alternative Options

 To not implement the discount-based approach. As the team has already been reduced in size because of financial pressures and the anticipation such a scheme will be implemented in due course, this would result in an ongoing financial pressure due to the need for additional processing resource. It would also impact negatively on the timeliness of processing of new claims and change of circumstances.

## Consultation

- We have consulted with our housing team, customer services, the Citizens
  Advice Bureau (CAB) and the Job Centre, who all support customers who apply
  for council tax reductions. All have supported a simplified approach to
  application and management of claims.
- 2. We have also consulted with Leadership Team who support the proposed change.
- 3. We have also consulted with audit in relation to the reduced evidence requirements who have advised accordingly.

# Financial Implications

- 1. The online form will cost approximately £15,000 in year 1 and then £6,000 per annum and can be met from within existing service budgets.
- 2. The campaigns module will cost approximately £6,100 in year one and then £5,000 per annum and can be met from within existing budgets.
- 3. The Local Council Tax Support Scheme is budgeted to cost £5,770,988 (including the pensioner scheme) which is borne by the Council's Collection Fund. The budgeted cost is shared between the Council and the major precepting authorities in the following proportions in 2023/24:

	Band D	%
Staffordshire County Council	£1,471.23	71.50%
Staffordshire Commissioner - Police and Crime	£260.57	12.66%
Staffordshire Commissioner - Fire & Rescue	£84.25	4.09%
Lichfield District Council	£187.85	9.13%
Parish Councils (Average)	£53.86	2.62%
Total	£2,057.76	100.00%

4. The budgeted cost of the scheme (excluding any bad debt provision allowance) to each precepting body together with the position at the 3 month's stage of the 2023/24 financial year is shown below:

	Approved Budget	3 Months	Variance
Staffordshire County Council	(£4,126,065)	(£4,146,958)	(£20,894)
Staffordshire Commissioner - Police and Crime	(£730,769)	(£734,469)	(£3,700)
Staffordshire Commissioner - Fire & Rescue	(£236,279)	(£237,476)	(£1,196)
Lichfield District Council	(£526,825)	(£529,493)	(£2,668)
Parish Councils (Average)	(£151,050)	(£151,815)	(£765)
Total	(£5,770,988)	(£5,800,211)	(£29,223)

- 5. At the 3 month's stage, the variance to budget is **0.5%**.
- The cost of the scheme compared to the Approved Budget will continue to be monitored through the Council Tax Collection Fund projections contained in Money Matters Reports.
- 7. The budget for the scheme will also be reviewed as part of the Council Tax Base projections that will be considered by Cabinet on 5 December 2023.

# Approved by Section 151 Officer

Yes

Legal	<ol> <li>There are no legal implications.</li> </ol>
Implications	
Approved by	Yes

Monitoring Officer	
Contribution to the Delivery of the Strategic Plan	<ul> <li>This proposal contributes to the council's strategic plan in the following ways:</li> <li>It enables people to help themselves and others.</li> <li>It encourages economic growth by distributing financial support faster.</li> <li>It is responsive and customer focussed in that it leads to faster processing of claims for financial support.</li> </ul>
Equality, Diversity and Human Rights Implications	<ol> <li>A full equality impact assessment has been carried out and is attached at Appendix 2.</li> <li>No negative impacts on any protected characteristics were identified, however it was noted that the change to the scheme will increase capacity within the customer services team to better support customers who need additional support to make a new claim or report a change in circumstances.</li> </ol>
EIA logged by Equalities Officer	Yes
Crime & Safety Issues	<ol> <li>The scheme will award financial support to claimants more quickly, so could ultimately have a positive impact on crime and safety levels as residents will face fewer financial pressures overall.</li> </ol>
Environmental Impact (including Climate Change and Biodiversity)	<ol> <li>There are no direct environmental impacts, however the change to a banded scheme did reduce the number of award letters sent to residents thereby reducing the carbon footprint of the scheme.</li> </ol>
GDPR / Privacy Impact Assessment	<ol> <li>The use of a third-party forms system has been assessed and it has been identified that whilst the form presents customers with a decision based on the scheme regulations it does not store customer data and passes successful claims into the council's back-office system which has been fully assessed from a GDPR perspective.</li> </ol>

	Risk Description & Risk	Original	How We Manage It	Current
	Owner	Score		Score
А	Removal of evidence submission could lead to increase in fraudulent claims and impact on council finances.	Likelihood: Red Impact: Red Score: Red	Monitor new claim levels and work with audit to identify and assess a proportionate number of claims that will be assessed annually, based on risk levels. If needed, introduce more upfront evidence requirements based on outcome of risk-based audits.	Likelihood: Green Impact: Yellow Score: Green
В	Requirement for customers to actively manage their claims could lead to a fall in change of circumstances.	Likelihood: Red Impact: Red Score: Red	Monitor change in circumstance reports/levels. Utilise robust audit checking/campaign technologies to encourage customers to update claims regularly and check a proportion of claims. Consider implementation of a penalty charge if necessary. We still retain the ability to verify any claim via the DWP.	Likelihood: Green Impact: Yellow Score: Green
С	Requirement for customers to actively manage their claims could lead to negative customer feedback.	Likelihood: Red Impact: Orange Score: Red	Write to all customers with easy to read/understand guide to managing their council tax reduction. Explain the benefits of the approach in terms of timeliness of delivery of new claims and changes. Provide tailored support on the phone/live chat to help customers get to grips with updating their claims.	Likelihood: Green Impact: Yellow Score: Green

data protection officer.

2. A full privacy notice will be created to describe the process and the way in which data is handled to customers. This will be approved by the council's

D	If we simplify the system, an	Likelihood:	The council has no powers to limit applications,	Likelihood:
	increased number of	Red	particularly during a cost-of-living crisis. The recent	Green
	applications/successful claims	Impact:	simplification of the scheme has already raised the	Impact:
	could have a financial impact on	Orange	profile of the reduction and increased the number of	Yellow
	the value of the scheme to the	Score: Red	people entitled to claim however the cost of scheme has	Score:
	district council.		not grown beyond forecast expectations. Whilst this	Green
			change will make it simpler again for customers to claim,	
			it is not envisaged this change alone will increase the	
			cost of the scheme beyond existing forecasts.	

**Background documents** 

**Appendix 1** The customer journey **Appendix 2** Equality impact Assessment

#### **Linked reports**

Report to Cabinet 5 April 2022

Report to Cabinet 5/11 July 2022 (date was altered)

Report to Cabinet 14 February 2023

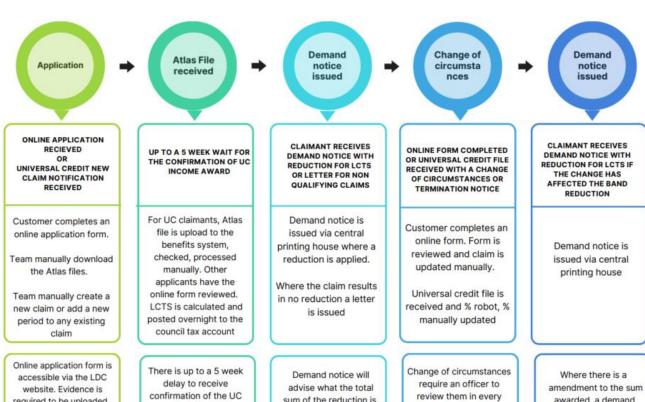
Report to Council 28 February 2023

#### Relevant web links

- Lichfield District Council's council tax reduction scheme
- Basildon council tax reduction scheme application process
- Somerset council tax reduction scheme application process
- Rochford council tax reduction scheme application process

# **Overview of customer journey**

# Local Council Tax Support Claimant Current Process



Online application form is accessible via the LDC website. Evidence is required to be uploaded. Forms can be filled in with assistance from Customer services. Form creates a process in Enterprise. UC notifications are received automatically

rhere is up to a 5 week delay to receive confirmation of the UC award via the DWP. LCTS can not be assessed until the confirmation of the award is received.

Demand notice will advise what the total sum of the reduction is. The demand notice is issued via automation on the core system.

Letters to non qualifiers issued manually Change of circumstances require an officer to review them in every case. A revised bill is issued where the LCTS has increased or reduced but not when there is no change to the sum awarded.

Where there is a amendment to the sum awarded, a demand notice will advise what the new sum of reduction is . The demand notice is issued via automation on the core system

# Local Council Tax Support claimant New Process



# ONLINE APPLICATION RECIEVED

Customer completes an online form when they have been awarded Universal Credit. Customer uploads evidence of National insurance number & award.

Non universal credit claimant can complete the form from the date they wish to apply

Online application form is accessible via the LDC website. Evidence is required to be uploaded. Forms can be filled in with assistance from Customer services.

When DWP notify of a new UC award, email will be

sent to claimant with link to

the online form

ONLINE FORM CONFIRMS
AMOUNT OF LCTS
AWARDED

On completion of the form the customer is advised of what LCTS has been awarded (a % band) and are advised of the amount their income can increase and decrease without affecting the sum awarded.

CLAIMANT RECEIVES DEMAND NOTICE WITH REDUCTION FOR LCTS

Demand notice is issued via central printing house. A % discount is shown on the notice.

The online form will confirm if they don't qualify and no other action will be taken ONLINE FORM COMPLETED OR TERMINATION NOTICE RECEIVED BY DWP

Customer completes the online form and is advised of any change to the award of LCTS.

UC files are reviewed for cases which have now been terminated. CLAIMANT RECEIVES
DEMAND NOTICE WITH
REDUCTION FOR LCTS IF
THE CHANGE HAS
AFFECTED THE BAND OF
REDUCTION

Demand notice is issued via central printing house

On completion of the form, a process is sent to the back office to apply the % award to the council tax account. Evidence is reviewed.

Demand notice will advise what % has been awarded and the total sum of reduction is awarded.

The demand notice is issued via automation on the core system On completion of the form, if the LCTS award has changed a process is sent to the back office to apply a new % award to the council tax account. UC files are reviewed manually for terminations and the LCTS ended on the Council Tax account.

Demand notice will advise what the total new sum of reduction is where this has been amended. The demand notice is issued via automation on the core system

# Local Council Tax Support claimant Evidence Statement



# UC4CTR DECISION NOTICE RECEIVED FROM DWP

No further evidence is requested as DWP have validated all evidence during the claim for universal credit

DWP will evidence all income, childcare costs, rent, bank details and identity as part of their application process for universal credit

# ONLINE FORM COMPLETED

- Proof of ID/NINO for claimant and partner (will be verified on Searchlight)
- Evidence of Income (will be checked on Searchlight and/or WuRTI)
- Evidence of Capital held.
- If children are declared, copy of their birth certificates and proof of child benefit in payment as this shows who child benefit is in payment for

#### CLAIMANT RECEIVES DEMAND NOTICE WITH REDUCTION FOR LCTS

- Proof of National Insurance number
- Evidence of income will only be requested if there is an anomaly or idnetified as a potential fraudulent claim
- Option to complete a check on searchlight/WuRTI

#### ONLINE FORM COMPLETED OR TERMINATION NOTICE RECEIVED BY DWP

- Proof of National Insurance number
- Evidence of income will only be requested if there is an anomaly or identified as a potential fraudulent claim
- Option to complete a check on searchlight/WuRTI

# ONLINE FORM TO BE COMPLETED

#### Evidence to be provided

- · Evidence of income
- Proof of ID of all other occupants including minors
- · Evidence of capital
- I months bank statement for all accounts held
- Option to complete a check on searchlight /WuRTI

# Appendix 2

# Equality impact assessment

# Council tax reduction scheme as a discount



## **Section 1: About the service area**

Your name:	Nicola Begley
Your service area:	Customer, Residents and Business
Your assistant director:	Lizzie Barton, Assistant Director, Customer, Residents & Business
Your cabinet member:	Cllr Rob Strachan, Cabinet Member for Finance & Commissioning

### **Section 2: Overview**

Name of service/policy you are assessing:	Administration of the local council tax reduction scheme (LCTRS)	
	for working age applicants.	
Detail of proposed change:	Changes to the way we administer the form.	
Main users of your service/policy	The change will apply to all working age claimants (new and existing) for council tax support on or after 1 January 2024.	
	Pension age claimants (where both members of a household are of pension age) will not be affected. Such claimants will claim under the national scheme for pension age customers	

### Section 3: About the proposed change

The council wants to change the way it administers the council tax reduction scheme for working age claimants. The current new banded scheme is based on a council tax discount and not a benefit. The council is keen to move to an alternative method for several reasons:

- Many customers are currently confused about local council tax support and whether they can claim it because
  of this many don't claim it when they could be entitled. A discount is far easier to understand than a benefit if
  you are on a low income, you can get a discount and the discount you get depends on the income you get.
  Anecdotal evidence from councils who have transformed their council tax reduction scheme into a discount is
  that customers find it easier to understand and are more willing to claim support if they think they may be
  entitled.
- Currently benefit assessors with complex benefits knowledge are required to process new council tax reduction
  claims and changes to claims and above all, the cost of administering the scheme remains high. With the new
  discount and with the support of an intuitive form, staff with no benefits skills could process a new claim or a
  change in circumstance (or they could be automated), leading to same day processing and immediate awards of
  financial support for new claims and changes, exceeding our target of two days.
- New customers will complete an online application form to make a claim and in most cases, they will be told
  immediately whether they are eligible and what the discount is along with details of how much their income will
  need to change (up or down) before they are required to report a change.
- Existing claimants who have a change to their income will complete an online form to update their details and be
  told immediately whether their income change has affected their discount and by how much. Any change would
  then be applied immediately.
- Evidence will no longer be requested at the time of application and risk based reviews will be completed annually
  where evidence of income will be required. Access to the DWP information on income will be available to
  confirm any applications if necessary.
- The council can apply a penalty charge if customers don't report a change in circumstances in time or provide false information. This will not apply initially, but can be introduced at a later date. The penalty is applied to the council tax account and collected in the same way as any outstanding council tax.

It is proposed that an alternative approach be adopted from 1 January 2024. The approach will be to fundamentally change how claimants apply for and how the council administer local council tax reduction.

# Section 4: How will your plans impact on customers with protected characteristics?

Protected	Positive impact	Negative impact	Mitigating measures
characteristic			
Disability (physical, sensory or learning)	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected	Those with no access or who have difficulty accessing online services will not be able to complete the application form.	Assisted applications via telephone and in person can be made with customer services
Gender/sex	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Transgender/ gender reassignment	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Race (includes ethnic or national origins, colour or nationality)	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Gypsies and travelers	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Refugees / asylum seekers	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Sexual orientation	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Marriage and civil partnerships	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services

Protected	Positive impact	Negative impact	Mitigating measures
characteristic			
Religion or	The administration changes apply equally	Those with no access to online services will not be able to complete	Assisted applications via telephone and in person
belief (includes	to all working age applicants – this	the application form	can be made with customer services
lack of belief)	protected characteristic is not		
	disproportionately affected.		
Pregnancy and	The administration changes apply equally	Those with no access to online services will not be able to complete	Assisted applications via telephone and in person
maternity	to all working age applicants – this	the application form	can be made with customer services
	protected characteristic is not		
	disproportionately affected.		

## Section 5: Can you justify and evidence, or lessen any impact?

#### Justification/evidence in relation to the proposed changes:

The changes will provide a modern, and future proofed process that will significantly simplify the application process for applicants and make the administration of the scheme more straightforward.

The new application process will provide claimants with certainty and immediate notification of their local council tax support discount award.

The council recognises that some claimants will not be able to complete the online form. The current local Council tax support and housing benefit application form is only available online. Customer services will continue to offer assisted applications over the phone and in person by appointment. The housing and tenancy support teams, as well as external agencies including the Citizens Advice Bureau and Job Centre will also be able to assist claimants in completing the application form.

Several councils who have moved to a discount-based approach, have reduced the upfront evidence requirement on customers when making a new claim or reporting a change in circumstances, and have instead moved to a risk-based audit approach, which has seen a proportionate number of claims assessed annually based on risk levels. These councils have seen no rise in fraud or levels of claims through adopting this approach.

The council tax reduction scheme for working-age claimants' costs approximately £2,400,000 per annum, of which the council funds approximately £240,000. Conversely, the single person discount scheme is approximately £6,700,000 per annum, of which the council funds approximately £670,000. Currently the council requests no evidence when someone contacts us to let us know they are living alone and carries out risk-based sample checks to satisfy audit requirements post award.

## **Section 6: Action plan**

The new administration process and form will be implemented with effect 1 January 2024. The council will complete the following:

- Write to existing claimants to tell them what income band they are in (also shown on their council tax bill) and that they must notify us if their income goes up or down.
- Contact new claimants, following a DWP report, to signpost them to the new form.
- Meet with internal teams, the Job Centre plus and CAB to advise them of the new process so they can direct claimants to our online form/provide assistance to customers needing to complete the form.
- Deliver regular campaigns to inform current claimants of the need to report changes of circumstances.
- Offer a six-month back date period that will allow sufficient time for a claimant to apply should they receive a
  demand notice or recovery notices. Customer's discounts will be backdated to the start of the claim or six-months,
  whichever is the longest.
- Continue to process notifications from the DWP where universal credit has been terminated to stop discounts in a timely fashion.

#### **Section 6: Record your actions**

Sent this to the equalities team for publication on www.lichfielddc.gov.uk	Yes
Date completed:	11/08/2023