

XXXXXXXXXX Council

Council Tax Reduction Scheme 2017/18 Consultation Questionnaire

What is this consultation about?

Each year the Council has to decide whether to change the Council Tax Reduction scheme for working age applicants in its area. This year the Council has decided that changes should be made to bring the Council Tax Reduction scheme in line with the changes made by Central Government in Housing Benefit and Universal Credit.

What is Council Tax Reduction?

Council Tax Reduction is a discount for Council Tax, The level of discount is based on the income of the household. Currently the maximum discount is **xxxx%** of Council Tax for working age households and up to 100% for pensioners.

Why is a change to the Council Tax Reduction scheme being considered?

Until April 2013 there was a national scheme called Council Tax Benefit. The Government made local Councils responsible for replacement schemes from 1 April 2013. As the Council is keen to keep Council Tax Reduction aligned with major benefits such as Housing Benefit and Universal Credit to assist in administration, this means that, as those benefits change, similar changes need to be made to the Council Tax Reduction scheme. Each of the changes may affect certain claimants and the changes to both Housing Benefit and Universal Credit are to encourage work and reduce the levels of benefit available in some cases. This will be reflected in Council Tax Reduction if the changes are made.

Who will this affect?

Working age households in the Borough (/District) who currently receive or will apply for Council Tax Reduction.
Pension age households will not be affected as Central Government prescribe the scheme.

Are there any alternatives to changing the existing Council Tax Reduction scheme?

We have also thought about other ways to make the administration simpler and also to replicate the changes in the benefit system generally. These have not been completely rejected and you are asked about them in the Questionnaire, but at the moment we do not think we should implement them for the reasons given.

We have considered:

1 Continuing with the current scheme

This would mean higher administration costs and scheme costs generally. This would increase the costs for all council tax payers in the Borough/ District paying towards the scheme. The decision to increase Council Tax may need to be made by voting in a local referendum.

2 Reduce funding to other Council services

Keeping the current Council Tax Reduction scheme will mean less money available to deliver other Council services; or

3 Use the Council's savings to keep the Council Tax Reduction scheme

Using savings would be a short-term option. Once used they will no longer be available to support and invest in other Council services.

This is a complex issue. We would like you to read the full background information before giving your opinion.

Questionnaire

Have Your Say on the Council Tax Reduction Scheme

Q1.

I have read the background information about the Council Tax Reduction Scheme:

Yes No

This question must be answered before you can continue.

Paying for the Scheme

Q2.

Should the Council keep the current Council Tax Reduction scheme? (Should it continue to administer the scheme and have the same level of support as it does at the moment?)

No Yes Don't know

Q3.

Please use the space below to make any comments you have on protecting the Council Tax Reduction Scheme from these changes.

Options to change the current Local Council Tax Reduction scheme

As explained in the background information, the Council is primarily consulting on the following proposals to change the existing Council Tax Reduction Scheme from 1st April 2017, which would reduce the cost of the scheme generally and importantly align the scheme with Housing Benefit and Universal Credit to assist in its administration. Your responses are a part of this consultation. Set out below are the proposals being considered.

Option 1 – Removing the Family Premium for all new working age applicants

The removal of family premium from 1st April 2017 for new claims will bring the Council Tax Reduction scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant, which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them. Removing the family premium will mean that when we assess a claimant's needs it would not include the family premium (currently £17.45 per week). This change would **not** affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The benefit of this is:

- It brings the working age Council Tax Reduction Scheme in line with Housing Benefit changes proposed by Central Government. The change has already been introduced for pension age claimants by Central Government;

The drawbacks of doing this are:

- New working age residents may see a reduction in the amount of support they received.
- Some households with children will pay more

Q4.

Do you agree with the Option 1?

Yes No Don't know

Q5.

Your comments on Option 1

Option 2 - Reducing Backdating to 1 month

Currently claims for Council Tax Reduction from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council's Council Tax Reduction Scheme be aligned with the changes for Housing Benefit.

The benefit of this is:

- It is a simple alteration to the scheme which is easy to understand when claiming Housing Benefit and Council Tax Reduction.

The drawback of this is:

- New working age claimants may see a reduction in the amount of support they received if they are unable to claim on time.

Q6.

Do you agree with the Option 2?

Yes No Don't know

Q7.

Your comments on Option 2

Option 3 - Using a set income for self-employed earners after 1 year's self-employment

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income (minimum income floor) for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self employed.

The benefits of this are:

- The treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with Universal Credit.
- It should encourage self-employed working age applicants to expand and develop their business
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The drawback of this is:

- Where a working age claimant is self-employed and continues to run a business where their income is below the minimum living wage level, the Council will assume they earn at least the minimum level (based on a 35-hour week, regardless of the hours they work).

Questions on Option 3

Q8.

Do you agree with the principle that claimants who are self employed for more than one year should have a minimum income floor applied to their claim?

Yes No Don't know

Q9.

Your comments on Option 3

Option 4 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces.

The benefits of the Council this are:

- The treatment of temporary absence will be brought into line with Housing Benefit
- It is seen as fair
- There are exceptions for certain occupations including the armed forces and mariners.

The drawback of this is:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Council Tax Reduction will cease from when they leave the Country. They will need to re-apply on return

Q10.

Do you agree with the change to the temporary absence rule?

Yes No Don't know

Q11.

Your comments on Option 4

Option 5 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.

From April 2017, all new applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes.

The benefits of the Council doing this are:

- The treatment of ESA will be brought into line with Housing Benefit
- It avoids additional costs to the Council Tax Reduction scheme.
- Persons receiving ESA will not experience any reduction in Council Tax Reduction.

There are no drawbacks to this change

Q12.

Do you agree with this change to the scheme?

Yes No Don't know

Q13.

Your comments on Option 5

Option 6 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

The benefits of the Council doing this are:

- Council Tax Reduction will be brought into line with Housing Benefit, Universal Credit and Tax Credits
- It is simple and administratively easy

The drawbacks of doing this are:

- Claimants who have a third or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Council Tax reduction than claimants who have more children born before 1st April 2017

Q14.

Do you agree with this change to the scheme?

Yes No Don't know

Q15.

Your comments on Option 6 – please type in below

Option 7 – To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them

Currently when another person is paid Carers Allowance to look after a Council Tax Reduction claimant, then the Severe Disability Premium is not included when working out their needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice. This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance

The benefit of this is:

- Council Tax Reduction will be brought into line with Housing Benefit;
- It is simple and administratively easy

The drawbacks of doing this are:

- There are no drawbacks to this change as persons receiving Universal Credit (Carers Element) will be treated in the same way as those receiving Carers Allowance who look after any person who claims Council Tax Reduction

Q16.

Do you agree with this change to the scheme?

Yes No Don't know

Q17.

Your comments on Option 7

Alternatives to reducing the amount of help provided by the Council Tax Reduction Scheme

If the Council keeps the current scheme, it will be administratively more complex (as it will not align with Housing Benefit which is also administered by the Council) and it will cost taxpayers more. If this happens we will need to find savings from other services to help meet the increase in costs. The proposals set out in this consultation could deliver savings. The alternatives are set out in the background information.

Q18.

**Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Reduction Scheme?
Please select one answer for each source of funding.**

Q18.1.

Increase the level of Council Tax

Yes No Don't know

Q18.2.

Find savings from cutting other Council Services

Yes No Don't know

Q18.3.

Use the Council's savings

Yes No Don't know

Q19.

If the Council were to choose these other options to make savings, what would be your order of preference? Please rank in order of preference by writing a number from 1 – 3 in the boxes below, where 1 is the option that you would most prefer and 3 is the least.

Increase the level of Council Tax

Reduce funding available for other Council Services

Use the Council's savings

Q20.

Please use this space to make any other comments on the scheme.

Q21.

Please use the space below if you would like the Council to consider any other options (please state).

Q22.

If you have any further comments or questions to make regarding the Council Tax Reduction scheme that you haven't had opportunity to raise elsewhere please use the space below.

About You

We ask these questions:

1. To find out if different groups of people in the Council's population have been able to take part in the consultation and identify if any groups have been excluded. This means it is not about you as an individual but to find out if people with similar characteristics have had their say.
2. To find out if different groups of people feel differently about the options and proposals in comparison to each other and all respondents. This means it is not about you as an individual but to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous. Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

Q23.

Are you, or someone in your household, getting a Council Tax Reduction at this time?

Yes No Don't know/Not sure

Q24.

What is your sex?

Male Female Prefer not to say

Q25.

Age

18-24 25-34 35-44 45-54 55-64 65-74 75-84 85+ Prefer not to say

Q26.

Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes No Don't know/Not sure Prefer not to say

Q27.

Ethnic Origin: What is your ethnic group?

Prefer not to say

White

British Irish Gypsy or Irish Traveller Any other White background

Mixed/Multiple ethnic groups

White & Black African White & Black Caribbean White & Asian Any other multi mixed background

Asian or Asian British

Pakistani Indian Bangladeshi Chinese Any other Asian background

Black/African/Caribbean/Black British

African Caribbean Any other Black background

Other Ethnic Group

Arab Other – please specify below:

Next steps....

Thank you for completing the questionnaire.

Progress reports on the consultation will be added to our website: XXXX

You may submit further evidence, ideas or comments by email (XXXconsultations@XXX.gov.uk)

The consultation closes on dd/mmm/yyyy.

We will listen carefully to what residents tell us and take the responses into consideration when making a final decision on the 2017/18 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on **1 April 2017**. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.