

Council Tax Support Scheme Consultation

What is this consultation about?

The Government is ending the national council tax benefit scheme and has asked every council to come up with a local system instead. This means that Herefordshire has to plan its own council tax support scheme and decide who should be eligible for help to pay their council tax, and by how much. The new scheme will start on 1 April 2013.

We want to hear your views on how we should plan the local scheme in order to help us make a decision that is as fair as possible. This consultation will run from 30th August 2012 and will close on 26 October 2012. Responses will then be evaluated so that Herefordshire's scheme can be finalised and published to meet a Government deadline of 31 January 2013.

Pensioners will not be affected by the changes. The Government has prescribed eligibility rules that will be applicable to all councils for those people who fall under the Pensioner Regulations. This means they will continue to get the same level of support as they do now.

You can complete this questionnaire online or print it off and post it Freepost to Herefordshire Council Research Team, FREEPOST SWC4816, PO Box 4, Hereford, HR4 0BR. Any information you provide will be treated as strictly confidential. It will only be used for the purposes described here and will not be shared with any other parties. Any comments you provide may be included in anonymous form in the published results.

If you have any queries, need help to complete the questionnaire, or would like it in another format or language, please call 01432 260443 or 01432 383254, or email benexsupport@herefordshire.gov.uk. The results of the consultation will be published on the council's website at the end of November 2012.

What is the background to the new system?

These changes are part of the broader overhaul of the benefits system that the Government is carrying out. In future, the Government will give a fixed amount of money to Herefordshire Council for reducing council tax payments for people with a limited income. As the Government will give us at least 10 per cent less than the current cost of council tax benefits for Herefordshire, this would leave a gap of an estimated £1.3 million in 2013-14.

If there is an increase in the number of claims for support this will increase this gap even more. When we plan who should be eligible for help with council tax support, the Government says we must consider the impact on our most vulnerable residents and create a system that encourages people to work, and that does not act as a disincentive to working.

What would this mean for Herefordshire?

The level of support for Pensioners will not be affected, as the Government has decided that the new scheme will not change the eligibility rules or the amount of support they will get.

For claimants of working age, Herefordshire Council has considered the possible options to meet the shortfall in funding from central Government. Although these options would cover some of the gap through changes to council tax discounts and exemptions, they would not be enough to meet the shortfall. This means that those of working age who currently qualify for council tax benefit will be affected by the changes, as they would all have to pay something towards it in future. At the moment, those below a certain income level pay nothing at all.

We are committed to ensuring that support continues for our most vulnerable residents. We want your views on how it will affect different groups of people if everyone currently on benefit has to pay something towards their council tax. The principles guiding our planning are:

- All council tax payers should pay something, unless they are covered by policy exemptions, for example pensioners.
- Support would have an upper limit of 90 per cent of a council tax bill.
- The council tax scheme should incentivise work.
- Support would be restricted to band D equivalent for those taxpayers living in properties higher than band D.

What are the proposed changes for Working Age taxpayers?

All taxpayers to pay something

At the moment, those with income below the threshold for council tax benefit can have 100 per cent support, which means that some do not pay anything. We propose that everyone should pay at least 10 per cent of the council tax.

Capping Council Tax Support to Band D

Council tax benefit is currently based on the property band and does not necessarily take into account the size of the property. This restriction will mean that for taxpayers living in properties above band D their reduction will be based on the band D charge rather than the higher band.

Removing Second Adult Rebate

Until now, some households with a single taxpayer and another adult family member resident can have a reduction of up to 25 per cent because a second person on a low income lives there too, even if the taxpayer's own income means they are not eligible.

Eligibility limit on savings

Taxpayers with savings over £10,000 will not be eligible for council tax support (the savings limit for council tax benefit is currently £16,000).

Increased contributions from other adult members of the household

A deduction is currently made from a taxpayer's council tax benefit entitlement where other residents aged 18 and over live in the household (unless they are a tenant) depending on their income. The proposal is to deduct more for these other adults when calculating entitlement to a council tax reduction.

Include Child Benefit as an income

At present, child benefit is paid for each child but is not taken into account for calculating council tax benefit entitlement. In the new scheme, it is proposed that it would be taken into account as income.

Removing extended payments

Extended payments of council tax benefit are currently available for four weeks where someone who has received a qualifying welfare benefit, for a continuous period of 26 weeks, moves into work.

Including maintenance payments when calculating benefit entitlement

At present, payments are not included in the benefit calculation and we are proposing that they should be treated as income for calculating the level of council tax support. However, where the maintenance payments apply to children we propose to allow a weekly disregard of £30 a week for each child.

Reducing disregarded earnings for lone parents

For lone parents, weekly earnings of £25 are currently disregarded (compared to £10 for a couple and £5 for a single claimant). A review of this higher level of disregarded earnings is being considered for the new scheme with a reduction in the disregard to £20 per week.

Questionnaire

Principle 1

All working age taxpayers to pay something

At the moment, those below the threshold for council tax benefit can have 100 per cent support, which means that some do not pay anything. We propose that everyone should pay at least 10 per cent council tax.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 2

Capping Council Tax Support to smaller properties (Band D)

Council tax benefit is based on the property band and does not necessarily take into account the size of the property. This would mean that support for taxpayers living in properties above band D will be based on the band D charge rather than the higher band.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 3

Removing Second Adult Rebate

Until now, some households have had a reduction of up to 25 per cent on their council tax bill because a second adult family member on a low income lives there too, even if the tax payer's own income is above the threshold. The proposal would remove second adult rebate.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 4

Reducing the amount of savings or capital a claimant can have before support is given

In the current benefit scheme people of working age are not entitled to benefit if their savings are more than £16,000. The proposal for the new scheme is to restrict the savings limit to £10,000.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 5

Increased contributions from other adult members of the household

Other adults living in a household where the council tax payer (and their partner) claim council tax support should be asked to pay more toward the council tax bill than they do now.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 6

Include Child Benefit as income

At present, child benefit is paid for each child but how much they receive is not taken into account for calculating council tax benefit. In the new scheme, it is proposed that it would be taken into account as income.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 7

Removing extended payments

If someone who is out of work has been receiving council tax benefits continuously for 26 weeks and moves into work, they are currently allowed an extra 4 weeks benefits. We are proposing to remove extended payments.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 8

Including maintenance payments when calculating benefit entitlement

At present, these payments are not included in the benefit calculation and we are proposing that they should be considered as income for calculating the level of support. However, we propose to disregard £30 a week for each child.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Principle 9

Reducing disregarded earnings for lone parents

When calculating the income for lone parents, the council currently disregards £25 per week from any earnings (compared to £10 for a couple and £5 for a single person) it is proposed that this disregard should be reduced to £20 per week.

To what extent do you agree or disagree this principle is fair?

- Strongly Agree* *Agree* *Neither agree nor disagree* *Disagree* *Strongly Disagree*

Please use this space to provide any comments you wish to make about the principles or in support of your answers above (please make clear which of the principles you are referring to).

We want to ensure that any changes made are fair to everyone. To help us do this, please tell us if you think that any of the principles above will particularly affect any group of people due, for example, to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

- Yes*
 No
 Don't know

If yes, please explain which groups and the reasons they might be affected:

Are you responding on behalf of an organisation or group, or as an individual?

- Organisation or group Individual

If you are responding on behalf of an organisation or group, please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This will help us to better understand how views may differ between different people across the county.

About You

Do you currently pay council tax to Herefordshire Council?

- Yes No

If yes, please tell us which council tax band (A - H) the property you pay council tax on is in? (If unsure leave blank)

Are you currently receiving council tax benefit in Herefordshire?

- Yes No

If you are not currently receiving council tax benefit have you ever received it?

- Yes No

Are you currently receiving housing benefit in Herefordshire?

- Yes No

Which of these activities best describes what you are doing at present? (please tick all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Employee in full-time job (30 hours plus per week) | <input type="checkbox"/> Full-time education at school, college or university |
| <input type="checkbox"/> Employee in part-time job (under 30 hours per week) | <input type="checkbox"/> Retired whether receiving a pension or not |
| <input type="checkbox"/> Self-employed full or part-time | <input type="checkbox"/> Looking after the home or family |
| <input type="checkbox"/> On a government supported training programme | <input type="checkbox"/> Long term sick / disabled |
| <input type="checkbox"/> Unemployed and available for work | |

What is your age group?

- Under 18* *25-44* *65-74*
 18-24 *45-64* *75+*

What is your gender?

- Male* *Female*

Do you have parenting responsibilities?

- Yes* *No*

How would you describe your ethnic group?

- White British/English/Welsh/Scottish/Northern Irish*
 Other White (please specify below)
 Any other ethnic group (please specify below)

Thank you for completing the questionnaire.