Local Council Tax Support Scheme consultation

Have your say

Give us your views by Wednesday 28 September 2016

Harborough District Council
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What is Council Tax Support (CTS)?

Council Tax Support (CTS) is a means-tested discount for people on low incomes. CTS is based on the council tax payer’s income, capital and household make up. Any award of CTS is credited to the council tax bill to reduce the amount to pay.

Why are we consulting?

In April 2013, Council Tax Benefit (CTB) was replaced by a local Council Tax Support scheme (CTS). Customers who are entitled to CTS pay less council tax.

Under the previous CTB scheme the council received a grant from the government which covered the entire cost of the benefit awarded. However this grant was reduced from 2013/2014.

Since 2013/2014, Harborough District Council adopted a scheme that was similar to the old CTB but with support limited to 85% for people of working age.

As a result, customers who had not paid council tax before, now need to pay at least 15% of their council tax bill.
Customers who are pensioners will continue to be assessed under the national scheme and **will not be affected** by any changes to the local CTS scheme.

Continued reductions to the amount of central government funding the council receives could leave a shortfall in our income.

Around 85% of the income collected is passed to the County Council and the Fire and Police Services whose savings targets over the next four years total around £90million.

Changes to the council tax support scheme will contribute to those savings and reduce the need to make savings in areas such as adult and children’s social care, highways maintenance, public bus services, police and fire services.

We are looking at changing our local council tax scheme to try and help meet some of these savings and reduce the possibility of having to reduce council front line services.

Therefore it is very important that you, our local residents, give us your views to help shape our new scheme starting in April 2017.

This consultation is open from 4 August 2016 until 28 September 2016.

**These changes do not affect customers who have reached state pension credit age. Those customers will continue to be assessed under the national scheme and could (depending on income capital and household make-up) still receive up to 100% of council tax support.**
What is our current local Council Tax Support scheme?

The current scheme

Council Tax Support is a means-tested discount that is based on the council tax payer’s income and people living in the household.

The council tax payer receives a bill which shows the amount of CTS which we take off the bill leaving the amount left to pay for the year.

This applies to working age customers only, as customers of a pension age are protected under the national scheme.

- Support awarded is up to a maximum of 85%. This means customers pay at least 15% towards their council tax bill (about £158 a year on a Band A property)
- If a customer’s (and their partner if they have one) income is higher than the minimum the government says they need to live on, the CTS will be reduced by 20p for every £1 over this minimum
- If the customer has more than £16,000 in capital and savings they cannot apply.

Customers who are currently receiving CTS will not need to reapply for the new scheme as they will be automatically reassessed under the new scheme rules and notified if the amount has changed.
Local Council Tax Support scheme proposals from April 2017

We are consulting on the following options which will change the amount of CTS currently awarded:

**Option 1:** Make no change to the current limit of support.

**Option 2:** Continue with the same scheme and help achieve savings by reducing the limit to 80%, this means customers in receipt of council tax support would have to pay at least 20% towards their council tax bill.

**Option 3:** Continue with the same scheme and help achieve savings by reducing the limit to 75%, this means customers in receipt of council tax support would have to pay at least 25% towards their council tax bill.

**Option 4:** Continue with the same scheme and help achieve savings by reducing the limit to 70%, this means customers in receipt of council tax support would have to pay at least 30% towards their council tax bill.

(See page 10 for examples of how these options would affect some customers)
We are also considering the following changes to the scheme:

- Reducing the capital limit to £6,000. This means that anyone with capital/savings of £6,000 or more will not qualify for CTS. (This would not apply to people in receipt of passported benefits such as Income Support, Jobseekers Allowance (Income Based).

- Restricting the amount of the CTS award to Band D. This means that anyone who applies for CTS who lives in a property banded E to H would have their CTS calculated as though they were in a Band D property.

- Aligning CTS rules to Housing Benefit (HB) rules including future changes. Many customers receive both CTS and HB. Currently some of the rules that affect HB are different to the rules that affect CTS. This makes it confusing for customers and is more costly for the council to manage.
Who will be affected by the changes?

Every working age customer who currently gets CTS will be affected by the changes.

The council will continue to provide a discretionary CTS scheme which will support customers who are facing severe financial hardship.

How will this affect different households?

We have provided some examples to show how each option would affect the maximum CTS that could be paid.

We can’t say how these changes will affect each individual household.

Please note that the amounts shown are estimated figures based on 2016/17 council tax charges.

Single people may pay less because they qualify for a discount of 25% off their council tax bill.
How customers may be affected by the changes

<table>
<thead>
<tr>
<th>band</th>
<th>total charge</th>
<th>Option 1 maximum support 85%</th>
<th></th>
<th>Option 2 maximum support 80%</th>
<th></th>
<th>Option 3 maximum support 75%</th>
<th></th>
<th>Option 4 maximum support 70%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>maximum CTS</td>
<td>amount payable</td>
<td>maximum CTS</td>
<td>amount payable</td>
<td>maximum CTS</td>
<td>amount payable</td>
<td>maximum CTS</td>
<td>amount payable</td>
</tr>
<tr>
<td>A</td>
<td>£1051.92</td>
<td>894.13</td>
<td>157.79</td>
<td>841.54</td>
<td>210.38</td>
<td>788.94</td>
<td>262.98</td>
<td>796.34</td>
<td>315.58</td>
</tr>
<tr>
<td>B</td>
<td>£1227.22</td>
<td>1043.14</td>
<td>184.08</td>
<td>981.78</td>
<td>245.44</td>
<td>920.41</td>
<td>306.81</td>
<td>859.05</td>
<td>368.17</td>
</tr>
<tr>
<td>C</td>
<td>£1402.54</td>
<td>1192.16</td>
<td>210.38</td>
<td>1122.03</td>
<td>280.51</td>
<td>1051.90</td>
<td>350.64</td>
<td>981.78</td>
<td>420.76</td>
</tr>
<tr>
<td>D</td>
<td>£1577.86</td>
<td>1341.18</td>
<td>236.68</td>
<td>1262.29</td>
<td>315.57</td>
<td>1183.39</td>
<td>394.47</td>
<td>1104.50</td>
<td>473.36</td>
</tr>
<tr>
<td>E</td>
<td>£1928.50</td>
<td>1639.22</td>
<td>289.28</td>
<td>1542.80</td>
<td>385.70</td>
<td>1446.37</td>
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<td>578.55</td>
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<tr>
<td>F</td>
<td>£2279.13</td>
<td>1937.26</td>
<td>341.87</td>
<td>1823.30</td>
<td>455.83</td>
<td>1709.35</td>
<td>569.78</td>
<td>1595.39</td>
<td>683.74</td>
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<tr>
<td>G</td>
<td>£2629.77</td>
<td>2235.30</td>
<td>394.47</td>
<td>2103.82</td>
<td>525.95</td>
<td>1972.33</td>
<td>657.44</td>
<td>1840.84</td>
<td>788.93</td>
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<tr>
<td>H</td>
<td>£3155.72</td>
<td>2682.36</td>
<td>473.36</td>
<td>2524.58</td>
<td>631.14</td>
<td>2366.79</td>
<td>788.93</td>
<td>2209.00</td>
<td>946.72</td>
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If a decision is made to restrict CTS to band D, properties in Bands E - H would be restricted to a maximum CTS based on Band D liabilities.

If a decision was made to exclude from CTS any claimants who have over £6000 capital they would not be entitled to any CTS regardless of property band.

All of the above figures are based on the 2016/17 council tax charge for Market Harborough and are subject to change.

The examples above show the maximum CTS a claimant can receive but exactly how much will depend on income, savings and who is in your household.
How you can tell us what you think

This consultation is open from 4 August 2016 until 28 September 2016.

None of the councils involved in this consultation have made any final decisions about the new CTS scheme yet – your views and ideas will help them make those decisions.

You can tell us what you think about the proposed changes online by visiting consultations.leicester.gov.uk

If you need to complete a paper form you can download a copy from the council’s website: harborough.gov.uk.ctsconsultation or by contacting the council’s customer services team on 01858 82 82 82.

Completed paper forms should then be sent to Council Tax Support consultation Harborough District Council PO Box 10004 Hinckley LE10 9EJ

This consultation is a partnership project involving
- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- Leicester City Council
- Melton Borough Council
- North West Leicestershire District Council
- Oadby & Wigston Borough Council.