

Maidstone Borough Council

Council Tax Reduction Scheme 2017/18 Consultation Questionnaire

What is this about?

Council has a difficult financial situation to manage over the coming years and will have to make savings and increase income. Part of these savings **could** come from reducing the amount of financial help provided to working age residents on low incomes through changes to the Council Tax Reduction Scheme.

How long do I have to respond and when will I know the outcome?

The consultation closes on 19/08/2016. 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. The full results from the consultation will be available on the Council's website.

The new scheme will start on 1 April 2017 and then be reviewed annually.

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 87% of Council Tax for working age households and up to 100% for pensioners. As this **is a complex issue**. **We suggest you read the full background information before giving your opinion.**

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 and reduced funding to support the schemes. Since then, funding has further reduced.

Who will this affect?

Working age households in the Borough, who currently receive or will apply for Council Tax Reduction.
Pension age households will not be affected because the Government decide how much help they receive.

Are there any alternatives to the options suggested? We have also thought about other ways to make the spending cuts we need to make and maintain the current scheme's level of financial support. The Council considered whether to consult on changes to disability benefits and child benefit which are currently disregarded for Council Tax Reduction, but did not feel this was appropriate.

Three other areas were also considered and although they have not been completely rejected we do not think they should be implemented for the reasons given below. You are asked about them at question 32 in the questionnaire.

1 Increase Council Tax

This would mean all council tax payers in the Borough 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.

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.

Options to change the current Local Council Tax Reduction scheme

As explained in the background information, the Council is primarily consulting on thirteen proposals to change the existing Council Tax Reduction Scheme from 1st April 2017, which would reduce the cost of the scheme. Your responses are a part of this consultation. The proposals being considered are set out below are.

Option 1 – Reducing the maximum level of support for working age applicants from 87% to 80%

The Council currently requires all working age claimants to make a minimum payment of 13% towards their Council Tax. This would increase to 20%. The Council is conscious that any minimum payment must be affordable given the household's circumstances. The Council is minded that if this change is introduced, there would be a need to protect the most vulnerable households through the introduction of an exceptional hardship scheme.

The benefits of this are:

- It is a simple alteration to the scheme which is easy to understand
- It is fair because everyone shares the increase

The drawback of doing this is:

- All working age households receiving Council Tax Reduction will be required to pay more

Q4.

Do you agree with this change to the scheme?

Yes No Don't know

Q5.

Your comments on Option 1

Option 2 – 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' of any claimant. 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 Council Tax Reduction Scheme in line with Housing Benefit changes proposed by Central Government

The drawbacks of doing this are:

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

Q6.

Do you agree with this change to the scheme? Yes No Don't know

Q7.

Your comments on Option 2

Option 3 - Reducing Backdating to 1 month

Reducing backdating of new claims to 1 month

Currently claims for Council Tax Reduction from working age claimants can in certain situations be backdated for up to 6 months. Central Government has reduced the period for Housing Benefit claims to 1 month it is proposed that the Council Tax Reduction Scheme be aligned with these changes.

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
- It doesn't affect any current claimants
- Future claimants can avoid any loss by claiming at the right time

The drawback of this is:

- New working age claimants may see a reduction in the amount of support they received if they do not claim on time

Q8.

Do you agree with this change to the scheme?

Yes No Don't know

Q9.

Your comments on Option 3

Option 4 - 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 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 in the first year of trading. Variations would apply to part-time workers.

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 claimants to expand their business or take paid employment
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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 4

Q10.

Do you agree with this change to the scheme? Yes No Don't know

Q11.

Your comments on Option 4

Option 5 - 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 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 are limited exceptions.

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

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.

Q12.

Do you agree with this change to the scheme? Yes No Don't know

Q13.

Your comments on Option 5

Option 6 - Reduce the capital limit from the existing £16,000 to £6,000

At present, claimants with savings, capital and investments of more than £16,000 are not entitled to any Council Tax Reduction. Under the proposed change; this limit would be reduced to £6,000.

The benefits of this are:

- Only those working age claimants with at least £6000 in savings will be affected.
- There is a low risk of causing hardship

The drawback of this is:

- Where a working age resident has in excess of £6,000 in savings, they won't be eligible for any reduction in Council Tax.

Q14.

Do you agree with this change to the scheme?

Yes No Don't know

Q15.

Your comments on Option 6

Option 7 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependents resident with them

Within the current scheme a deduction is made from Council Tax Reduction for people other than the applicant's partner who are 18 years old or over. That person is expected to contribute towards payment of Council Tax. At present the weekly deductions range from £0.00 to £11.45 per week according to weekly income. The range would be replaced by a standard reduction of £10.

The benefits of doing this are:

- It is simple to understand compared to current rules
- Some households may see an increase in awards
- Non dependents would have a greater incentive to work and earn more

The drawback of this is:

- The household may receive less Council Tax Reduction than at present

Q16.

Do you agree with this change to the scheme?

Yes No Don't know

Q17. Your comments on Option 7

Option 8 - To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

Currently any payments of Child Maintenance paid to either a claimant or their partner is not counted when working out their income for Council Tax Reduction. This proposal would allow the Council to include Child Maintenance as income within the calculation.

The benefit of this is:

Families will be treated equally regardless of whether child maintenance is paid

The drawbacks of this are:

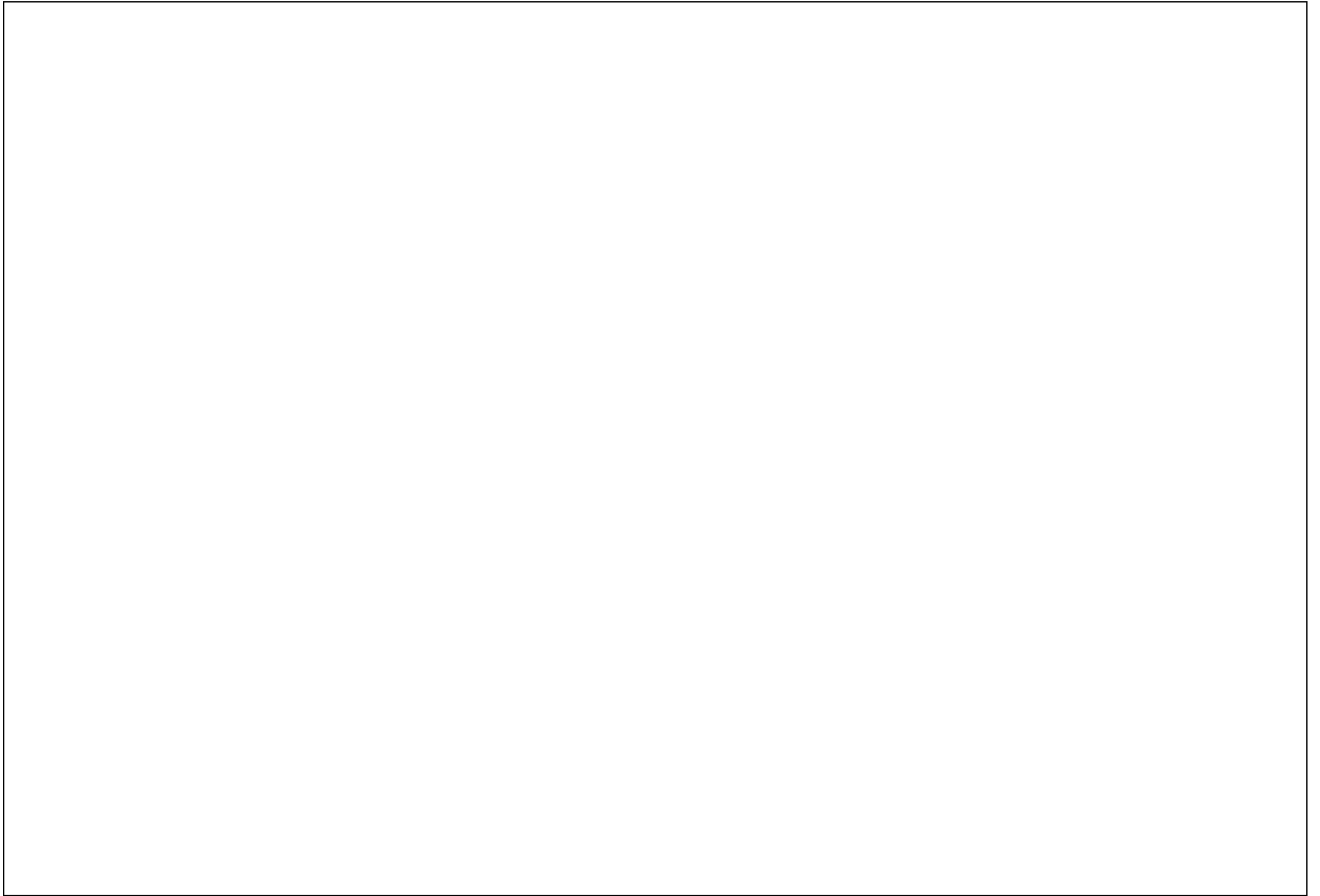
- It may discourage payments of child maintenance
- Some families will receive less Council Tax Reduction

Q18.

Do you agree with this change to the scheme? Yes No Don't know

Q19.

Your comments on Option 8



Option 9 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

The current Council Tax Reduction scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.

The benefit of this is:

- It can be seen as a fairer method of providing support with those claimants living in higher banded properties **and** receiving Council Tax Reduction having to pay more

The drawbacks of this are:

- All working age claimants living in premises with a Council Tax band of higher than Band D will have their Council Tax Reduction restricted
- Reductions in awards may affect families living in larger homes

Q20.

Do you agree with this change to the scheme? Yes No Don't know

Q21.

Your comments on Option 9

Option 10 – To Remove Second Adult Reduction from the scheme

The current Council Tax Reduction scheme can grant a reduction up to 25% in certain cases where a 'second adult' (not the applicant's partner) who resides with the applicant, is unemployed or has a low income.

The benefit of this is:

- It removes an element of the current scheme where the reduction bears no relationship to the income of the claimant

The drawback of this is:

- People who currently receive Second Adult Reduction will be required to pay more council tax

Q22.

Do you agree with this change to the scheme? Yes No Don't know

Q23.

Your comments on Option 10

Option 11 - To remove the Work Related Activity Component in the calculation of Council Tax Reduction.

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 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

The drawback of this is:

- Council Tax Reduction will not increase for customers who would have otherwise have received the work related activity component

Q24.

Do you agree with this change to the scheme?

Yes No Don't know

Q25.

Your comments on Option 11

Option 12 - 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 their 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 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 child on or after 1st April 2017 may receive less Council Tax reduction than a claimant who has more children born before 1st April 2017

Q26.

Do you agree with this change to the scheme?

Yes No Don't know

Q27.

Your comments on Option 12

Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

The option would introduce a scheme whereby, individual cases would be looked at on their own merit. This would:

- Provide greater flexibility to the Council to help those that need it most.
- Enable a safety net for those households suffering exceptional hardship

The benefit of this is:

- It is a scheme that can be adapted to meet individual circumstances

The drawbacks of doing this are:

- There will be some additional costs to the Council in introducing this scheme

Q28.

Do you agree with the introduction to support households suffering Exceptional Hardship?

Yes No Don't know

Q29

Your comments on Option 13

We have suggested thirteen possible changes to the current Council Tax Reduction Scheme; thinking about impact on claimants and the impact from the reduction in funding for the Council, what would be most preferable by writing a number from 1 – 13 in the boxes below, where 1 is the option that you would be most preferable and 13 is the least

Option 1

Option 2

Option 3

Option 4

Option 5

Option 6

Option 7

Option 8

Option 9

Option 10

Option 11

Option 12

Option 13

Paying for the Scheme

Q2.

Should the Council keep the current Council Tax Reduction scheme? (Should it continue to reduce Council Tax for applicants in the way and to the extent that 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 cuts.

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

If the Council keeps the current scheme, we will need to find savings from other services to help meet the expected reduction in Government funding. The proposals set out in this consultation could deliver savings. The alternatives are set out in the background information.

Q32.

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.

Q32.1.

Increase the level of Council Tax

Yes No Don't know

Q32.2.

Find savings from cutting other Council Services

Yes No Don't know

Q32.3.

Use the Council's savings

Yes No Don't know

Q33.

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

Q34.

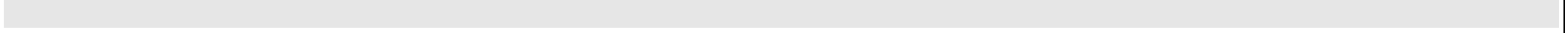
Please use this space to make any other comments on the scheme.

Q35.

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

Q36.

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 ensure that the Council has consulted fairly 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.

Q37.

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

Yes No Don't know/Not sure

Q38.

What is your sex?

Male Female Prefer not to say

Q39.

Age

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

Q40.

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

Q41.

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:

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)

