Proposed changes to Council Tax support from 1 April 2018
Proposed changes to council tax support

Our current Council Tax Support Scheme

Since the government abolished Council Tax benefit in 2013, and asked local councils to introduce their own Council Tax Support Schemes, government funding for the scheme has declined each year. The scheme now costs us £4.8 million a year more than it did in 2013 (and the cost grows each year).

We are proud that our scheme – developed through consultation with Council Tax payers – protects 30,000 people every year, including pensioners, registered disabled people, carers, families subject to the benefit cap and war widows. While we continue to lobby government to reinstate the full cost of Council Tax support, we also have to reduce the cost of our scheme so we can support those who most need it.

We need to save £55 million more over the next three years – part of £238m of savings that have either been made or identified since 2010, as a result of an estimated 56% cut to the council’s funding from central government – some of the deepest cuts in the country. Our recently agreed 2017/18-2019/20 Medium Term Financial Strategy approved significant savings across all areas of spending, including major efficiencies, changing the way that the council works, and raising Council Tax.

It is not possible to identify further savings to ensure our Council Tax Support Scheme can continue as it is. Nor is it possible to use the council’s financial reserves to help cope with the pressures. This would not be sustainable in delivering a budget because reserves, like your savings, can only be spent once. Using our reserves simply puts off the tough choices for another year when the financial situation is likely to be even worse and puts at risk our ability to meet any unforeseen emergency in future.

Changes we propose making to create a new scheme (from 1 April 2018)

We have rejected changes which would increase inequality or place extra burdens on the most vulnerable. Instead, we’ve identified changes which will have the least impact on working age people who are most in need of Council Tax support. Any new scheme will need to have similar rules to those for Housing Benefit and Universal Credit.

We’ve also looked at how we can support people who find it hard to pay their Council Tax. We will still offer money advice and help improve people’s budgeting skills to help them manage their debt or avoid getting into debt.

How the changes could affect you

We’ve looked at everyone who currently receives Council Tax support (by race, gender, disability and age) to see who is most likely to be affected by each proposed change.

Proposed change | How it might affect you
---|---
Add new non-dependant charges for adult children, relatives or friends | Those over 50 are most likely to be affected by this change because they are more likely to have adult children in their household. Those under 35 are least likely to be affected. This is likely to affect all ethnic groups equally. Women would be more affected by this change than men. Registered disabled people would be much more likely to be affected. Many disabled people are currently protected from non-dependant deductions. This change would remove this protection to create equality between disabled and non-disabled people.

Liability reduction – changing the way we calculate Council Tax support | Many people aged over 50 and/or registered disabled will not be affected by this change because they are already in a protected group. We do not expect this to have either more or less impact on people based on their ethnic origin, or gender.
Proposed changes to council tax support

<table>
<thead>
<tr>
<th>Proposed liability reduction</th>
<th>Current liability reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly liability</td>
<td>£20</td>
</tr>
<tr>
<td>Minus 20% liability reduction</td>
<td>£16</td>
</tr>
<tr>
<td>Minus £10 excess income</td>
<td>£6</td>
</tr>
<tr>
<td>Council Tax support</td>
<td>£6</td>
</tr>
</tbody>
</table>

**Example:**
Impact of the proposed changes to how we calculate Council Tax Support for a household living in a band C property with a weekly liability of £22.34.

<table>
<thead>
<tr>
<th>Single parent with two children</th>
<th>A couple with no children</th>
<th>Family with two children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income: Income support plus tax Credit/Universal Credit</td>
<td>Income: £200 earnings per week plus tax credits</td>
<td>Income: £200 earnings per week plus tax credits</td>
</tr>
<tr>
<td>Current Council Tax support = £21.53</td>
<td>Current Council Tax support = £0.24</td>
<td>Current Council Tax support = £4.31</td>
</tr>
<tr>
<td>New Council Tax support = £18.80</td>
<td>New Council Tax support = £0.00</td>
<td>New Council Tax support = £1.58</td>
</tr>
</tbody>
</table>

**Proposed change**

**Increase the amount of Council Tax you will need to pay if you are not in a protected group**
Currently most people must pay something towards their Council Tax. Most people are expected to pay at least 15.86% of their Council Tax.

This change would increase the amount people would be expected to pay to 20%, 25% or 30% of their bill. We estimate this will affect 11,300 households.

Many people aged over 50 and/or registered disabled will not be affected by this change because they are already in a protected group.

We do not expect this to have either more or less impact on people based on their ethnic origin, or gender.

**Reduce Council Tax support backdating to four weeks**
Currently, working age people can be paid Council Tax support from a date up to six months before they submitted their claim (known as ‘backdating’). This backdating could be reduced to four weeks in line with Housing Benefit and other welfare benefits.

We estimate that this will affect approximately 150 households.

This is likely to affect all people equally.

**Reduce the capital cut-off to £6,000**
Residents with more than £6,000 savings will no longer be eligible for Council Tax support. Currently, you cannot claim if you have more than £16,000 saved or invested.

We estimate that this will affect 340 households.

This change is more likely to affect those over 50 who have had time to build up savings.

We do not expect this to have either more or less impact on people based on their ethnic origin, gender or if they are registered disabled.
If we include some or all of these proposed changes in our new Council Tax Support Scheme, we can:

- Continue to protect the most vulnerable; people in protected groups will continue to receive support to meet their full Council Tax liability
- Keep the burden on working age people who are eligible as low as possible.

What’s not changing?
We looked into the following changes to decide if they could protect services for the most vulnerable and highest risk people in our community. We rejected them all:

- Remove protection for currently protected groups (those registered as disabled, carers, families subject to the benefit cap and war widows) so they can receive support only up to a maximum of 84.14% of their Council Tax.
- We believe this would increase inequality.

- Increase the minimum amount of Council Tax support
We feel that this will unfairly affect working people, including those recently referred to as “just about managing”, who are already expected to pay at least 15.86% of their Council Tax bill.

- Increase Council Tax support amounts for working age claimants while Housing Benefit, Universal Credit and other welfare benefits remain frozen.
The calculations for working age Council Tax support are based on other benefits, including housing benefit and universal credit, which are currently frozen by the government until 2019. The council has decided not to adjust these levels for Council Tax support, because this could lead to confusion between different benefits.

Have your say
If we want to make changes to our Council Tax Support Scheme we must, by law, ask you about it. This consultation is open to all people who currently receive Council Tax support: residents; landlords; voluntary and community sector organisations that provide support to people receiving Council Tax support; and anyone who has an interest in the level of Council Tax support provided by the council.
You can have your say anytime from Monday 12 June 2017 to Sunday 3 September 2017:

- Complete and return the questionnaire below to:
  Council Tax Support Scheme Consultation
  Lambeth Council
  FREEPOST PLUS RTTG-SZLT-RCZJ
  Third Floor
  Olive Morris House
  Brixton Hill
  LONDON SW2 1RD
- Complete it online at www.lambeth.gov.uk/consultations
- Paper copies are also available from your local library and the council’s Customer Service Centre
- Email infoservice@lambeth.gov.uk
- Write to:
  Council Tax Support Scheme Consultation
  Lambeth Council
  FREEPOST PLUS RTTG-SZLT-RCZJ
  Third Floor
  Olive Morris House
  Brixton Hill
  LONDON SW2 1RD

What happens next?
We will analyse and consider what you tell us. We will produce a consultation report which we can send to you. If you would like a copy, please provide your email address with your comments.
We will make a final decision about Council Tax support before 31 December 2017 and our new Scheme will be introduced on 1 April 2018.

Having trouble paying your Council Tax?
If you have any concerns about Council Tax or are having difficulties paying your Council Tax it’s important that you let us know as soon as possible. You can find advice, support and information online at www.lambeth.gov.uk, by calling 034 5302 2312 or emailing benefitsinfo@lambeth.gov.uk
Confidential debt counselling is also available from:

Citizens Advice
www.citizensadvice.org.uk
One Lambeth
www.onelambethadvice.org.uk
Brixton Advice
www.brixtonadvice.org.uk
Centre 70
www.centre70.org.uk
Proposed changes to council tax support

What is Council Tax support?
Council Tax support helps people who have a low income, or no income, to pay their Council Tax bills. Local authority Council Tax support schemes were introduced on 1 April 2013 to replace the government’s Council Tax Benefits Scheme. Pensioners are protected by legislation and are not covered by the scheme.

Who has to pay Council Tax?
Council Tax is a charge which is usually paid by the occupants of the property. The full tax assumes that there are at least two adults living in the property. If there is only one occupant in the home, they may be eligible for a discount. The tax is also paid by the property owner where the property is unoccupied and no relief is applicable.

Who can get Council Tax support?
Anyone who is liable to pay Council Tax and occupies a property as their home can make a claim for Council Tax support. All claims are assessed using a means test.

What is capital?
'Capital' includes all holdings to which a monetary value can be added, for example, savings, stocks or shares, or property. It is not the same as income because it is not usually tied to a period or part of a series of payments.

What is a 'capital cut off'?
This is the amount of capital you can have before we think you should be able to pay your Council Tax without support.

What does 'non-dependant' mean?
A 'non-dependant' is an adult who lives with you but is not your partner or joint tenant or anyone who pays you rent on a commercial basis. Non-dependants are usually relatives such as grown-up children or older family members.

What is a 'liability'?
If you need to pay (are liable to pay) Council Tax your liability is the amount of Council Tax you must pay. This is a legal term to identify the amount of money due to the council and used to provide local services.

What is a ‘protected group’?
Most working age people will need to pay at least 15.86% of their Council Tax bill. Some groups of people are protected from this and can receive Council Tax support to cover all of their liability. Protected groups are:
• people registered as disabled
• carers
• war widows
• families who have their benefit reduced by the benefit cap

How do we calculate your Council Tax support now?
We currently calculate Council Tax support as follows:

Council Tax due (100% of actual amount)
Calculate Council Tax support
Less liability reduction of 15.86%.
= Council Tax support due

How much will I have to pay in future?
How much you have to pay depends on the amount of Council Tax due and your family circumstances. It is also dependent on the outcome of this consultation (See proposed change to the way we calculate Council Tax liability on pages 3 and 4 of this booklet).

The amount of Council Tax you pay will not directly change as a result of these changes although either the council or the Mayor of London may choose to increase Council Tax.

The changes are likely to increase the amount of Council Tax you need to pay if you currently receive Council Tax support.

Who will the changes affect?
All current working age Council Tax support claimants could be affected by these proposals and could see their Council Tax support change. (See "Will I be affected?" on page 8 of this booklet).

Proposed changes to Council Tax support from 1 April 2018

Frequently Asked Questions (FAQs)

Will I be affected?

Are you a pensioner?
YES → You won’t be affected

NO →

Do you receive Council Tax support?
YES

You won’t be affected unless you start to claim Council Tax support

NO

Check all of the dark blue boxes to see if you will be affected

You have non-dependants living with you but do not have a non-dependant deduction as part of your Council Tax support calculation

You are not:
• Registered disabled
• A carer
• A war widow
• Benefit capped

You need your claim to start earlier than the date you applied

You have savings or investments worth more than £6,000

You will be affected by the first proposed change

You will be affected by the second and third proposed changes

You will be affected by the fourth proposed change

You will be affected by the fifth proposed change

You won’t be affected

NO

YES

You won’t be affected
Proposed changes to council tax support

Why are you consulting on proposed changes?
Before we can make changes to our Council Tax Support Scheme we must, by law, ask you about it. We want you to tell us what you think about these proposed changes to enable us to create a local Council Tax scheme that takes your views into account.

How can I have my say?
Join the conversation. Take part by completing our online questionnaire at www.lambeth.gov.uk/consultations anytime from Monday 12 June 2017 to Sunday 3 September 2017.

To request a paper copy of the questionnaire email infoservice@lambeth.gov.uk

Paper copies are also available from your local library and the council’s Customer Service Centre

• Complete and return the questionnaire below to:
  Council Tax Support Scheme Consultation
  Lambeth Council
  FREEPOST PLUS RTTG-SZLT-RCZJ
  Third Floor
  Olive Morris House
  Brixton Hill
  LONDON SW2 1RD

Where can I get more information?
If you have any concerns about Council Tax or are having difficulties paying your Council Tax it’s important that you let us know as soon as possible. You can find advice, support and information online at www.lambeth.gov.uk, by calling 0345 302 2312 or emailing benefitsinfo@lambeth.gov.uk

Confidential debt counselling is also available from:
Citizens Advice
www.citizensadvice.org.uk
One Lambeth
www.onelambethadvice.org.uk
Brixton Advice
www.brixtonadvice.org.uk
Centre 70
www.centre70.org.uk

Questionnaire

How do you think our Council Tax Support Scheme should change?
We would like your views on proposed changes to our Council Tax Support Scheme from 1 April 2018; changes that would see it mirror Housing Benefit and Universal Credit rules.

Please take a look at the description of each of the changes on pages 2-6 of this booklet before answering the questions below.

What do you think of the proposed changes?
Tell us what you think of each of the proposed changes to our Council Tax Support Scheme from 1 April 2018.

1. To what extent do you support the introduction of new non-dependant charges for adult children, relatives or friends?
   • strongly support
   • support

2. To what extent do you support our proposal to change the way we calculate Council Tax liability?
   • strongly support
   • support

2a. Tell us why you support OR do not support this change:

1a. Tell us why you support OR do not support this change:

3. To what extent do you support increasing the amount of Council Tax you will need to pay to 20% of the bill if you are not in a protected group?
   • strongly support
   • support

2a. Tell us why you support OR do not support this change:
3a. To what extent do you support increasing the amount of Council Tax you will need to pay to 25% of the bill if you are not in a protected group?
- Strongly support
- Support
- Neither support nor do not support
- Do not support
- Strongly do not support
- No opinion

3b. To what extent do you support increasing the amount of Council Tax you will need to pay to 30% of the bill if you are not in a protected group?
- Strongly support
- Support
- Neither support nor do not support
- Do not support
- Strongly do not support
- No opinion

3c. Tell us why you support OR do not support these possible changes:

4a. Tell us why you support OR do not support this change:

4. To what extent do you support reducing Council Tax support backdating to four weeks?
- Strongly support
- Support
- Neither support nor do not support
- Do not support
- Strongly do not support
- No opinion

5. To what extent do you support reducing the capital cut off to £6,000?
- Strongly support
- Support
- Neither support nor do not support
- Do not support
- Strongly do not support
- No opinion

5a. Tell us why you support OR do not support this change:

6. Please use the box below to make any other comments or suggest alternative changes you think we should consider:

11. Are you at or above pension age?
- Yes
- No

12. Are you or your partner in paid employment for more than 16 hours per week?
- Yes
- No

13. How many children do you have living with you?
- None
- 1-2
- 3 or more

14. Are you pregnant or on maternity leave?
- Yes
- No

15. Do you, or does anyone living with you, have a disability?
- Yes
- No

16. Are you currently in a protected group (those registered disabled, carers, families subject to the benefit cap and war widows)?
- Yes
- No

A little bit about you
To help better understand what our different service users and residents think, we want to know a little bit about you. The questions below will enable us to identify differences or similarities between different groups of people and ensure that our services do not discriminate against groups protected by law.

7. Do you live in Lambeth?
- Yes
- No

8. Are you a Council Tax payer?
- Yes
- No

9. Do you currently receive Council Tax support?
- Yes
- No

10. What is your gender identity?
- Male
- Female
- Other
- Non-binary
- Prefer not to say
17. What is your ethnic group?

- White
  - English / Welsh / Scottish / Northern Irish / British
  - Irish
  - Portuguese
  - Polish
  - Gypsy or Irish Traveller
  - Any other White background, write in:

- Mixed / multiple ethnic groups
  - White and Black Caribbean
  - White and Black African
  - White and Asian
  - Any other Mixed / multiple ethnic background, write in:

- Asian / Asian British
  - Indian
  - Pakistani
  - Bangladeshi
  - Chinese
  - Any other Asian background, write in:

- Black / African / Caribbean / Black British
  - African Somali
  - Other African
  - Caribbean
  - Any other Black / African / Caribbean background, write in:

- Other ethnic group
  - Latin American
  - Arab
  - Any other ethnic group, write in:

18. What is your sexual orientation?

- Bisexual
- Gay/lesbian
- Straight/heterosexual
- Other/don’t know
- Prefer not to say

Data protection

We use Snap Survey to host surveys and collect responses; and comply with all our duties under the Data Protection Act 1998. You can read more about our privacy policy at: www.lambeth.gov.uk/privacy-policy.

To hear about the outcome of this consultation, hear about other consultations and keep up-to-date with what’s going on in Lambeth, please provide your contact details below:

First name ..............................................................
Second name ...........................................................
E-mail address .........................................................

Note: We will not use your name to identify your responses.

Thank you for taking the time to consider our proposals.

Please return your completed questionnaire to:

Council Tax Support Scheme Consultation
Lambeth Council
FREEPOST PLUS RITG-S2LT-RCZJ
Third Floor
Olive Morris House
Brixton Hill
LONDON SW2 1RD

ALL completed questionnaires must be received by Sunday 3 September 2017.