
REPORT TO THE MEETING OF THE EXECUTIVE 5 OCTOBER 2016

PORTFOLIO: GOVERNANCE

REPORT FROM ASSISTANT DIRECTOR, CUSTOMER, REVENUES AND BENEFITS SERVICES AND SECTION 151 OFFICER

SUBJECT: LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS) 2017/18

1 DECISION BEING RECOMMENDED

- 1.1 That the arrangements for a public consultation on setting the LCTRS for 2017/18 are noted.
- 1.2 That the public consultation document 'Consultation on Local Council Tax Reduction Scheme 2017/18' attached as an appendix, is approved.

2 REASON/S FOR RECOMMENDATION

- 2.1 There is a need to revise the LCTRS in line with changes made to the Housing Benefit scheme to aid in the cost efficient administration of the schemes by the Revenues and Benefits department.
- 2.2 There is a legal requirement to carry out a public consultation before making any changes to the current LCTRS.

3 RESOURCE IMPLICATIONS

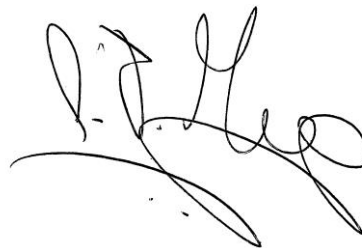
- 3.1 The cost of conducting a public consultation can be met within the existing budget.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

LT Lead Officer Signature: _____



Assistant Director, Customer, Revenues and Benefits Services



LT Lead Officer Signature: _____

Section 151 Officer

Background Papers:-

None.

For further information please contact Dawn Tribe (Assistant Director, Customer, Revenues & Benefits Services) or Robert Manning (Section 151 Officer) on:-

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If you would like this report in large print, Braille or another language please contact 01702 318111.

Rochford District Council

Council Tax Reduction Scheme 2017/18 Consultation Questionnaire

Background to the consultation

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 72% 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?

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 District who currently receive or will apply for Council Tax Reduction.

Pension age households will **not** be affected as Central Government prescribe the scheme.

The Consultation will run from 10th October 2016 and close on the 7th November 2016.

Questionnaire
Have Your Say on the Council Tax Reduction Scheme

Q1.

I have read the background information (above) 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 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 the 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. The 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.

If removed this means that someone could have to pay up to an additional £181.48 per year council tax.

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 may pay more

Q4.**Do you agree with the Option 1?**

Yes No Don't know

Q5.**If you disagree what alternative would you propose?**

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.

This means that someone living in a band D property in Rochford, whose annual Council Tax bill is £1,607.42, could lose up to £293.30 Council Tax Reduction compared to the current scheme.

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 alteration will bring Council Tax Reduction in line with Housing Benefit

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.

If you disagree what alternative would you propose?

Option 3 - 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 their Council Tax Reduction. This replicated the rule within Housing Benefit. Housing Benefit has now been changed by the Government 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 or where you have to go abroad due to the death of a close relative.

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. Exceptions will also apply if you leave Great Britain due to the death of a close relative.

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

Q8.

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

Yes No Don't know

Q9.

If you disagree what alternative would you propose?

Option 4 - 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

Q10.

Do you agree with this change to the scheme?

Yes No Don't know

Q11.

If you disagree what alternative would you propose?

Option 5 - 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 dependent's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependent's additions that can be awarded. From April 2017 Central Government will be limiting dependent's additions in 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 dependents within the calculation); adopted children or where households merge.

This means that a family or single parent with 3 children would have to pay up to an extra £695.76 next year Council Tax.

The benefits of the Council doing this are:

- Council Tax Reduction will be brought into line with Housing Benefit 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

Q12.**Do you agree with this change to the scheme?** Yes No Don't know**Q13.****If you disagree what alternative would you propose?**

Option 6 – 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

Q14.

Do you agree with this change to the scheme?

Yes No Don't know

Q15.

If you disagree what alternative would you propose?

Q16.

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.

Q17.

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

Yes No Don't know/Not sure

Q18.

What is your sex?

Male Female Prefer not to say

Q19.

Age

18-24 25-34 35-44 45-54 55-64 65-74 75-84 85+

Prefer not to say

Q20.

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

Q21.

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....

Why do we ask these questions? They will help in informing us about what decision we should take. They will also help us monitor what different groups of people think about the proposed Council Tax reduction Scheme. All information you provide is completely confidential and anonymous. This means that your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

Because of the timescales involved and the legal requirements that the Council adopts its scheme by 31 January 2017 at the latest if it is to take effect from 1 April 2017 the consultation will close on dd/mm/yyyy.

Following the decision, the 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.

Thank you for completing the questionnaire. Please click on the button below to submit your responses.