

Community Panel

Council Tax Support Scheme 18/19

Amanda Fahey

Head of Financial Services

Thursday 25th January 2018

Agenda

- ❑ Welfare Reform Group
- ❑ Council Tax Support Scheme (CTSS)
- ❑ 18/19 CTSS consultation
- ❑ Cabinet decision 9 January 18
- ❑ Special council meeting on 30 Jan 2018

Welfare Reform Group

- ❑ Members: Cllr. Lyons, Cllr. Smith, Cllr. Jackman, Cllr. Roberts, Cllr. Evans
- ❑ What areas they cover:
 - Welfare Reform – Universal Credit, Benefit Cap, Social Sector Size Criteria
 - Council Tax Support
 - Benefits caseload and performance
 - Discretionary Housing Payments
- ❑ Local Council Tax Support Scheme

Local Council Tax Support Scheme

- ❑ Prior to 2013 Council Tax Benefit was a national scheme.
 - 100% support for people on out of work benefits and Pensioner benefits
 - 100% funding from government
- ❑ From April 2013 local authorities had to develop and consult on a locally agreed scheme for Working Age resident only. Pensioners continued to receive support equal to Council Tax Benefit.
- ❑ Funding from government reduced
- ❑ Rushmoor asked for a minimum contribution of 8% from all working age recipients regardless of their income
- ❑ This meant a number of people were paying council tax for the first time

What is Council Tax Support?

- ❑ It is a means tested discount not a benefit
- ❑ Paid as a credit to the council tax account.
- ❑ Recipients with some income i.e. low wages and or with tax credits have to pay more than the minimum contribution.
- ❑ It is calculated in the same way as Housing Benefit in that for every £1 of income over the governments minimum levels you have to pay something towards your council tax

Council Tax Support – award data

CTS paid by group	Total End of March 2013 CTB spend	March 2017	Nov 2017
Pensioner		£2,041,175.36	£2,048,830.05
Working Age		£2,086,887.82	£2,151,969.23
Total	£5,222,285.88	£4,128,063.18	£4,200,799.28

Latest Council Tax Support Caseload

	End of March 2013	Nov 2015	Nov 2017	Increase/Decrease in Caseload (Nov-Nov)
Pensioner		2,369	2,175	8% decrease
Working Age - Other		934	941	1% increase
Working Age - Vulnerable		1,035	1,033	0.1% decrease
Working Age - Employed		365	268	26% decrease
Working Age - Vulnerable Household		371	301	19% decrease
CTS Total	6,177 (CTB)	5,074	4,718	23% decrease (Mar 13 – Nov 17)

Local Council Tax support Scheme

- ❑ The local scheme introduced in 2013/14 initially sought a minimum 8% contribution from those of working age, which was increased to 10% in 2016/17
- ❑ The scheme also treats income from child maintenance or child benefit as real income within the scheme calculations and disregards all income from War Widow Pensions.
- ❑ There are many other features of the scheme which replicate the way Council Tax Benefit was calculated, keeping the scheme in line with Housing
- ❑ The local scheme has proved effective. Council Tax collection remains high, increasing in 2016/17 to 98.1% from 97.9%.
- ❑ Those in receipt of CTS are generally meeting their council tax liabilities.

Comparisons

- ❑ The current minimum contribution of 10% is at the low end of similar Councils' schemes within our Audit grouping.
- ❑ Of those in the group who have introduced a minimum contribution, the next lowest level is Rugby at 15%, with one council at 15% and one at 17%, four at 20% and two at 25% and at the highest, Kettering has a minimum contribution of 45%.
- ❑ For all of the audit group, collection levels for 2016/17 were holding up well at between 96.9% - 98.4%.

The Consultation – 18/19 Scheme

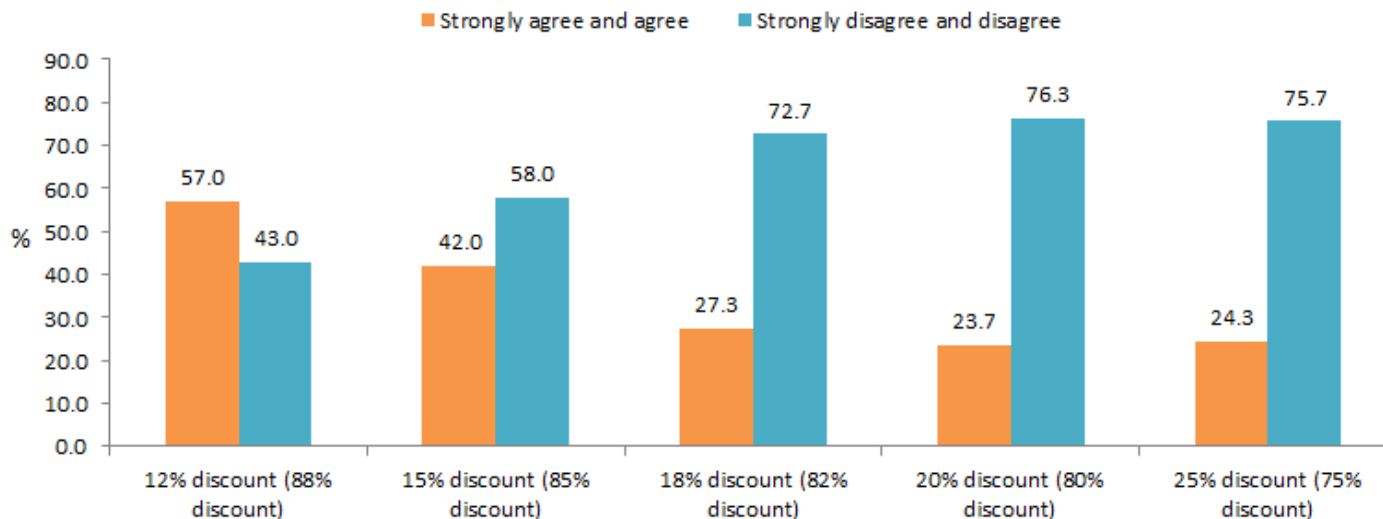
- ❑ 6 week consultation period (6th November – 17th December)
- ❑ 2,566 working age Council Tax Support (CTS) claimants were sent letters about the consultation
- ❑ Letters were also sent to the 1,458 people who have received a CT discount because they had an empty property in the last five years
- ❑ 3,688 people who have signed up via email to receive news or information about consultations, were sent an email informing them of the consultation with a link to fill in the survey
- ❑ Paper copies were available at the Council Offices and Citizen Advice Rushmoor

Section One

- Option One: Increase the minimum amount of CT that working age people pay from 10% (90% discount)
- Option Two: To exclude the new bereavement support payment when we calculate CTS
- Option Three: Limit the number of dependent children to two when we calculate CTS
- Option Four: Other ways of meeting the shortfall in the Council's funding
- Response data includes all responses, those receiving CTS and those not receiving CTS (as identified in question 10 – Do you receive CTS?)

Option One: Increase the minimum amount of Council Tax that working age people pay from 10% (90% discount)

Question 1 - How much do you agree or disagree that we should increase the minimum amount of Council Tax that working age people have to pay to 12%, 15%, 18%, 20% and 25%



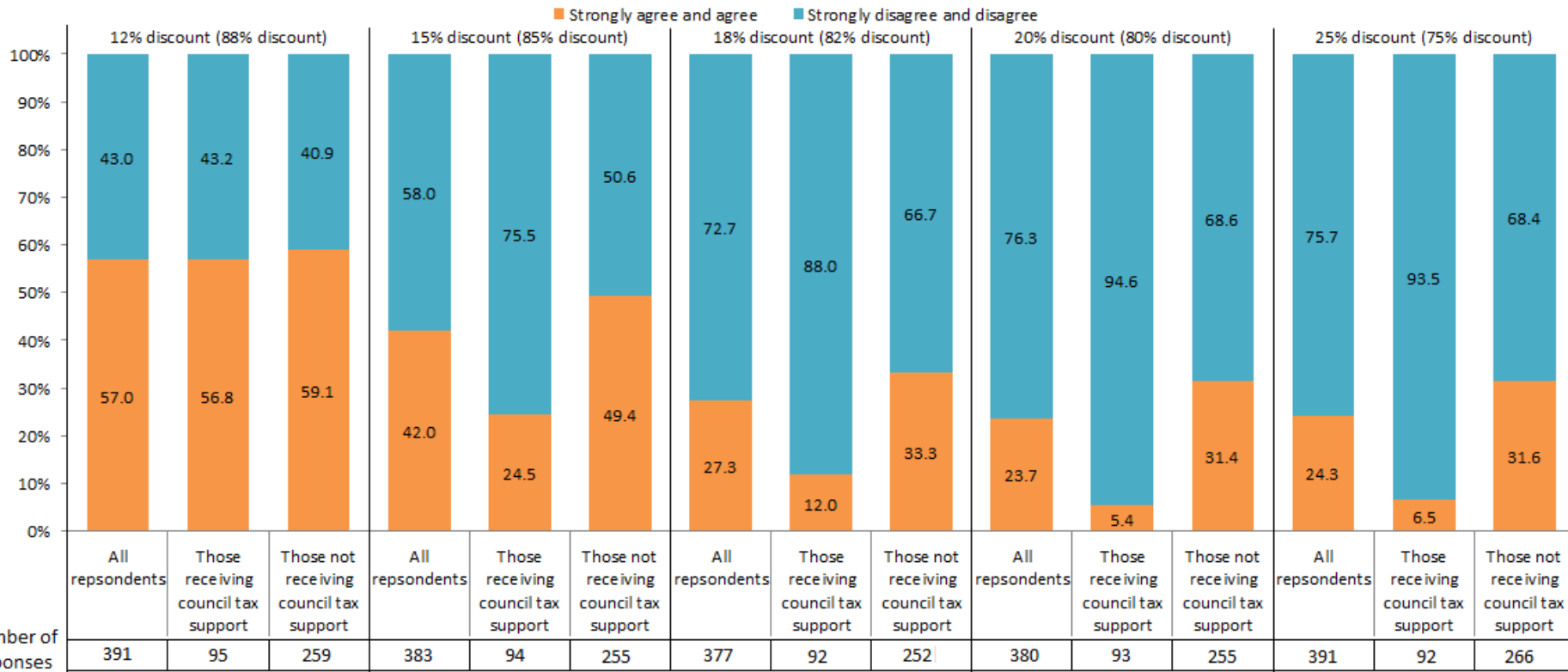
Strongest support for an increase to 12%.
57.0 strongly agree/agree
43.0% strongly disagree/disagree
 Least support for an increase to 20%
23.7% strongly agree/agree
76.3% strongly disagree/disagree

Savings*	£52,781	£130,460	£207,878	£259,343	£387,391
----------	---------	----------	----------	----------	----------

*All preceptors

Option One: Question 1 continued

Responses to Question 1 split by all respondents, those receiving CTS and those not receiving CTS

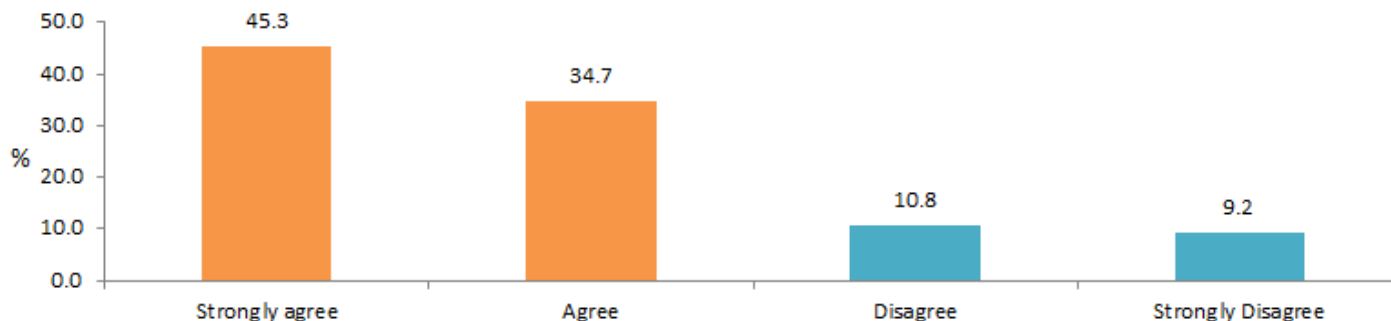


Option One – Question 2

- ❑ Question 2 asked if the respondents think the minimum amount should be higher or lower
- ❑ There were 127 comments to this question
- ❑ The main themes of the responses were (those mention more than 5 times):
 - 10% or leave it as it is (mentioned 47 times)
 - People are struggling/this will cause hardship to the poorest (mentioned 20 times)
 - Lower (mentioned 9 times)
 - 12% (mentioned 8 times)
 - 0% (mentioned 6 times)
 - 50% (mentioned 6 times)
 - Unhappy about subsidising people (mentioned 6 times)

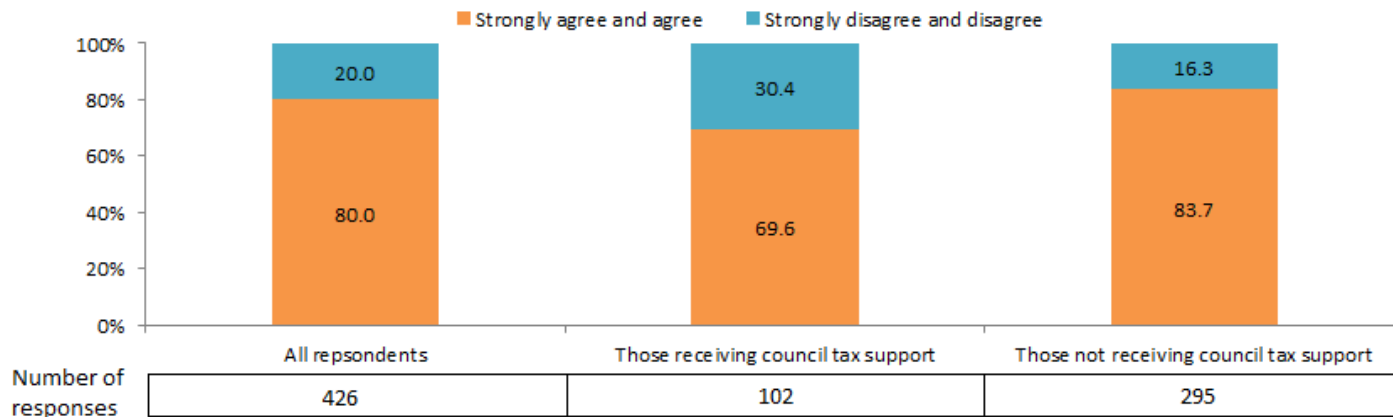
Option Two: To exclude the new bereavement support payment when we calculate Council Tax Support

Question 3: How much do you agree or disagree that we should exclude the new bereavement support payment when we calculate council tax support?



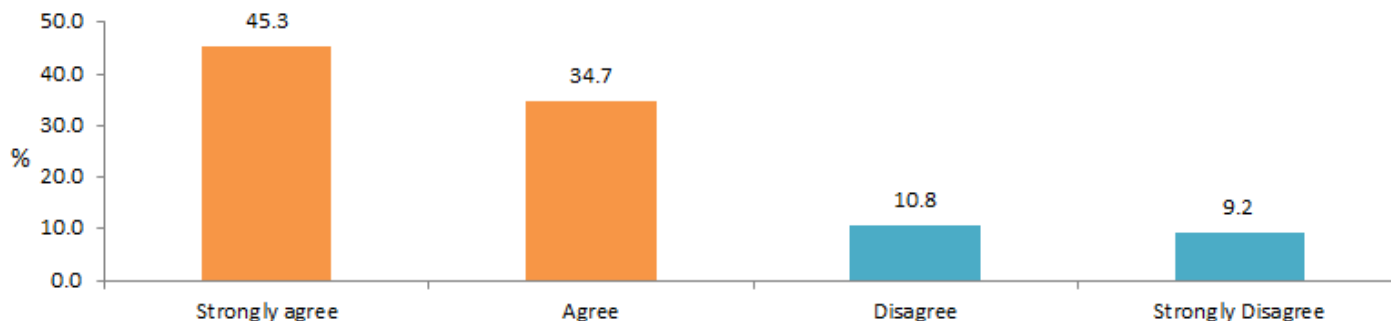
426 responses
80.0% strongly agree/agree
20.0% strongly disagree/disagree

Responses to question 3 split by all respondents, those receiving council tax support and those not receiving council tax support



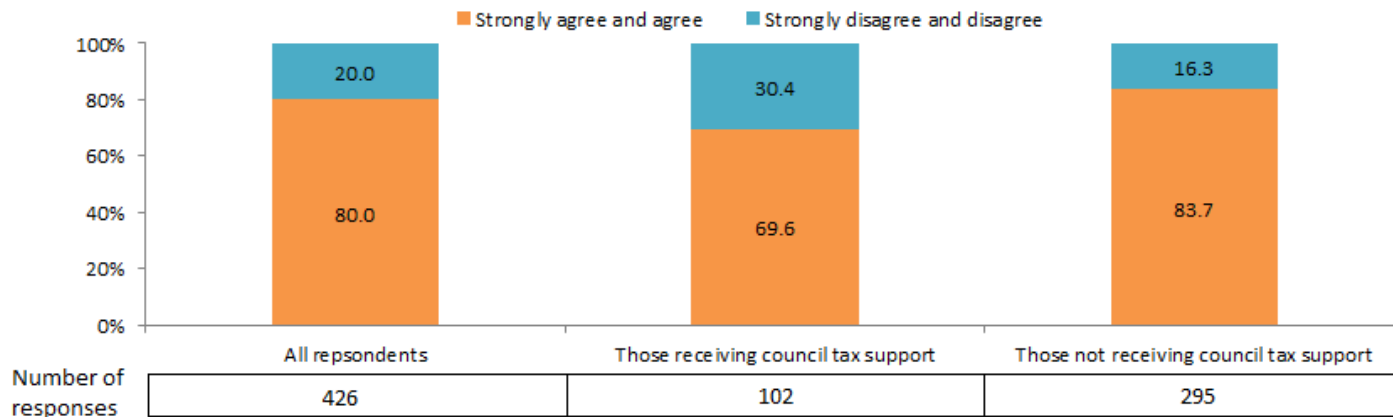
Option Two: To exclude the new bereavement support payment when we calculate Council Tax Support

Question 3: How much do you agree or disagree that we should exclude the new bereavement support payment when we calculate council tax support?



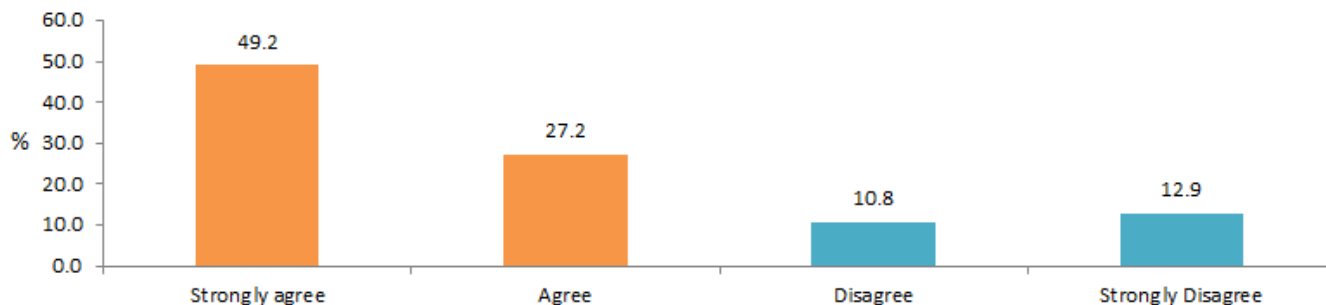
426 responses
80.0% strongly agree/agree
20.0% strongly disagree/disagree

Responses to question 3 split by all respondents, those receiving council tax support and those not receiving council tax support



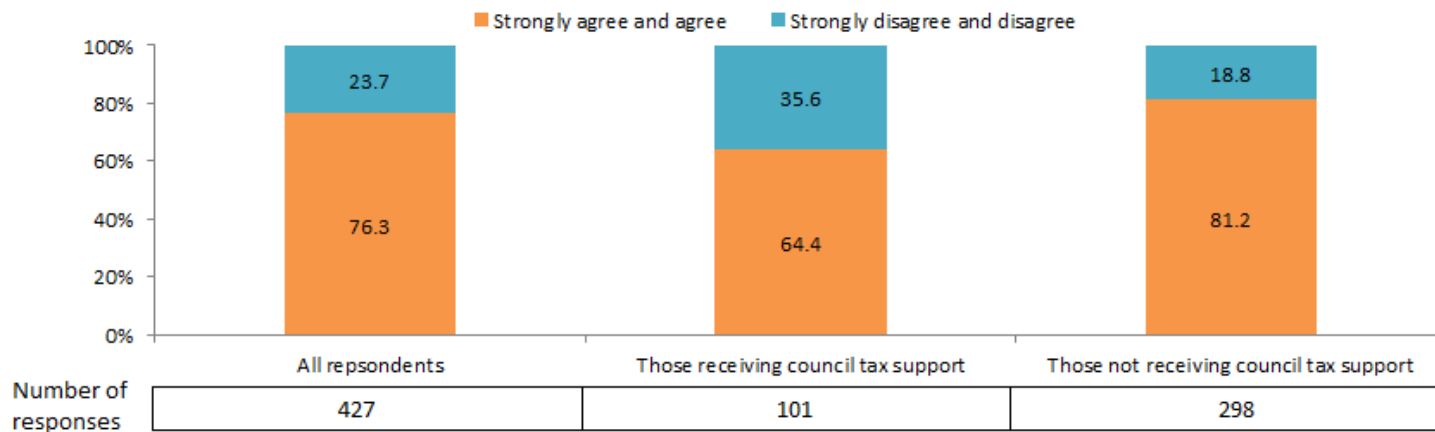
Option Three: Limit the number of dependent children to two when we calculate Council Tax Support

Question 4: How much do you agree or disagree that we should limit the number of dependent children to two when we calculate council tax support?



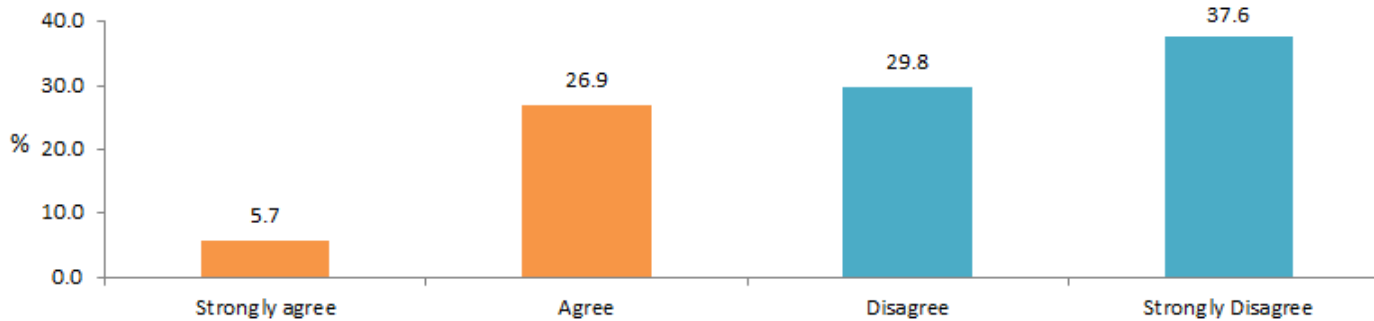
427 responses
76.3% strongly agree/agree
23.7% strongly disagree/disagree

Responses to question 4 split by all respondents, those receiving council tax support and those not receiving council tax support



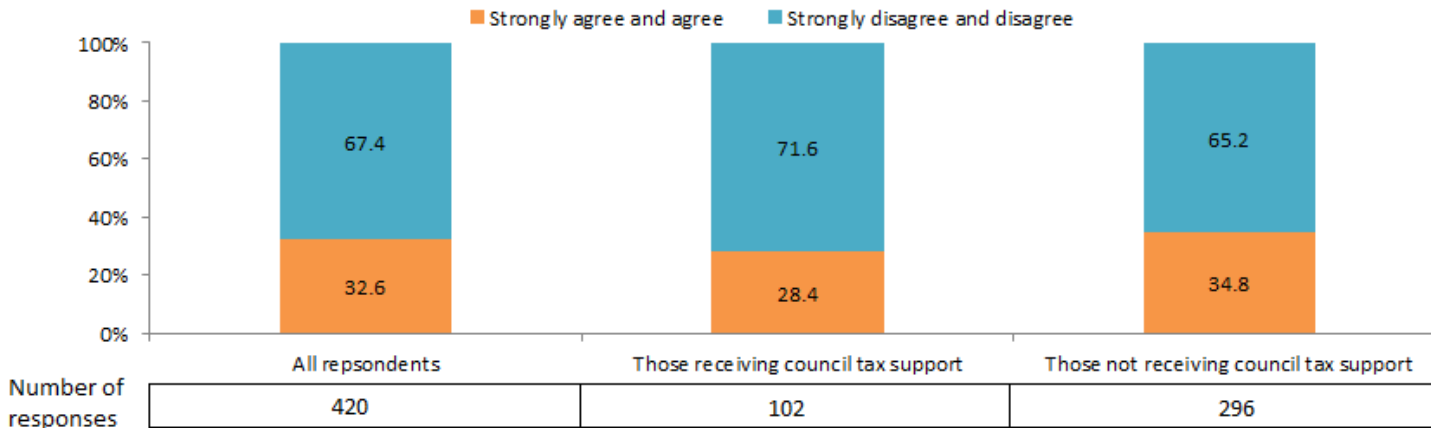
Option Four: Other ways of meeting the shortfall in the Council's funding – increase Council Tax

Question 5 - How much do you agree or disagree that we should increase council tax to meet the shortfall?



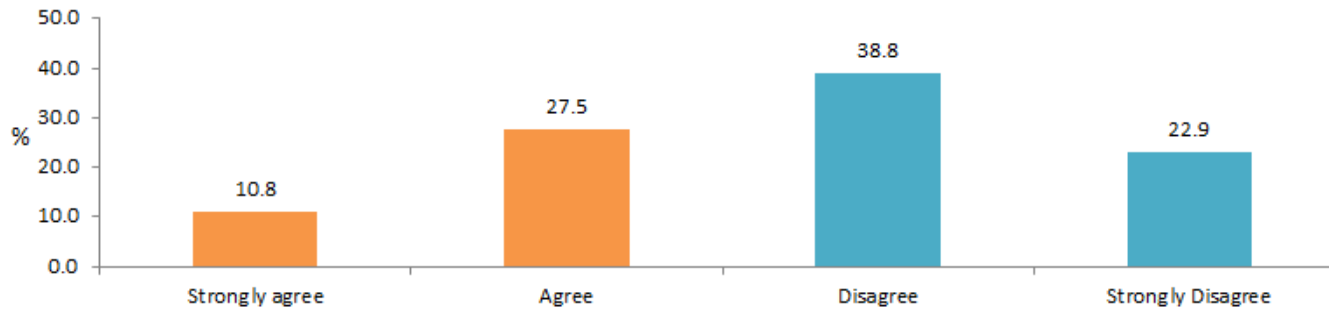
420 responses
 32.6% strongly agree/agree
 67.4% strongly disagree/disagree

Responses to question 5 split by all respondents, those receiving council tax support and those not receiving council tax support



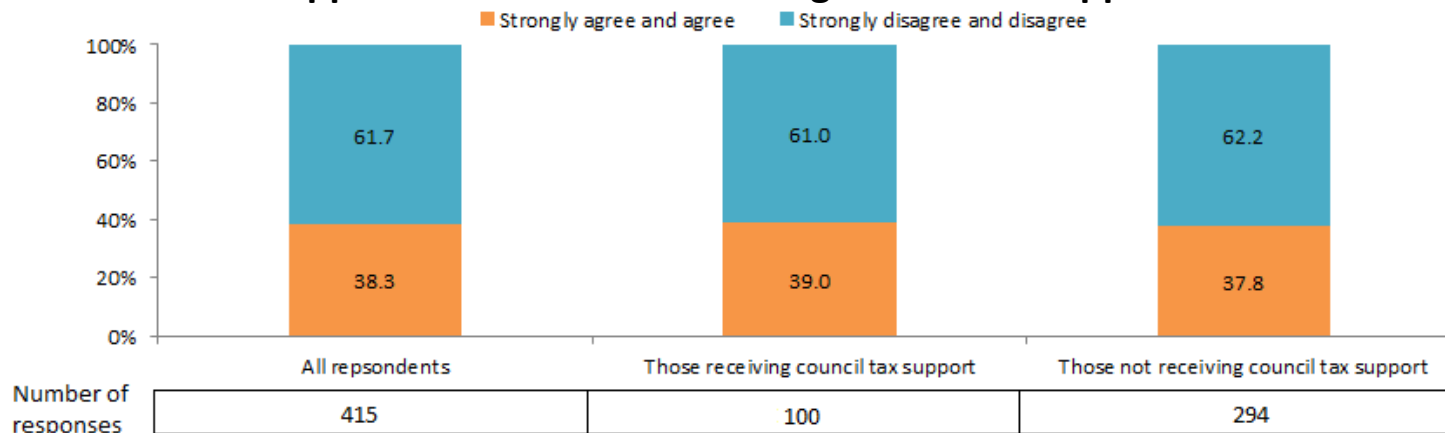
Option Four: Other ways of meeting the shortfall in the Council's funding – reduce spending on other services or increase income

Question 6a - How much do you agree or disagree that we should reduce spending on other services or increase income to meet the shortfall?



415 responses
 38.3% strongly agree/agree
 61.7% strongly disagree/disagree

Responses to question 6a split by all respondents, those receiving council tax support and those not receiving council tax support

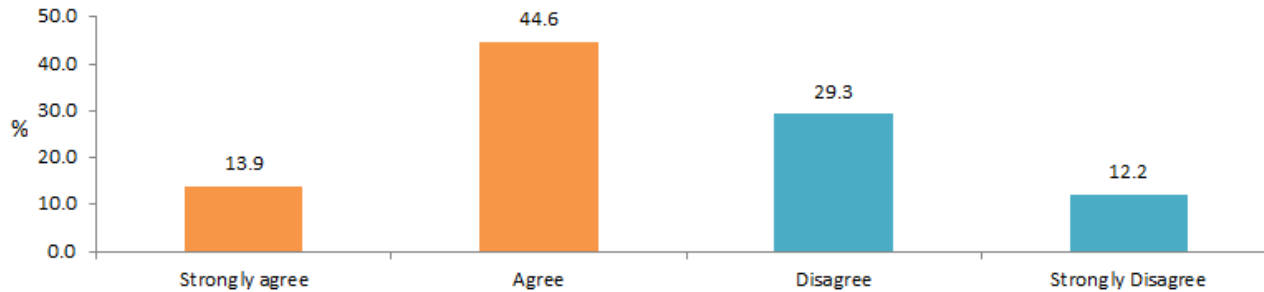


Option Four – Question 6b

- ❑ Question 6b asked if the respondents how they think we could reduce spending or increase income
- ❑ There were 128 comments to this question
- ❑ The main themes of the responses were (those mention more than 5 times):
 - Reduce staff/pay/perks (mentioned 27 times)
 - Less of/money on flowers/parks/grass cutting (mentioned 10 times)
 - Reduce councillor/pay/perks (mentioned 10 times)
 - Stop weekly bin collections (mentioned 9 times)
 - More efficient/better procurement (mentioned 8 times)
 - Reduce benefits (mentioned 8 times)
 - No cuts to services (mentioned 5 times)
 - Increase parking charges (mentioned 5 times)
 - Stop wasting money on road schemes/roadworks (mentioned 5 times)

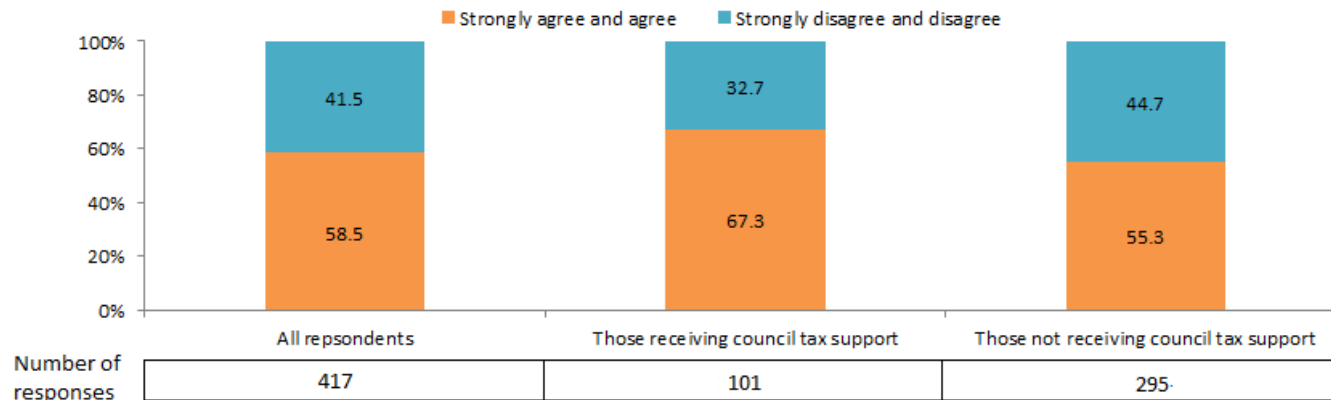
Option Four: Other ways of meeting the shortfall in the Council's funding – use Council reserves

Question 7 - How much do you agree or disagree that we should use council reserves to meet the shortfall?



417 responses
58.2% strongly agree/agree
41.8% strongly disagree/disagree

Responses to question 7 split by all respondents, those receiving council tax support and those not receiving council tax support



Council Discounts and Exemptions Summary Table

Council Tax Discounts & Exemptions	Clear Agreement	Neutral / Less Clear	Clear Disagreement
Homes that are having major repairs or structural alterations done to them	A 50% Council Tax discount for six months	No discount	<ul style="list-style-type: none"> ▪ A 50% Council Tax discount for 12 months (as it is now) ▪ 40% discount for 12 months ▪ 100% discount for one month
Homes that are unoccupied and unfurnished		<ul style="list-style-type: none"> ▪ 100% discount for 1 month ▪ No discount 	<ul style="list-style-type: none"> ▪ 100% discount for 3 months (as now) ▪ 100% discount for 2 months

Cabinet Recommendations

- ❑ Change the minimum contribution to 12% for 18/19 and 15% for 19/20 subject to evidence collected during the year
- ❑ Harmonisation with the Housing Benefit changes
- ❑ Council Tax discounts

Next action

- ❑ Special council decision required by 31 January
- ❑ Council Tax Support will be calculated according to the scheme and included in the new year council tax bills.