

Epping Forest District Council

Local Council Tax Support 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 Local Council Tax Support scheme for working age applicants in its area. This year the Council is deciding whether changes should be made to bring the Local Council Tax Support scheme in line with the changes made by Central Government in Local Council Tax Support for people of pension age, Housing Benefit and Universal Credit.

What is Local Council Tax Support?

Local Council Tax Support is a discount for Council Tax. The level of discount is based on the income of the household. Currently the maximum discount is 75% of Council Tax for working age households and up to 100% for pensioners.

Why is a change to the Local Council Tax Support 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. As the Council is keen to keep Local Council Tax Support 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 Local Council Tax Support scheme. The changes to both Housing Benefit and Universal Credit are intended to encourage work and reduce the levels of benefit available in some cases and this will be reflected in Local Council Tax Support if the changes are made. The changes will also reduce the cost of the scheme to the Council and the local taxpayer.

Who will this affect?

Working age households in the District who currently receive or will apply for Local Council Tax Support. Pension age households will **not** be affected as Central Government prescribes the scheme for them.

Are there any alternatives to changing the existing Local Council Tax Support scheme?

Local Councils receive a grant from the Government but it does not fully cover the cost of the scheme. We have thought about other ways to fund the scheme, make the administration simpler and also to replicate the changes in the benefit system generally. These have not been completely rejected and you are asked about them in the Questionnaire.

We have considered:

1. Continuing with the current scheme

This would mean higher administration costs and scheme costs generally. This would increase the costs for all council tax payers in the

District paying towards the scheme.

2. Increasing the Council Tax for all Council Tax payers

The decision to increase Council Tax may need to be made by voting in a local referendum.

3. Reducing funding to other Council services

Keeping the current Local Council Tax Support scheme will mean less money available to deliver other Council services.

4. Using the Council's savings to keep the same Local Council Tax Support 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 Local Council Tax Support Scheme

Q1.
I have read the background information **(above)** about the Local Council Tax Support Scheme:

Yes No

This question must be answered before you can continue.

Paying for the Scheme

Q2.
Should the Council keep the current Local Council Tax Support scheme? (Should it continue to administer the scheme and have the same level of support as 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 Local Council Tax Support Scheme from any changes.

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 Local Council Tax Support 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 family premium from 1st April 2017 for new claims will bring the Local Council Tax Support scheme in line with Housing Benefit and the Local Council Tax Support scheme for pensioners. 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 existing claimants or 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 working age Local Council Tax Support scheme in line with Housing Benefit changes implemented 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 receive less support.
- Some households with children may pay more Council Tax

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 Local Council Tax Support from working age claimants can be backdated for up to 3 months where an applicant shows they could not claim at an earlier time. Central Government has already reduced the period for Housing Benefit claims to 1 month. The Council is looking at whether the Local Council Tax Support Scheme should be aligned with the changes for Housing Benefit.

The benefit of this is:

- It is a simple alteration to the scheme which is easy to understand when claiming Housing Benefit and Local Council Tax Support
- The alteration will bring Local Council Tax Support in line with Housing Benefit

The drawback of this is:

- New working age claimants may receive less support if they are unable to claim on time.
- Some households may pay more Council Tax.

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 Local Council Tax Support, 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 Local Council Tax Support. This replicated the rule within Housing Benefit. However, from 28 July 2016, 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 Local Council Tax Support 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 for medical treatment or 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 or you have to receive medical treatment outside of Great Britain..

The drawback of this is:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Local Council Tax Support will cease from when they leave the Country. They will need to re-apply on return although if they claim Housing Benefit, they will need to make a new application anyway.

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 limit the number of dependant children within the calculation for Local Council Tax Support to a maximum of two when children are born on or after 1st April 2017

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (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 or subsequent child on or after 1st April 2017. It is proposed that the Council's Local Council Tax Support scheme is amended to reflect the changes in Housing Benefit and other 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:

- Local Council Tax Support 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 or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Local Council Tax Support than claimants who have more children born before 1st April 2017

Q10.

Do you agree with this change to the scheme?

Yes No Don't know

Q11.

If you disagree what alternative would you propose?

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

If the Council keeps the current scheme, it will be administratively more complex (as it will not align with Housing Benefit which is also administered by the Council), it will cost taxpayers more and it will be confusing for claimants. If this happens we will need to find savings from other services to help meet the increase in costs. The proposals set out in this consultation could deliver savings. The alternatives are set out in the background information.

Q12.

Do you think we should choose any of the following options rather than the proposed changes to the Local Council Tax Support Scheme? Please select one answer for each source of funding.

Q12.1.

Increase the level of Council Tax

Yes No Don't know

Q12.2.

Find savings from cutting other Council Services

Yes No Don't know

Q12.3.

Use the Council's savings

Yes No Don't know

Q13.

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

Q14.

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

Q15.

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

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.

Standard Equalities Questions.....

Next steps....

Thank you for completing the questionnaire.

You may submit further evidence, ideas or comments by email to benefits@eppingforestdc.gov.uk. Please quote 'LCTS consultation' in the subject box.

The consultation closes on 16 October 2016.

We will consider the feedback from the consultation and a report will be made to the Cabinet meeting on 1 December 2016. You can view the report nearer the time on our website: www.eppingforestdc.gov.uk

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 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.