

Changes to Council Tax Benefit in Sefton **HAVE YOUR SAY**



**YOUR SEFTON
YOUR SAY**

www.sefton.gov.uk/counciltax

0845 140 0845

The changes to Council Tax Benefit

As part of the national Welfare Reform changes the Government is abolishing the current national Council Tax Benefit scheme and all Councils have to replace it with a local "Council Tax Reduction Scheme".

Relevant legislation is currently going through Parliament.

The new scheme will start from 1st April 2013.

The Government's proposals have three stated objectives:-

- Creating the right incentives to get more people into work by ensuring that work always pays;
- Protecting the most vulnerable people; and
- Delivering fairness to those claiming benefit and to the taxpayer.

The Government has also outlined three principles the new scheme should follow:

- **There will be no reduction in the amount of help pensioners currently receive**
This means people who have reached the age for state pension credit will be assessed under a national scheme which will be decided by the Government. The national scheme is likely to be very similar to the current one.
- The impact on the most vulnerable should be considered when Councils design their new schemes.
- The new scheme should encourage people to work and in particular should not act as a disincentive to working.

Within these principles Local Authorities are allowed to decide the rules for their own Council Tax Reduction Scheme.

The Government has said that it will not fully fund the new scheme. In Sefton this means an overall reduction in funding of 13% or about £3.7million.

This gap in funding may increase further if the number of people claiming benefit goes up more than we expect for example, due to rises in unemployment. Together with the need to develop a new scheme that is suitable for Sefton, the Council is also facing significant budget reductions due mainly to the austerity measures of the Government. Over the period 2011/2012 to 2012/13 the Council had to make budget savings of £64 million, and there is a further budget gap of £43 million that the Council need to find in the next two years.

This budget gap means that the Council has to make some very difficult decisions about who gets financial support and how much. If the Authority wanted to keep the current Council Tax Benefit scheme it would need to fund the extra cost (£3.7m) itself. This would mean reductions in other services.

To ensure we meet the Government's requirements, and have a scheme that suits Sefton, the Council is consulting with residents on a draft scheme.

Who will be affected?

The Government has stated that there can be no change to pensioners. However, non pensioners may have to pay more Council Tax.

What the Council are proposing to do to reduce any impact to non pensioner claimants?

To lessen the financial impact on non pensioner claimants, the Council is proposing to reduce some of the Council Tax discounts and exemptions it currently provides for unoccupied properties. It is estimated that this will find a third of the £3.7 million needed to fund the new scheme. This will be consulted upon separately.

Also to support households the Council is proposing to change or remove the amount of reductions which can be made when adults live in the household. (See page 5 for more information).

Proposed Sefton Scheme

In designing the draft Scheme the Council has taken into account the additional revenue that may need to be raised to partly fund the Government's funding gap. This is why non pensioner claimants may have to pay more Council Tax than they have before.

Our draft Council Tax Reduction Scheme is based on a set of key principles and features which represent a number of changes to the current Council Tax Benefit scheme for non pensioner claimants.

The key features for consultation are detailed on page 5

What could the changes mean for different groups of people.

The Council has developed a number of case studies to help you understand what effect the changes might have on different groups of people. There is also an illustration of what claimants may have to pay if everyone has to pay 20% towards their Council Tax bill. Visit www.sefton.gov.uk/counciltax to view this information.

We want your views

The Council must publish the final local Council Tax Reduction Scheme by 31st January 2013 to take effect from 1st April 2013.

Due to the tight Government timescales and the Council's commitment to a full and detailed consultation process, we are consulting before the legislation has been through Parliament. Sefton Council is undertaking this consultation between the 6th August and the 29th October 2012, to get your views.

We want to ensure that those likely to have an interest in the operation of the scheme have an opportunity to have their say about Sefton Council's proposed scheme.

How to get involved

To give us your views go to www.sefton.gov.uk/counciltax and fill in the on-line questionnaire or telephone 0845 140 0845 for more information.

Copies of this consultation document are available in large print and other formats on request. To request this service please call 0845 140 0845

What we will do with your feedback

The information you provide will be treated confidentially and used solely by Sefton Council.

Your views and the information provided will be analysed and will form part of a report to the Council to make a decision on a final Council Tax Reduction Scheme for Sefton. The Council has to make a decision and adopt the final Scheme formally by the 31st January 2013

Principles for the proposed Sefton Council Tax Reduction Scheme are:-

Principle 1: The Council will continue to support work incentives.

Existing Council Tax Benefit rules regarding the treatment of earnings from employment will continue under the new scheme.

Principle 2: The Council will continue to recognise the additional needs of our most vulnerable residents.

Whilst all non-pensioners claimants may have to pay at least 20% of their Council Tax under the proposed Council Tax Reduction scheme-will retain : the carer premium for those eligible for Carer's Allowance; and, the various disability premiums for those in receipt of Disability Living Allowance, Attendance Allowance, Long Term Incapacity Benefit, Severe Disablement Allowance and other qualifying benefits.

Principle 3: The Council will continue to recognise the additional needs of families with children

Whilst all non-pensioners claimants may have to pay at least 20% of their Council Tax under the proposed Council Tax Reduction scheme the Council will not take into account Child Benefit and Child Maintenance payments when calculating the income. The Council will also continue to award the Disabled Child Premium and disregard child care costs as now.

Principle 4 : The Council supports households staying together to make better use of housing in Sefton and reduce homelessness.

The Council will look to change or remove the amount of Council Tax Benefit reduction which can be lost when other adults live in the household. This is known as a non dependant deduction.

Principle 5 : The Council will continue to have due regard to the Armed Forces Covenant

The Council will continue to ignore War Disablement and War Widows pensions in calculating Council Tax Reductions, including any Armed Forces Compensation in accordance with the Covenant.

We are consulting on the Draft Local Council Tax Reduction Scheme

Below is a summary of the changes to the existing Council Tax Benefit rules for non pensioner claimants. We are seeking your views on these changes to help design the Final Council Tax Reduction Scheme.

Feature 1: For non pensioner claims, we will change or remove the amount that is taken off your entitlement when someone who is not your partner lives with you. This is known as a non-dependant deduction.

There is currently a range of contribution rates for other adults in the household – between £3.30 and £9.90 per week depending upon income levels. These amounts are deducted from any benefit awards.

The Council proposes to adopt one of the following two options for non-dependant deductions:

Option A – No non dependant deduction will be made.

Option B – Existing non dependant deductions will be replaced by two flat rate amounts.

The table below sets out the weekly amounts of deductions to be applied to the proposed local scheme for both of the aforementioned options.

Description of Non Dependent Deduction	Option A	Option B
Non dependant in receipt of Income Support, Income-based Jobseekers Allowance, income-related Employment and Support Allowance, or Pension Credit	No deduction	No deduction
Non dependant not in remunerative work	No deduction	£2.00
Non dependant in remunerative work with a gross income of less than £183 per week	No deduction	£2.00
Non dependant in remunerative work with a gross income of £183 or over per week	No deduction	£5.00

Feature 2: All persons claiming under the new Scheme and who are not pensioners* should pay at least 20% of their Council Tax bill**

The Council proposes that all non pensioner claimants should pay something towards their Council Tax bill. This would mean they have to pay 20% of their net Council Tax bill. This will affect those who have previously received full Council Tax Benefit and did not pay anything.

* *Pensioner means a person who has attained the qualifying age for state pension credit*

** *Council Tax bill means the amount payable after the award of discounts, reliefs & exemptions.*

Feature 3: Persons who are not pensioners and who have capital or savings of more than £6,000 will not qualify under the new scheme.

Under the current national Council Tax Benefit Scheme a person or couple with capital or savings up to £16,000 could qualify. The Council proposes £6,000 as the capital or savings limit per claim for the Council Tax Reduction Scheme, regardless of whether you are a single person or a couple.

Feature 4: For non pensioner claims, we will remove the Second Adult Rebate.

Second Adult rebate is a current benefit that is based on the gross income and circumstances of other adults (e.g. adult son or daughter, or parent) living in the household with the claimant and the reduction can be up to 25% off their Council Tax bill.

Feature 5: For non pensioner claims, we will withdraw the facility to backdate an award.

Claims for Council Tax Reduction will be paid from the date they are claimed. Currently non pensioner claimants can have their claim backdated for up to 6 months in cases where it can be proved "good cause" why they did not apply earlier.

To enable you to consider how these various changes will impact on households we have created some examples to explain how the scheme will work in practice, which you may want to view before responding to the consultation – you can view the examples via the following link:

www.sefton.gov.uk/counciltax

Section A – Questionnaire for consultation on draft Council Tax Reduction Scheme

- ① With reference to the key principles on page 4, please indicate how important these are to you. (Please rank each area according to importance: 1 being the most important and 5 being least important. Please use each number only once)

- | | | |
|--------------------|--|--------------------------|
| Principle 1 | The Council will continue to support work incentives | <input type="checkbox"/> |
| Principle 2 | The Council will continue to recognise the additional needs of our most vulnerable residents | <input type="checkbox"/> |
| Principle 3 | The Council will continue to recognise the additional needs of families with children | <input type="checkbox"/> |
| Principle 4 | The Council supports households staying together to make better use of housing in Sefton and reduce homelessness | <input type="checkbox"/> |
| Principle 5 | The Council will continue to have due regard to the Armed Forces Covenant | <input type="checkbox"/> |

- ② To support households the Council is proposing to change or remove the amount of deduction that can be made when adults live in the household.

Feature 1: For non pensioner claims, we will change or remove the amount that is taken off your entitlement when someone who is not your partner lives with you. This is known as a non-dependant deduction. (see Page 5 for details of Feature 1)

We are seeking your views on Option A or Option B. Please tick the option you prefer:

- | | | | |
|------------------|----------|--|--------------------------|
| Feature 1 | Option A | No non dependant deduction will be made | <input type="checkbox"/> |
| | Option B | Existing non dependant deductions will be replaced by two flat rate amounts of either £2 or £5 | <input type="checkbox"/> |

3 To what extent do you agree or disagree that the following features of the proposed scheme ?

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Feature 2 All persons claiming under the new Scheme and who are not pensioners should pay at least 20% of their Council Tax bill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feature 3 £6,000 is the proposed savings or capital limit per claim under the new Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feature 4 For non pensioner claims, remove the Second Adult Rebate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feature 5 For non pensioner claims, withdraw the facility to backdate an award.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 Please comment if you feel that our proposed changes will affect any particular individuals or groups more than others and, if so, how you think we may address these

- 5 Please add any additional comments to support your responses on our proposed changes or any alternative options you would like us to consider and your reasons

Get involved

Please let us know if you would like to be involved in further consultation in this area

Please tick all that apply ..

I would like to be involved in further consultation on this area such as focus groups, workshops, etc.

I would like to become part of Sefton's E-Panel (An on line consultation panel, email address required)

If you have said you want to get involved leave your contact details here:

Name
Email:
telephone number/s

Please fill out your on-line questionnaire or return a hard copy by Monday 29th October 2012

We thank you for participating in this consultation and we value your contribution. We do however, recognise that the data you provide is private and confidential. Any personal information that you provide to the Council as part of this consultation will be handled and used in compliance with the principles of the Data Protection Act 1998. Regardless of whether you provide this electronically or on paper it will be stored and processed securely, and deleted once it is no longer required.

Sefton Council will not share your personal data. However, we will share the overall anonymised results of the consultation with partners with whom we work to improve the delivery of local services. The information you give us in response to surveys will form part of a final report but you will never be personally identified in any such report

Section B – about you (optional)

(if you are responding on behalf of an organisation please go to section C)

Please tell us your details:

Name
Address
Email:
telephone number/s

- ❶ Do you pay Council Tax in Sefton? Yes No
- ❷ Are you currently receiving Council Tax Benefit in Sefton? Yes No
- ❸ If you are not receiving Council Tax Benefit, have you ever received it? Yes No
- ❹ Are you currently receiving Housing Benefit in Sefton? Yes No

Section C – about your Organisation (optional)

- ❶ Are you responding to this consultation in your capacity as a representative of any of the following?

Voluntary Organisation	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Landlord	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Housing Association	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Other	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Please tell us your details

Name
Address
Email:
telephone number/s

Section D – Diversity Monitoring (optional)

Answer as much or as little as you want. Sefton Council will not share your personal data. However, we will share the anonymised results of the consultation with partners who we work with to deliver local services. Your contributions will be anonymised on receipt and your comments will then be used for research and consultation purposes. Your identity will not be published by us at any stage without your consent unless we are obliged to do so by law

Please enter the first part of your postcode (i.e. the first 3 or 4 characters)

Are you: Male

Female

What is your age?

years

Disability : Do you have any of the following (please tick all that apply):

Physical Impairment

Visual Impairment

Learning difficulty

Hearing Impairment/Deaf

Mental Health/Mental distress

Long term illness that affects your daily activity

Other (Please specify)

Please read the following statement ...

If you have ticked any of the boxes above, or you have cancer, diabetes or HIV this would be classed as 'disability' under the legislation. Do you consider yourself to be 'disabled'?

Yes

No

Ethnicity – do you identify as

Asian:

Bangladeshi

Indian

Pakistani

Other Asian background (please specify if you wish)

Black:

African

Caribbean

Other black background (please specify if you wish)

Chinese:

Chinese

Other Chinese background (please specify if you wish)

Ethnicity – do you identify as**Mixed Ethnic Background:-**

Asian & White Black African & White Black Caribbean & White

Other mixed background (please specify if you wish)

White

British English Irish Scottish
 Welsh Polish Latvian Gypsy/Traveller

Other white background (please specify if you wish)

The following questions are a little more personal and you can chose to stop here if you wish, however it would be really helpful if you would consent to complete ...

Do you have a religion or belief? Yes No

If yes, please tick one of the below ...

Buddhist Christian Hindu

Jewish Muslim Sikh

Other (Please specify)

How would you describe your sexual orientation?

Heterosexual Gay Lesbian Bisexual

Do you currently live in the gender you were given at birth? Yes No

