

Changes to Council Tax Benefit for Working Age Households

CONSULTATION

The Council is seeking your views on its proposals for a local Council Tax Assistance Scheme that will apply to working age households from April 1st 2013.

This is necessary as the Government intends to abolish the current Council Tax Benefit scheme from March 31st 2013.

The Council is particularly interested in the views of all its residents, including, but not only, those currently in receipt of Council Tax Benefit who will be most affected by the changes.

Our proposals are:

1. To introduce a minimum council tax liability of 20% on all working age households, meaning that every household will have to pay at least 20% of their council tax bill from April 1st 2013.
2. To calculate any financial assistance under the local scheme based on the remaining 80% of a working age household's bill.
3. In calculating financial assistance under the local scheme we propose to use the same rules and regulations that currently apply for the calculation of Council Tax Benefit, with the following slight modifications:
 - To restrict what we pay through the local Council Tax Assistance Scheme to the value of a Band D property, with working age residents of higher banded properties being required to meet a higher proportion of their bills than residents in lower bands.
 - To introduce a minimum award equivalent to £1 per week under the local assistance scheme. If a working age claimant's income and savings mean that they qualify for less than £1 per week then we will consider them ineligible for assistance.
4. That Second Adult Rebate is no longer available for working-age residents from April 1st 2013.

The Council welcomes your views on these proposals. In order to help you understand what is being proposed, we have prepared a simple 'question and answer' sheet, which is presented below:

Why is the Council implementing an Assistance Scheme?

We are introducing a local scheme only because the Government intends to abolish Council Tax Benefit from 1st April 2013.

The Council recognises that there remains a need to provide financial support for our low income families with their council tax bills. The Council is proposing to put in place a local Council Tax Assistance Scheme that will offset most of the losses from the abolition of Council Tax Benefit by providing continuing support for low income families.

The Government has provided the Council with some funding to support a local scheme, however it is significantly less than the cost of the Council Tax Benefit that is currently paid to St Helens residents.

The funding the Government has indicated is not enough to provide the same level of support as under the current scheme. The Council is therefore proposing a scheme that can be operated within the indicated amount of Government grant.

This means that the overall level of Council Tax in St Helens will not increase as a result of the implementation of the proposed Council Tax Assistance Scheme.

Our proposals also recognise that pensioners have to be protected from any financial loss in implementing a local scheme.

Information for Pensioners

If you are a pensioner – meaning that you or your partner has reached the qualifying age to claim state pension credit - and you currently receive Council Tax Benefit you will not be affected financially by these changes. Our local scheme will protect you by ensuring you are no worse off under the new arrangements.

That said, we would of course still welcome your views on the proposals within this document.

Information for Single Occupiers

If you are a single person living alone in a property and not receiving benefit you will not be affected by the proposed changes. You will continue to receive 25% discount on your council tax bill. Again, we would still welcome your views on these proposals.

What is Council Tax Benefit?

Council Tax Benefit is a government benefit that is paid to many low income households to help them meet the cost of their council tax bills. It is the most widely claimed benefit in the UK.

In St Helens, over 21,000 households are currently receiving Council Tax Benefit.

What is happening to Council Tax Benefit from 2013/14?

The Government intends to abolish the current system of Council Tax Benefit on March 31st 2013.

What will happen to my Council Tax Benefit in 2013/14?

If you are a pensioner, then don't worry – nothing will happen to your claim. You will still receive support at the same rate and in the same way.

If you are of working age however, you will see some significant changes. The Government has decided that working age households will no longer be entitled to any national financial support with their council tax bills.

I am a working-age claimant. Will I lose all my Council Tax Benefit?

Yes. The Government intends to withdraw the right to Council Tax Benefit. The Council is putting in place a replacement Council Tax Assistance Scheme that will offset most of, but not all, the loss of Council Tax Benefit.

Your Council is committed to helping low income families as best it can.

Some households who currently receive small amounts of Council Tax Benefit from the Government will see this help withdrawn, however for most households a significant level of assistance will still be given by the Council.

I am a working-age claimant: Will I pay Council Tax?

Yes, however the amount will be reduced by the Council through its proposed Council Tax Assistance Scheme. We are proposing that

- All working age households pay the first 20% of their bill, with a discount subsequently calculated on the remaining 80%.
- Discounts will be based on a maximum of Band D properties. Families in larger properties than Band D will have their discount limited to Band D council tax level.
- If your income and savings are such that you would only qualify for a level of financial assistance of less than £1 per week, you will not qualify for assistance.

How much more will I have to pay?

This depends on how much benefit you receive at the moment, and the valuation band of your property. The majority of current claimants are in band A and band B properties.

If you are receiving 100% benefit currently, and not in receipt of single person discount, the table below indicates how much you would be asked to pay under the proposals.

	Annual Amount	Weekly Amount
Band A	£185.43	£3.57
Band B	£216.34	£4.16
Band C	£247.24	£4.75
Band D	£278.15	£5.35

(Based on 2012-13 Council Tax rates, excluding parish precepts)

When Will These Changes Occur?

We are consulting on the changes at the moment and your views are sought. We have to introduce these changes from April 2013, following the results of this consultation exercise and the appropriate legislation being passed by the National Government.

No changes are being made to your bills or to your Council Tax Benefit in the current year.

How Can I Respond to the Consultation?

You can write to us at the following address

Contact Centre
Wesley House
Corporation St.
St.Helens
WA10 1HF

Or

By E-Mail to contactcentre@sthelens.gov.uk

Or

Through the website www.sthelens.gov.uk consultation page