

Epping Forest District Council

Local Council Tax Support Scheme 2018/19 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, in addition to looking at how the scheme is funded, the Council is deciding whether changes should be made to reduce the number of different Council Tax bills that people get when they receive Universal Credit, whether Bereavement Support Payments should be disregarded, and a minor change to the way that we treat DWP decisions.

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. The Council is keen to keep Local Council Tax Support aligned with Housing Benefit to assist with administering the scheme. This means that, as Housing Benefit changes, similar changes need to be made to the Local Council Tax Support scheme. Universal Credit is a new benefit that is being introduced but the entitlement can change on a monthly basis, which in turn will produce a council Tax bill every month. The proposed change will reduce the number of different bills sent to one person and to make budgeting easier for them.

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 for the existing funding of the Local Council Tax Support scheme?

Local Councils receive a grant from the Government but the grant is reducing each year and it does not fully cover the cost of the scheme. The difference is made up by allowing for the shortfall when setting the annual budget. We have thought about other ways to fund the scheme, make the scheme less generous to make savings, or make it more generous in which case additional funding would need to be found from somewhere. These have not been completely rejected and you are asked about them in the Questionnaire.

We have considered:

1. Increasing the Council Tax for all Council Tax payers

Although this would allow us to make the scheme more generous, the decision to increase Council Tax may need to be made by voting

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in a local referendum.

2. Reducing funding to other Council services

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

3. Using the Council's savings to make the Local Council Tax Support scheme more generous

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.

Q2.
Do you currently receive Local Council Tax Support?

Yes No Don't know

Options to change the current Local Council Tax Support 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 2018, which would align the scheme with Housing Benefit, assist in its administration and to seek your views on funding the scheme. Your responses are a part of this consultation. Set out below are the proposals being considered.

Option 1 – Fixed Period Assessments

This option will apply only to people receiving Universal Credit where their Universal Credit entitlement is amended due to changes in their Universal Credit income. As Universal Credit is calculated using real time information, a person's entitlement to Universal Credit often changes each month. This in turn changes a person's entitlement to Local Council Tax Support each month which then changes the amount that they have to pay for council tax each month. This option will enable the authority to calculate or recalculate a person's entitlement to Local Council Tax Support every 6 months.

By fixing the assessment period, this will avoid multiple changes, be less confusing, avoid the constant recalculations of Council Tax instalments, allow a person to budget over a six month period and will aid administration.

The benefit of this is:

- It is a clear and simple change to the current scheme;
- It is administratively simple and will potentially make administrative savings;
- It will help people to budget over longer periods; and
- It may benefit some applicants in the short term as changes that may decrease Council Tax Reduction for a person would not be taken into account until the new assessment period.

The drawbacks of doing this are:

- It may disadvantage some applicants in the short term as changes that may increase Council Tax Reduction for a person would not be taken into account until the new assessment period.

Q3.

Do you agree with Option 1?

Yes No Don't know

Q4.

If you disagree what alternative would you propose?

Option 2 - Disregarding the new Bereavement Support payments for working age applicants

The Department for Work and Pensions has introduced a new benefit for working age applicants whose partner dies. This is called a Bereavement Support Payment and it replaces Bereavement Payments, Bereavement Allowance and Widowed Parents Allowance. By making the change, the Council will be able to disregard any Bereavement Support Payments in the calculation of Local Council Tax Support. The payments are currently disregarded in other benefits such as Housing Benefit.

The benefit of this is:

- It brings the working age Local Council Tax Support scheme in line with Housing Benefit changes made by Central Government; and
- The change will be fairer to applicants who have recently lost a partner

The drawback of this is:

- None

Q5.

Do you agree with Option 2?

Yes No Don't know

Q6.

If you disagree what alternative would you propose?

Option 3 – Disregarding a decision by the DWP regarding entitlement to other benefits, when it is clear that their decision is incorrect

Within the current scheme, it provides that where a person is in receipt of certain qualifying benefits paid by the Department for Work and Pensions, their total income is disregarded for Local Council Tax Support and therefore they receive the maximum entitlement. However, there are occasions where it is clear that the person should not have been entitled to the qualifying benefit and they should not be receiving maximum Local Council Tax Support. These situations normally arise where a person has admitted a change in their circumstances to the Council but not to the DWP. The proposed change will give Council the flexibility when needed to disregard a DWP decision and to ensure that a person receives only the Local Council Tax Support that they would otherwise be entitled to.

The benefit of this is:

- The Council is not bound by incorrect decisions made by a third party
- It is seen as fair
- It reduces the expenditure on the scheme for cases that would not normally be entitled to a higher amount due to an incorrect DWP decision

The drawback of this is:

- None

Q7.

Do you agree with Option 3?

Yes No Don't know

Q8.

If you disagree what alternative would you propose?

Paying for the Scheme

The current funding arrangements for the Local Council Tax Support scheme and the alternatives are set out in the background information. We would like your opinion as to whether we should keep the scheme as it is, make changes to the scheme so that less support is paid and therefore the total bill for Local Council Tax Support is less, or whether the scheme should be more generous, in which case additional funds would need to be found for the extra cost.

Q9.

Should the Council keep the current scheme and funding arrangements for Local Council Tax Support?

Yes No Don't know

Q10.

If no, please use the space below to explain how you would like the Council to consider changing the scheme. This may be either to make the scheme less generous and reduce the Council's bill for Local Council Tax Support, or to make the scheme more generous so that the Council's bill for Local Council Tax Support is increased.

Q11.

Do you think we should choose any of the following options to fund the scheme or make it more generous rather than continuing with the current scheme and funding arrangements? Please select one answer for each source of funding.

Q11.1.

Increase the level of Council Tax

Yes No Don't know

Q11.2.

Find savings from cutting other Council Services

Yes No Don't know

Q11.3.

Use the Council's savings

Yes No Don't know

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Q12.

If the Council were to choose these other options to fund the scheme or to make the scheme more generous, 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

Q13.

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

Q14.

If you have any further comments to make regarding the Local Council Tax Support 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 12 October 2017.

We will consider the feedback from the consultation and a report will be made to the Cabinet meeting on 7 December 2017. 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 2018/19 scheme.

The new scheme will start on **1 April 2018**. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.