



Bromsgrove
District Council

www.bromsgrove.gov.uk

Local Council Tax Support (LCTS) Scheme – Consultation

What is this?

As part of major changes to the welfare benefits system, from 1st April 2013 Council Tax benefit ended and was replaced with a new scheme called Local Council Tax Support, which must be decided by the local council.

Central Government decided to protect persons who are of an age where they can claim pension credit, and therefore if you are a pensioner and are currently receiving support then the amount of help you receive will remain unchanged. However, the government also require that the scheme must ensure that work incentives are enhanced, and any changes may impact any one of working age.

In 2013/14 and 2014/15 Bromsgrove District Council has not changed entitlement and have funded Council Tax Support at the same level as the previous benefits scheme, despite funding for the scheme being reduced. Council Tax is collected by Bromsgrove District Council on behalf of a number of organisations including the County Council and the Police and Fire Authorities, and these reductions in funding also impact on their budgets.

The scheme has to be reviewed each year and before any changes are proposed residents views are being sought on a number of options, which will then be considered in developing a new scheme to be implemented in April 2015 (or later).

We are interested to know your views regardless of whether you are currently receiving Council Tax Support or not.

The closing date for this consultation is 10th October 2014.

Possible changes to the scheme

Cap on Support paid

Council Tax Support currently covers up to 100% of the Council tax due. Consideration is being given to reducing this so that all working age claimants have to pay something towards their Council Tax and provides an incentive to claimants to increase their income.

Should there be a cap on the maximum amount of support that can be claimed?

Yes

No

If yes what do you think should be the maximum amount of support as a percentage of the overall liability?

90%

85%

80%

Cap Support at a Lower Banded Property

Full Council Tax Support is current provided regardless of the band of property the applicant lives in. Consideration is being given to capping the level of support at a maximum of Band D charge for those in a Band E, F, G or H property and possibly placing restrictions on band A – D properties to limit support to the next lowest Band.

This option would result in claimants entitled to support having to pay more of the cost of occupying a higher –band property.

This reduces the likelihood of low-income claimants occupying higher value properties than they otherwise would.

Should support for claimants in higher banded properties be capped at a lower band rate?

Yes No

Should support in lower banded properties (A – D) be capped to the next lowest band?

Yes No

Removal of Second Adult Rebate

Second Adult Rebate (SAR) is currently paid where only one person is liable for a household's Council Tax and there is a low income non-dependent living with them.

SAR reduces the householder's liability by 25% regardless of the Council Tax payer's income, if the second adult is in receipt of Income Support; Income based JSA; ESA or Pension Credit.

The retention of SAR may be incompatible with the introduction of a scheme which caps support for all working age claimants, and could result in low income working age adults who live in their own property making a contribution from a single limited income, whilst people who may have sufficient means to pay the Council Tax, but have a second adult on low income living with them.

Should the provision of Second Adult Rebate be removed?

Yes No

Backdated Claims

Currently claims can be backdated. Consideration is being given to restricting or removing the ability to backdate claims.

Vulnerable persons could be protected through the use of discretionary powers which allow for the reduction of Council Tax liability on a case by case basis.

Should claims be backdated?

Yes No

Reduce Capital/Savings Limit

Currently claimants can have up to £16,000 in savings and/or capital and receive Council Tax Support. Consideration is being given to reducing the level of savings and/or capital a claimant can have. This change may be appropriate as part of any effort to concentrate support on the most vulnerable.

Should the amount of capital or savings that a claimant has be reduced?

Yes No

If yes, to what level do you think it should be reduced to?

£10,000

£8,000

£5,000

Other.....

Changes to Non-Dependents Deductions

Currently non-dependents with significant incomes can be resident in a household and make no contribution to the Council Tax liability if the liable person is in receipt of certain benefits. Consideration is being given to changing this so that the income is taken into account when calculating how much council tax support to award.

Should non-dependents income be taken into account?

Yes No

Council Tax Discount On Empty Properties

The owners of empty properties can currently claim a 50% discount on the Council Tax owed for a period of 3 months. We would like your views on whether or not Council Tax discount on short term empty properties should be reduced to 50% for 1 month (excluding new developments).

Reducing the discount on empty properties can provide an incentive to ensure properties are not left empty, thus increasing the supply in the rented sector

Should discount on empty properties be reduced to 50% of liability for 1 month.

Yes No

Thank you for your feedback. This will be used to help shape any future changes to the Council Tax support scheme.

It would be helpful if you could also provide the following information.

Are you of working age?

Yes No

Are you a resident of Bromsgrove District Council?

Yes No

Are you, or have you ever been in receipt of Council Tax Benefit or Support?

Yes – currently Yes - in the past No

Please hand this form into the Customer Service Centre or post it to:

Bromsgrove Customer Service Centre (the Dolphin Centre)
School Drive
Bromsgrove
Worcestershire
B60 1AY

Please return your feedback by no later than 10th October 2014