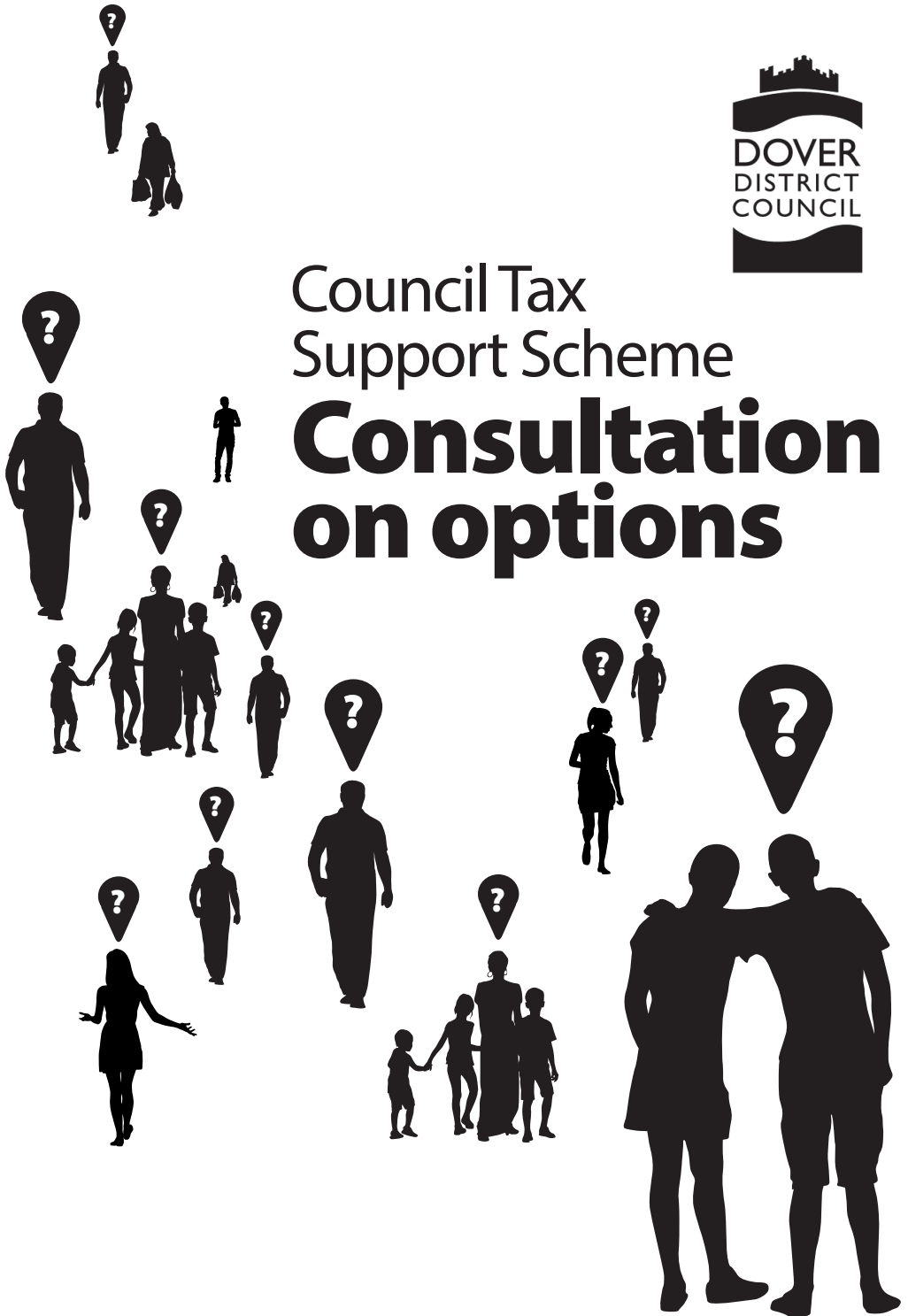




Council Tax Support Scheme **Consultation on options**



Consultation on changes to the Council Tax Support Scheme – let us have your views.

What is the council doing?

Dover District Council currently operates a Council Tax Support Scheme (CTSS). This is the scheme that provides financial support to residents on low incomes to help them pay their Council Tax. We are proposing changes to the scheme and want to hear your views. We have come up with 14 options for your consideration and can implement more than one option depending on the feedback we receive.

Why is the council doing this?

The council has a difficult financial situation to manage over the coming years and will have to make savings and increase income. Part of these savings could come from the CTSS. If we do not make these savings from the CTSS, we will have to find them from somewhere else. We are trying to ensure that services that are valued by the public are protected as much as possible.

When is the consultation happening?

The public consultation on the proposed changes started on 27 June and runs until 16 September. There is information on our website at www.dover.gov.uk/CTS, and in libraries and community centres. A final decision on the options will be taken the autumn.

What does this mean for me?

The options being considered could affect the support you receive and the amount of council tax you have to pay. We have given some illustrative examples of how the different options may affect different people in our district. Any proposals that are implemented would not come into force until April 2017. **If you are a pensioner, none of these changes will affect you.**

What do I have to do?

There are 14 options being put forward in the consultation. Please read this document carefully and let us have your views. You can complete our online form at www.dover.gov.uk/CTS or fill in the questionnaire attached to this booklet and return it in the enclosed reply paid envelope. You can also write with further submissions to Council Tax Support Team, Dover District Council, C/O Canterbury City Council, Military Road, Canterbury, Kent CT1 1YW. You can also view a video description of the options via the council's website.

What happens next?

We will post any updates on the project on our website www.dover.gov.uk/CTS. 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.

Following the decision, the full results from the consultation will be available on the council's website.

The new scheme will come into effect on 1 April 2017. We will consider the impact of the scheme annually and consult again if we think further changes need to be made.

How could these proposed options for CTSS affect you?

We have created some illustrations of households receiving council tax support at the moment and for each option we show the possible weekly financial implications for that household of the change.

Family

Jake Brown

Jake is 25, unemployed and single and lives in a rented Band B flat in Dover.



Davis family

Mike and Kathy, live with their three children, Billy 22, Gemma 17 and Jack 15. Mike is a self-employed builder. They own their own house in Deal, a Band C property.






Smith family

Mum, Debbie is a single full-time mum who lives with her two children Lily (5) and Jason (7) in a Band D house in Sandwich.



Key

-  **Up** – This is what we estimate they would receive in extra support for Council Tax
-  **Down** – This is what we estimate they would have to pay more per week for Council Tax
-  **No change** – We estimate there would be no change in support.

Option 1



Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 6% to 10%.

At the moment, claimants of working age make a minimum payment of 6% towards their Council Tax. This would increase to 10%. Increasing the amount you are required to pay is a simple change to the scheme but we recognise that any minimum payment must be affordable given the household's circumstances. We would seek to protect the most vulnerable households through the introduction of an exceptional hardship scheme.

The benefits of this are:

- It is fair because everyone shares the increase.
- It is a simple alteration to the scheme.

The drawback of doing this is:

- All working age households receiving Council Tax support will be required to pay more.

Option 2



Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 6% to 15%.

At the moment, claimants of working age make a minimum payment of 6% towards their council tax. This would increase to 15%. Increasing the amount you are required to pay is a simple change to the scheme but we recognise that any minimum payment must be affordable given the household's circumstances. We would seek to protect the most vulnerable households through the introduction of an exceptional hardship scheme.

The benefits of this are:

- It is fair because everyone shares the increase.
- It is a simple alteration to the scheme.

The drawback of doing this is:

- All working age households receiving Council Tax support will be required to pay more.

Option 3



Use a minimum set income for self-employed earners after one year.

In order to align our CTSS with Universal Credit, we would calculate the amount of Council Tax support for self-employed people assuming at least a minimum level of income. This would be in line with the National Living Wage for 35 hours worked per week. The calculation would not apply for the first year from the start of the business. Variations would apply to part-time workers.

The benefits of this are:

- The treatment of income for self-employed claimants for Council Tax support will be brought broadly into line with Universal Credit.
- We want to encourage and nurture new business start-ups in the district.

The drawback of doing this is:

- Where a working age claimant is self-employed and continues to run a business where their income is below the National Living Wage level, they will still be required to contribute as if they were earning at least the minimum level (based on a 35 hour week for full time workers).

Option 4



Reduce the savings, capital and investment limit from £16,000 to £6,000.

At present, residents with savings, capital and investments worth £16,000 or more, excluding their home, are not entitled to any Council Tax support. Under the proposed change, this limit would be reduced to £6,000.

The benefits of this are:

- Only those residents of working age with at least £6,000 in savings will be affected.
- There is a low risk to causing any hardship.

The drawback of doing this is:

- Where a working age resident has more than £6,000 in savings, they will not be eligible for any Council Tax support.

Option 5



Introduce a standard weekly charge of £10 for all claimants who have a non-dependant living in their property.

Under the current scheme, people aged 18 or over living in the same property as the claimant are required to make a contribution towards Council Tax. The amount varies up to £11.45 a week depending on the weekly income of the non-dependant. Under this proposal, the variable contribution would be replaced with a flat rate of £10 per week for each additional person aged 18 and over (excluding a partner).

The benefits of this are:

- It is simpler to understand compared to current rules.
- Some households may see an increase in awards.

The drawback of doing this is:

- Some households may receive less Council Tax support than at present.

Option 6



Restrict the maximum level of Council Tax support payable to the equivalent of an average Band D property charge.

If you live in a Band E, F, G or H property, your council tax support will only be based on the charge of a Band D property. This means that you will have to pay more before any other calculations take place.

The benefit of this is:

- It can be seen as a fairer method of providing support with those claimants living in higher banded properties and receiving Council Tax support having to pay more.

The drawbacks of doing this are:

- All working age claimants living in a property with a council tax band higher than Band D will have their Council Tax support restricted.
- Reductions in Council Tax support awards may affect families living in larger homes.

Option 7



To restrict the maximum level of Council Tax support payable to the equivalent of a Band C property charge.

If you live in a Band D, E, F, G or H property, your council tax support will only be based on the charge of a Band C property. This means you will have to pay more before any other calculations take place.

The benefit of this is:

- It can be seen as a fairer method of providing support with those claimants living in higher banded properties and receiving Council Tax support having to pay more.

The drawbacks of doing this are:

- All working age claimants living in a property with a Council Tax band higher than Band C will have their Council Tax support restricted.
- Reductions in Council Tax support awards may affect families living in medium-sized homes.

Options 8-12 are being proposed to align our scheme with changes being introduced to Housing Benefit and Universal Credit.

Option 8



Remove the Family Premium for all new working age claimants.

The amount of help someone receives is based on their household circumstance. This is used to establish a series of allowances and premiums. The Family Premium reflects the additional needs a customer with children has (currently assumed to be £17.45 a week).

It has previously been used to work out how much help customers get in Housing Benefit and Council Tax support. From 2016 this premium is no longer used in the calculation of Housing Benefit for new claimants. Under this proposal, from April 2017 we would also no longer include the Family Premium in calculating Council Tax support for new claimants.

This change would not affect 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 CTSS in line with Housing Benefit changes introduced by the government.

The drawbacks of doing this are:

- New working age claimants may see a reduction in the amount of support they would have received.
- Some households with children will pay more.
- Existing claimants will be affected if they have a break in their claim after April 2017.

* This will apply only to new claimants after 1 April 2017.

Option 9



Reduce backdating of new claims to one month.

Currently claims for Council Tax support from working age claimants can be backdated for up to six months where an applicant shows they could not claim at an earlier time. The government has reduced the period for Housing Benefit claims to one month. It is proposed that the council's CTSS is 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 Council Tax support.

The drawback of doing this is:

- New working age residents may see a reduction in the amount of support they receive if they are unable to claim on time.

Option 10



Reduce the period for which a person can be absent from Great Britain and still receive Council Tax support to four weeks

As with Housing Benefit, under the current scheme applicants can be temporarily absent from their homes without it affecting their Council Tax support. Housing Benefit has now been changed so that if a person is away from Great Britain for a period of more than four weeks, their benefit will cease. It is proposed that our CTSS is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations.

The benefits of this are:

- The treatment of temporary absence will be brought into line with Housing Benefit.
- There are exceptions for certain occupations (for example the armed forces).

The drawback of doing this is:

- If a person is away from Great Britain for a period of more than four weeks, their Council Tax support will cease from when they leave the country. They will need to re-apply on return.

Option 11



Remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.

From April 2017, all new applicants for Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the component in either their ESA or within the calculation of Housing Benefit. It is proposed that the CTSS is amended to reflect this change.

The benefits of this are:

- The treatment of ESA will be brought into line with Housing Benefit.
- It avoids additional costs to the CTSS.
- Anyone receiving ESA will not see a reduction in Council Tax support.

There is no drawback.

Option 12



Limit the number of dependant children within the calculation of Council Tax support to a maximum of two.

Under the current scheme, the number of children a claimant has is taken into account when working out how much help they can receive. From April 2017 the rules for Housing Benefit are changing and any children born after 1 April 2017, where the customer already has two children, will not be taken into account in the calculation of their award. There will be exceptions where there are multiple births after 1 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 this are:

- Council Tax support will be brought into line with Housing Benefit, Universal Credit and Tax Credits.
- It is simple.

The drawback of doing this is:

- Claimants who have a third or subsequent child after 1 April 2017 (and are not exempt from the rules) may receive less Council Tax support than a claimant who has more children born before 1 April 2017.

Option 13



Introduce a scheme, in addition to Council Tax support, to help applicants suffering exceptional hardship.

We could introduce a scheme whereby individual cases would be looked at on their own merit. This would provide greater flexibility to the council to help those who need it most and provide a safety net for those households suffering exceptional hardship.

The benefit of this is:

- It is a scheme that can be adapted to meet individual circumstances.

The drawback of doing this is:

- There will be some additional costs to the scheme.

* Granting of exceptional hardship support will depend on their individual family circumstances.

Option 14



Take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax support.

Currently any payments of Child Benefit or Child Maintenance paid to either a claimant or their partner does not count when working out their income for Council Tax Support. This proposal would allow the council to include any Child Benefit or Child Maintenance in the calculation.

The benefit of this is:

- Some families receive relatively high levels of Child Benefit or Child Maintenance that are not taken into account

The drawback of doing this is:

- Some families will receive less Council Tax support.

Alternatives to reducing the amount of help provided by the CTSS.

The proposals we have set out in this consultation could deliver some of the savings we need to help meet the expected reduction in government funding. If the council keeps the current scheme as it is, without any changes, we would need to find savings from other sources. We have considered a number of other options including:

- increasing Council Tax
- reducing the funding available to provide other council services
- using council savings.

However these are not likely to be suitable long term alternatives in the current financial climate.

How to have your say

This consultation closes on Friday 16 September.

Please let us have your views by completing and returning the enclosed questionnaire in the reply paid envelope. Alternatively you can complete the questionnaire at **[dover.gov.uk/cts](https://www.dover.gov.uk/cts)**

If you have evidence that you wish to attach, and can't do so on the questionnaire, please send it to:

Council Tax Support Team
Dover District Council
C/O Canterbury City Council
Military Road
Canterbury
CT1 1YW

**Dover District Council is working with
Canterbury City Council for this consultation.**

Summary of your options 

The potential impact and savings from the proposed changes.

Option description	Estimated Number of claimants affected	Estimated weekly loss to household £	Estimated saving to the council	Estimated saving to Kent CC, Police and Fire	Estimated total saving
1 Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 6% to 10%.	5544	£0.66	£20,674	£170,753	£191,427
2 Increase the minimum contribution working age recipients will need to pay towards their Council Tax charge from 6% to 15%.	5544	£1.53	£47,482	£392,169	£439,651
3 Use a minimum set income for self-employed earners after one year.	346	£14.47	£28,110	£232,169	£260,279
4 Reduce the savings, capital and investment limit from £16,000 to £6,000.	56	£11.98	£3,768	£31,120	£34,888
5 Introduce a standard weekly charge of £10 for all new claimants who have a non dependent living in their property.	244	£7.79	£10,669	£88,117	£98,786
6 Restrict the maximum level of Council Tax support payable to the equivalent of an average Band D property charge.	96	£7.91	£4,263	£35,208	£39,471

7	Restrict the maximum level of Council Tax support payable to the equivalent of an average Band C property charge.	283	£4.56	£7,246	£59,845	£67,091
8	Remove the family premium for all new working age claimants.	N/A				N/A
9	Reduce backdating of new claims to one month.	N/A				N/A
10	Reduce the period for which a person can be absent from Great Britain and still receive Council Tax support to four weeks.	N/A				N/A
11	Remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.	N/A				£0
12	Limit the number of dependant children within the calculation for Council Tax support to a maximum of two.	N/A				N/A
13	Introduce a scheme to help claimants suffering exceptional hardship.	N/A				N/A
14	Take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax support.	1266	£4.68	£33,297	£275,006	£308,303

For options 8 to 13, we cannot at this stage estimate the complete impact of these changes.

