

Council Tax Reduction Scheme Consultation

How will the new proposals affect you



Foreword

Councillor Andrew Johnson

*Cabinet Member for Resources
Wolverhampton City Council*

In March 2013 the Government abolished the national Council Tax Benefit scheme.

Since that time, all councils have been required to implement their own local schemes to support taxpayers on low incomes. Though the national scheme was fully funded by central government, councils had the funding for their local schemes cut by 10%.

In Wolverhampton, this cut in income for 2013/2014 added up to more than £3 million. Despite the very difficult financial situation the council faced we decided to absorb most of this shortfall and only recover part of it through the local scheme.

The council did this by introducing a local scheme which required everybody of working age to pay a minimum of 8.5% of their council tax liability. We made it clear that this scheme would be in place for one year only and that it would have to be reviewed if central Government funding was cut further.

The council now knows that in the financial year 2014/2015 there will be a further cut of £600,000 in the grant it receives from the Government to fund its Council Tax Reduction Scheme.

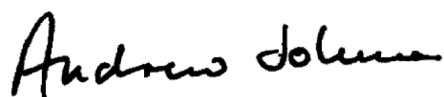
This left us facing a hard decision. We need to balance council finances and it would be irresponsible to make an already huge funding gap even worse.

We are therefore proposing a further reduction in council tax support to replace the cut in Government grant.

Before making a final decision, however, the council is giving every household in the city an opportunity to comment on the proposal.

There are a number of different options within the overall proposal. We want to hear your views on these as well as on the overall proposal.

This questionnaire is your chance to have your say.



Introduction

Currently Wolverhampton people of working age can claim assistance to pay Council Tax up to a maximum of 91.5% of the amount they are liable to pay. Prior to April 2013 everyone could claim 100% of their liability in Council Tax Benefit but this now applies only to pensioners.

From April 2014 the council proposes to further restrict the level of support available for people of working age while at the same time continuing to focus support on people who are disabled or are caring for disabled friends or relatives or who have children.

The proposals will affect everyone of working age who is currently receiving support, whether they are working or not. They may also affect people who are currently not claiming if their circumstances change – for example, because they are made redundant. None of the proposals described in this consultation affect pensioners.

Will the new scheme be fair?

The council has taken great care to make sure that its proposals will be fair and we will be considering them very carefully in the light of the responses to this consultation. We will act in accordance with our statutory duty to produce a balanced budget and our other duties under the legislation on equalities, housing and the fight against child poverty.

How will the proposals affect people of working age?

Restriction of Liability

In the current local scheme, the maximum level of support that a working age person can receive is 91.5% of their Council Tax charge.

We propose to restrict the maximum level to 88% of the Council Tax charge. This restriction will be calculated before any other discount is applied for example – a single person's discount.

This would mean that all Council Tax payers of working age would be required to pay at least 12% of their Council Tax. (*see example 1*)

Change to the disregard of child benefit income

In the current local scheme, Child Benefit is completely disregarded as income when Council Tax support is calculated. In 2013/14 Child Benefit is paid at two different rates, £20.30 for the eldest child and £13.40 for other children in a family.

In future, the council proposes to disregard only the rate of Child Benefit being received for the oldest child.

This would mean that Council Tax payers with more than one child would have more income taken into account when their level of Council Tax support is worked out. (*see example 2*)

Reduction of capital limit

Capital means things like savings, land or property other than a person's home. In the current local scheme no support is given to Council Tax payers with capital of more than £16,000.

The council proposes that this limit is reduced to £3,000.

This would mean that Council Tax payers with capital of £3,000 or more would lose all Council Tax support. (*see example 4*)

Alter the rate at which support is withdrawn

In the current local scheme the amount of support varies depending on the circumstances of the claimant

and their family. A personal allowance representing basic living expenses is worked out for each claim and compared with the amount of income coming in.

The personal allowance is higher for families with additional costs, for example those with children or where someone is disabled. Council Tax support is reduced by 20p for every £1 of income above the personal allowance. This is known as the taper rate.

The council proposes to increase the taper rate to 23p for every £1 of income above the personal allowance.

This would mean that Council Tax payers who have income greater than their personal allowance will receive less support. *(see examples 2 & 3)*

Second Adult Rebate

In the current local scheme Council Tax support is granted to single Council Tax payers whose income is too high to qualify in their own right but who share their home with another adult on a low income, such as a grown up child. This is known as second adult rebate and can reduce the Council Tax payable by up to 25%.

The council proposes to end second adult rebate.

This would mean that any Council Tax payer currently receiving second adult rebate would only receive support on the basis of their own income and circumstances. *(see example 5)*

Restriction of support based on the charge for a Band C Property

In the current local scheme the amount of support is based on the Council Tax charge regardless of what band a property is in.

The council proposes to restrict the amount of Council Tax charge on which support is calculated to the level of a band C property.

This would mean that any Council Tax payers living in properties banded D,E,F,G or H would receive less support. *(see example 3)*

Backdating of awards

In the current local scheme, awards may be backdated for up to 6 months if there is a good reason why a claim could not have been made earlier.

The council proposes that this time limit will be restricted to 1 month.

This would mean that some Council Tax payers would receive an award of up to 5 months less support.

Increase in Non-Dependant Deductions

A non-dependant is an adult who lives with the Council Tax payer but is not their partner. In the current local scheme the amount of support is reduced depending upon the income of other adults living in the household. These are called non-dependent deductions. Each year the level of deduction applicable to claims from pensioners is set by Government and this year the council has used the same amounts in its local scheme.

The council proposes to increase the deductions by 5% over and above the amount set by Government for pensioner claims.

This would mean that any Council Tax payers who have to pay a non-dependent deduction because they have other adults living with them would receive less support.

How will these proposals affect me?

The examples below show different scenarios and the amount that can be claimed using the existing scheme and the reductions that would apply if the new proposals are adopted.

To help you make comparisons the numbers, including the amount of council tax used in the examples are the same for both the 2013/2014 and the 2014/2015 scenarios.

You can also use the **calculator** at www.wolverhampton.gov.uk/counciltaxreduction to enter your own details and estimate your entitlement based on these proposals.

Example 1

Mr & Mrs A are unemployed and receive Income Based Job Seeker's Allowance. They live alone in a Band A property.

2013	£ per week	2014	£ per week
Council Tax Charge	18.82	Council Tax Charge	18.82
Amount of support (91.5% of council tax charge)	17.22	Amount of support (88% of council tax charge)	16.56
Amount to pay	1.60	Amount to pay	2.26

In 2013 Mr & Mrs A have to pay £83.43 council tax for the year. In 2014 they would have to pay £117.84 for the year.

If Mr A was living alone his situation would be

2013	£ per week	2014	£ per week
Council Tax Charge	18.82	Council Tax Charge	18.82
Less single person discount	4.71	Less single person discount	4.71
Liability	14.11	Liability	14.11
Amount of support (91.5% of liability)	12.91	Amount of support (88% of council tax charge less single person discount)	11.85
Amount to pay	1.20	Amount to pay	2.26

In 2013 Mr A has to pay £62.57 council tax for the year. In 2014 he would have to pay £117.84 for the year.

Example 2

Mr & Mrs B live in a Band B property with their 2 children. Mr B works part time and earns £130.00 per week. The family receive Tax Credits of £200 and Child Benefit of £33.70. In addition to the disregard of Child Benefit a further £10 of Mr B's wage is disregarded.

2013	£ per week	2014	£ per week
Council Tax Charge	21.96	Council Tax Charge	21.96
Maximum support (91.5% of council tax charge)	20.09	Maximum support (88% of council tax charge)	19.32
Income used in calculation (£363.70 less £33.70 child benefit disregard less £10 earnings disregard)	320.00	Income used in calculation (£363.70 less £20.30 child benefit disregard less £10 earnings disregard)	333.40
Total personal allowance	261.19	Total personal allowance	261.19
20% of Income above personal allowance	11.76	23% of Income above personal allowance	16.61
Amount of support	8.33	Amount of support	2.71
Amount to pay	13.63	Amount to pay	19.25

In 2013 Mr & Mrs B have to pay £710.71 Council Tax for the year. In 2014 they would have to pay £1003.75 for the year.

Example 3

Mr & Mrs C live in a Band D property with their 2 children. Their circumstances are the same as those of Mr & Mrs B.

2013	£ per week	2014	£ per week
Council Tax Charge	28.23	Council Tax Charge	28.23
Maximum support (91.5% of council tax charge)	25.83	Maximum support (88% of council tax charge for a band C property)	22.08
Income used in calculation (£363.70 less £33.70 child benefit disregard less £10 couples earning disregard)	320.00	Income used in calculation (£363.70 less £20.30 child benefit disregard less £10 couples earning disregard)	333.40
Total personal allowance	261.19	Total personal allowance	261.19
20% of Income above personal allowance	11.76	23% of Income above personal allowance	16.61
Amount of support	14.07	Amount of support	5.47
Amount to pay	14.16	Amount to pay	22.76

In 2013 Mr & Mrs C have to pay £738.34 Council Tax for the year. In 2014 they would have to pay £1186.77 for the year.

Example 4

Mrs D lives in a Band A Property. She works part-time and earns £110.00 per week. She has £5,200 saved in a Building Society Account.

2013	£ per week	2014	£ per week
Council Tax Charge	18.82	Council Tax Charge	18.82
Less single person discount	4.71	Less single person discount	4.71
Liability	14.11	Liability	14.11
Maximum support (91.5% of liability)	12.91	Maximum support (88% of council tax charge less single person discount)	12.42
Income used in calculation (£110.00 less £5 single persons earning disregard). Capital is disregarded.	105.00	Income is the same as in 2013, however, because Mrs D has over £3,000 in savings no further calculation is made. No support is available.	
Total personal allowance	71.70		
20% of Income above personal allowance	6.66		
Amount of support	6.25		
Amount to pay	7.86	Amount to pay	14.11

In 2013 Mrs D has to pay £409.84 Council Tax for the year. In 2014 Mrs D would receive no support and have to pay £735.74.

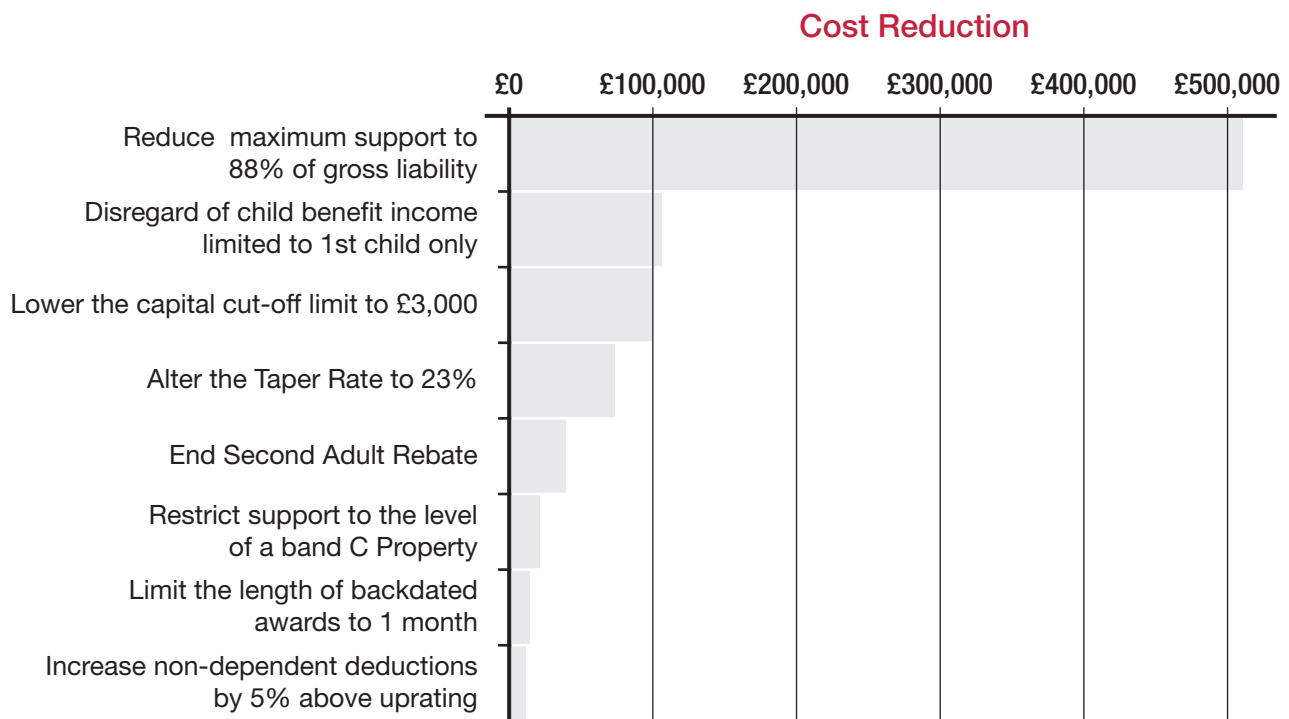
Example 5

Mr E lives in a Band B property with his son who is unemployed.

2013	£ per week	2014	£ per week
Council Tax Charge	22.02	Council Tax Charge	22.02
Maximum support (91.5% of liability)	20.15	Maximum support (88% of liability)	19.38
Less amount of support 25% Second Adult Rebate	5.04	If Second Adult Rebate is abolished no support is available	
Amount to pay	16.98		22.02

In 2013 Mr E has to pay £885.39 Council Tax for the year. In 2014 Mr E would receive no support and have to pay £1148.19.

The chart below shows the amount of money that will be saved by each separate proposal in the package. The council are proposing that the whole package is adopted.



How can I have my say?

There are a number of ways you can get involved in the consultation which will close on 11 November 2013.

You can have your say by completing a simple, confidential online questionnaire at www.wolverhampton.gov.uk/counciltaxreduction, or by filling in, detaching and returning the questionnaire at the back of this booklet and sending it to Revenues and Benefits, Wolverhampton City Council, St Peter's Square, Wolverhampton. WV1 1ZT.

You can also visit one of our roadshows

- 19 September, 9am onward, Bilston Indoor Market
- 24 September, 9am onward, Wednesfield Market
- 1 October, 9am onward, Wolverhampton Market
- 17 October, 9am to 1pm, Tettenhall Library

Other venues will be added, please check our website - www.wolverhampton.gov.uk/counciltaxreduction or ring **01902 551166** for details.

At the end of the questionnaire are some questions about yourself – for example, we ask you to give your age and to say whether you are disabled or not.

We are asking these questions because we want to be able to show that we have spoken with people from all of Wolverhampton's different communities.

You do not have to fill in this part of the form, but if you do that would help us make sure that people have confidence in what we are trying to do as well as what Central Government tells us to do.

Council Tax Support Scheme Consultation: Questionnaire

Name (optional):

Address (optional):

Do you pay Council Tax to Wolverhampton City Council? Yes No

Do you receive Council Tax Reduction from Wolverhampton Council? Yes No

To what extent do you agree or disagree with the council's overall proposals in relation to the Council Tax Support Scheme?

- Strongly Agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree
- Don't Know – no opinion

If you said '**strongly agree**' or '**agree**' please give your reasons/opinions in the space below.

If you said '**strongly disagree**' or '**disagree**' please give your reasons/opinions in the space below.

If you said ‘**don’t know**’, please give your reasons/opinions in the space below.

To what extent do you agree or disagree with the individual elements that make up the proposals?

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Don’t Know – no opinion
To restrict liability to 88%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To remove the income Disregard from Child Benefit other than for the First child.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To increase the taper from 20% to 23%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To restrict support to the equivalent of a Band C property.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To remove Second Adult Rebate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To remove entitlement to those with capital above £3,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To increase Non-Dependant deductions by 6%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To restrict backdating to 1 month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you said ‘**strongly agree**’ or ‘**agree**’ please give your reasons/opinions in the space below.

If you said '**strongly disagree**' or '**disagree**' please give your reasons/opinions in the space below.

If you said '**don't know**', please give your reasons/opinions in the space below.

The Council intends to maintain existing allowances and premiums which provide additional help for some residents in the city.

To what extent do you agree or disagree that the Council's proposed scheme should provide additional help to the following residents?

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Don't Know – no opinion
To provide support to families on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maintain support to disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Members of the Armed Services Community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you said '**strongly agree**' or '**agree**' please give your reasons/opinions in the space below.

If you said 'strongly disagree' or 'disagree' please give your reasons/opinions in the space below.

If you said 'don't know', please give your reasons/opinions in the space below.

From the following list please tick which residents you think will be unfairly disadvantaged by the proposed scheme? (tick only those you think will be unfairly disadvantaged)

- Men Women
- Residents of a particular race/ethnicity (please say which)
- Residents of a certain age (please say which)
- Lesbian, Gay, Bisexual residents Transgender residents
- Married or civil partnership couples Disabled residents
- Residents from certain religions (please say which)
- Residents who are pregnant or had a child (children) in the last two years

Please give your reasons/opinions why you think the group(s) you have indicated above would be unfairly disadvantaged in the space below.

Equal Opportunities Monitoring

Under the Equality Act 2010, the council has a responsibility to ensure that it does not unfairly discriminate in the services it provides. In order to help us ensure that our Equal Opportunities policy is working, would you please provide the following information by ticking the appropriate boxes:

Sex/Gender Identity - Are you:

- Female Male Trans male to female
 female to male

Ethnic Origin - Are you:

- | | |
|--|--|
| <p>Asian</p> <p><input type="checkbox"/> Indian</p> <p><input type="checkbox"/> Pakistani</p> <p><input type="checkbox"/> Bangladeshi</p> <p><input type="checkbox"/> Chinese</p> <p><input type="checkbox"/> Any other Asian (please specify)</p> <p>Mixed /Multiple Ethnic group</p> <p><input type="checkbox"/> White and Black African</p> <p><input type="checkbox"/> White and Black Caribbean</p> <p><input type="checkbox"/> White and Asian</p> <p><input type="checkbox"/> Any other Mixed background (please specify)</p> | <p>Black</p> <p><input type="checkbox"/> African</p> <p><input type="checkbox"/> Caribbean</p> <p><input type="checkbox"/> Other Black (please specify)</p> <p>White</p> <p><input type="checkbox"/> British</p> <p><input type="checkbox"/> Irish</p> <p><input type="checkbox"/> Gypsy/Traveller</p> <p><input type="checkbox"/> Any other White (please specify)</p> <p>Other ethnic group</p> <p><input type="checkbox"/> Arab</p> <p><input type="checkbox"/> Any other (please specify)</p> |
|--|--|

Disability

Do you have a disability which affects your day to day activities, which has lasted or you expect to last at least a year?

- Yes No Not Sure

Sexual Orientation - Are you:

- Lesbian/gay woman Gay man Bisexual
- Heterosexual/straight Unsure

Religion - Are you:

- Buddhist Christian Hindu Jewish
- Muslim Sikh No Religion
- Any other religion (please specify)

Age

How old are you?

This information will be treated in the strictest confidence and will only be used for statistical monitoring, to ensure our services are accessible to everyone.

Please return to:

Revenues and Benefits,
Wolverhampton City Council,
St. Peter's Square,
Wolverhampton
WV1 1ZT

Further Information

If you need this information in an alternative language or format (for example large print, braille or audio tape) please contact **City Direct** on **01902 551166**

"Jei jums reikia šios informacijos kita kalba arba formatu (pvz., dideliu šriftu, Brailio raštu arba garso juosta), prašome susisiekti su City Direct telefono numeriu 01902 551166

"Если вам нужна эта информация на другом языке или формате (например, крупный шрифт, шрифт Брайля или аудиозапись), пожалуйста, свяжитесь с Сити Дайрект по тел. 01902 551166 "

Jesli potrzebuja Panstwo tych informacji w innym jezyku lub formacie (na przyklad chcielibyscie je otrzymac w pismie punktowym dla niewidomych, lub jako tekst duzym drukiem) prosimy o kontakt City Direct pod numerem 01902 551166

نه گهر نه م معلوماتانته به وبانگي تر يان به شيويه كي تر (ختي گهوره يان ختي بزماري يان به دهنگ) دهوت تکايه پهيوه ندي بکه به «ستي دايرکتهوه» بهم زماره نهله فونه 01902 551166

إذا كنت بحاجة إلى هذه المعلومات باللغة أخرى أو بالشكل إخر (خط عريض أو طريقة برايل أو تسجيل صوتي) إتصل على ستي داريكت بهذا الرقم 01902 551166

ਜੇਕਰ ਤੁਸੀਂ ਇਸ ਜਾਣਕਾਰੀ ਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿੱਚ ਬਦਲਣਾ ਚਾਹੁੰਦੇ (ਜਿਵੇਂ ਪ੍ਰਿੰਟ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿੱਚ ਜਾਂ ਆਡੀਉ ਟੇਪ ਵਿੱਚ) ਤਾਂ ਕ੍ਰਿਪਾ ਕਰਕੇ City Direct ਦੇ ਨੰਬਰ 01902 551166 ਤੇ ਸੰਪਰਕ ਕਰੋ ਜੀ।

এই তথ্যগুলি যদি আপনি অন্য আকারে বা অন্য ভাষায় চান (উদাহরণস্বরূপ বড় মূদ্রণ, ব্রইল অথবা অডিও টেপ) তবে সিটি ডিরেক্টকে এই নম্বরে যোগাযোগ করুন: 01902 551166

अगर आपको यह जानकारी किसी अन्य भाषा या प्रकार (उदाहरण के लिए बड़े प्रिंट, ब्रेल या ऑडियो टेप) में चाहिए तो आप सिटी डायरेक्ट को 01902 551166 पर संपर्क कर सकते हैं

જો તમને આ માહિતી બીજી કોઈ અન્ય ભાષામાં અથવા બંધારણમાં જ ાઈતી હોય તો (ઉદાહરણ તરીકે મોટા પ્રિન્ટ, બ્રેઇલ અથવા બોલતી કસેટ) મહેરબાની કરી સીટી ડાયરેક્ટને 01902 551166 પર સંપર્ક કરશો.

اگر شما به این معلومات به زبان دیگر یا در فرمات مختلف و (چاپ بزرگ یا خط بریل یا نوار صوتی) نیاز دارید لطفاً با این شماره تماس بگیرید. 01902 551166

如果你需要这些信息的另一种语言或格式(例如大型印刷,盲文或音频磁带)请联系01902 551166

