

**Local Council Tax Support  
Consultation**

**Have your say**

council tax support

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## Introduction

The Government is abolishing the current national Council Tax Benefit (CTB) scheme and all councils have to replace it with their own local scheme called Council Tax Support (CTS). To ensure we have a scheme that suits our borough Brent Council is consulting with residents on proposals for our new scheme.

As well as having to create a scheme that is suitable for Brent, the council will also have to work within a budget that has been reduced by at least ten per cent. Early estimates suggest this represents a reduction of at least £5.2 million in 2013/14, taking account of the increasing number of people currently claiming benefit. This gap will increase further if the number of people claiming benefit goes up more than we expect or if the council increase council tax in future years.

This shortage in funding means we have to make some difficult decisions about who gets financial support and how much.

If the council wanted to keep the current CTB scheme it would need to fund the extra cost itself, which would mean cost reductions in other services. Instead, Brent is proposing a new scheme that is as fair as possible and in line with the needs of the community. The council is consulting with residents from **11 June to 10 August 2012** to find out their views.

**The new scheme will start from 1 April 2013.**

### Who will be affected?

Apart from pensioners, everyone currently entitled to council tax benefit will potentially be affected so it's important to have your say. As the scheme concerns Brent's local approach to support for council tax, we are keen to receive views from all residents regardless of whether they currently claim benefit. The information you provide will be treated confidentially and used solely by Brent Council.

### Brent's proposals

Our draft scheme is based on a set of key principles which represent a number of variations to the current CTB scheme for working age claimants.

The principles of the proposed draft scheme are listed on page 3. We suggest you read Appendices A, B and C at the end of this booklet to ensure you understand the proposals and to help you fill in your questionnaire.

You can also refer to the draft CTS scheme which can be viewed at [www.brent.gov.uk/consultation](http://www.brent.gov.uk/consultation) and the current CTB scheme by visiting the DWP website: [www.dwp.gov.uk/publications/specialist-guides/technical-guidance/rr2-a-guide-to-housing-benefit/](http://www.dwp.gov.uk/publications/specialist-guides/technical-guidance/rr2-a-guide-to-housing-benefit/)

## The principles of the proposed draft scheme are:

### Principle 1: Everyone should pay something

Claimants (unless defined as protected) will be required to pay a minimum contribution to their council tax – set in the draft scheme at 20 per cent.

### Principle 2: The most vulnerable customers should be protected (from the minimum contribution of 20 per cent)

Claimants will be protected from the 20 per cent minimum contribution if they, their partner or dependants are entitled to a disability premium or enhanced disability premium (normally given where disability living allowance has been awarded) or disabled earnings disregard, or the claimant is in receipt of disabled persons reduction for council tax purposes, war disablement pension or war widow's pension.

### Principle 3: The scheme should incentivise work

Incentives to work will be achieved by letting claimants who are working keep more of what they earn (before the benefits means-test is applied). The draft scheme proposes an increase of £10 per week in the amounts that claimants are allowed to keep for single person, couple and single parent earnings (currently set at £5, £10 and £25 respectively).

### Principle 4: Everyone in the household should contribute

Currently, when assessing a claimant's entitlement to benefit, other adults in the claimant's home (i.e. non-dependants) are treated as contributing towards the council tax bill resulting in a lower amount of benefit being given. The draft scheme proposes doubling existing levels of these contributions. Additionally for other adults in receipt of job seekers allowance (income based), a charge of £6.60 is proposed instead of no charge as at present.

### Principle 5: Better off claimants should pay relatively more so that the least well off receive greater protection

The draft scheme proposes to continue to reduce entitlement to help with Council Tax as income / earnings increase. However, it is proposed that the calculation of this is adjusted so that the rate at which Council Tax Support reduces where weekly income exceeds basic living needs is 30p in every pound rather than the 20p currently applied. This is referred to as the taper, it is currently 20 percent and will become 30 per cent per week under the proposed CTS scheme.

### Principle 6: Benefit should not be paid to those with relatively large capital or savings

Our draft scheme proposes £6,000 as the savings limit for CTS - currently this is £16,000 for CTB.

## Other general features of our scheme:

1. The current second adult rebate scheme for working age claimants will be abolished. Currently, claimants whose own income is too high to receive CTB, but have other adult(s) in the household whose income is low, can receive a council tax discount of up to 25 per cent.
2. Premiums and personal allowances will be held at the rates applied for 2012/13 to determine basic living needs for a claimant and their family.

# Section A – Key Principles and Features

**1** With reference to the six key principles listed overleaf, please indicate how important these are to you? (Please rank each area according to importance: 1 being most important and 6 being least important. Please use each value only once).

<b>Principle 1:</b> Everyone should pay something	<input type="text"/>
<b>Principle 2:</b> The most vulnerable claimants should be protected from the minimum contribution	<input type="text"/>
<b>Principle 3:</b> The scheme should incentivise work	<input type="text"/>
<b>Principle 4:</b> Everyone in the household should contribute	<input type="text"/>
<b>Principle 5:</b> Better off claimants should pay relatively more so that the least well off receive greater protection	<input type="text"/>
<b>Principle 6:</b> Benefit should not be paid to those with relatively large capital or savings	<input type="text"/>

**2** To what extent do you agree or disagree that the following proposals are fair?

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree
<b>Principle 1:</b> All working age claimants to pay a minimum of 20 per cent of their council tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Principle 2:</b> Protect disabled claimants from the 20 per cent minimum contribution	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Principle 3:</b> Increase the earnings disregard by £10 per week	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Principle 4:</b> Double the current range of deductions charged for other adults living with a claimant from the 2012/13 charges, and introduce a charge for other adults on job seekers allowance (income based)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Principle 5:</b> Increase the taper from 20 percent to 30 per cent	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Principle 6:</b> Reduce the savings cut-off limit to £6,000 from the current £16,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Feature 1:</b> Abolish the second adult rebate for working age claimants	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Feature 2:</b> Premiums and personal allowances to be frozen at 2012/2013 rates	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**3** With reference to Principle 2 set out above and further explained in Appendix B, please give details of any other groups that you believe should be protected and give reasons why.

**4** Please add any additional comments to support your responses to questions 1 and 2 on our proposed changes or any alternative options you would like us to consider and your reasons.

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**5** Please comment if you feel that our proposed changes will affect particular individuals or groups more than others and if so, how you think we may address these.

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**6** Please provide any other additional comments you wish to make concerning the proposals.

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## Section B – about you (optional) (If you are responding on behalf of an organisation please go to Section C)

Please tell us your details

Name:

Address:

Email:

Telephone Number/s

- 1** Do you pay council tax to Brent Council? Yes  No
- 2** Are you currently receiving council tax benefit in Brent? Yes  No
- 3** If you are not receiving council tax benefit, have you ever received it? Yes  No
- 4** Are you currently receiving housing benefit in Brent? Yes  No
- 5** Are you: (please tick one box)  
 A pensioner  Employed part time   
 A student  Unemployed   
 Employed  Disabled
- 6** If you are in a relationship, please tick one of the following:  
 Living as a couple  Civil partnership   
 Married  Prefer not to say
- 7** What is your age group?  
 Under 18  35-44  55-60   
 18-24  45-54  61+   
 25-34  Prefer not to say
- 8** Please indicate your sex/gender.  
 Male  Female  Prefer not to say
- 9** Is your gender identity the same as the gender you were assigned at birth?  
 Yes  No  Prefer not to say
- 10** Do you have parenting responsibilities?  
 Yes  No  Prefer not to say
- 11** What is your sexual orientation? (Please tick one box)  
 Heterosexual/straight  Bisexual   
 Gay woman/lesbian  Gay man   
 Other  Prefer not to say

- 12** Which one of these groups do you belong to? (please tick one box)
- |   |   |   |   |
|---|---|---|---|
| Asian or Asian British:                     | Black or Black British:                   | Mixed:  | White:  |
| Asian: Bangladeshi <input type="checkbox"/> | Black: African <input type="checkbox"/>   | Mixed: White and Black African <input type="checkbox"/>   | White: British <input type="checkbox"/>         |
| Asian: British <input type="checkbox"/>     | Black: Caribbean <input type="checkbox"/> | Mixed: Other <input type="checkbox"/>                     | White: Irish <input type="checkbox"/>           |
| Asian: Indian <input type="checkbox"/>      | Black: Other <input type="checkbox"/>     | Mixed: White and Black Caribbean <input type="checkbox"/> | White: Other <input type="checkbox"/>           |
| Asian: Chinese <input type="checkbox"/>     | Black: Somali <input type="checkbox"/>    | Mixed: White and Asian <input type="checkbox"/>           | Other (Please specify) <input type="checkbox"/> |
| Asian: Other <input type="checkbox"/>       |   |   |   |
| Asian: Pakistani <input type="checkbox"/>   |   |   | Prefer not to say <input type="checkbox"/>      |
- 13** What is your religion? (please tick one box)
- |                                       |                                  |                                   |   |
|---------------------------------------|----------------------------------|-----------------------------------|---|
| Baha'i <input type="checkbox"/>       | Jainism <input type="checkbox"/> | Sikhism <input type="checkbox"/>  | No Religion belief <input type="checkbox"/> |
| Buddhism <input type="checkbox"/>     | Judaism <input type="checkbox"/> | Taoism <input type="checkbox"/>   | Prefer not to say <input type="checkbox"/>  |
| Christianity <input type="checkbox"/> | Other <input type="checkbox"/>   | Agnostic <input type="checkbox"/> |   |
| Hinduism <input type="checkbox"/>     | Islam <input type="checkbox"/>   | Humanist <input type="checkbox"/> |   |



## Appendix A – General Information

### Government proposals

In April 2013 council tax benefit, the current means of helping people on low incomes meet their council tax obligation, will be replaced by a new localised support scheme.

The government has said that it wishes to protect pensioners in the scheme. For all other recipients, there is a requirement to agree local eligibility criteria.

This means that for working age people, local councils are required to design their own scheme to provide help with council tax.

The government's proposals have three stated objectives:

- creating the right incentives to get more people into work by ensuring that work always pays,
- protecting the most vulnerable people, and
- delivering fairness to those claiming benefit and to the taxpayer.

Under the existing council tax benefit scheme, the council generally receives 100 per cent from the government for the amount of council tax benefit it pays out to local claimants. However, under the new system it will be given a specific sum by the government to make support payments. This sum will be at least ten per cent less than the amount that is currently paid out as council tax benefit.

This also means that any increases in CTS expenditure during the year, such as an increase in the number of claimants claiming support, will need to be funded by the council in addition to the immediate ten per cent reduction. This is currently anticipated to amount to £5.2 million for 2013/14.

Each local authority must carry out a consultation exercise concerning their draft scheme proposals and must define and publish its local CTS scheme by 31 January 2013. If the scheme is not defined and published by this date, a default scheme will be imposed by the government and the funding reduction will need to be met from other means including for example; increasing council tax levels or reducing other service expenditure.

### Brent Council local CTS scheme proposals

The government has stated that pensioner claimants shall be protected from the effects of any changes by a national framework that addresses eligibility and amounts.

In relation to claimants of working age, consideration has been given by Brent Council to continue the existing national council tax benefit framework within a new local scheme (i.e. making no changes) and the funding implications that would apply to this, which would require the council to find savings elsewhere in order to fund the CTS scheme.

Consideration has also been given to reducing any potential funding shortfall that would arise from the changes by reviewing the council tax discounts and exemptions that are currently applied to vacant properties within the borough including long term empty homes and second homes. However, this alone would not fully achieve the levels of financial savings needed to meet the funding reduction.

Brent Council is undertaking this consultation between the period 11 June and 10 August 2012. This timescale has been determined following receipt of policy statements of intent published by the Department for Communities and Local Government (DCLG) on 17 May 2012 and to permit sufficient time to evaluate responses received and to meet the council's budget setting timetable.

Brent Council wants to ensure that everyone who is a resident in the borough (including organisations and voluntary groups) has an opportunity to have their say about the council's proposed future replacement for council tax benefit.

Copies of the consultation documentation in large print and other formats may be provided on request. To request this service, please call on **020 8937 1800** or email: **counciltaxsupport@brent.gov.uk**

Please come to the next Area Consultative Forums shown below where officers will be on hand to answer your questions and give advice about the consultation.

**Tuesday 7pm**  
**3 July 2012**

Kilburn and Kensal  
Kensal Rise Primary  
School Hall  
Harvist Road,  
Kilburn,  
NW6 6HJ

**Wednesday 7pm**  
**4 July 2012**

Wembley  
Patidar House,  
22 London Road,  
Wembley,  
HA9 7EX

**Tuesday 7pm**  
**10 July 2012**

Harlesden  
All Souls Church  
(next to Lloyds TSB),  
Station Road Harlesden  
NW10 4UJ

**Wednesday 7pm**  
**11 July 2012**

Willesden  
College of North  
West London  
Denzil Road  
NW10 2XD

**Tuesday 7pm**  
**17 July 2012**

Kingsbury and Kenton  
Kingsbury High School  
Princes Avenue  
NW9 9JR



## Appendix B – Key Principles

### Principle 1: Everyone should pay something

At present, claimants in receipt of income support, job seekers allowance (income based) and employment support allowance (income related) and other claimants not receiving these but with an income below the required level for their basic living needs, generally receive 100 per cent council tax benefit and therefore pay no council tax.

The council proposes that all working age claimants (unless protected) should pay at least 20 per cent of their council tax under the CTS scheme.

### Principle 2: The most vulnerable claimants should be protected (from the minimum contribution)

Claimants will be protected from the 20 per cent minimum contribution if they or their partner or dependants are entitled to a disability premium or enhanced disability premium (normally given where disability living allowance has been awarded) or disabled earnings disregard, or the claimant is in receipt of disabled persons reduction for council tax purposes, war disablement pension or war widow's pension.

### Principle 3: The scheme should incentivise work

At present, the first £5 of a single claimant's earnings, £10 of a couple's earnings and £25 of a single parent's earnings are not counted when calculating their weekly income for the purposes of determining their entitlement to council tax benefit.

The council proposes to increase this level by an additional £10 a week under its proposed scheme for single claimants, couples and single parents. This would mean that the first £15 of a single claimant's earnings, £20 of a couple's earnings and £35 of a single parent's earnings would not be counted when calculating their entitlement to council tax support

### Principle 4: Everyone in the household should contribute

At present, a deduction is generally made from potential weekly council tax benefit entitlement in respect of other adults aged 18 or over living in the claimant's home. These are referred to as non-dependants. A non-dependant is a person who is living with the claimant but who is not dependent upon them, and not living in their home on a commercial basis, (i.e. as a joint tenant or sub tenant). Non-dependants include an adult son or daughter, a mother or father, friend etc of the claimant.

These people are assumed to be giving the claimant some money towards their council tax regardless of whether or not they are actually doing so. This assumed contribution is based upon the non-dependant's circumstances.

The draft scheme proposes doubling existing levels of these contributions. Additionally for other adults in receipt of job seekers allowance (income based), a charge of £6.60 is proposed instead of no charge as at present.

The current deduction rates applied to council tax benefit in 2012/13 and the proposed rates for the council's local CTS scheme are shown in Appendix C.

### Principle 5: Better off claimants should pay relatively more so that the least well off receive greater protection

The draft scheme proposes to continue to reduce entitlement to help with council tax as income / earnings increase. However, it is proposed that the calculation of this is adjusted so that the rate at which council tax support reduces where weekly income exceeds basic living needs is 30p in every pound rather than the 20p currently applied. This is referred to as the taper, it is currently 20 per cent and will become 30 percent per week under the proposed CTS scheme.

### Principle 6: Benefit should not be paid to those with relatively large capital or savings

At present, working age claimants with savings and investments above £16,000 are generally not entitled to council tax benefit.

Our proposal is that working age claimants with capital such as savings and investments amounting to over £6,000 shall not be entitled to council tax support.

### Feature 1: Removal of second adult rebate scheme for working age claimants

The current second adult rebate scheme (whereby claimants whose own income is too high to receive CTB, but have other adult(s) in the household whose income is low, can receive a council tax discount of up to 25 per cent) is to be abolished for working age claimants.

### Feature 2: Rate of allowances and premiums to be frozen at 2012/2013 levels

Premiums and personal allowances used to determine basic living needs for a claimant and their family when calculating entitlement to CTS shall be held at the rates applied for 2012/13.

## Appendix C

### Premiums and allowances

At present, premiums and allowances are used to determine a working age claimant's basic living needs for the purposes of the means test calculation performed. These are prescribed by statute and the amounts concerned are currently increased annually.

Our proposal is to continue to apply the existing premiums and allowances used for the national council tax benefit scheme with the relevant amounts retained at the 2012/13 levels and not subject to annual increases. Current premiums and allowances applied for 2012/13 are set out below:

Allowances and premiums used to determine basic living needs	Weekly amount in £
Single claimant aged 18 or over but less than 25	56.25
Single claimant aged 25 or over	71.00
Single claimant of any age and entitled to main phase employment support allowance	71.00
Single parent	71.00
Couple	111.45
Amount for a child from their date of birth to the day before the first Monday in September following their 16th birthday	64.99
Amount for a young person from the first Monday in September following their 16th birthday to the day before their 20th birthday	64.99
In the case of a polygamous marriage where none of the members of the marriage have reached the age of 60 and for the claimant and other party to the marriage	111.45
In the case of a polygamous marriage where none of the members of the marriage have reached the age of 60, for each additional spouse who is a member of the same household as the claimant	40.45
Family premium	17.40
Family premium (single parent rate)	22.20
Disability premium - single	30.35
Disability premium - couple	43.25
Enhanced disability premium - single	14.80
Enhanced disability premium - disabled child rate	22.89
Enhanced disability premium - couple	21.30
Severe disability premium - single	58.20
Severe disability premium - couple (lower rate)	58.20
Severe disability premium - couple (higher rate)	116.40
Disabled child premium	56.63
Carer premium	32.60
<b>Components employment support allowance (income related) and contributory</b>	
Work-related activity component	28.15
Support component	34.05

## Non Dependant Deductions

Currently a deduction is not made from CTB if the:

- claimant or partner are registered blind or treated as blind
- claimant or partner are receiving the care component of disability living allowance or attendance allowance
- non-dependant is receiving pension credit, income support or income-based job seekers allowance or income-related employment and support allowance
- non-dependant is a prisoner
- non-dependant is severely mentally impaired
- non-dependant is over 18 but child benefit is still payable for them
- non-dependant is a student nurse or apprentice or on youth training
- non-dependant has been a patient in hospital for 52 weeks or more. If the non-dependant leaves hospital but is readmitted to hospital within 28 days, their total number of days in hospital are added together
- non-dependant is living in a residential care or nursing home
- non-dependant is a care worker
- non-dependant is a resident of a hostel or night shelter for the homeless
- non-dependant is a full-time student (even if they work full-time in the summer vacation).

Similar rules will apply for the proposed Council Tax Support scheme.

Description of deduction	Amount of weekly deduction in 2012/13	Proposed weekly CTS scheme deduction
Adult in receipt of pension credit guarantee credit or savings credit	Nil	Nil
Adult in receipt of employment support allowance (income related) main or assessment phase	Nil	Nil
Adult in receipt of job seekers allowance (contribution based) or employment support allowance (contribution based)	£3.30	£6.60
Gross income of adult in paid work is less than £183	£3.30	£6.60
Gross income of adult in paid work greater than or equal to £183 but less than £316	£6.55	£13.10
Gross income of adult in paid work greater than or equal to £316 but less than £394	£8.25	£16.50
Gross income of adult in paid work greater than or equal to £394	£9.90	£19.80
Adult in receipt of job seekers allowance (income based)	Nil	£6.60
Adult in receipt of income support	Nil	Nil
Adult working less than 16 hours per week or is on maternity, paternity adoption or sick leave	£3.30	£6.60
Any other adult not included in the above descriptions	£3.30	£6.60

[www.brent.gov.uk/localcounciltaxsupport](http://www.brent.gov.uk/localcounciltaxsupport)