



Changes to Council Tax Benefit - Consultation 2012

Why we are consulting

Under planned welfare reform, the government is abolishing their Council Tax Benefit scheme from April 2013. Instead the government requires that all councils develop their own local Council Tax Support Scheme which must be in place by April 2013.

Government funding for the new scheme will be reduced by around 10%. Based on the Council Tax Benefit paid in Leeds in 2011/12, a 10% reduction in government funding £5.5 million, but the final figure could be much more than this. This is because the government will use estimates of how much would have been spent on Council Tax Benefit in 2013/14 when deciding how much to give councils. This could see the shortfall in funding increase to more than £6 million.

Also, if demand for Council Tax Support increases, for example, if people lose their jobs or their income reduces, we do not expect the government to give us any more money. Therefore, we will need to make some challenging decisions about the scheme we choose to operate and the amount of Council Tax Support people will receive.

The government said that people of state pension age must be protected from the changes, so they will continue to receive the same help they get now. This means that the full cost of the reduction in funding will fall on people who are of working age.

We want to hear from you to help us decide what to do about the funding shortfall and who should be protected. We are already facing cuts of £40m and may need to find additional money to fund the shortfall for the Council Tax Support scheme. The costs of funding the shortfall for the Council Tax Support scheme will also affect the West Yorkshire Police Authority and West Yorkshire Fire and Rescue Services. This is because they also raise income through Council Tax and will need to contribute to the costs of local Council Tax Support schemes.

We need to understand people's views before we decide what to do. Everything you tell us will be held in confidence in line with the Data Protection Act so no person can be identified and what you tell us will have no effect on your current benefit

Our draft scheme is available at www.leeds.gov.uk/LCTS



Who currently gets Council Tax Benefit

Council Tax Benefit is claimed by over 76,000 households in Leeds. 31,000 householders claiming benefit are pensioners and will not be affected by this change, the other 45,000 households include:

1. Carers
2. Disabled People
3. Jobseekers
4. Lone parents
5. Vulnerable students
6. Workers with a low income

The reduction in funding could affect these households.

Most people who claim Council Tax benefit live in band A properties and pay the lowest rate of Council Tax. The table below shows how many people live in each band

Band	Working age	Pensioners
A	34026	19841
B	6928	6105
C	2721	3760
D	687	1035
E	293	358
F	97	116
G	41	58
H	1	0

The timescales that we are working to are very challenging and we will need to make changes to our IT systems, letters, bills and claim forms.

The new Council Tax Support Scheme options

We want to ask your opinion on two options in Leeds.

Under both options we would keep most of the features of the current scheme. We would work out your Council Tax Support in the same way that we work out your Council Tax Benefit now, but we would reduce your benefit by a certain percentage.

Option One

We face a funding gap across all council services. This means that we will have to make some very difficult decisions about how money is spent. If we are to avoid funding the shortfall in Council Tax Support from money that could be spent on other services, we will need to limit the amount of Council Tax Support we pay out to equal the money we receive from the government. This means **we won't put any more of our money towards it.**



Option One means:

- **Council Tax Support for most working age people will be reduced by as much as 30%** depending on the level of government funding and possible changes in how many people are claiming
- We could protect some working age people from cuts in their support.
These may be:
 - People getting war widow/ers or war disablement pensions
 - Lone parents with a child or children under five
 - People receiving severe or enhanced disability premium.

The table on the back page shows what people pay now, and what they might pay under Option One.

Q1. How far do you agree or disagree that the amount we spend on Council Tax Support should be limited to what we get from the government and that we don't put any of our money towards it?

- | | | |
|---|--|--|
| <input type="checkbox"/> Strongly agree | <input type="checkbox"/> Neither agree or disagree | <input type="checkbox"/> Strongly disagree |
| <input type="checkbox"/> Agree | <input type="checkbox"/> Disagree | <input type="checkbox"/> Don't Know |

Q2. The costs of protecting certain groups without the council putting extra money into the scheme, means that other working age claimants face a larger reduction in support. Do you agree that the council should protect certain groups from cuts in support in this way?

	Agree	Disagree
Carers	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>
Lone Parents with a child/children under five	<input type="checkbox"/>	<input type="checkbox"/>
War disablement pension	<input type="checkbox"/>	<input type="checkbox"/>
War widows/widowers	<input type="checkbox"/>	<input type="checkbox"/>

Q3. Are there any other groups of people you think we should consider protecting?



Q4. Please tell us why you think they should be protected

Option 2

In this option, **we could put extra money into the scheme** for the first year to reduce the cuts that people face in their Council Tax Support. This option would **limit the cut in Council Tax Support to 10% for most working age claimants.**

Limiting the cut in the first year may help people adjust to the changes in Council Tax Support as well as other changes that the government is making to welfare benefits from April 2013.

The cost to the council of limiting the cut to 10% could be between £3.8m and over £5m depending on the level of government funding and demand for Council Tax Support. This is money that could be spent on other services.

Option Two means:

- The reduction in Council Tax Support for most working age people would be limited to 10% but this may change depending on what we receive from the government and how many people claim Council Tax Support;
- We will protect some working age people from cuts in support. These are:
 - Lone parents with a child or children under five
 - People getting the severe or enhanced disability premium.
 - People getting war widows or war disablement pensions

The table on the back page shows what people pay now, and what they might pay under the Option Two

Q5. How far do you agree or disagree that the council should limit the cuts people face by putting more money to support the shortfall in government funding?

- | | | |
|---|---|--|
| <input type="checkbox"/> Strongly agree | <input type="checkbox"/> Neither agree nor disagree | <input type="checkbox"/> Strongly disagree |
| <input type="checkbox"/> Agree | <input type="checkbox"/> Disagree | <input type="checkbox"/> Don't know |



Q6. Protecting certain groups increases the costs to the council. Do you agree or disagree that the council should protect these groups from cuts in their support in this way?

	Agree	Disagree
Carers	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>
Lone Parents with a child/children under five	<input type="checkbox"/>	<input type="checkbox"/>
War disablement pension	<input type="checkbox"/>	<input type="checkbox"/>
War widows/widowers	<input type="checkbox"/>	<input type="checkbox"/>

Q7. Are there any other groups of people you think we should consider protecting?

Q8. Please tell us why you think they should be protected

Q9. Is there anything you would like to say about either option one or option two?



Other issues affecting council tax support

Moving into work

The current Council Tax benefit scheme supports people moving into work by protecting the level of benefit they receive for the first four weeks of work. We would like our Council Tax Support Scheme to do the same.

Q10. Do you agree or disagree that we should continue to support people moving into work?

- Strongly agree Neither agree nor disagree Strongly disagree
 Agree Disagree Don't know

Wider council tax changes

The government will allow councils to decide when we will charge Council Tax for the empty properties. These changes would increase our income and we would use this money to help provide services in the city, for example we could put more money into helping people move into work. The properties we could increase charges for are:

- Properties that are empty, unfurnished and undergoing major building work.

Currently the owners of these properties don't have to pay Council Tax for up to 12 months and then have to pay 100% Council Tax after 12 months. From April 2013 we will be able to decide **whether** these properties should be charged Council Tax and **how much** they should be charged. For example, we could choose to charge 100% Council Tax from the first day that the property is empty.

- Properties that are empty and unfurnished.

Currently the owners of these properties don't have to pay Council Tax for up to six months and then have to pay 100% Council Tax after six months. From April 2013, we will be able to vary both the period that owners/landlords don't have to pay and the amount charged. For example, we can decide **when** and **how much** we should start charging the owners of these properties.

- Long term empty properties. These are properties that have been empty for two years or more

Currently, long-term empty properties are charged 100% Council Tax. From April 2013, we will be able to charge up to 150% of Council Tax for long-term empty properties.

- Second homes. These are properties that are furnished but the owner's main home is elsewhere.

Currently, second home owners receive a 10% discount on their Council Tax for their second home. From April 2013, we will be able to charge 100% Council Tax for second homes.

We believe that charging for empty properties will encourage more empty properties back into use sooner.



Q11: How far do you support us using the new rules for these empty properties?

	Strongly Support	_____				Don't Support At all	Don't Know
	1	2	3	4	5		
A. Properties that are empty, unfurnished and undergoing major building work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Properties that are empty and unfurnished	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Long term empty properties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Second homes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q12. Is there anything else you'd like to say about Council Tax in Leeds

About you

We would like to ask some questions about you so we can check that the consultation has included people's views from a wide range of backgrounds.

We will keep your information safe in line with the Data Protection Act. What you tell us is in confidence and will only be used to help us understand the results of this consultation. The questions are voluntary, but it will help us to know as much about you as you feel comfortable with.

Q13. Are you:

Male Female

Q14. How old are you?

Under 18 years 25-34 years 45-54 years 65-74 years
 18-24 years 35-44 years 55-64 years 75 years and over



Q15. Please tick one option that best describes your ethnic background.

White

- British Irish Any other White background
(Please write in below)

Mixed Race

- White and Black Caribbean White and Black African White and Asian Any other mixed background
(Please write in below)

Asian or Asian British

- Indian Pakistani Bangladeshi Kashmiri Any other Asian background
(Please write in below)

Black or Black British

- Caribbean African Any other Black background
(Please write in below)

Other Ethnic Group

- Chinese Arab Gypsy/Traveller Any other background
(Please write in below)

Q16. Do you have any long term illness, health problem or disability that limits your daily activities?

- Yes No (if No, please go to 18)

**Q17. If Yes how would you describe your type of impairment?
(Tick all that apply to you)**

- Physical Impairment
(such as a wheelchair to get around and/or difficulty using your arms)
- Sensory Impairment
(such as being blind/having a serious visual impairment or being deaf/having a serious hearing impairment)
- Mental Health Condition
(such as depression or schizophrenia)
- Learning Disability
(such as Down's syndrome or dyslexia) or cognitive impairment (such as autism or head injury)
- Long standing illness or health condition
(such as cancer, diabetes, chronic heart disease or epilepsy)



Q18 Please tick one box that best describes your religion or belief

- Buddhist Hindu Muslim No Religion
 Christian Jewish Sikh Other
(Please write in below)

Q19. Please tick one box that describes your sexual orientation

- Hetrosexual/
Straight Lesbian/
Gay Woman Gay man Bisexual Prefer not
to say

Q20. Do you consider yourself to be a carer? (A carer is someone who, without payment, provides help and support to a friend, neighbour or relative who could not manage otherwise because of frailty, illness or disability)

- Yes No

Q21. How many adults and children under the age of 16 live in your house, including yourself?

- 1 adult no children 2 adults with 1 or more children
 2 adults, no children Other - (Please write in below)
 1 adult with 1 or more children

Q22. Please tell us the first part of your postcode (for example, LS10)

 -

Thank you for taking the time to give us your views. We will take all responses into account before we decide which Council Tax Support option is best for Leeds. Simply put your completed survey in the Freepost return envelope and post back to us before **8th November 2012**. There is no need to add a postage stamp to the envelope.

If the return envelope is missing, send your survey in an envelope addressed to:

Freepost Plus RSCS-ZTJU-CLXH
Leeds City Council
Merrion House
110 Merrion Centre
Merrion Way
Leeds LS2 8ET

Please mark the envelope 'Council Tax Consultation'



What do the two options mean to average benefit claimants

Household	Monthly Income	Council Tax Band and Charge	Monthly amount of Council Tax to pay		
			Current Benefit scheme	Option one (-30%)	Option two (-10%)
Couple + 2 children	Family Income £1,577.55	Band A £72.37	£38.48	£48.65	£41.87
Disabled couple	Joint Income £2,117.05	Band C £98.02	£11.70	£11.70	£11.70
Couple + 3 children	Family Income £1,815.49	Band C £96.50	£18.16	£41.66	£25.99
Lone parent + 3 children (Youngest child under 5)	Family Income £1,658.28	Band B £63.31	£23.57	£23.57	£23.57
Single Person (age 45)	£307.67 Jobseekers Allowance	Band A £54.30	£0.00	£16.29	£5.43
Single Person (age 24)	£243.75 Jobseekers Allowance	Band A £54.30	£0.00	£16.29	£5.43
Couple	£482.95 Jobseekers Allowance	Band C £96.50	£0.00	£28.95	£9.65

