

Northampton Pensioners' Forum, Thursday, 6 February 2014

Update on the Local Council Tax Support Scheme (LCTS) 2014/15.

Key aspects of the 2014/15 LCTS:

Working Age people previously on 100% council tax benefit are currently being asked by NBC to pay at least 8.5% of their council tax bill – this is set to increase to 15% for 2014/15.

Pensioners will not be affected by the changes to the council's CTS Scheme and will remain fully protected. A full income disregard of War Widows Pension and War Disablement Pension will continue. Additional protection will also continue for those in receipt of disablement benefits and the scheme will continue to support people back into work through a 4-week run on period of support.

Alongside this the council's policies and procedures aim to support those in hardship and, in particular, to ensure that people who may be struggling with their finances and/or in debt are provided with specialist money advice. Major reforms to the rules for bailiffs will also take effect in April 2014, banning them from heavy-handed behavior but also making sure they can still collect debts fairly.

Consultation:

An extensive consultation took place between 4th November 2013 and 1st December 2013. The consultation included the following: an On-line survey, News release, 1,500 email invitations were issued to email addresses held on the Benefit and Council Tax database, Letters were issued to a random sample of 200 CTR recipients and a random sample of 200 local Council Tax payers.

To help support the public the following were also made available and advertised in-line with the above:

- Dedicated email address for enquiries from the public
- Customer Service teams were made available to help the public complete the on-line form to mitigate any accessibility issues. In addition home visit were also available to overcome any specific accessibility issues.
- 4 drop in-sessions were run, aimed at providing those affected with a personal illustration on what the proposed changes would mean to them – ensuring they were able to provide a fully informed response.

A total of 35 responses to the on-line survey were received by the end of the consultation and 7 members of the public attended one of the drop-in sessions. Despite the fact that almost two thousand invitations were issued to take part in the

consultation, the response rate remained low. This has also been the case at a national level, where the response to Local Authority engagement on local Council Tax schemes has also been relatively low.

Summary of findings:

Positive responses from the consultation centred on the concept of 'fairness', with everyone having to contribute and that the scheme does help support people in paying their Council Tax bills. Some acceptance of the current economic climate was also expressed, as was a view that if these changes were implemented it would prompt better budgeting and would incentivise people to move into work.

Negative responses included concerns about people being able to afford increasing contributions toward Council Tax bills. Anxieties were also expressed about how these changes will affect tenants' ability to sustain their tenancy and reduced support was also highlighted as a potential cause of hardship, particularly for vulnerable people.

Neutral responses resulted from the respondent not being affected by the changes, either because they were of pension age or were not receiving CTS.

Budgetary considerations (National perspective):

The Local Government Association (LGA) has recently highlighted the fact that when the responsibility for administering council tax support was handed to Local Authorities, it was against a backdrop of significantly reduced central government funding. The LGA suggest that the shortfall between the money councils receive to fund council tax support and the money they need to protect those on low incomes is going to get bigger and is likely to reach £1 billion by 2016. At the same time, they point out that councils are tackling the biggest cuts in living memory and in many cases cannot afford to meet the shortfall.

National perspective - Of the 326 lower tier and unitary local authorities in England:

268 councils reduced the provision of council tax support in April 2013 (82%)

58 councils made no change to the existing council tax benefit arrangements (18%)

Indications are that more Local authorities have decided to reduce the provision of council tax support in April 2014 because of the budgetary pressures referred to above.