

Changes to Council Tax Benefit

Council

Thursday 6 December 2012

Introduction

- The aims of this presentation are twofold: -
 - To provide Council with an update on changes to Council Tax Benefit and the introduction of Localised Council Tax Support;
 - To update Council on the ‘next steps’ and the process moving forward.

What's changing?

- Council Tax Benefit is being abolished
- Local Council Tax Support is being introduced
- Funding is being reduced by circa. 10%

- Local Council Tax Support scheme in place by 31 January 2013
- Changes are being implemented from 1 April 2013

Mind the gap...

The funding gap in Breckland is estimated at: -

Norfolk County Council	£695,801
Norfolk Police Authority	£119,628
Breckland Council	£38,957
Town / Parish Councils	£35,044
Total	£889,430

What are we doing?

- We're introducing a "local scheme"
- Over the last few months we have consulted on a draft "local scheme" with: -
 - Preceptors – Norfolk County Council, Police Authority
 - Those directly affected
 - Those currently receiving 'benefit' but not directly affected
 - A demographically representative 'panel'

The Draft Scheme

- We consulted on a Draft Scheme that...
 - Protects pensioners and vulnerable groups
 - Provides support for those in work and incentivises work
 - Is affordable for the people of Breckland

The Draft Scheme in more detail...

- Parents with dependent children are allowed a higher amount to live on before their benefit is reduced
- People who work have some of their earnings discounted
- When someone's employment status changes positively this does not affect their benefit straight away
- Recipients of Disability Living Allowance or Carers Allowance will be given more help
- Review of how much “capital” people can hold before it affects their benefit entitlement

The Draft Scheme in detail...

Reduced Council Tax Support

- Currently Council Tax Benefit can cover the full amount of Council Tax someone is charged.
- One way of meeting the funding gap is by lowering the maximum amount paid to those of working age.
- Breckland consulted on capping the level of Council Tax Support awarded for all working age customers

Who will be affected?

- All current working age Council Tax Benefit claimants will be affected by the changes and might see the amount of support they get from April 2013 reduced.
- Pensioners are protected. Although they will move onto the new support scheme, pensioners will not have the amount of support they receive reduced under the new scheme.

Technical Changes

- From April 2013, the government will change how we can charge Council Tax for some properties. These changes are separate from the changes to Council Tax Support and may affect anyone who has a property that is either a second home or is empty.
- At the moment, owners of second homes or homes that are empty in Breckland, pay either no Council Tax or a reduced amount.
- We consulted on “technical changes” at the same time as Council Tax Support.

Technical Changes in detail...

- We consulted on Draft Technical Changes that would mean that...
- Someone with two properties would pay 100% of their Council Tax on their second home (currently 90%); protection for serving military personnel
- The period of exemption on empty properties is reduced from six months to encourage those who own longer term empty properties to bring them back in to use.
 - A 3 month period would be retained where no Council Tax is charged, followed by a further 3 months when it is charged at 50%; after this Council Tax would be charged in full.

Consultation

- Demographically representative survey of 770 people; 333 responses (48%)
- Online and written survey with affected and not affected (258 responses)
- Written consultation with Norfolk CC and Norfolk Police Authority
- Parish and Town Council Forum

Consultation Findings

	Panel	Online
Support for parents with dependent children	72% support	73% support
Disregard of some earnings	84% support	82% support
Support for positive change in employment status	81% support	86% support
Cap level of support	80% support	53% support
Support for benefit recipients	75% support	81% support
Reflect “capital” held	78% support for reduction to reflect capital held	76% support for reduction to reflect capital held

Consultation Findings

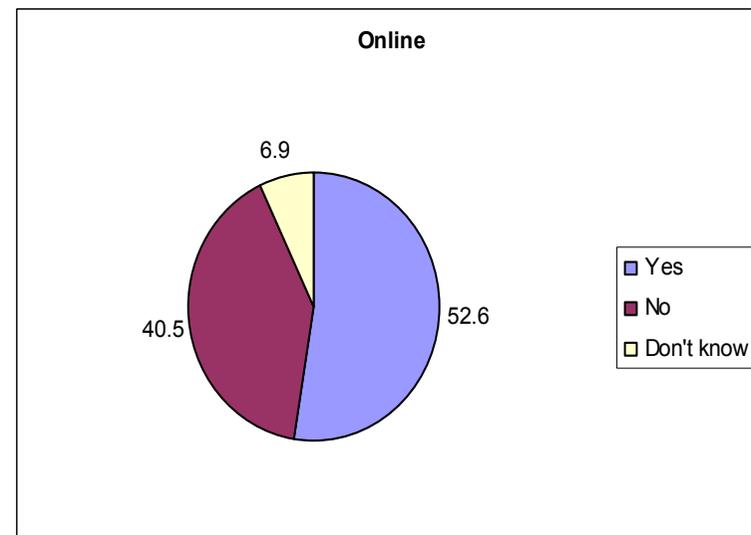
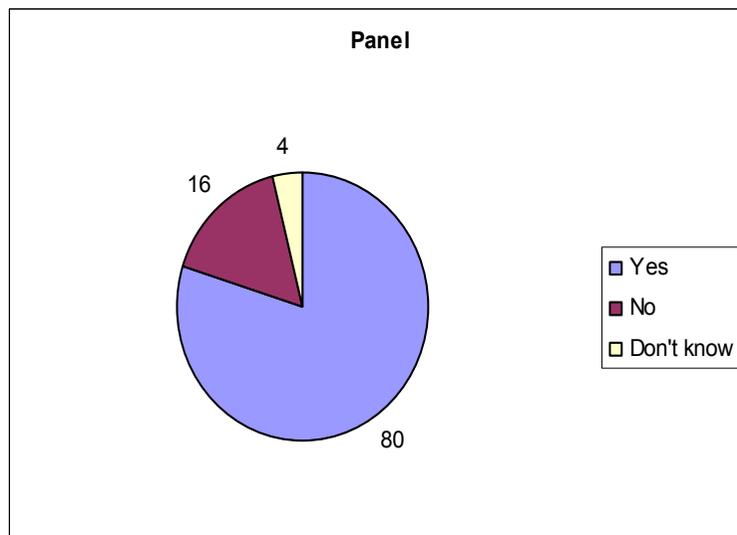
	Panel	Online
Second homes	83% support	80% support
Empty and Vacant	86% support	75% support

Consultation Findings

- General support for draft scheme and technical changes
- Preceptor support for “cost neutral” local schemes
- Difference between online and panel surveys - [Capping](#)

Consultation Findings

- Capping



- 51% of online responses from working age recipients of CTB
- 9% of panel responses from working age recipients of CTB
- 63% of working age recipients of CTB do not support “capping”

Transitional Grant Scheme

- £100 million nationally for 1 year (2013/14)
- To apply for a grant, billing authorities must adopt schemes which ensure that: -
 - Those who would be entitled to 100% support under current council tax benefit arrangements pay no more than 8.5% of their net council tax liability;
 - The taper rate does not increase above 25%;
 - There is no sharp reduction in support for those entering work;
 - There are no large additional increases in non-dependant deductions.
- Applications can only be made after the deadline for adopting schemes on 31st January.

Next steps

- Final scheme to Cabinet and Council in January 2013
- We are still awaiting the “grant” announcement from Government, which is expected in mid to late December