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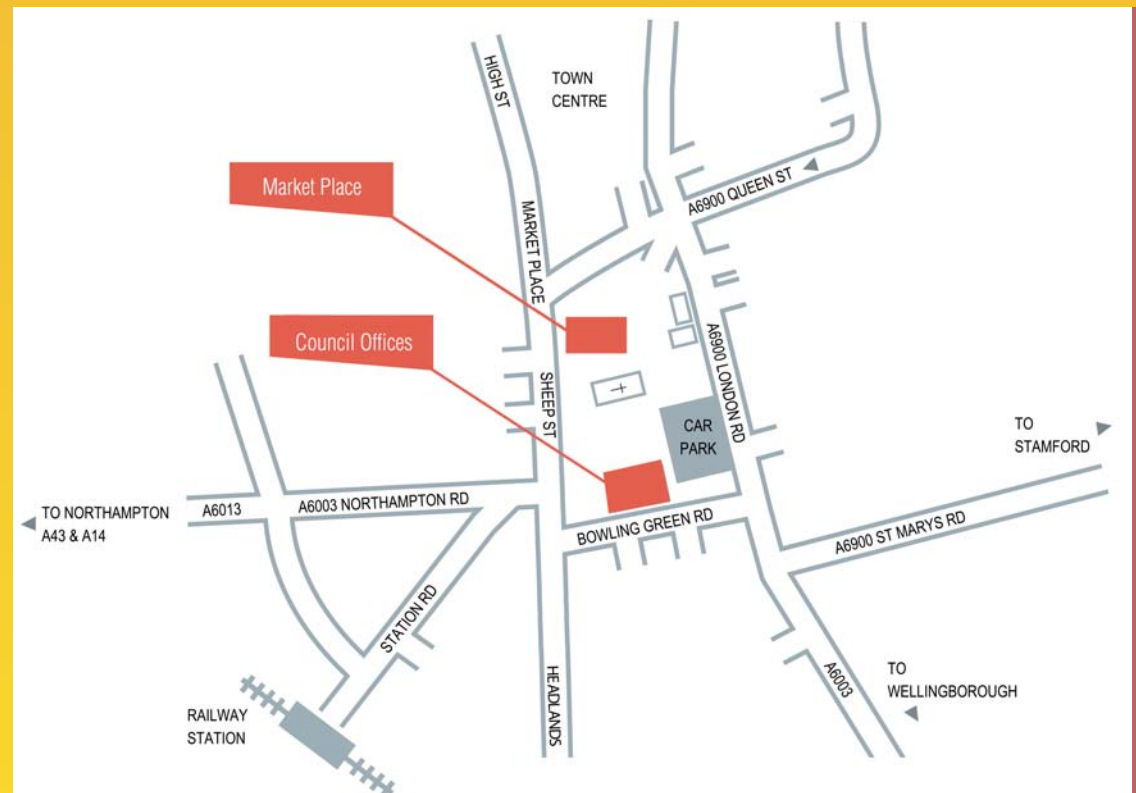
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You can respond online at:
www.kettering.gov.uk/LCTS



If you would like more information in your own language, in large print, on tape or in Braille, please contact us on **01536 410 333**.

Have Your Say

Local Council Tax Support Scheme Review



www.kettering.gov.uk/LCTS

Kettering
Borough Council

Consultation Questions

Local Council Tax Support Scheme Review

In line with government legislation, Kettering Borough Council is consulting on its Local Council Tax Support Scheme (LCTS). The consultation process will run for 8 weeks ending on the 1st December 2016 and customer feedback will be considered as part of the decision making process. Any changes to the scheme must be approved by Full Council before the 31st January 2017.

Background

Council Tax Support was introduced in April 2013 to replace Council Tax Benefit as a result of changes made by central government. Previously, 100% of the cost of Council Tax Benefit payments was reimbursed to local authorities – under the new scheme the government has reduced the level of funding provided.

As a result of reduced government funding, a new scheme for working age customers was introduced after extensive consultation. The scheme reduced the maximum award of support from 100% to 85% meaning customers had to pay at least 15% of their Council Tax bill. This was phased in over two years. Following further public consultation the scheme was subsequently changed and in 2015/16 customers needed to pay at least 25% of their bill and in 2016/17 they must pay at least 45%.

The national funding for the scheme continues to be reduced and if the scheme continues in its current format, Kettering Borough Council will face a shortfall of around £92,000 in 2017/18, or a cumulative cost over 5 years (2013 - 2018) of £17,000. This would not be in line with the council's budget guiding principles where national funding cuts are not subsidised at local level.

1. Of the four options, which do you prefer:

- Option 1** – An adjustment in the minimum amount that customers have to pay to around 68% to address the funding shortfall. Customer will pay at least 68% of their bill.
- Option 2** – An adjustment in the minimum amount that customers have to pay to around 50% to address the funding shortfall. Customers will have to pay at least 50% of their bill.
- Option 3** – An adjustment in the minimum amount that customers have to pay between 50% – 68% of their bill. Please detail below in the table.
- Option 4** – Freeze the minimum amount they will have to pay to 45%. Customers will have to pay at least 45% of their bill.

2. If you have chosen Option 3 and would prefer a different percentage reduction than those proposed, please comment below, with the rate and reasons:

3. Do you feel that the following amendments should be introduced ?

- Limit applicable amount to 2 dependent children Yes No
- Reduce absence from home outside of Great Britain to 4 weeks Yes No
- Remove work related activity component Yes No
- Remove severe disability premium where another person is paid Universal Credit (Carer's Element) Yes No

4. Do you have any other comments regarding the proposed changes to the scheme?

Please return your completed questionnaire by **1st December 2016** to:
LCTS Officer, Kettering Borough Council, Municipal Offices,
Bowling Green Road, Kettering, NN15 7QX

Alternatively you can respond to the consultation online
at www.kettering.gov.uk/LCTS



Amendment 3 – To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants

From April 2017 all new applicants of Employment and Support Allowance (ESA) who fall within the work related activity group will no longer receive the component in either their ESA or within the calculation of Housing Benefit (HB).

If not amended this will lead to different calculations for Housing Benefits and Council Tax Support.

Amendment 4 – To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carer's Element) to look after them

Someone already claiming Universal Credit (Carer's Element) who provides care to someone who is disabled currently receives a larger benefit payment than someone who receives Carer's Allowance. Removing the Severe Disability Premium for Universal Credit (Carer's Element) cases would mean that they both receive the same level of Council Tax Support.

This prevents customers in the same situation receiving different levels overall of benefit when the only difference is that one gets Universal Credit (UC) and the other doesn't. If not amended it may lead to different awards of Council Tax Support for UC claimants.



Background

The scheme is administered at a local level and is currently split between the following two areas:

- **Pensioners** - a national scheme
- **Working age customers** – a local scheme

Pensioners are protected by legislation and their scheme will remain unchanged.

This consultation relates solely to the local working age scheme.

In 2013/14 certain exemptions on empty properties were amended in order to assist funding of the shortfall in the new scheme, these amended exemptions will remain in place and no further amendments are proposed.

Proposals

The following options are available for changing the amount that customers have to pay.

Options 1 and 4 should be considered the maximum and minimum options for the 2017/18 scheme and you may wish the council to consider other options that fall between these percentages. These options are detailed at section 1 of the questionnaire.

Kettering Borough Council is therefore consulting on each of these options as follows.

Option 1

Adjust the level of a customer's maximum Council Tax Support to 32% for 2017/18 based on the "annual cost" for 2017/18 of the Council Tax Support scheme. Working age customers would have to pay at least 68% of their Council Tax bill.

Option 2

Adjust the level of a customer's maximum Council Tax Support to 50% based on the 'cumulative cost' of the Council Tax Support Scheme over 5 years. Working age customers would have to pay at least 50% of their Council Tax bill.

Option 3

Adjust the level of a customer's maximum Council Tax Support to a figure between 50% and 32%. Working age customers will have to pay between 50% - 68% of their Council Tax bill.

Option 4

A freeze in the maximum level of Council Tax Support at 55%. Customers would have to pay at least 45% of their Council Tax bill.

For all of the above options, the level of adjustment in 2017/18 may impact the level of adjustment required in future years if current policy position is to be maintained.

Impact of proposals

The average Council Tax Band for 2016/17 in Kettering is a Band B. (annual cost of £1,183.47) Of this, Kettering Borough Council receive around 13.5%, Police and Crime Commissioner receive around 13.5% and Northamptonshire County Council receive around 73%). Table 1 shows the current amount of Council Tax a customer pays in 2016/17 and the proposed amount for all options (assuming Council Tax levels in 2017/18 are the same as in 2016/17) and assumes that the customer receives the maximum support they are entitled to.

Table 1 – Level of Council Tax due (based on a Band B property in 2016/17)

Scheme	Taper*	Minimum Annual Amount to Pay	Minimum Weekly Amount to Pay
Current scheme	45%	£532.56	£10.24
Option 1 Taper* based on the 'annual cost' of the Council Tax Support Scheme	68%	£804.76	£15.48
Option 2 Taper* based on the 'cumulative cost' over 5 years of the Council Tax Support Scheme	50%	£591.74	£11.38
Option 3 Taper* based between 50% and 68%	55%	£650.91	£12.52
	60%	£710.08	£13.66
	65%	£769.26	£14.79
Option 4 Taper* based on the current scheme	45%	£532.56	£10.24

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*Taper relates to the minimum amount the customer would have to pay

Proposed Scheme Amendments that align the Council Tax Support Scheme with the national changes being made to Housing Benefit – Working age customers only

Amendment 1 - To limit the number of dependent children within the calculation for Council Tax Support to a maximum of two

Within the current scheme, claimants who have children are awarded a dependent's addition of £66.90 per child within the calculation of their applicable amount (this is the amount used as the basis in calculating the level of support).

The proposal is to limit this to a maximum of two children from April 2017. This will only affect households who have a third or subsequent child on, or after, 1st April 2017. There will be exceptions where there are multiple births after 1st April 2017, adopted children, or where households merge. This will lead to a restriction in Council Tax Support for customers that have a third or subsequent child on or after 1st April 2017.

Amendment 2 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting their Council Tax Support (CTS). It is proposed that the Council's CTS Scheme is amended to 4 weeks absence from home, when a customer is absent from Great Britain.

There will be exceptions for certain occupations such as mariners and the armed forces or where a person has to go abroad due to the death of a close relative.

When a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their CTS will cease from when they leave the country and they would need to re-apply on their return.



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