

# Member Information Service

## Information and News

### Council Tax Support Scheme

Mid Sussex Councillors approved a local Council Tax Support Scheme in January 2013. The changes will take effect from 1 April 2013 and all those currently in receipt of Council Tax Benefit, who will be potentially affected by the changes, will receive a letter in the next four weeks telling them how they may be affected.

Mid Sussex District Council local Council Tax Support Scheme protects vulnerable people without passing on the funding cut to all taxpayers. The local Scheme will see no changes to the support currently received by pensioners and those assessed by the Government as being unable to work. These groups account for around half of all those currently receiving Council Tax benefit, and include people with disabilities and lone parents with children below school age.

Some people who currently receive Council Tax Benefit will be expected to pay more of their Council Tax when the scheme is implemented and others who have not been paying anything may have to make some payments in the future.

The new arrangements also aim to support and incentivise work or return to work, guaranteeing that people keep more of the money they earn when they return to work. The scheme will also provide a longer, 12 week, 'extended payment' to help the transition from benefits to work.

In partnership with West Sussex County Council, the Council is also developing proposals to help support people into work and complement the efforts of a number of agencies already operating in the District.

The information below is designed to help you to deal with any queries you may get from your residents. A copy of the letter being sent to those people likely to be affected is also attached for your information.

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### **MID SUSSEX COUNCIL TAX SUPPORT SCHEME (CTSS) – Background and Frequently Asked Questions for Members**

#### **Background**

1. The Government has decided to replace the nationally prescribed system for Council Tax Benefit (CTB) and require councils to adopt a local Council Tax Support Scheme (CTSS) At the same time, Government has reduced the funding councils receive for the scheme by between 10-14%.
2. Members will recall that the Council considered and agreed a draft Council Tax Discount Scheme for Mid Sussex (now known as the Council Tax Support Scheme) for public consultation on the 5 September 2012.

3. Public consultation on the draft CTSS took place from 10 September to 3 December 2012. The Council publicised this consultation extensively. A press release was issued at the start of the consultation in September and this was followed up with another press release in November. An article promoting the consultation was included in the autumn edition of Mid Sussex Matters (which goes to every household in Mid Sussex) and on the home page of the Council's website. Posters were displayed in the Council offices, town and parish council offices, libraries, help points, leisure and community centres, in the Council's halls and at Job Centres. The Consultation documents were available on line and we also offered alternative options to complete the survey including, the option to complete a paper based survey. We ensured we made our consultation as accessible as possible and our documents easy to understand.
- 4 Overall, responses to the consultation supported the proposals in the draft CTSS. Two amendments were proposed following the consultation and they were both supported by the Scrutiny Committee for Leader and Service Delivery on 10 January 2013 The proposed CTSS, with these amendments, was considered and agreed by Council on 23 January 2013 for implementation on 1 April 2013.
- 5 Officers expect that Members will receive a number of queries regarding the CTSS and a small number of questions and answers have been prepared to help you respond to them. They are set out below.

## **FREQUENTLY ASKED QUESTIONS**

### **1. Why is the Government changing the system for supporting people with their Council Tax bills?**

This change is part of the Government's welfare reform changes. These changes have three overarching principles:

- People should get more overall income in work than out of work;
- People should get more overall income from working more and earning more;
- People should be confident that support will be provided whether they are in work or out of work.

Underlying this are the concepts that support should:

- Help the most vulnerable; and
- Assist in helping the poorest off benefit and supporting them in work.

### **2. What were the Council's aims in designing its local scheme?**

The Mid Sussex CTSS has been designed to:

- Protect **pensioners**;
- Protect those who are **unable to work**; and,
- **Support and incentivise** work or return to work

The scheme also ensures that the reduction in Government funding is not passed on to council tax payers in those protected groups.

### **3. When will the new CTSS start?**

1 April 2013.

#### **4. How will the scheme work?**

The existing national Council Tax Benefit Scheme is largely replicated in our local scheme.

- CTS will be claimed in the same way as CTB was before April 2013. CTS will continued be means tested, with a claimant's family circumstances, their income and their Council Tax liability being taken into account in assessing the level of support to be provided, in the same way as when CTB was claimed.
- BUT, if a claimant is not "protected", the amount of support received will, in the great majority of cases, be less.

#### **5. Who will be "Protected" in the Mid Sussex scheme?**

The approved scheme ensures that the following groups will not pay any more Council Tax than they are currently paying:

- Pensioners (in general, those who are of an age to receive state pension credits)
- Those assessed by the Department of Work and Pensions as being unable to work; and,
- Single parents with a child under 5 years old.

#### **6. What is the effect of the CTSS on those who are not protected?**

Most claimants not in one of the protected groups will be required to pay some Council Tax, possibly for the first time depending on their individual circumstances. (See question 4)

A small number who are in employment will receive more CTS than the Council Tax Benefit they previously received; this is as a consequence of the improved 'tapers' in the Mid Sussex Scheme (see question 7).

The effect on each claimant will depend on their individual circumstances. During February we will send a letter to all those who are **likely** to be affected by the local scheme. With the letter we will send a "provisional" bill that will set out the Council Tax due on their property and the amount of support they are likely to receive from April 2013. The details will be based on their circumstances and the Council Tax due at the time of preparation of the provisional bill.

According to our records based on a 'snap shot' summary 2200 claims are potentially affected. The greatest increase in amount people will have to pay ranges from £980 to 3p. The average impact is a reduction in the level of support of between £7.60 per week or £395 per annum. 44 claims have no change to their support and 160 claimants will be better off by an average of £84.87 per annum with a range between £297.88 and £0.57 a year.

The largest increases will be for those people living in high band properties.

#### **7. What does the CTSS do to "support and incentivise work or return to work"?**

There are 2 specific initiatives within the CTSS that do this:

- (a) Extended payments – on starting work a claimant may (subject to certain conditions and assuming it is beneficial) continue to receive the same level of CTS that was being provided while they were in receipt of benefit for a period of 12 weeks. (Under the current CTB rules this extension is only for a maximum of only 4 weeks). In extending the period, the claimant has certainty of support while they become accustomed to the work to help them with the transition into work.
- (b) Those in work have their CTS reduced as they start earning (or earn more once in work). Under the CTB scheme the 'loss' was 20p in the £; under the CTSS this 'loss' of earnings is reduced to 15p in the £.

#### **8. Is there any change to entitlement to the Single Person Discount?**

No. The award of a Single Person Discount is a national requirement over which the authority has no jurisdiction.

**9. A claimant has never had to pay Council Tax in the past and cannot afford to do so now, what do they do?**

The purpose of the scheme is to ensure that they are better off in work. If they are considering work they can see what benefit they may be entitled to by using the benefits calculator on the Direct Gov website (<https://www.gov.uk/housing-benefit>) they can see how much CTS they could receive by using the CTS ready reckoner on the CenSus website <http://revsandbens.centralsussex.gov.uk/300.htm>

**10. Can people spread their Council Tax payments?**

They may request to make up to 12 monthly payments (rather than the 10 as now) but an application to make 12 payments must be received by the 16 April 2013. If an application is made after this date payments can be spread over each month of the remaining Council Tax year.

They may wish to seek advice on budgeting from an advice agency such as Citizens Advice Bureau or the Money Advice Service <https://www.moneyadviceservice.org.uk/en/categories/managing-your-money>

**11. What will happen if their Council Tax Bill is not paid?**

There is no change to the way in which the Council will address these situations. In order to deal with the issue sensitively, the Authority will make every effort to encourage Council Tax payers to seek advice, talk to the CenSus Revenues team and ultimately reach an agreement to pay Council Tax. However, the authority has a responsibility to all Council Tax payers in the District to collect Council Tax outstanding. As a last resort, the Authority will consider enforcement action to collect an outstanding Council Tax debt. This may entail obtaining a liability order (at the cost of £105 to the debtor) and then taking appropriate enforcement action.

**12. Is the Council helping people into work?**

The Council is currently working with West Sussex County Council to bring forward proposals to support people into work. These proposals will be considered by the Scrutiny Committee for Leisure and Community on 2 April 2013.

For further information, please contact either;

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## News Releases

For further information on or copies of the press releases listed below, please contact the Press Office on 01444 477387 or use the following link:  
<http://www.midsussex.gov.uk/8485.htm>

PR1669 - Free health checks for National Heart Month.