

Appendix D

Council Tax Support Consultation Questionnaire

Council Tax Support Scheme 2020/21

Have your say on the Council Tax Support Scheme**Introduction**

The Council is consulting on changes to the existing Council Tax Support scheme for working age people from 1st April 2020. The Council has to decide whether to **keep the same scheme** as now and whether to **make changes** to help it work alongside Universal Credit.

The Council is very keen that you have all the information you need to provide informed answers. The background to the consultation and information about the Council Tax Support Scheme is available on the Council's website at www.midsussex.gov.uk*****. This explains how the scheme works.

If you need any support to access this information then please contact us at 01444 477264 or by email to benefit@midsussex.gov.uk.

Please confirm that you have read and understood this information:

Q1. I have read and understood the background information to the Council Tax Support Scheme:

- Yes
 No

Q2. Are you responding on behalf of yourself, another person or an organisation?

- Yourself
 Another person
 An organisation

If you are responding on behalf of an organisation / another person please provide the name and type of organisation or the name of that person and your relationship to them in the space below.

Q3. If you are responding on behalf of yourself, do you live in Mid Sussex District?
(If no please go to question 6)

- Yes
 No
 Don't Know

Q4. If you live in Mid Sussex District, do you currently receive Council Tax Support?

- Yes
- No
- Don't Know

Q5. If you receive Council Tax Support have you used our consultation calculator at www.midsussex.gov.uk to see how the proposed changes will affect you?

- Yes
- No

Keeping the Scheme the same

Questions 6 to 12 ask your views about whether the Council should continue to provide the same scheme for 2020/21 as now.

Q6. Do you agree that the Council should keep the current Council Tax Support scheme as now?

- Yes
- No
- Don't know

Q7. Please use the space below to make any comments you have on keeping the current Council Tax Support Scheme.

Changing the current CTS scheme

The following questions ask you for your opinion on proposals for changing the current scheme. This could make the scheme suitable for the changes introduced by Universal Credit.

The main effect for each change is explained in more detail in the following pages. Please remember that this scheme is only for people of working age. **Older people will not be affected** unless they are part of a couple where the other person is of working age.

The Council may decide to implement all, some or none of these changes.

We are looking at a number of changes in the proposed scheme:

1. Using a banded scheme where the percentage of Council Tax that you are liable to pay is based on which income band each household falls in to.
2. A rate of deduction for all non-dependants of £4 per week for those who are working or not claiming any DWP benefits. This excludes non-dependants in households where the claimant and/or partner are in receipt of the care component of disability living allowance or the daily living component or personal independence payments.
3. The introduction of a minimum income floor for self-employed claimants
4. Increase in backdating a maximum of 12 months providing good cause is demonstrated
5. Alignment with Housing Benefit regulations for late notified changes
6. Alignment with Housing Benefit regulations for changes that occur in year
7. Removal of second adult rebate
8. No claim form is required for CTS where UC is claimed.

1 – The introduction of an Income Banded scheme to replace the current scheme for all applicants of working age.

In calculating CTS we currently use the income that the claimant receives, disregarding in full income such as child benefit, child maintenance and some disability benefits. We also use earnings disregards which will be in line with those in Housing Benefit or Universal Credit for those who are in receipt of these benefits. The Council will then deduct the final income figure from the applicable amount which is the amount the government says you need to live on from the total income. In the case of Universal Credit claims the Council will use the maximum award of UC as the applicable amount.

We will continue to do this in the new proposed scheme. The ‘excess income’ which is the amount of income received after any ‘disregarded income’ and the applicable amount will then be used to calculate the percentage of Council Tax Support they will be entitled to. It is proposed that this is calculated as follows:

Band	Excess income	Protected Group	Non Protected Group
1	-£30 (including passported claims)	100%	60%
2	£30.00 – £59.99	80%	45%
3	£60.00 - £94.99	60%	35%
4	£95.00 – £129.99	40%	25%
5	£130.00 - £164.99	20%	15%
6	£165.00 +	0%	0%

The protected groups include anyone with an award of:-

- a disability premium within Council Tax Support or Working Tax Credit
 - the support group of Employment support allowance
 - Disability Living Allowance or Personal Independence Payment
 - Both Income Support and Carers allowance
 - A War Disablement Pension, Armed Forces Pension or Armed Forces Independence payments
 - Or any lone parent with a child under 5 years old
- a. The level of discount will be based on the total net income of the applicant and their partner;
 - b. Income levels can vary in accordance with household size and still receive the same level of discount;
 - c. Applicants who have total net weekly income less than the levels in Band 1 will receive a discount of 100% if they are in one of the protected groups, or 60% for other groups against their liability for Council Tax. This will also apply to those applicants receiving income support, income related employment and support allowance and income based jobseekers allowance. Where applicants are not in receipt of those benefits and their income is above the levels specified in Band 1, Council Tax Reduction will be awarded at the appropriate level (Bands 2-5) based on their weekly income;
 - d. Applicants who have excess weekly income levels above £165 will receive no discount;

It is inevitable that with any changes there will be people that may gain additional support from the scheme and those that may lose support. The Council is keen to protect as many applicants as possible. The Council is not intending to reduce the overall total level of support available within the scheme but there will be a redistribution of support in some cases. **Where an applicant experiences exceptional hardship, they will be able to apply for additional support from the Council under the Exceptional Hardship Scheme.**

The advantages of implementing an income grid scheme are:

- It provides a simpler scheme that is easier for applicants to understand;
- It will avoid significant increases in administration costs due to the introduction of Universal Credit
- Changes in income within the band will not affect entitlement. This will reduce the need to re-issue Council Tax bills with new instalments, making it easier to understand how much needs to be paid and when;
- Applicants in receipt of 'passported benefits' such as income support, income related employment and support allowance and income based jobseekers allowance who are in a protected group will not be affected, those not in a protected group will only be affected by 1% of their liability in comparison to the current scheme;
- There will be no need to significantly change the scheme in future years;
- The applicable amounts for claimants who are not in receipt of Universal Credit will increase in line with Housing Benefit levels year on year.

The disadvantages of implementing an income banded scheme are:

- Some applicants will see a reduction in support (the Council aims to minimise this as far as possible), whilst others will see an increase

Example Calculations

The following shows the impact of different households based on the current and the revised banded income schemes.

Household A is a single person in receipt of Jobseekers Allowance

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£73.10	£73.10
Applicable amount	£73.10	£73.10
Excess income	£0.00	£0.00
Weekly Ctax Liability	£26.87	£26.87
Weekly CTS reduction	£16.39	£16.12
Weekly Council Tax due	£10.48	£10.75
Annual Council Tax due	£544.96	£559.00

Under the current scheme the claimant would be expected to pay 39% of the liability. Under the new scheme they would be in band 1 and would have a 60% reduction and would be liable to pay 40%. The reason for this small adjustment is to simplify the scheme by using round numbers and would not have a considerable impact on the claimant.

Household B is a single parent with 5 children; one of those children is under 5 so they are in a protected group, B works 16 hours per week and is in receipt of tax credits.

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£475.80	£475.80
Applicable amount	£425.05	£425.05
Excess income	£50.75	£50.75
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£18.06	£20.54
Weekly Council Tax due	£7.61	£5.13
Annual Council Tax due	£395.72	£266.76

Under the current scheme they would not be subject to 39% reduction, under the proposed scheme they would fall into band 2 and would have an 80% reduction and be expected to pay 20% of the liability.

If Household B was on minimum wage and increased their hours to 18 per week and all other circumstances remained the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£492.22	£492.22
Applicable amount	£425.05	£425.05
Excess income	£67.17	£67.17
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£15.59	£15.40
Weekly Council Tax due	£10.08	£10.27
Annual Council Tax due	£524.16	£534.04

Under the current scheme they would not be subject to 39% reduction, under the proposed scheme they would fall into band 3 and would have a 60% reduction and be expected to pay 40% of the liability.

Using Household B again, if one of the children who is over 5 left the property to live with their other parent but all other income remained the same, working 18 hours per week, the only change would be a reduction to the applicable amount

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£492.22	£492.22
Applicable amount	£358.15	£358.15
Excess income	£134.07	£134.07
Weekly Ctax Liability	£25.67	£25.67
Weekly CTS reduction	£5.56	£5.13
Weekly Council Tax due	£20.11	£20.54
Annual Council Tax due	£1045.72	£1068.08

Under the current scheme they would not be subject to 39% reduction. Under the proposed scheme they would fall into band 5 and would have a 20% reduction and be expected to pay 80% of the liability.

Household C is a couple with 1 child; one of the couple works and they are in receipt of tax credits. They are not in a protected group.

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£271.14	£271.14
Applicable amount	£199.20	£199.20
Excess income	£71.94	£71.94
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£12.19	£10.77
Weekly Council Tax due	£18.59	£20.01
Annual Council Tax due	£966.68	£1040.52

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 3 and would have a 35% reduction and be expected to pay 65% of the liability.

If the partner in household C started working and earned £55 per week and the other circumstances remained the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£326.14	£326.14
Applicable amount	£199.20	£199.20
Excess income	£126.94	£126.94
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£7.16	£7.69
Weekly Council Tax due	£23.62	£23.09
Annual Council Tax due	£1228.24	£1200.68

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 4 and would have a 25% reduction and be expected to pay 75% of the liability.

Using Household C again, if they had another child and the partner was no longer earning £55 per week but all other circumstances were the same

	Current Scheme	Proposed Scheme
Total Weekly Income (less disregards)	£271.14	£271.14
Applicable amount	£266.10	£266.10
Excess income	£5.04	£5.04
Weekly Ctax Liability	£30.78	£30.78
Weekly CTS reduction	£18.31	£18.47
Weekly Council Tax due	£12.47	£12.31
Annual Council Tax due	£648.44	£640.12

Under the current scheme they would be subject to 39% reduction, under the proposed scheme they would fall into band 1 and would have a 60% reduction and be expected to pay 40% of the liability.

Q8. Do you agree with the change to the scheme?

- Yes
 No
 Don't know

Q9. If you disagree with this change what alternative would you propose?

2 – To standardise all Non –Dependant Deductions to £4 where there is currently a deduction

Currently where an applicant (and their partner if they have one) has other adults living with them such as adult sons or daughters, their Council Tax Support may be reduced by an amount dependent on the non dependents earnings as below

Non Deps Circumstances	Deduction from CTS per week
Not working or working less than 16 hours per week	£4.00
Aged under 25 and in receipt of Income Support, Jobseekers Allowance (Income Based), Employment and Support Allowance (Income Related) or over 25 and in receipt of Pension Credit	£0.00 (Nil)
Aged over 25 and in receipt of Income Support or Jobseekers Allowance (Income Based)	£4.00

Non Deps working 16 hours or more per week	
Gross Weekly Income	Deduction from CTS per week
Less than £208.99	£4.00
£209 – £362.99	£8.10
£363 – £450.99	£10.20
£451 and over	£12.20

There are exceptions to these deductions. If the claimant and/or partner are in receipt of the daily living component of Personal Independence Payments or the care component of Disability Living Allowance then no deduction will be taken.

The advantages of standardising all non-dependent deductions are:

- It is easier for applicants to understand
- Fewer changes to the award
- Less evidence will need to be provided to commence a claim and no evidence for a change in the non-dependants income
- Many non-dependants will be expected to contribute less than they are currently
- It is easier to administer

Q10. Do you agree with the non-dependent charge change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q11. If you disagree with this change what alternative would you propose?

3 - The introduction of a minimum income floor for self-employed claimants

The way self-employed earnings are calculated in Universal Credit is significantly different to the way we currently assess them for Housing Benefit and Council Tax Support. The way Universal Credit calculate self-employed earnings is that if the customer was not earning the national minimum wage multiplied by the number of hours they were expected to work, then they would assume a level of income equal to that. The number of hours that people are expected to work is determined by health conditions and the ages of their dependent children. We intend to follow the Universal Credit guidelines to determine these hours.

Age of your youngest child	Your responsibilities
Under 1	You do not need to look for work in order to receive Universal Credit.
Age 1	If you are not already working, you do not need to look for work in order to receive Universal Credit. You will be asked to attend work-focused interviews with your work coach to discuss plans for a future move into work and will need to report any changes of circumstances.
Age 2	You will be expected to take active steps to prepare for work. This will involve having regular work-focused interviews with your work coach, agreeing a programme of activities tailored to your individual circumstances which might include some training and work preparation activities (for example, writing your CV).
Age 3 or 4	You will be expected to work a maximum of 16 hours a week (or spend 16 hours a week looking for work). This might include some training and work-focused interviews.
Age between 5 and 12	You will be expected to work a maximum of 25 hours a week (or spend 25 hours a week looking for work). This might include some training and work-focused interviews.
Age 13 and above	You will be expected to work a maximum of 35 hours a week (or spend 35 hours a week looking for work). This might include some training and work-focused interviews. You should let your work coach know as soon as you accept a job offer, as you can claim support for your childcare costs for at least a month before you start work.

In recent years, there has been a significant move to self-employment which was encouraged by Job Centres to reduce the unemployment levels, but also undertaken voluntarily by claimants to remove the need to look for work. This has led to a number of claimants who are not in genuine and effective work.

The proposed scheme recommended by officers would take into consideration the number of hours that someone would be expected to work given their circumstances around health and parental responsibility. Officers would suggest that all existing claimants were given a year's notice from April 2020 and this will be the way their income will be assessed before it is introduced. For all new claims it would be effective from a year after the self-employment commenced which may be immediately.

The intention of using a minimum income floor, similar to that which is applied to universal credit, is to simplify the administration of having to calculate self-employed accounts which would reduce the need for complex annual reviews.

Claimant A is a single parent to a 5 year old son and 8 year old daughter, so would not be in a protected group. They are in receipt of Child Tax Credit, Working Tax Credit and Child Benefit and has been a self-employed product retailer since 2008; they are currently making a loss.

	Current Scheme	Proposed Scheme
Weekly Self Employed Net Income	£0.00	£205.25
Total Weekly Income (less disregards)	£138.94	£319.19
Applicable amount	£224.35	£224.35
Excess income	£0.00	£94.84
Weekly Ctax Liability	£35.48	£35.48
Weekly CTS reduction	£21.64	£12.42
Annual amount to pay	£719.68	£1199.12

Under the old scheme they would be subject to the 39% reduction. Under the new scheme they would fall into band 4 and have a 35% reduction.

Claimant B is a single person who is a self-employed gardener, currently earning £217.26 per week

	Current Scheme	Proposed Scheme
Weekly Self Employed Net Income	£217.26	£263.95
Total Weekly Income (less disregards)	£190.16	£236.85
Applicable amount	£73.10	£73.10
Excess income	£117.06	£163.75
Weekly Ctax Liability	£26.87	£26.87
Weekly CTS reduction	£2.11	£4.03
Annual amount to pay	£1287.52	£1187.68

Under the old scheme they would be subject to the 39% reduction. Under the new scheme they would fall into band 5 and have a 15% reduction

Advantages to using the minimum income floor

- It will encourage people to enter into genuine and effective work
- It will make the scheme easier to administer
- It will align Council Tax Support with Universal Credit making the scheme easier to understand for those in receipt of Universal Credit

Disadvantages to using the minimum income floor

- Some applicants will see a reduction in their support

Q12. Do you agree with this change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q13. If you disagree with this change what alternative would you propose?

4 - Increase in backdating to 12 months providing good cause is demonstrated

For working age customers, currently, for Housing Benefit the backdating period is 1 month with continuous good cause and for Council Tax Support it is 6 months. It is proposed in the new scheme for working age customers that a backdating period of 12 months is allowed if continuous good cause is proven.

Advantages to increasing backdating to 12 months

- Those in most need who have good cause will be able to receive more benefit. This will reduce the need for recovering Council Tax from those who would not have had to pay it if they had been in a position to claim earlier, provided good cause is proven.

Disadvantages to increasing backdating to 12 months

- There are no disadvantages

Q14. Do you agree with the change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q15. If you disagree with this change what alternative would you propose?

5 - Alignment with Housing Benefit regulations for late notified changes

We propose to adopt the late notified change rule from Housing Benefit, so that if a customer has a change in circumstances that would increase the level of support but does not notify us within one month then they will only benefit from the change from the Monday following the date that they notified us.

Advantages to aligning the late notified changes regulations with Housing Benefit:

- The system will be easier to administer

Disadvantages to aligning the late notified changes regulations with Housing Benefit:

- Claimants may lose out on support if they do not promptly notify the Council

Q16. Do you agree with the change to the scheme?

- Yes
- No
- Don't know

Q17. If you disagree with this change what alternative would you propose?

6 - Alignment with Housing Benefit regulations for changes that occur in year

If the Government make changes during the year to Housing Benefit, such as introducing the Mixed Age Couples regulations, the Council's Head of Corporate Resources in consultation with the relevant Cabinet Member Portfolio Holder can make changes to the Council Tax Support scheme during the year so that the Council Tax Support scheme mirrors the Housing Benefit Scheme.

Advantages to aligning Housing Benefit regulation changes throughout the year:

- This will make administration of the scheme easier.
- It will be more transparent to the customer.

Disadvantages to aligning Housing Benefit regulation changes throughout the year:

- Without knowing what changes may be made it is not possible to list any disadvantages, however each change will be considered separately

Q18. Do you agree with the change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q19. If you disagree with this change what alternative would you propose?

7 – Remove second adult rebate

The Council currently have a second adult rebate scheme for Mid Sussex District Council. This is not based on the customers' needs and finances, but on the income of certain adults in their household. The rebate should compensate the Council Tax payer for the loss of a single person discount due to a "second adult" with a low income being in the property, the maximum reduction is 25% of the liability. Currently 11 working age people are in receipt of second adult rebate.

Advantages to removal of second adult rebate

- It will make the scheme easier to administer

Disadvantages to removal of second adult rebate

- 11 residents who receive it in the current scheme will no longer be entitled this rebate, although they may be entitled to a lesser amount based on their current income.

Q20. Do you agree with the change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q21. If you disagree with this change what alternative would you propose?

8 – No claim form is required for CTS where UC is claimed

Currently where an applicant wants to claim Council Tax Support they must make a formal application either on-line or in writing. Where applicants claim Universal Credit from the Department for Work and Pensions (DWP) there is often either a delay in receiving a Council Tax Reduction claim or no claim is made at all leading to a potential loss in entitlement. The loss of entitlement often occurs due to the applicant not realising that they are required to make a separate claim to the Council. When a person claims Universal Credit, their award details are passed to the Council automatically. It would be a distinct advantage and simplification in administration if the Council were to take any Universal Credit data received from DWP as a claim for Council Tax Support automatically.

The advantages of using Universal Credit data to automatically claim Council Tax Reduction are:

- Universal Credit claimants will receive any Council Tax Support automatically
- If a claimant is not entitled for Universal Credit for a period of even as little as one month and then goes back into entitlement they will not need to complete a further form
- It is easier for applicants to understand
- It is simple easy to incorporate within the scheme; and
- Maintain Council Tax collection

The disadvantages of using Universal Credit data to automatically claim Council Tax Support are:

- If anyone in receipt of Universal Credit did not want to claim Council Tax Support even if they were entitled they would need to contact the Council to withdraw their claim.

Q22. Do you agree with the change to the scheme?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |
| <input type="checkbox"/> | Don't know |

Q23. If you disagree with this change what alternative would you propose?

Further comments

If you have any further comments or questions regarding the Council Tax Support scheme that you have not had the opportunity to raise elsewhere in the questionnaire, please use the space below:

Q24. Additional comments/questions

Your responses to the next five questions will help us monitor what different groups of people think about the proposed changes for the 2020/21 Council Tax Support scheme. All information you provide is completely confidential and anonymous. This means that this information will not be passed on to anyone and these details will be reported separately to your responses.

Q25. What is your gender?

- Male
- Female
- Identify as other
- Prefer not to say

Q26. What is your age?

- 18 – 24
- 25 – 34
- 35 – 44
- 45 – 54
- 55 – 64
- 65 – 74
- 74+

Q27. What do you consider your ethnic origin?

- White
- Mixed / multiple ethnic background
- Asian or Asian British
- Black or Black British
- Chinese or ethnic group
- Traveller
- Prefer not to say
- Other

If other, please specify:

Q28. Do you consider yourself to be disabled?

- Yes
- No
- Don't know

The Disability Discrimination Act defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.

Q29. Please provide details of your disability or disabilities (Please tick all that apply)

- Physical impairment
- Communication or speech impairment
- Mental Health
- Hearing Impairment
- Visual Impairment
- Learning disability/difficulty
- Long term illness or health condition

Next Steps

Due to the timescales involved and the legal requirement that the Council adopt a scheme by 11th March 2020 at the latest, this consultation will close on the 1st November 2019. This allows for an eight week consultation period and for the results to be collected and analysed.

We will listen carefully to what residents tell us and take the consultation responses into consideration alongside other evidence and information when making the final decision on the 2020/21 Council Tax Support Scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

Any new scheme will start on 1st April 2020. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.