

Proposed changes to 2019/20 Council Tax Reduction Scheme

Closing date: 12 November 2018

If you are a Haringey resident liable to pay council tax (or who may become liable to pay council tax) it is important that you read the information below and tell us what you think about the proposed changes.

You may also wish to respond to tell us your views about the financial implications of the proposals for you or the Council.



Have your say on our proposed changes to the Council Tax Reduction Scheme

Haringey Council is consulting with residents on proposals to change the current Council Tax Reduction scheme (CTRS). Please read this consultation booklet to find out more about the proposed changes, and what this could mean for you.

Background

The government abolished Council Tax Benefit in 2013 and every Council was tasked with designing its own local scheme to provide financial support to working age residents on low incomes. The scheme is called the Council Tax Reduction Scheme.

The scheme has not changed since it was introduced in 2013.

The Council is proposing to change its scheme as it applies to working age residents in the borough.

The Council is required to consult on its proposals and if the scheme proposals are agreed the Council is required to have the new scheme in place by 11 of March 2019 to start on 1 April 2019. If the proposals are not agreed the current CTRS remains the same.

What is Council Tax?

Council Tax is based on the value of your property (in one of eight bands) on 1 April 1991. It part funds local services provided by the council. The level of Council Tax a household is required to pay is based on the defined

band of the property you live in, less any discounts or exemptions for which you qualify.

As a London borough we also collect money as part of the Council Tax for the Mayor of London to provide police, fire and public transport services. This amount is included in your council tax bill.

What is the Council Tax Reduction Scheme?

The Council Tax Reduction Scheme is a way of helping people on low or no income pay their council tax bill.

Currently, working age recipients who are not protected under the existing scheme (as explained below) are awarded a reduction of up to 80.2% of their Council Tax bill.

In Haringey, over 26,000 residents currently receive some level of support under the Council Tax Reduction Scheme.

Whose entitlement to Council Tax Reduction could be affected?

All working age CTRS claimants. In addition, working-age residents who are not currently entitled to Council Tax Reduction could become entitled to it.

The level of support provided to pensioners by the scheme is determined by the government, therefore if you are a pensioner the level of support you will receive will be unaffected by the consultation proposals.

As part of its existing local scheme, the Council decided to protect working age people who were in receipt of disability related benefits or premiums by providing up to

100% support. The consultation proposals will not affect this group's entitlement to this level of support support.

Why are we proposing changes to the Council Tax Reduction Scheme?

We are proposing to change the Council Tax Reduction Scheme because we want to provide more financial support to a group of our residents who we think most need it.

We also propose to align the scheme with some national welfare changes that have taken place since the scheme was introduced in 2013.

Therefore, we want to consult with the public on our preferred option, as well as alternative options that we've explored.

We want to strike a balance between the need to provide extra financial support to a group of residents we think require it, whilst maintaining a scheme that is financially sustainable for the Council's wider budget.

What is the Council's preferred option to change the Council Tax Reduction Scheme?

Our preferred option (a) is a combination of changes to prioritise additional support:

- ☑ Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age residents with children; and
- ☑ Updating the scheme to align with some national welfare changes, some of which would affect the level of Council Tax Reduction for working-age claimants and some of which would not.

For the purposes of this consultation document, 'children' means:

- ☑ A child (i.e. a person under the age of sixteen); or
- ☑ A young person (i.e. a person aged between sixteen and nineteen) for whom child benefit is payable.

There are case studies showing the likely effect of the preferred option under the 'Case Studies' on page 6. They show the likely effect of both the increase to

100% maximum Council Tax Reduction for working-age residents with children and the alignment with some national welfare changes.

Further information about the proposal to align with some national welfare changes can be found on the Council's website: www.haringey.gov.uk/ctrs-consultation

Why would updating the scheme to align with some national welfare changes affect the level of Council Tax Reduction?

Council Tax Reduction is intended for residents who have a low income. Therefore, it is means-tested.

The existing means-test for working-age claimants is based on national welfare entitlement in 2013. The government has made changes to national welfare since 2013. This means that some of the language and figures used in the existing CTRS are out of date.

Therefore, the Council is proposing to update the means-test.

This would include:

- ☑ Updating the amounts the government says you need to live on per week;
- ☑ Updating income bands;
- ☑ Updating deduction rates; and
- ☑ Updating the language used.

The proposal to align with some national welfare changes would mostly either financially benefit working-age CTRS claimants or make no change to CTRS entitlement.

However, changes to income brackets and deduction rates could mean some working-age CTRS claimants pay up to 95p per week more Council Tax. This could happen if you live with a non-dependant adult, are not in receipt of a prescribed disability benefit or premium, and have no children in your household. Non-dependant adults are normally adult children or relatives who live with you.

The people most likely to be affected are those living with multiple non-dependants. However, for most people, it is expected that changes which could have meant they pay up to 95p per week more Council Tax would be off-set by the other proposed changes that make the CTRS more generous.

Why is this the Council's preferred option?

We recognise that since Council Tax Benefit was abolished in 2013, some residents have increasingly struggled to pay contributions towards their Council Tax. We want to provide additional financial support to residents who have children because we believe that it balances affordability with the need to provide more financial assistance to those in most need. By raising the maximum level of support to 100% for these families, we would raise the entitlement of working age residents with children to the same entitlement that working age residents in receipt of disability related benefits currently receive under our local Haringey scheme.

We also propose to update our scheme to bring it in line with some national welfare changes that have taken place since 2013. This is proposed in order to make the CTRS up to date, easier to understand and reflect changes to inflation. These changes are automatically made for pensioners each year but have not been updated for working-age CTRS claimants since 2013. Most working age people without children would also receive additional financial support based on the changes we are proposing.

We are not proposing to bring the Council Tax Reduction Scheme in line with all national welfare changes, for example introducing the two child limit. This is because we think that would worsen the financial position of residents who are already in particular need.

We think the proposal to align with some national welfare changes balances the benefit of making the CTRS easy to understand by reflecting the national welfare scheme, and the desire to provide additional financial support to residents who are the least well-off.

How much will the preferred change cost?

The proposed changes to the Council Tax Reduction Scheme would mean an additional, ongoing annual cost to the Council. This is estimated to be £1.6m in 2019/20.

Funding the preferred option

An increased cost to the Council of the scheme could realistically be funded from its General Fund budget; or through raising council tax; or using the Council's reserves, or a combination of the three.

We would propose to meet this cost from the Council's General Fund Budget. This is its Council-wide budget for the revenue costs of all Council services, except its landlord role. Regardless of whether Council Tax Reduction is increased, service areas will have to make further savings from 2019/20 due to ongoing reduction in our funding position and cost pressures. Increasing the level of Council Tax Reduction would add to the financial pressure on the Council and could mean that service areas have to make additional savings. The implications of this would have to be addressed by the Council, along with other budget changes, when setting its 2019/20 Budget and new Medium Term Financial Strategy in February 2019. This could lead to some Council services that you receive having reduced funding as a result of Council Tax Reduction being increased.

Our understanding of further future service budget cuts being necessary is based on the Council's current financial forecast for 2019/20. This model already assumes that our Council Tax would increase by 2.99% for that year, although no decision has been made on this. To generate further Council Tax income to the General Fund would require us to put Council Tax up by more than 2.99% and, under government rules, this would necessitate a local referendum to be held and a higher increase supported. We do not propose to do this to fund the Council Tax Reduction scheme.

We are also not proposing to use the Council's reserves because they can only be used once and do not provide an ongoing funding solution. We therefore do not consider it prudent to use them to meet the ongoing financial commitment of a council tax support.

We recognise these potential consequences of having to fund the proposed change to the CTRS but believe that increasing the support it provides is important for our most financially vulnerable residents.

What alternative changes to the Council Tax Reduction Scheme were considered?

- ☑ No change to the Council Tax Reduction Scheme
- ☑ Increase the maximum level of CTR from 80.2% to 100% for all Working Age Claimants
- ☑ Limit the amount of CTR received in higher value properties to the amount provided in a designated band
- ☑ Alter the capital savings limit

It should be noted that the Council could also reduce the maximum level of Council Tax Reduction from the existing rate (80.2%). However, this would not be consistent with the Council's stated purpose to provide increased support to residents in need and so is not put forward as an option here.

Option (b) No change to the existing Council Tax Reduction Scheme

We are not recommending this because we are committed to providing additional financial support to residents in receipt of Council Tax Reduction to alleviate the financial burden for families and other claimants.

Option (c) Increase the maximum level of Council Tax Reduction from 80.2% to 100% for all Working Age Claimants

We are not recommending pursuing this option because it would be a significant additional annual cost (£843,000) to the Council's budget. This would increase the additional annual cost of the scheme from an estimated £1.6m to £2.44m in 2019/20, and is considered to be more than the Council can currently afford. Our preferred option strikes a balance between providing additional support to residents most in need and the financial impact on the Council and its services.

Option (d) Limit the amount of Council Tax Reduction received in higher value properties to the amount provided in a designated band

The Council could "cap" the level of support based on the Council Tax liability of a designated Band. For example, if the limit was set at Band D, the maximum support a claimant could receive would be no more than they would get if they lived in a Band D property, even if they lived in property bands E-H.

We are not recommending pursuing this option because it would significantly increase Council Tax bills for residents who are affected by the cap (those in bands above the limit). We recognise that claimants in receipt of Council Tax Reduction are financially burdened and need support.

Option (e) Alter the capital savings limit

Currently, if a resident has more than £10,000 in capital they do not qualify for support under the Council Tax Reduction Scheme.

We are not recommending changes to the capital savings limit because we believe the £10,000 limit strikes the right balance between recognising residents have a need to save and develop sustainable long-term financial plans, and ensuring the scheme reaches the most vulnerable residents.

Case studies

The below table gives examples of how claimants in Band B properties would be affected by the Council's preferred option.

It shows the likely effect of both the increase to 100% maximum Council Tax Reduction for working-age residents with children and the alignment with some national welfare changes.

Equivalent case studies for other property bands can be found on the Council's website: www.haringey.gov.uk/ctrs-consultation

	Weekly household income	Weekly Council Tax charge	Weekly amount to pay in 2018/19	Estimated weekly amount to pay in 2019/20	Annual amount to pay in 2018/19	Estimated annual amount to pay in 2019/20	Change in annual amount to pay
Couple with 2 children; living on wages and Child and Working Tax Credits; living in a Band B property	£250.15	£23.51	£5.34	£0.00	£278.24	£0.00	-£278.24
Working lone parent with 1 child and 1 non-dependant looking for work; living on wages and Child Tax Credits; living in a Band B property	£119.52	£23.51	£8.30	£3.90	£432.80	£203.91	-£228.89
Working couple with 2 children and 1 non-dependant studying full time; living on wages and Child and Working Tax Credits; living in a Band B property	£277.35	£23.51	£7.18	£1.72	£374.18	£89.93	-£284.25
Single person on Universal Credit; living with 1 working non-dependant who earns £350 a week; living in a Band B property	£58.10	£23.51	£13.80	£12.55	£719.78	£656.40	-£63.38
Out of work couple; one receives the middle-rate care component and higher-rate mobility component of Disability Living Allowance and the other receives Carer's Allowance; living in a Band B property	£179.85	£23.51	£7.26	£6.29	£378.56	£328.88	-£49.68
Couple each working 25 hours a week living with a non-dependant couple who both work 16 hours a week and earn £100 each; living on wages; living in a Band B property	£374.88	£23.51	£21.74	£19.98	£1133.71	£1044.64	-£89.07
Single person on Jobseeker's Allowance (Income-based); living in a Band B property; qualifies for single person discount	£73.10	£17.63	£3.49	£3.49	£182.00	£182.50	£0.50

When does the consultation end?

Our consultation ends on 12 November 2018.

How can I have my say?

Online – completing the questionnaire online at: www.haringey.gov.uk/ctrs-consultation

By email – emailing CTRSconsultation@haringey.gov.uk

By post – completing and returning a copy of this questionnaire to: Consultation, 5th Floor, River Park House, 225 High Road, Wood Green, London N22 8HQ

By hand - Hand the questionnaire to any local library

Pick up a copy in your local library or come to one of our drop-in sessions:

Date / Time	Location
Thursday 13th September, between 4pm and 7pm	Marcus Garvey Library, Tottenham Green, 1 Philip Lane, Tottenham London N15 4JA
Saturday 29th September, between 10am and 1pm	Wood Green Library, 187-197A High Rd, Wood Green, London N22 6XD
Tuesday 9th October, between 3:30pm and 6:30pm	Selby Centre, Selby Road, Tottenham, London N17 8JL
Friday 19th October, between 4pm and 7pm	St Anns Library, Cissbury Rd, Tottenham, London N15 5PU
Wednesday 24h October, between 4pm and 7pm	Hornsey Library, Haringey Park, London N8 9JA
Monday 5th November, between 3pm and 5pm	Marcus Garvey Library, Tottenham Green, 1 Philip Lane, Tottenham London N15 4JA

If you have any questions, or would like extra paper copies of this questionnaire and supporting information, you can contact us by email or letter:

Email: CTRSconsultation@haringey.gov.uk

Write to: Consultation, 5th floor, River Park House, 225 High Road, Wood Green, London N22 8HQ

What are the next steps?

We will publish the results of this consultation and the following steps on our website:

www.haringey.gov.uk/ctrs-consultation

The consultation will run for 10 weeks from 3 September to 12 November 2018. The easiest way to let us have your views is by completing the online survey form at: www.haringey.gov.uk/ctrs-consultation

Here you can also view the Council's draft scheme for consultation.

If you have any questions about the consultation or would like to request a paper copy please email

CTRSconsultation@haringey.gov.uk

If you want this in your own language, please tick the box, fill in your name and address and send to the address below

Shqip

Albanian

Nëse dëshironi ta keni këtë në gjuhën tuaj, ju lutemi vendosni shenjën ✓ në kuti, shënoni emrin dhe adresën tuaj dhe niseni me postë falas në adresën e mëposhtme.

Español

Spanish

Si quiere esto explicado en su propio idioma, por favor marque el casillero adecuado, ponga su nombre, apellidos y dirección y mándelo a la dirección indicada abajo.

Polskie

Polish

Aby otrzymać to w swoim języku, zaznacz pole, wpisz swoje nazwisko oraz adres i wyślij na adres poniżej.

Tiếng Việt

Vietnamese

Nếu muốn có tài liệu này bằng ngôn ngữ của quý vị, xin quý vị vui lòng đánh dấu vào ô hộp trống tương ứng, điền họ tên và địa chỉ của quý vị và gửi đến địa chỉ dưới đây.

Soomaali

Somali

Haddii aad qoraalkan ku rabto luuqadaada, fadlan sax mari sanduukha, kusoo buuxi magaca iyo ciwaankaaga, kuna soo dir boostada hoose ee lacag la'aanta ah.

Türkçe

Turkish

Bu kitapçığın Türkçesini istiyorsanız lütfen kutuyu işaretleyip, adınızı, soyadınızı ve adresinizi yazarak posta pulu yapıştırmadan aşağıdaki adrese gönderin.

Please indicate if you would like a copy of this letter in another language not listed or any of the following formats and send to the freepost address below.

- | | | | |
|--------------------|--------------------------|----------------------|--------------------------|
| • Large print | <input type="checkbox"/> | • On disk | <input type="checkbox"/> |
| • On audio tape | <input type="checkbox"/> | • Braille | <input type="checkbox"/> |
| • Another language | <input type="checkbox"/> | <i>Please state:</i> | _____ |

Name: _____

Address: _____

**Consultation, 5th Floor, River Park House,
225 High Road, N22 8HQ**

Consultation Questionnaire

Are you:

- A Haringey resident
- A Haringey business
- A Haringey Ward Councillor
- Other

Please specify

1. To what extent do you agree with the following aspects of the Council's preferred option?

a) Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age residents with children

- Strongly Agree Agree Neither agree nor disagree Disagree Strongly disagree

b) Updating the scheme to align with some national welfare changes

- Strongly Agree Agree Neither agree nor disagree Disagree Strongly disagree

2. Do you think the Council should consider one of the alternative options mentioned on page 5?

- Yes No No opinion

3. If your answer is yes, please let us know which alternative you would prefer.

- No change to the Council Tax Reduction Scheme
- Increase the maximum level of Council Tax Reduction from 80.2% to 100% for all Working Age Claimants
- Limit the amount of Council Tax Reduction received in higher value properties to the amount provided in a designated band
- Alter the capital savings limit

4. If you would prefer one of the above alternatives, please tell us why:

5. Do you think there are alternatives (other than those above) that would better provide support to those in need?

6. The Council is proposing that if an increase in Council Tax Reduction support was put in place for 2019/20, the additional costs would be met by its services making further savings. Do you have any comments on how you think the Council Tax Reduction Scheme should be paid for?

7. Do you have any general comments about the overall consultation proposals (whether the preferred option, the identified alternative options, or any other options)?

Equal Opportunities Monitoring Form

The Public Sector Equality Duty does not expressly require the council to collect equality information. However, collecting, analysing and using the information helps us to see how our policies and activities are affecting various sections of our communities. In employment and service provision, it helps us to identify any existing inequalities and where new inequalities may be developing and take action to tackle them.

The council will gather the equalities monitoring information in a way that individuals will not be identifiable.

In addition to the nine "protected characteristics" (Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Sex, Race, Religion or Belief and Sexual Orientation) identified in the Equality Act 2010, we have added categories of Refugees and Asylum Seekers and Language in order to reflect the full diversity of Haringey.

We will be grateful if you could take a little time to complete and return this form. Please go through it and tick all the categories that most accurately describe you.

Age

Please tick one box

- | | | | | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------------|
| <input type="checkbox"/> Under 20 | <input type="checkbox"/> 25-29 | <input type="checkbox"/> 45-59 | <input type="checkbox"/> 65-74 | <input type="checkbox"/> 85-89 |
| <input type="checkbox"/> 21-24 | <input type="checkbox"/> 30-44 | <input type="checkbox"/> 60-64 | <input type="checkbox"/> 75-84 | <input type="checkbox"/> 90 and over |

Disability

Under the Equality Act 2010, a person is considered to have a disability if she/he has a physical or mental impairment which has a substantial and long-term adverse effect on her/his ability to carry out normal day-to-day activities. Haringey Council accepts the social model of disability. However, in order to be able to identify and respond to your specific needs, it is important that we know what kind of disability you have.

Do you have any of the following conditions which have lasted or are expected to last for at least 12 months?

- | | | |
|--|---|--|
| <input type="checkbox"/> Deafness or partial loss of hearing | <input type="checkbox"/> Developmental disorder | <input type="checkbox"/> Physical disability |
| <input type="checkbox"/> Blindness or partial loss of sight | <input type="checkbox"/> Mental ill health | <input type="checkbox"/> Other disabilities |
| <input type="checkbox"/> Learning disability | <input type="checkbox"/> Long term illness or condition | <input type="checkbox"/> No disabilities |

Ethnicity

Please tick the box that best describes your ethnic group

White

- British Irish

White Other

- Greek/Greek Cypriot Turkish/Cypriot
 Turkish Kurdish
 Gypsy/Roma Irish Traveller
 Other, please specify _____

Mixed

- White and Black African
 White and Black Caribbean
 White and Asian
 Other, please specify _____

Asian or Asian British

- Indian
 Bangladeshi
 Pakistani
 East African Asian
 Other, please specify _____

Black or Black British

- African
 Caribbean
 Other, please specify _____

Chinese or other ethnic group

- Chinese
 Any other ethnic background

Sex

- Male Female

Gender reassignment

Does your gender differ from your birth sex?

- Yes
 No
 Prefer not to say

Religion

Please tick as appropriate

- Christian Hindu
 Muslim Sikh
 Jewish Rastafarian
 Buddhist No Religion
 Prefer not to say
 Other, please specify _____

Sexual orientation

Please tick the box that best describes your sexual orientation

- Heterosexual Bisexual
 Gay Lesbian
 Prefer not to say

Marriage and Civil Partnership

Please tick one box

- Single Married
 Co-habiting Separated
 In a same sex civil partnership
 Divorced Widowed

Refugees and Asylum Seekers

Are you?

- A Refugee An Asylum Seeker

What country or region are you a refugee asylum seeker from?

Language

Please tick the box that best describes your language

- English Turkish
 Polish Spanish
 Albanian Somali
 Other, please specify _____

Please note:

The proposals outlined in this consultation may have financial impacts on residents in the borough. Therefore, we want to understand whether there are potential equality implications for particular groups in the borough.

We have already produced an initial Equality Impact Assessment, which sets out our analysis of who might be potentially impacted by the proposals. However, we want to use the consultation to understand the protected characteristics of respondents. This will help us strengthen the equality impact assessment and our overall assessment of the potential impact on residents in the borough.

The findings of the consultation, including the characteristics of the respondents, will be summarised in a consultation findings reports, which will inform a final decision on the proposals at Full Council in January 2019.

The report will not contain any information that could identify the people who have taken part in the consultation.

We normally destroy all consultation responses six months after the close of the consultation to ensure that personal privacy is not compromised.

All consultation responses and the information that we hold about respondents is treated as confidential, is held securely and used only for the purposes described above. Haringey Council's Privacy Statement and Record of Processing Activities can be accessed via our website (www.haringey.gov.uk/contact/privacy-statement). It contains details of our processing activities, your legal rights relating to how we use your personal data and how to exercise those rights.

