

## Camden's Council Tax Reduction Scheme consultation

### Frequently asked questions

#### **What is the Council Tax Reduction Scheme?**

Our Council Tax Reduction Scheme helps households out of work or on low incomes to pay council tax by reducing the amount they are required to pay. More than 10,000 of our poorest working-age households are not required to pay any council tax at all.

#### **Are you getting rid of the Council Tax Reduction Scheme?**

No, we're not getting rid of the scheme. We will continue to invest £25 million a year, but we do want to change it to make it fairer, simpler and more affordable. That's why we're asking residents for their feedback on the proposed new scheme before making any decisions.

#### **Why do you want to change it?**

The current scheme isn't working as well as it could. For example, some households have an income that goes up and down from week to week so for every extra £1 earned, we'll ask you to pay an extra 20p towards council tax. That's a lot of change for people on a weekly basis. Conversations with residents have told us that this makes it difficult to budget and we don't think that's fair. That's why we're proposing a scheme based on income bands so that if the amount you earn goes up or down, as long as you stay within the same band, you'll pay the same amount of council tax.

#### **Will carers or people living with a disability still get a discount on their council tax?**

Yes. If you're currently on the Council Tax Reduction Scheme and receive a disability benefit like Disabled Living Allowance, Personal Independence Payments or Carer's Allowance, you'll get a higher discount than people who don't receive a disability benefit.

#### **I'm a pensioner – will this affect me?**

No. Our proposed changes only apply to households of working-age (18 to 65 year olds in 2020) because by law, we can't make any changes to pensioners.

#### **When will the proposed changes come in?**

Subject to consultation, the new scheme will be introduced when the new tax year starts in April 2020. If this happens, we'll write to you in February 2020 to explain the changes and how we'll support you.

#### **If the new scheme is introduced, what kind of support will residents be offered?**

Support for residents will include:

- Help finding better-paid jobs to boost income
- Support and advice to manage money
- Access to a Hardship Fund for those who may be eligible for extra financial support.

## I don't pay council tax now so will I have to pay in the future?

There isn't a 'one size fits all' answer to this question because it depends on your circumstances and your income. However, if you're out of work or earn less than £84.40 per week, you won't have to pay anything.

## What will be different about the proposed new scheme?

We want to introduce a banded scheme based on your earnings and your personal circumstances. The below table explains what percentage of your council tax you'll pay. Underneath the table, there's an explanation to help you work out roughly how much your future council tax bill will be.

Your weekly earnings	You don't have children		You do have children		You're disabled or a carer	
	Your discount	The amount of council tax you'll pay	Your discount	The % you'll pay	Your discount	The % you'll pay
Out of work	<i>You'll get 100% of your council tax paid for you</i>	<b>You won't pay anything</b>	<b>You'll get 100% of your council tax paid for you</b>	<b>You won't pay anything</b>	<b>You'll get 100% of your council tax paid for you</b>	<b>You won't pay anything</b>
You earn less than £84.40 per week	<i>You'll get 100% of your council tax paid for you</i>	<b>You won't pay anything</b>	<b>You'll get 100% of your council tax paid for you</b>	<b>You won't pay anything</b>	<b>You'll get 100% of your council tax paid for you</b>	<b>You won't pay anything</b>
You earn between <b>£84.40 to £168.80 per week</b>	<i>You'll get a 55% reduction in your council tax</i>	<b>You'll pay 45% of your council tax</b>	<i>You'll get a 65% reduction in your council tax</i>	<b>You'll pay 35% of your council tax</b>	<i>You'll get a 85% reduction in your council tax</i>	<b>You'll pay 15% of your council tax</b>
You earn between <b>£168.81 to £379.80 per week</b>	<i>You'll get a 35% reduction in your council tax</i>	<b>You'll pay 65% of your council tax</b>	<i>You'll get a 45% reduction in your council tax</i>	<b>You'll pay 55% of your council tax</b>	<i>You'll get a 55% reduction in your council tax</i>	<b>You'll pay 45% of your council tax</b>
You earn between <b>£379.81 to</b>	<i>You won't get a reduction</i>	<b>You'll pay all of your</b>	<i>You'll get a 30% reduction</i>	<b>You'll pay 70% of your</b>	<i>You'll get a 45% reduction</i>	<b>You'll pay 55% of your</b>

£417.78 per week	<i>in your council tax</i>	<i>council tax</i>	<i>in your council tax</i>	<b>council tax</b>	<i>in your council tax</i>	<b>council tax</b>
You earn between £417.79 to £474.75 per week	<i>You won't get a reduction in your council tax</i>	<b>You'll pay all of your council tax</b>	<i>You'll get a 15% reduction in your council tax</i>	<b>You'll pay 85% of your council tax</b>	<i>You'll get a 30% reduction in your council tax</i>	<b>You'll pay 70% of your council tax</b>

### How do I work out roughly how much council tax I'll have to pay if the new scheme is introduced?

Follow these steps to give you an estimated figure based on how much you earn and how much your council tax is at the moment.

1. Make a note of how much your council tax would be if you paid all of it. You can do this by looking at the table below but you'll need to know what council tax band you're on. If you don't know your council tax band, visit the [Valuation Office Agency website](#) and then enter your postcode to find out. **Write this amount down and call it figure A.**
2. Next, take a look at the table above to see which income 'band' you fall into then follow the row along until you land on the percentage that matches your circumstances. The green column is for residents who don't have children, the blue column is for residents who do have children, the yellow column is for residents who are disabled or a carer. That will tell you the percentage you'll pay so write this amount down and call it figure B.
3. Once you know the percentage you'll pay, you can calculate roughly how much council tax you'll pay. Grab a calculator and then do the following:

Figure A ÷ 100 x Figure B = the amount of council tax you'll pay per year. Divide this number by 12 to work out how much you'll pay per month. If you live alone, multiply this number by 0.75 which will work out the amount you'll pay per month after your single person discount. This will be based on current council tax rates though which might change next year.

### Council tax bands

Band	Total council tax cost per year (2019/2020) (£)
A	1,041.57
B	1,215.16
C	1,388.76
D	1,562.35
E	1,909.54
F	2,256.73
G	2,603.92
H	3,124.70

**I'm in work but I keep receiving letters asking me to pay different amounts of council tax.**

We're really sorry for sending you so many letters. This is happening because at the moment, the amount of support households get changes each time income goes up or down by £1. We'd prefer to keep it simple though which is why we're proposing a banded scheme so you'll only receive a letter if your earnings go into a different band.

**My children have left school and are in work. Will the new scheme affect them?**

We want to support young adults to start working so if your children are under the age of 25 and living with you, you'll get the same discount.

**I'd like to find out more. How can I speak to someone about it before the consultation closes?**

- Visit [camden.gov.uk/ctrs](http://camden.gov.uk/ctrs) and watch the animation that explains the main changes
- Phone **020 7974 4444** to request a paper or alternative version of the consultation
- Come along to one of these **drop-in events**:

<b>Location</b>	<b>Date and time</b>
<b>Kentish Town Library</b> 262-266 Kentish Town Road, NW5 2AA	Thursday 15 August, 3 to 6pm
<b>Pancras Square Library</b> 5 Pancras Square, N1C 4AG	Thursday 22 August, 3 to 6pm
<b>West Hampstead Library</b> Dennington Park Road, NW6 5AU	Thursday 29 August, 3 to 6pm
<b>Holborn Library</b> 32-38 Theobalds Road, WC1X 8PA	Tuesday 3 September, 3 to 6pm