

FAQs - Draft Council Tax Reduction Scheme 2014-2015

What is Council Tax Reduction?

Council Tax Reduction helps people on a low income to pay their Council Tax.

What changed and when?

From April 2013 councils have had to design and operate their own local Council Tax Reduction Scheme. The Government says that people of Pension Credit age have to continue to receive the same help they would have had from Council Tax Benefit. The effect on working age people depends on the scheme adopted.

How many people in Camden receive Council Tax Reduction?

There are 25,300 households currently getting Council Tax Reduction in Camden. Of these 8,500 are of Pension Credit age. The remaining 16,800 are working age and currently have to pay 8.5% of their Council Tax bill.

What is the Pension Credit Age (100%) scheme?

If you are of Pension Credit age you will not be affected by any changes. People of Pension Credit age can have a maximum of 100% of their Council Tax paid depending on their income and other circumstances.

What is the Working Age Scheme (WA scheme)

If a person is not of Pension Credit age they will be on the Working Age scheme and their CTR will be determined by the rules of the Working Age scheme

What was Camden's 2013-14 scheme?

For the year 2013 to 2014 Camden adopted a scheme where the maximum support available to working age people would be 91.5% of their Council Tax liability, depending on their income and other circumstances they might have to pay more.

Revising the scheme

The Council is required by law to look at its scheme every year and decide whether or not to change it. We have looked at the scheme and would like to make a change in 2014 - 2015 in order to encourage people to start work or increase their working hours.

Are you consulting with residents before setting up a scheme for 2014-15?

Yes. Because we would like to make a change to the scheme we are carrying out a consultation exercise on our draft scheme for 2014-15. We need to adopt a scheme by 31 January 2014 which will come into force on 1 April 2014.

The consultation is running from 9 September 2013 to 15 November 2013.

How do I know if I will be affected?

If you are of Pension Credit age or not currently entitled to Council Tax Reduction you will not be affected by any changes we might make.

Anyone else who receives Council Tax Reduction might be affected if the scheme changes. This might affect the amount of support you get and therefore how much Council Tax you have to pay.

What options did you consider?

Before proposing our preferred option officers considered

1. Adding all working age people to a 100% scheme
2. Adding some or all of the following groups of people to a 100% scheme
 - Disabled households
 - Households affected by the Total Benefit Cap
 - Households affected by the Social Sector Size Criteria
 - Lone parents
 - Parents with children Under 5
3. Giving extra help to working households
4. Increasing Non-dependant deductions
5. Giving extra help to Foster Parents
6. Introducing a minimum amount of Council Tax Reduction that could be paid
7. Adopting a completely different scheme

More details about these options can be found in the Background Information document

What options are you consulting on?

Our preferred option is to

1. Keep the current Working Age scheme where the maximum support available to working age people would be 91.5% of their Council Tax liability
2. Increase the earnings disregards by £10 per week
Under the current scheme, if someone is working, the following amounts of earned income are ignored before we work out how much help they are entitled to. These amounts were set in 1988 and have not changed since
 - Single person - £5 per week
 - Couple - £10 per week
 - Lone Parent - £25 per week
 - Some disabled people, carers and those in special occupations - £20 per week

The Council's preferred option would be to increase these amounts by £10 per week in order to encourage people to start work or increase their hours. We could do this without reducing the help other working age people get.

Who will decide on the Council Tax Reduction scheme for 2014-15?

No decisions have been taken yet. The public consultation on our proposed scheme for 2014-15 will last for 10 weeks, from 9 September 2013 to 15 November 2013. Once the consultation closes we will consider all the feedback. A report will then be submitted to Camden's Cabinet and then considered for adoption by the Full Council (involving all Councillors) in January 2014 with the new scheme coming into force on 1 April 2014.

Will I have to re-apply when changes are made in April 2014?

If you currently receive Council Tax Reduction you will not have to re-apply in April. You will automatically be re-assessed using the new rules and this will determine what level of support you will receive in future.

How can I take part in the consultation?

There are various ways you can take part.

You can complete our online survey at www.camden.gov.uk/consultation

You can print out and complete the questionnaire at

www.camden.gov.uk/consultation

To get paper copies of this survey you can:

- telephone: Contact Camden on 020 7974 4444 (option 3)
- email: CTRSConsultation@camden.gov.uk
- write to: Benefits Office, Camden Town Hall, Argyle Street, London, WC1H 8NJ

When does the consultation start and finish?

The consultation starts on 9 September 2013 and finishes on 15 November 2013.

More Information available

We hope this Q&A section provides you with a good overview of the proposed changes.

A supporting background document which provides more detail on the options we have considered together with case study scenarios and facts and figures is available on the consultation website www.camden.gov.uk/consultation

Further information on the Local Government Finance Bill which provides more detail on localising support for Council Tax is available on www.gov.uk