

**Have
your
say**

**Council Tax
Support is
changing**



FAREHAM
BOROUGH COUNCIL

Introduction

Since 1 April 2013, all local councils have been responsible for deciding how to help those people on a low income pay their Council Tax. Before this, the Government set the rules. Now they only set the rules for pensioners.

Last year we asked you how you thought a local scheme should work and using the feedback you gave us, the Council developed a Council Tax Support scheme that made sure:

- Every working age claimant paid some council tax
- The most vulnerable were protected from any changes
- People who can work were encouraged to do so.

This support scheme was put in place from 1 April 2013 and will run until 31 March 2014.

The time has now come for us to decide how to support people from 1 April 2014. This booklet will show you the ideas the Council has and the impact these may have.

If the Council does not make these changes it may mean that there is less money to spend on providing services to people living in the Borough, or the council tax for everyone would need to increase. The last part of the booklet explains how you can get involved in deciding the new scheme.

What is Council Tax Support?

Some people receive Council Tax Support. It helps those people on a low income to pay their Council Tax. The Government gives the Council some of the money it needs to fund Council Tax Support.

Each local council sets their own rules about who can claim Council Tax Support. If somebody meets those rules, they will receive some money towards their Council Tax bill. This is paid directly into their Council Tax account – no money is paid directly to any individuals.

In Fareham, we estimate that we will spend £4 million on Council Tax Support.

What are the changes to the rules the Council is thinking about?

We haven't decided yet how the rules will change, but below are a number of rule changes we are considering for the new scheme (please remember that these changes will not affect pensioners). If the Council does not make these changes it may mean that there is less money to spend on providing services to people living in the Borough.

- **Every working age claimant should pay the first 20 or 25% of their council tax bill:** At the moment, our local scheme covers up to 91.5% of some peoples' Council Tax. This might change so that these people pay more of their Council Tax. This is a way of making sure that the impact is spread to all claimants.
- **Capping the Council Tax support to a Band C:** Under our current rules, a person can get 91.5% Council Tax Support no matter how large their house is. This could change so that a person's Council Tax Support would be no higher than that given for a smaller house (a band C property).
- **All non-dependents to pay something:** Where people have adults living with them who are not dependent upon them (for example grown up children), the non-dependent adult will be expected to contribute a standard rate of £3.65 per week towards the household Council Tax bill.

Supporting residents

Protecting the most vulnerable

As well as pensioners, the Council would also like to continue to protect the most vulnerable working age people from the rule changes:

- People with severe disabilities
- People who receive war pensions or war widows pensions

Introduce a scheme of Transitional Protection: If the changes we are thinking about are introduced, it will mean that some people have to pay more council tax and this could cause them financial hardship.

Extra help could be made available to help them move onto the new Council Tax Support Scheme

How could these possible changes affect different people?

The following scenarios will help give an idea of how different people could be affected by the changes we are considering for the new scheme:

Scenario 1

Mrs A is a lone parent living in her own home with two children under 10. She is working 16 hours per week.

Her weekly Council Tax charge is £17.78 and she currently receives £8.51 Council Tax Support per week, which means she has to pay £9.27 Council Tax per week.

From April 2014, her Council Tax Support will drop to £6.46 per week meaning she has to pay £11.32 Council Tax per week.

Mrs A's Council Tax bill will increase by £107

Scenario 2

Mr & Mrs B live in council accommodation with one child under 10. Mr B is disabled and Mrs B works 25 hours per week. Mr B is not classed as severely disabled.

Their weekly Council Tax charge is £20.75. Because their income is so low they currently receive maximum Council Tax Support of £18.98 per week which means they have to pay £1.77 Council Tax per week.

From April 2014, their Council Tax Support will drop to £16.59 per week meaning they will have to pay £4.16 Council Tax per week.

Mr & Mrs B's Council Tax bill will increase by £124.

Scenario 3

Mr & Mrs D are a couple with 2 children. They own their own home which is in Council Tax Band E. Mr D is unemployed and claiming Job Seekers Allowance.

Their weekly Council Tax charge is £32.60. Because their income is so low they currently receive maximum Council Tax Support of £29.83 per week which means they have to pay £2.77 Council Tax per week.

From April 2014, their Council Tax Support will drop to £18.77 per week because their support will be limited to the level that would be given for a smaller house (band C property). This means they will have to pay £13.83 Council Tax per week.

Mr & Mrs D's Council Tax bill will increase by £566.

How can I tell you my views?

Online: Visit www.fareham.gov.uk/consultations where there is an online consultation form which allows you questions about the possible changes.

E-panel: If you are a member of the E-panel we will be asking you to complete the consultation form.

Paper survey: You can get paper copies of the consultation materials by phoning 01329 236100 or visiting the Civic Offices. You can also ask for different formats.

If you have any questions please email us at benefits@fareham.gov.uk

If you would like this document in another format please contact us.

The consultation will close at 5pm on Friday 4 October.

No decisions have been made about the issues we are consulting on. Your views and ideas will form part of any recommendations we make.

A meeting of all councillors will make the final decisions on how the scheme will be run. We expect this will be early in December.

The new scheme will start from April 2014.