

Council Tax Support

Feeding back to you

Why we consulted

Last year Central Government announced that from April 2013 the national benefits scheme (which sets out who can get help towards paying their Council Tax) would be abolished and instructed councils to create a new local Council Tax Support scheme. In September 2012 the Council developed a proposed scheme, taking into account £3 million less funding from Government.

We wanted to engage with residents currently receiving Council Tax Benefit as well as those who are not to help ensure that our scheme reflects the needs of residents living within Gateshead.

When we consulted

September – November 2012

How we consulted

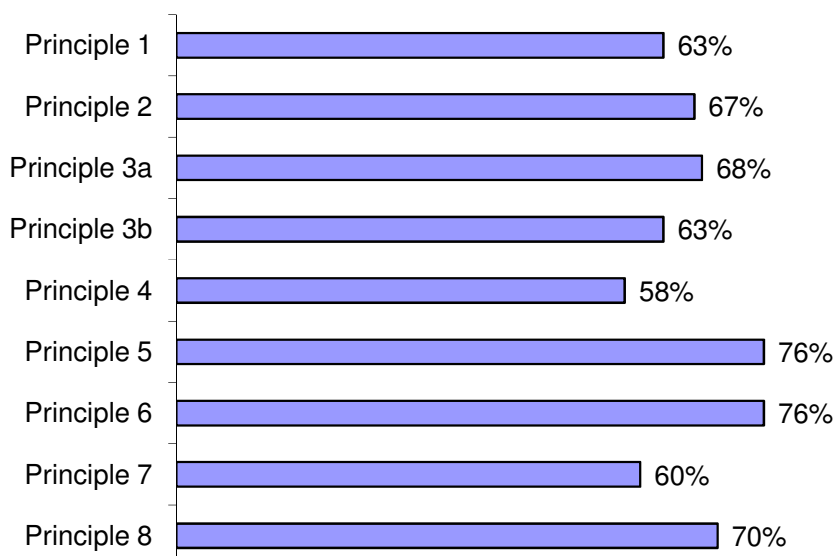
This consultation included a survey which was made available on the council's on-line consultation system, libraries and houses offices across Gateshead and sent to our Viewpoint panel members. We also held several face to face consultation events across Gateshead and an information stand was available at Gateshead Civic Centre on key dates within consultation period.

Feedback

We asked residents to tell us how much they agreed or disagreed with the eight principles set out in the scheme which are used to work out how much support residents receive.

A total of 513 residents completed the survey which included some of our viewpoint panel members. The chart below shows that at least over half told us that they either agreed strongly or tended to agree with each principle. Many respondents also made comments about the principles which have been taken into account when producing the revised scheme which will be implemented from 1 April 2013.

Agreement with Principles (Strongly or Tend to)



Many other factors, including the results from the consultation influenced the new revised scheme and principles within it including:

- The reduction in Government funding of around £3 million
- Announcement of a Government Grant of £486,000 for 2013/14 only
- The potential effects on residents
- The potential effects on the Council's financial position

Analysis of the Principles

The following provides more detailed analysis from the consultation for each scheme principle and the final scheme principles which will take effect from 1 April 2013.

Principle 1: We originally proposed that everyone should pay at least 20% of their council tax

63% of respondents agreed with this (strongly or tended to), however respondents expressed concerns about:

- how people could afford to pay if they were on a low income
- the effect of other welfare reform changes being introduced at the same time
- concern that poor families may turn to other forms of lending to make ends meet (loan sharks or payday loan providers).

Principle 1- Final Scheme

From 1 April 2013 all working age claimants will pay at least 8.5% of their council tax bill, before receiving support from the council.

Principle 2: We originally proposed to increase the amount of earnings not counted as weekly income when working out benefit entitlement

67% of respondents agreed with this principle (strongly or tended to) and agreed that this would provide an incentive to take up paid employment. However, some felt that the amount of earnings disregarded should be more generous. Availability of employment opportunities was also raised as a concern.

Principle 2 – Final Scheme

From 1 April 2013 the Council will increase the amount of earnings disregarded when working out council tax support as set out in the proposed scheme.

Principle 3a: We originally proposed that everyone in the household should contribute (aged 18 or over): Non Dependants, for example son or daughter living with the claimant

68% of respondents agreed with this principle (strongly or tended to), however, some people also thought that there should be certain exceptions such as disabled people.

Principle 3a – Final Scheme

From 1 April 2013 contributions from other adults will increase in line with government recommendations and be on a sliding scale according to income.

Principle 3b: We originally proposed that everyone in the household should contribute: Second Adult Rebate

63% of respondents agreed (strongly or tended to) with this principle that there will be no second adult rebate and that any other adults in the household will be expected to contribute towards the householders Council Tax bill, regardless of their income.

Final Scheme - Principle 3b

From 1 April 2013 the Second Adult Rebate Scheme will cease.

Principle 4 – We originally proposed that benefit should not be paid to those with large capital such as savings or investments amounting to £6,000 or over

58% of respondents agreed (strongly or tended to) that those with relatively large amounts of capital should pay more towards their Council Tax by introducing a threshold. However some thought that they were being penalised for being prudent and saving for their future and that the principle was therefore a disincentive to save. Most respondents thought the proposed threshold was too low.

Principle 4 – Final Scheme

From 1 April 2013 the level of savings a claimant can have will remain at £16,000. As in the previous scheme, a tariff will be applied for savings held between £6k - £16k.

Principle 5 – We originally proposed that war pensions should not be included as income when calculating Council Tax Support

76% of respondents agreed (strongly or tended to) that War Pensions should not be counted as income in calculating Council Tax Support entitlement. Some respondents thought that all income should be taken into account regardless of the source and that those in receipt of war pensions should not be treated differently.

Principle 5 – Final Scheme

From 1 April 2013, in recognition of the sacrifices made by war pensioners, war pension income will be excluded as income when calculating council tax support.

Principle 6 – We originally proposed that there should be a minimum level of support

76% of respondents agreed (strongly or tended to) that the current minimum level of support (1p per week) was too low and proposed that this should be increased to at least £1.00 per week.

Principle 6 – Final Scheme

From 1 April 2013 the minimum award of council tax support will be £1 per week.

Principle 7 – We originally proposed that all child benefit would be included as income when calculating council tax support, except any income received for the first child.

60% of respondents agreed (strongly or tended to) with this principle, however, some thought that all Child Benefit should be disregarded as it is paid to help raise the child. Many respondents asked for the proposal to be reconsidered, offering a number of alternative suggestions.

Principle 7 – Final Scheme

From 1 April 2013 all child benefit income will be disregarded when calculating council tax support.

Principle 8 – We originally proposed establishment of a discretionary fund

70% of respondents agreed (strongly or tended to) that the discretionary fund was vital to help those in genuine need but expressed the view that it could be exploited and therefore the Council should closely monitor claims and expenditure.

Principle 8 – Final Scheme

From 1 April 2013 a discretionary fund will be established and will allow for additional support to be provided to the vulnerable in exceptional circumstances.

Next Steps

Because the grant funding is available for 2013/14 only, there will be a requirement to re-design the scheme for 2014/15. As a result we will be required to consult on any revised proposals in Autumn 2013.