

Council Tax Reduction Scheme consultation

How to have your say

You can take part in the consultation online at hackney.gov.uk/CTRS

Have your say on Hackney's proposed changes to the Council Tax Reduction Scheme

Hackney Council is consulting residents on proposals to revise the current Council Tax Reduction Scheme (CTRS). Please read this consultation summary to find out more about the proposed changes, and what this could mean for you.

What is the Council Tax Reduction Scheme?

The CTRS helps residents on a low income to pay their Council Tax. Under the current scheme, a Hackney resident liable for Council Tax could get up to 100% of the charge paid through the scheme if they are a pensioner, or up to 85% of the charge paid if they are of working age (i.e. the Council Tax Bill Payer is under pension credit age).

The amount of support a household can get through the scheme is determined through a "means test" – this means we look at your total income and any money that you and your partner (if you have one) have as savings. We then compare it against a minimum allowance that you need to live on, depending on your circumstances.

At the moment, the Council Tax Reduction Scheme helps around 27,000 Hackney residents on a low income to pay their Council Tax.

Why are we reviewing the current Council Tax Reduction

Scheme? When Hackney's Council Tax Reduction Scheme was last changed in 2019 we promised to keep the scheme under review and in his manifesto the Mayor, Phillip Glanville, promised that the council would reduce the minimum contribution for the lowest income households.

Hackney Council is proposing to increase the amount of support it provides to those struggling to pay their Council Tax. The changes would mean that those who qualify for the Council Tax Support Scheme (CTRS) will get up to 90% paid if they are of working age - up from 85%. Pensioners and young people leaving care will continue to get up to 100% of their Council Tax paid. The Council has committed to regularly review its CTRS, to ensure the borough's poorest residents are not disproportionately affected by Council Tax increases.

Whilst Hackney Council wants to provide additional financial support to our poorest residents, due to the cut in money available to the Council, the options available are limited. Over the period 2010-11 to 2023-24, it is estimated that the Council suffered a £150m real terms reduction in its Spending Power (the Government's measure of our resources) which is equivalent to 33%. The Council therefore needs to strike a balance between the need to provide extra support to residents who we think need it, while maintaining a scheme that is financially sustainable for the Council's wider budget and limits the impact on our ability to deliver essential front line services that residents depend on. For these reasons the Council wishes to review the current arrangements to develop a scheme that is affordable and fair to both Council Tax Payers and to those who benefit from the support. It is intended that these changes will take effect from **1 April 2024**.

How do the proposed changes affect me?

If you are of working age and currently receive help through the Council Tax Reduction Scheme you are going to be directly affected. However, even if this is not the case, as a Council Tax payer you have an interest in ensuring the Council is spending the money it receives through both government funding and through Council Tax receipts appropriately. It is important that the Council gets the views of all Hackney residents regardless of whether they receive Council Tax Reduction or not.

The Council is legally required to consult with its residents when it makes changes to some of its services, and the Council Tax Reduction Scheme is one of those services.

What is the Council's preferred option for amending the Council Tax Reduction Scheme?

Our preferred option is to:

- Decrease the minimum contribution which all working age CTRS recipients have to pay from 15% to 10% of their Council Tax liability, regardless of income and circumstance.

Why is this the Council's preferred option?

While the amount of money the Council gets from the government to fund the Council Tax Reduction Scheme has been reduced year on year since the scheme began, the Council recognises that the impact of welfare reform has been greatest on our poorest residents and the council feel that we can no longer pass so much of this on to our poorest households.

The option of decreasing minimum contributions from 15% to 10% balances both the increasing financial pressures that our low income households face, against the ongoing cuts in government funding.

The Council's long term ambition is to reduce contributions to 0, returning it to a fully paid benefit as it was before Government reforms in 2012. We will be bringing forward proposals in future years that will take us towards this.

	Estimated expenditure for this year	Estimated expenditure for 2024/25
Current scheme	£29.32 million	£31.01 million
Proposed new scheme	Not applicable	£32.27 million

The proposed change increases total scheme costs by £1.25m in comparison to costs if the current scheme were to be retained into 2024/25. Average Council Tax Support for working age households under the proposed scheme increases by 6.41% compared to the current scheme maintained into 2024/25. Scheme costs for UC households increase by 6.54%, whilst costs for households on legacy benefits increase by 6.29%.

Why does the proposed change only affect Working Age households?

All pension age applicants who qualify, will continue to receive the same level of support. You are classed as a pensioner if you have reached the qualifying age for pension credit or if you are a couple and one of you has reached the qualifying age for pension credit.

Where will you find the money to fund the increased expenditure on the scheme?

The increased cost to the scheme under our preferred option could be funded through the Council's General Fund budget, while still allowing other front line services to manage the savings required due to ongoing reductions in our funding and increasing demand.

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

The Council considered leaving the existing Council Tax Reduction unchanged, but recognised the severe financial pressures which the borough's low income households are currently facing.

What will I be asked to pay?

We have worked out what impact the proposed change would have based on an assumed increase of 4.99%, the actual change to Council Tax for 2024 may be different to this.

Council Tax Band	Estimated Council Tax Charge for 2024/5*	Minimum Weekly Contribution required in 2024 (15%)*	Minimum Weekly Contribution required in 2024 (10%)*
A	£1241.19	£3.57	2.38
B	£1448.04	£4.17	2.78
C	£1654.92	£4.76	3.17
D	£1861.78	£5.36	3.57
E	£2275.51	£6.55	4.36
F	£2689.23	£7.74	5.16
G	£3102.97	£8.93	5.95
H	£3723.55	£10.71	7.14

***Based on assumed Council Tax increase of 4.99%**

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The following scenarios are examples of how residents of working age will be affected by the proposed scheme.

A single person over 35 with no dependants; not working receiving basic rate Universal Credit; living in a Band B property			
Assumed weekly household income 2024/25	Estimated weekly Council Tax Charge 2024/25 (includes 25% single person discount)	How much they would pay per week In 2024/25 existing CTR scheme	What they would pay per week in 2024/25 proposed scheme
£85.09	£20.83	£3.12	£2.08

A single person over 35 with no dependants; working 16 hours a week (minimum wage); living in a Band B property			
Assumed weekly household income 2024/25	Estimated weekly Council Tax Charge 2024/25 (includes 25% single person discount)	How much they would pay per week In 2024/25 existing CTR scheme	What they would pay per week in 2024/25 proposed scheme
£162.88	£20.83	£17.74	£16.70

Couple,partner disabled, with 4 children, one disabled; Wages £132 pw, Universal Credit £420.70 ; living in a Band D property			
Assumed weekly household income 2024/25	Estimated weekly Council Tax Charge 2024/25	How much they would pay per week In 2024/25 existing CTR scheme	What they would pay per week in 2024/25 proposed scheme
£552.70	£35.71	£31.76	£29.97

Unemployed couple with 1 non-dependant who works earning £250 per week, living in a Band C property			
Assumed weekly household income 2024/25	Estimated weekly Council Tax Charge 2024/25	How much they would pay per week in 2024/25 existing CTR scheme	What they would pay per week in 2024/25 proposed scheme
£133.57	£31.74	£14.16	£12.57

Couple with 2 children attending school; one working, wages £100pw, Universal Credit £268.48; living in a Band D property			
Estimated weekly household income 2024/25	Estimated weekly Council Tax Charge 2024/25	How much they would pay per week 2024/25 existing CTR scheme	What they would pay per week in 2024/25 proposed scheme
£368.48	£35.71	£25.36	£23.57

Other help available to pay your Council Tax

There are other avenues of support to help you pay your Council Tax bill that are separate from the Council Tax Reduction Scheme.

The Council has in place a discretionary hardship scheme for those who have difficulty paying their Council Tax and cannot get any assistance through the CTRS, or the assistance received still does not fully cover their bill. Additional help can be given to households that are vulnerable and/or under particular stress. Each application is considered on its individual merits and will be based on your Council Tax bill after any discounts, exemptions, reductions for disabilities or support have been deducted.

In addition, the Council provides extra help to Hackney's Care Leavers - young people aged 18 plus who have been looked after by Hackney Council for a certain amount of time.

Care leavers will continue to get 100% of their Council Tax paid, provided:

- They are under the age of 25
- They live in the London Borough of Hackney
- They have claimed all the Council Tax discounts and support to which they are entitled, such as a single person discount, student exemption or assistance from the Council Tax Reduction Scheme.

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Taking part in the consultation

The consultation will run from **14th August 2023** to **24th September 2023**. The easiest way to let us have your views is by completing the online survey form at: <http://hackney.gov.uk/CTRS>

If you would like to speak to someone about the scheme or to request a paper copy, call **0208 356 5594** or email benefits-temporary@hackney.gov.uk.

After the consultation closes, all responses will be analysed and considered by the Council. The Council is required to approve any new scheme by **31 January 2024**. Any changes to the scheme would affect current and future claimants from **1 April 2024**.

Consultation questionnaire

To what extent do you agree or disagree with the Council's preferred option of updating the current scheme and increasing the minimum contribution required from working age recipients from 15% to 10%?

Strongly agree Neither agree nor disagree Agree Disagree Strongly disagree

Please provide additional comments to support your response

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About you

This information will help us to understand our service users and residents, allowing us to establish if the response to the questionnaire is representative of the borough. All information is used under the strict controls of the 1998 Data Protection Act and the 2016 General Data Protection Regulations (GDPR).

This information is **optional** and will not be used in a way that identifies you.

Which best represents you (pick more than one if applicable):

Responsible for the Council Tax bill

Receiving Council Tax Reduction

Voluntary organisation / advisory service (please specify in the box below)

Other (please tell us if you wish)

Are you a:

Pensioner Carer

Family with one or two dependent children Student

Family with three or more dependent children Lone parent

household Part time worker Full time worker Someone who is disabled Single person

Service personnel / Ex-Service personnel War widow / war widower

Couple with no children Other (please specify)

Gender - are you ...

Male

Female

Non Binary

Another term

Prefer not to say

If you prefer to use your own term please provide this here:

Age – what is your age group?

Under 16

16-17

18-24

25-34

35-44

45-54

55-64

65-84

85+

Disability - Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes

No

Caring responsibilities - A carer is someone who spends a significant proportion of their time providing unpaid support to a family member, partner or friend who is ill, frail disabled or has mental health or substance misuse problems.

Do you regularly provide unpaid support caring for someone?

Yes

No

Ethnicity - are you ...

Asian or Asian

British Black or Black British

Mixed background

White or White British

Other ethnic group (please specify)

Religion or belief

Atheist/no religious belief

Buddhist

Charedi

Christian

Hindu

Jewish

Muslim

Secular beliefs

Sikh

Any other (please specify)

Sexual orientation - are you...

Heterosexual

Bisexual

Gay man

Lesbian or Gay woman

Pansexual

Asexual

Queer

All other sexual orientations

Prefer not to say

If you would like to find out what this document says please tick the appropriate box, put your name, address and phone number at the bottom of this page and return it to the address below.

Bengali

এই দলিলে কি লেখা আছে সে সম্পর্কে যদি আপনি জানতে চান তাহলে অনুগ্রহ করে উপযুক্ত ব্যাগে টিক দিন, এই পাতার নিচে আপনার নাম, ঠিকানা ও ফোন নম্বর লিখুন এবং এটি নিচের ঠিকানায় ফেরত পাঠান।

Somali

Haddii aad jeclaan lahayd in aad ogaato waxa dokumeentigani sheegayo fadlan calaamadi godka ku haboon, ku qor magacaaga, cinwaanka iyo telefoon lambarkaaga boggan dhankiisa hoose ka dibna ku celi cinwaanka hoose.

French

Si vous désirez connaître le contenu de ce document, veuillez cocher la case appropriée et indiquer votre nom, adresse et numéro de téléphone au bas de cette page et la renvoyer à l'adresse indiquée ci-dessous.

Spanish

Si desea saber de lo que trata este documento, marque la casilla correspondiente, escriba su nombre, dirección y número de teléfono al final de esta página y envíela a la siguiente dirección.

Kurdish

Ger hun dixwazin bizanibin ku ev dokument çî dibêje, ji kerema xwe qutîka minasib îşaret bikin, nav, navnîşan û hejmara telefona xwe li jêrê rûpel binivîsin û wê ji navnîşana jêrîn re bişînin.

Turkish

Bu dökümanda ne anlatıldığını öğrenmek istiyorsanız, lütfen uygun kutuyu işaretleyerek, adınızı, adresinizi ve telefon numaranızı bu sayfanın alt kısmına yazıp, aşağıdaki adrese gönderin.

Polish

Jeśli chcesz dowiedzieć się, jaka jest treść tego dokumentu, zaznacz odpowiednie pole, wpisz swoje nazwisko, adres i nr telefonu w dolnej części niniejszej strony i przeslij na poniższy adres.

Vietnamese

Nếu bạn muốn biết tài liệu này nói gì hãy đánh dấu vào hộp thích hợp, điền tên, địa chỉ và số điện thoại của bạn vào cuối trang này và gửi lại theo địa chỉ dưới đây.

Urdu

اگر آپ یہ جاننا چاہتے ہیں کہ دستاویز میں کیا لکھا ہے تو ازراہ کرم مناسب باکس میں صحیح کا نشان لگائیے اور اپنا نام، پتہ اور فون نمبر اس صفحہ کے نیچے لکھیے اور اسے نیچے دیئے گئے پتہ پر واپس بھیج دیجئے۔

Chinese

如果你想知道這分文件的詳細內容，請在方框內打鉤，在本頁下面寫下你的名字、地址和電話號碼並寄到下面的地址。

If you would like this document in any of the following formats or in another language not listed above, please complete and send the form to the address below.

In large print
On Disk

In Braille
On audio tape

In another language, please state:

Name:
Address:
Tel:

Return to:

Please return this completed questionnaire to arrive no later than 24 September 2023 to **CTRS Consultation, Consultation Team, London Borough of Hackney, Mare Street, London E8 1EA.**

Thank you for taking part in this consultation.

CTRS Consultation, Consultation Team,
London Borough of Hackney, Mare Street, London E8 1EA.

