

Proposed changes to 2024/25 Council Tax Reduction Scheme

If you are a Haringey resident liable to pay council tax (or who may become so in future) it's important that you read the information below and tell us what you think about the proposed changes.

You may also wish to respond to tell us your views about the financial implications of the proposals for you or the Council.

Closing date: 03 January 2024

Have your say

Have your say on our proposed changes to the Council Tax Reduction Scheme Haringey Council is consulting with residents on proposals to change the current Council Tax Reduction scheme (CTRS).

Please read this consultation booklet to find out more about the proposed changes, and what this could mean for you.

Background

The government abolished Council Tax Benefit in 2013 and every Council was tasked with designing its own local scheme to provide financial support to those residents on low incomes. The scheme is called the Council Tax Reduction Scheme. The scheme was last amended in 2022.

The Council is proposing to make amendments to its scheme as it applies to working age residents in the borough.

The Council is required to consult on its proposals and if the scheme proposals are agreed the council is required to have the new scheme in place by 11 March 2024 to start on 1 April 2024.

If the proposals are not agreed by the Council then the current CTRS scheme remains in place.

What is Council Tax?

Council Tax is based on the value of your property (in one of eight bands) on 1 April 1991. It part funds local services provided by the council. The level of Council Tax a household is required to pay is based on the defined band of the property you live in, less any discounts or exemptions for which you qualify. As a London borough we also collect money as part of the Council Tax for the Mayor of London to provide police, fire and public transport services. This amount is included in your council tax bill.

What is the Council Tax Reduction Scheme?

The Council Tax Reduction Scheme is a way of helping people on low or no income pay their council tax bill. Currently, working age recipients who are not protected under the existing scheme (as explained below) are awarded a reduction of up to 100% of their Council Tax bill where they have dependents and up to 80.2% of their Council Tax bill where they do not have dependents.

In Haringey, more than 27,000 residents currently receive some level of support under the Council Tax Reduction Scheme.

Whose entitlement to Council Tax Reduction could be affected?

All working age CTRS claimants. In addition, working-age residents who are not currently entitled to Council Tax Reduction could become entitled to it.

The level of support provided to pensioners by the scheme is determined by the government, therefore if you are a pensioner the level of support you will receive will be unaffected by the consultation proposals.

As part of its existing local scheme, the Council has decided to protect working age people who were in receipt of disability related benefits or premiums by providing up to 100% support. The consultation proposals will not affect this group's entitlement to this maximum support.

Why are we proposing changes to the Council Tax Reduction Scheme?

Each year the government makes changes to pension-age Council Tax Reduction rules but these changes are not automatically made to the working-age scheme. We are proposing to change the Council Tax Reduction Scheme to introduce some of these changes to provide greater clarity of entitlement, reduce complexity and simplify the administration.

Therefore, we want to consult with the public on our preferred option, as well as alternative options that we've explored. We want to strike a balance between the need to provide extra support to residents we think require it, whilst maintaining a scheme that is financially sustainable for the Council's wider budget.

What is the Council's preferred option to change the Council Tax Reduction Scheme?

Introduce new Capital Disregards.

This proposal would have a positive impact on residents who have received certain compensation and support payments, which will not be counted towards the maximum amount of savings and investments residents can have when claiming Council Tax Reduction. Under this proposal, payments made under the following schemes would be disregarded:

- Windrush payments
- Historical child abuse payments
- Grenfell Tower support payments
- Child disability payments
- Payments made by the Child Migrant Trust
- Compensation payments for DWP errors
- We love Manchester emergency fund
- Payments made due to an error of law
- Scottish Infected Blood Support Scheme
- An approved blood scheme
- London Emergencies Trust
- Thalidomide payments
- Payments made under Section 49 of Children and Families Act 2014

Include Scottish and Welsh legislative changes for residents moving into the borough.

These proposed changes will simplify administration of Council Tax Reduction and will positively impact claimants moving into the borough from either Scotland or Wales. The changes will update the scheme with changes in Scottish and Welsh legislation to align with the pension-age scheme. These changes will not change the cost of the scheme significantly as claimants would need to have moved into the borough. Under the proposal, the following changes will be made:

- Residents will be treated as disabled if they receive Adult Disability Payments, and these payments will be disregarded as income.
- Including Child Disability Payments as a qualifying condition for the enhanced disability premium.
- Scottish social security payments will be disregarded as capital.

- The childcare definition will be updated to include people employed by a domiciliary support service and charges referred to in the Fostering Panels (Establishment and Functions) (Wales) Regulations 2018.
- Care and Support payments made under the Social Services and Well-being (Wales) Act 2014 and the Children (Scotland) Act 1995 will be disregarded as income.
- Including references to Scottish taxpayers and Scottish basic rate of income tax when calculating earnings.
- Including a new category of part-time fire-fighter employed by the Scottish Fire and Rescue Service in the earned income disregard rules.
- Expand the definition of disability to include changes made in the Social Services and Well-being (Wales) Act 2014.
- Amend the scheme to reference Social Care (Self-directed Support) (Scotland) Act 2013 instead of The Social Work (Scotland) Act 1968.

Make administrative changes to align the pension-age and working-age schemes.

This proposed change will update the working-age scheme to include changes already made in Housing Benefit legislation and the pension-age CTS scheme. These changes are administrative and will simplify the administration, simplify the scheme for residents and improve clarity. These proposals will not materially change the cost of the scheme. Under this proposal, the following changes will be made:

- Including Statutory Parental Bereavement Pay as income.
- Update references to the personal allowance and personal reliefs from the Income Tax Act 2007.
- Including carers in receipt of the carer element of Universal Credit for the purposes of awarding a severe disability premium.
- Amend references to the family premium to 'a family including at least one child or young person'.
- Amend terminology due to change in social security legislation, regarding service user groups, national insurance contributions and exempt work.
- Include a new category of part-time fire-fighters, as defined in the Fire and Rescue Services Act 2004, for earnings disregards.
- Disregard payments made under the Care Act 2014.
- Expand the definition of disability to include severely sight-impaired residents included in registers kept under the Care Act 2014.
- Include references to paternity leave and shared parental leave.

Alternative options considered

Appendix 2

There are a range of ways that the council could alter its CTRS. The Council updated its CTRS policy in 2019/2020 which included providing more financial support to working age claimants with children. The council is not seeking to materially increase or reduce the generosity of the current scheme nor is it seeking to increase or reduce the maximum entitlement awarded since 2019. Instead, the council has explored a variety of options to make the scheme simpler to administer and to assist in reaching everyone who is entitled to support.

No change to the existing CTRS

This is not recommended because amending the scheme will help residents to access the support to which they are entitled, improve their experience, and reduce the administrative burden on the council.

How to respond:

The consultation is available on the council's website

An email will be sent to all current Council Tax Reduction customers where an email addresses is on record.

Letters will be sent to the remainder of the Council Tax Reduction customers.

The consultation link will be sent to a sample of Council Tax payers who do not currently claim CTR.

Local advice services will be alerted to the consultation

Consultation questions

- 1) Please tell us if you are responding to this survey as a Haringey resident, or on behalf of an organisation.

Responding as:

- (i) Haringey resident
- (ii) Organisation (please give name below)
- (iii) Neither (neither a resident nor an organisation)

Sex:

- (i) Female
- (ii) Male
- (iii) Prefer not to say

- 2) Do you currently receive Council Tax reduction?

Do you currently receive Council Tax reduction:

- (i) Yes
- (ii) No

- 3) We propose providing additional support to residents who have received certain compensation or support payments, such as payments from the Grenfell Tower Support Fund. This means that any money received from these schemes will not be counted towards the maximum amount of money residents can hold in their bank account whilst still receiving Council Tax reduction. The number of claims affected by these changes is expected to be very small and this will have a negligible impact on the cost of the scheme.

Do you support this scheme change?

Support introducing new capital disregards:

- (i) Yes
- (ii) No
- (iii) Don't know/Not sure

Do you have any specific comments regarding this proposal?

- (i) Free text

- 4) We propose matching the working-age scheme with the pension-age scheme by including changes to Scottish and Welsh legislation. These changes might affect residents moving into the borough from Scotland or Wales and will mean that these residents will receive the same level of support as residents with similar circumstances who are supported through English legislation. The number of claims affected by these changes is expected to be very small and this will have a negligible impact on the cost of the scheme.

Do you support this scheme change?

- (i) Yes
- (ii) No
- (iii) Don't know/Not sure

Do you have any specific comments regarding this proposal?

- (ii) Free text

- 5) We propose making several changes to match the working-age scheme with Housing Benefit and the pension-age scheme. These changes match the pension-age scheme and will help to make it easier for residents to understand. For example, including new benefits and definitions, such as Statutory Parental Bereavement Pay.

Do you support this scheme change?

- (iv) Yes
- (v) No
- (vi) Don't know/Not sure

Do you have any specific comments regarding this proposal?

- (iii) Free text