

Appendix E

Consultation on the Council Tax Support Scheme and the Council Tax Long Term Empty Homes Premium

******Start of Webpage Introduction******

Your Council, Your Say – Proposals to change COUNCIL TAX SUPPORT AND EMPTY HOMES PREMIUM

We propose changing the council tax support scheme (CTS) and empty homes premium from April 2019 and need your views.

Our challenge

Havering, like all councils, continues to face major financial challenges. We need to address the £37m budget gap that remains between 2019/20 and 2022/23 following Government funding cuts, increasing costs and a growing and ageing population. The Council's Cabinet is developing a range of proposals to close the budget gap for the next two years.

In order to balance the budget, the Council needs to **save** money by reducing running costs, and/or **raise** money by increasing income – most obviously through the Council Tax. There is also an option to use money held in 'reserves'. This is money held to cover the cost of unforeseen issues and emergencies. We are not proposing to use reserves, as this money can only be used once. We need to find permanent savings to our annual running costs.

What's proposed for council tax support?

Council Tax Support (CTS), is partly funded by the Government although the Council help pay towards the scheme as well. It provides support for people who do not earn enough money to pay the full cost of their council tax.

The Government plans to reduce the money it will give to the Council in 2019/2020 and therefore the funding available for the Council Tax Support Scheme. The Council's budget cannot continue to cover the reduction in Government funding. The Council therefore proposes making changes to the current Council Tax Support Scheme to help bridge the funding gap.

We are proposing to change our Scheme so that the minimum amount of Council Tax that CTS claimants have to pay is increased for working age claimants depending on the claimants' circumstances.

Our proposals are based on reducing the amount of CTS received by working age people, partially mitigated for disabled claimants within the scheme. Disabled

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claimants are defined as people who have a disability income that entitles them to one of the following premiums: disability, severe disability, enhanced disability, disabled child and/or carer when calculating their benefit.

The Council considered a range of options, but rejected options which would cause undue financial hardship to CTS working age claimants and those that would not generate sufficient savings to reduce the budget gap.

Pensioners are protected under separate legislation, and are not affected by our CTS Scheme, or the proposed changes that are the subject of this consultation.

The Council has proposed to consult on the option that it considers to be the fairest to residents in the circumstances. The savings proposed are considered reasonable and it is believed will not cause undue hardship to working age claimants.

We would like your views on the proposal we have drawn up to change the way CTS is allocated in Havering. The main proposals for CTS in Havering are set out in the questionnaire that follows. Or you may wish to suggest that we raise Council Tax or make further cuts in services, beyond those that we are already proposing, instead of the changes proposed for the Council Tax Support Scheme.

If you would like to read more details about the proposals for CTS, the draft Council Tax Support Scheme can be found in the **Downloads** section to the right of this page. You can also read an 'equality impact assessment' setting out the potential impact of changes on different groups of residents and what the Council intends to do to address this.

What's proposed for the Empty Property Premium?

Properties that are empty for more than two years are currently liable for a surcharge of 50%. The government is in the process of enacting legislation to provide the facility to increase this to 100% from 1 April 2019.

The premium is important as an incentive to bring long term empty properties back into use, increasing the supply of housing. In July 2018, there were 187 properties in the borough that have been empty for two years or more, of which 70 are Council owned (eg they are being held vacant pending redevelopment).

An increase in the long term empty homes premium would generate additional income of £133,069 in 2019/2020. However, as it is proposed that the premium be increased to encourage owners to occupy their properties, it is likely the additional income will reduce over time.

This consultation closes on and final decisions on the budget, including the CTS proposals, will be made early in the new year.
Thank you for your time.

[CLICK HERE TO HAVE YOUR SAY ON COUNCIL TAX SUPPORT AND EMPTY PROPERTY PREMIUM](#)

******End of Webpage Introduction to Questionnaire******

******Start of Survey Monkey Questionnaire******

Council Tax Support 2019/2020 and Empty Property Premium Consultation Questionnaire

Council Tax Support - Have your say

We propose changing the council tax support scheme and empty homes premium from April 2019 and need your views.

Why are we proposing changes?

Many people on low incomes can get Council Tax Support (CTS) to help them pay their Council Tax bills.

The Council Tax Support Scheme is partly funded by the Government although the Council help pay towards the scheme as well. Pensioners are protected under separate legislation, and are not affected by our CTS Scheme, or the proposed changes that are the subject of this consultation.

The Government plans to reduce the money it will give to the Council in 2019/2020 and therefore the funding available for the Council Tax Support Scheme. The Council's budget cannot continue to cover the reduction in Government funding. The Council therefore proposes making changes to the current Council Tax Support Scheme to help bridge the funding gap.

We are proposing to change our Scheme so that the minimum amount of Council Tax that CTS claimants have to pay is increased for working age claimants depending on the claimants' circumstances.

Government are also planning to increase the premium on properties that have been empty and substantially unfurnished for more than two years to 100 percent. This means from April 2019, the Council Tax payable on homes that have been empty for more than two years will be double the Council Tax payable on occupied homes.

Consultation – Have your say

The proposals for 2019/2020 are to:

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1. Set the maximum Council Tax Support to 75% of the Council Tax due for working age claimants who are not considered vulnerable. Under the current scheme, the maximum Council Tax Support is 85% of the council tax due for all working age claimants. This means that every working age household that is not considered vulnerable would have to pay a minimum charge of 25% towards their council tax bill which is estimated to be an additional £2.20 per week in council tax to pay.
2. Set the maximum Council Tax Support to 80% of the council tax due for working age claimants who are disabled. Under the current scheme, the maximum Council Tax Support is 85% of the council tax due for all working age claimants. The change would mean that disabled claimants would have to pay a minimum charge of 20% towards their Council Tax Bill which is estimated to be an additional £1.15 per week in council tax to pay. Disabled claimants are defined as people who have a disability income that entitles them to one of the following premiums: disability, severe disability, enhanced disability, disabled child and/or carer when calculating their benefit.
3. People who own or rent an empty property are currently charged 150 per cent of the Council Tax due after they have been empty for more than two years. The Council is considering increasing this charge to 200 per cent.

Adapt for online consultation. Include confidentiality and Equalities question. Include short version of proposed scheme.

Questionnaire

Principle: Local Authorities will be expected to manage the reduction in expenditure.

The Council considered a range of schemes and liability reductions, including considering the approach taken by other London Boroughs, before coming to this proposal.

The proposal is that every working age household that is not vulnerable will be required to pay at least the minimum amount of 25% towards their council tax. Working age disabled claimants will be required to pay 20%.

The Council believes increasing the current 15% reduction for working age non vulnerable claimants to 25% and to 20% for disabled working age claimants will not cause undue financial hardship and could save up to £597k.

Question 1. Is it reasonable to expect working age claimants without a disability to pay at least the minimum amount of 25% towards their council tax bill?

Yes

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No

Don't Know

Comments:

Question 2. Should working age claimants who are disabled and less able to increase their household incomes, be protected and pay a minimum of 20% towards their council tax bill rather than 25%?

Yes

No

Don't Know

Comments:

Question 3. Are there any other realistic options available to manage the budget gap on the Council Tax Support Scheme that you think would produce a reasonable outcome, having regard to the needs of residents and the Council's budget position?

Yes

No

Don't know

Comments:

Question 4. Should people who own property which has been empty for more than two years, be charged 200 per cent council tax?

Yes

No

Don't know

Comments:

******End of Survey Monkey Questionnaire******