

# Slough Borough Council - Council Tax Reduction Scheme 2023/24 Consultation

## 1. Background to the Consultation

### What is this consultation about?

Each year Slough Borough Council must decide whether to change the Council Tax Reduction scheme for **working age applicants** in its area with Pension Age applicants seeing no changes as they are part of the national scheme. This year the Council is deciding whether to change the working age Council Tax Reduction Scheme to:

* Provide targeted support to those households on the lowest incomes
* Make the scheme easier for residents to understand and access
* Provide greater stability to those who are in receipt of support
* Make the scheme work better with the Universal Credit award system
* Build in capacity to better manage increase in demand; and
* Reduce administration costs which will ultimately prevent any additional costs being added to the Council Tax.

### What is Council Tax Reduction?

Council Tax Reduction is a discount for Council Tax. The level of discount is based on the income of the household.

The current maximum Council Tax Reduction for Pension age households is 100%. For working age households, the current maximum reduction is 80%, meaning the maximum a household will pay is 20%.

The Council can only make changes to the working age scheme as the Council Tax Reduction scheme for pensioners is prescribed by Government.

### Why is a change to the Council Tax Reduction scheme being considered?

Councils are required to review their schemes each year and decide if they want to make any changes. Before any changes can be implemented, they must be subject to public consultation.

Slough Borough Council is considering proposing a number of changes to its existing scheme. The Council has a duty to consult you and provide you with the opportunity to tell us your views on the proposed changes to our Council Tax Reduction Scheme.

The Council is consulting on the potential following changes to its scheme for 2023/24 (more detail on the change proposals is given further in the consultation):

* The scheme will no longer limit the support to Council Tax to the band C level.
* The maximum level of support for people who are not working will increase.
* For customers who are working only your earnings will be taken into account to calculate your Council Tax Support.
* We will no longer apply Earned income disregards or Child Care costs disregards.
* For customers who are working their Council Tax Support will be calculated based on which of the 7 Income Bands their level of earnings places them in. These income bands will be the same for all household types.
* The minimum level of Council Tax Support will change from £1.00 to £0.01 per week.
* Non dependant deductions will still apply but will be changed to £11.00 per week where they are working 16 hours or more on average and their Gross income is greater than or equal to £200.00 per week. A £5.00 deduction will apply where their gross income is less than or equal to £199.99 per week. This will apply regardless of what that income is.
* The maximum capital limit will reduce from £16000.00 to £6000.00.

All other parts of the existing scheme will remain unchanged including:

* Disability Benefits such as Personal Independence Payment (PIP) and Disability Living Allowance (DLA) will continue to be disregarded
* No Non dependant deduction will apply where the customer or partner is in receipt of Disability Benefits such as Personal Independence Payment (PIP) and Disability Living Allowance (DLA)
* No non dependant deduction will apply where the Non dependant is either a Full Time Student or is aged under 18 years
* War Pensions and War Disablement Pensions will continue to be disregarded in full
* Backdating will remain at 1 calendar month
* The minimum income floor for a self-employed person declaring less income than the national living wage will have their Council Tax Support calculated on a notional income equal to that of the national living wage.

In the Slough Borough Council area, almost 9,350 people currently receive Council Tax Reduction. The gross cost of the scheme is £8.8m which is spread across the Council, Fire and Police in accordance with the proportion of Council Tax which each organisation levies.

### Who will this affect?

Working age households in the Slough Borough Council area who currently receive or will apply for Council Tax Reduction.

Pension age households will not be affected as Central Government prescribes their scheme.

### Scheme affordability

The Council’s ability to enact these changes will depend on its overall financial position when it comes to finalise the 2023/24 budget and thus the potential changes may be revised/deferred should they prove financially unviable.

### Are there any alternatives to changing the existing Council Tax Reduction Scheme?

We have thought about other options. These have not been completely rejected (including maintaining the current scheme) and you are asked about them in the questionnaire, but, at the moment we do not think we should implement them for the reasons given.

**We have considered:**

* **Continuing with the current scheme**

This would mean less support for certain households. The current scheme does not work effectively with the Government’s Universal Credit system or the Academy processing system meaning multiple manual updates increasing processing costs. The multiple changes in Universal Credit inevitably led to multiple changes in Council Tax Reduction which also impact collection of the charge.

* **Other income-based scheme models**

The Council is of the opinion that this particular income-based scheme provides both a high level of support to those on the lowest incomes whilst also providing an easy to understand and simple to administer scheme.

**1. I have read the background information about the Council Tax Reduction Scheme:**

**This question must be answered before you can continue.**

Yes

No

## 2. Changing the current Income Based Banding scheme for all applicants of working age

As explained in the background information, the Council is primarily consulting on the following potential proposals to change the existing Council Tax Reduction Scheme from 1st April 2023, which will provide targeted support to those households on the lowest incomes, reduce the administration cost of the scheme generally and will also make the scheme simpler.

Your responses are a part of this consultation.

Table 1 shows the level of discount available if the council tax for 2023/24 increases by 4.99%, 6.99% and 9.99%. Any decision to increase Council Tax above 4.99% would be the decision of the Secretary of State for Levelling Up, Housing and Communities following a submission by the council. These percentages are indicative and will depend on its overall financial position when it comes to finalise the 2023/24 budget and thus the potential changes may be revised/deferred should they prove financially unviable. The general principle of the changes being the higher the increase in Council Tax the more generous the scheme is to those with the lowest household incomes.

### Table 1

| Income Band | Current Scheme Discount off CT Liability | Discount off CT  liability (4.99%) | Discount off CT  liability (6.99%) | Discount off CT  liability (9.99%) | Proposed Earnings threshold (weekly) |
| --- | --- | --- | --- | --- | --- |
| 1 | 80.00% | 86.00% | 90.00% | 100.00% | No earnings |
| 2 | 65.00% | 70.00% | 75.00% | 75.00% | <£115.38 |
| 3 | 50.00% | 50.00% | 60.00% | 60.00% | £115.39-£184.61 |
| 4 | 35.00% | 40.00% | 45.00% | 40.00% | £184.62-£253.84 |
| 5 | 20.00% | 30.00% | 35.00% | 30.00% | £253.85-£323.07 |
| 6 | 0.00% | 20.00% | 25.00% | 20.00% | £323.08-£392.30 |
| 7 | 0.00% | 10.00% | 10.00% | 10.00% | £392.31-£461.53 |
| 8 | 0.00% | 0.00% | 0.00% | 0.00% | £461.54 and above |

**The key principles of the scheme are as follows:**

* Passported cases (where the applicant or partner is in receipt of Income Support, Income-

based Jobseeker's Allowance, or Income-Related Employment and Support Allowance) along with customers whose income does not include earnings will receive the maximum discount of 86% (an increase of 6% from the current scheme and may vary dependant on Council Tax increase as shown in Table 1)

* The scheme will no longer limit the support to Council Tax to the band C level
* The maximum level of support for people who are not working will increase
* All income except earnings will be disregarded from the Council Tax Support calculation
* For customers who are working only your earnings will be taken into account to calculate your Council Tax Support
* We will no longer apply Earned income disregards or Child Care costs disregards
* For customers who are working their Council Tax Support will be calculated based on which of the 7 Income Bands their level of earnings places them in. These income bands will be the same for all household types
* The minimum level of Council Tax Support will change from £1.00 to £0.01 per week
* Non dependant deductions will still apply but will be changed to £11.00 per week where they are working 16 hours or more on average and their Gross income is greater than or equal to £200.00 per week. A £5.00 deduction will apply where their gross income is less than or equal to £199.99 per week. This will apply regardless of what that income is
* The maximum capital limit will reduce from £16000.00 to £6000.00
* Disability Benefits such as Personal Independence Payment (PIP) and Disability Living Allowance (DLA) will continue to be disregarded
* No Non dependant deduction will apply where the customer or partner is in receipt of Disability Benefits such as Personal Independence Payment (PIP), Disability Living Allowance (DLA), Registered Blind or in receipt of Armed Forces Independence Payments.
* No non dependant deduction will apply where the Non dependant is either a Full Time Student or is aged under 18 years
* War Pensions and War Disablement Pensions will continue to be disregarded in full
* Backdating will remain at 1 calendar month.

### What is the potential impact to me?

This proposal will mean a simpler application process. The application form will be shorter, and less evidence will be required. This will mean you will know whether you are eligible more quickly and should receive any reduction you are entitled to more promptly.

Residents will be able to see any Council Tax Reduction they are entitled to on the face of their council tax bill, rather than receiving separate, lengthy Council Tax Reduction notification letters.

This time saved by the Council will allow us to provide a better service to our residents.

The proposed new scheme provides support to those with the lowest household incomes. Some households will receive more Council Tax Reduction than previously as a result of this. Inevitably some households will have a little more to pay.

Where an applicant experiences exceptional hardship, they will be able to apply for additional support from the Council under its Council Tax Hardship Scheme.

**The benefits of doing this are:**

* It provides more targeted support especially to those on the lowest incomes
* It provides a simpler scheme, easily understood by all applicants
* It will save significant increases in administration costs; and
* It should provide greater stability to Council Tax Reduction recipients by reducing the number of Council Tax demands during the year which prevents multiple changes to monthly instalments.

**The drawbacks of doing this are:**

* Whilst the Council will look to protect Council Tax Reduction recipients as far as possible, there may be some households who will lose their support or have it reduced.

**2. Do you agree with changing the income-based banded discount scheme?**

Yes

No

Don't Know

**3. If you disagree with introducing an income-banded scheme please explain why and what alternative would you propose?**

…

## 3. Alternatives to changing the Council Tax Reduction Scheme

If the Council keeps the current scheme, it will be less supportive to low-income households and administratively more complex. The proposals set out in this consultation will deliver more targeted support and administration savings.

**4. Please use this space to make any other comments on the proposed scheme.**

…

**5. Please use the space below if you would like the council to consider any other options (please state).**

…

**6. If you have any further comments or questions to make regarding the Council Tax Reduction Scheme that you haven’t had the opportunity to raise elsewhere, please use the space below.**

…

## 4. About You

We collect this information to help us understand the communities that we serve so that services and policies can be delivered to meet the needs of everybody. Please feel free to leave questions that you do not wish to answer. All of the information gathered in this questionnaire is confidential and anonymous.

Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

**7. Are you completing this form on behalf of an organisation or group?**

Yes

No

**If yes, please tell us the name of the organisation/group and add any other comments you wish to make.**

…

## 5. Questions for Individuals

Please answer the following questions.

**8. Do you live in the Slough Borough Council area?**

Yes

No

**9. Are you liable to pay Council Tax?**

Yes

No

**10. Are you currently receiving Council Tax Reduction?**

Yes

No

**11. Are you or your partner in work or self-employed?**

Yes

No

**12. Are you currently serving in the Armed Forces?**

Yes

No

**13. What is your sex?**

Male

Female

Prefer not to say

**14. What is your age?**

18-24

25-34

35-44

45-54

55-64

65-74

75-84

85+

Prefer not to say

**15. Disability: Are your day-to-day activities limited because of a health problem or disability?**

Yes

No

Don’t know

Prefer not to say

**16. Ethnic Origin: What is your ethnic group?**

Prefer not to say

White British

White Irish

White Gypsy or Irish Traveller

Any other White background

Mixed/Multiple ethnic groups - White & Black African

Mixed/Multiple ethnic groups - White & Black Caribbean

Mixed/Multiple ethnic groups - White & Asian

Any other multi mixed background

Asian or Asian British Pakistani

Asian or Asian British Indian

Asian or Asian British Bangladeshi

Any other Asian background

Black African

British Caribbean

Black British

Any other Black background

**17. Other ethnic group?**

…

**5. Next steps**

Thank you for completing the questionnaire.

The consultation closes at midnight 16th February 2023.

We will listen carefully to what you tell us and take the responses into consideration when making a final decision on the 2023/24 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

Any new scheme will start on 1 April 2023. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.