

**Consultation on changes  
to Ealing Council's  
Council Tax Support Scheme  
April 2020**

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## Background

The council is considering changing the current Council Tax Support scheme from April 2020 and replacing it with a Council Tax Discount scheme.

A public consultation on the proposed revision to the scheme will be carried out from 16 September to 27 October 2019. Feedback from the consultation will be used to inform the details of the proposal.

## Your views are important

This document explains the proposed changes to the scheme for working age households in a simple way, including some worked up examples of the likely impact on key household types. The full draft of Ealing Council's proposed Council Tax Discount Scheme is available on our website at [www.ealing.gov.uk/ctsconsultation](http://www.ealing.gov.uk/ctsconsultation).

To take part in the consultation please visit the council's website [www.ealing.gov.uk/ctsconsultation](http://www.ealing.gov.uk/ctsconsultation) and complete a short online survey.

If you do not have access to the internet you can ring 020 8825 7000 and request a paper copy of the consultation or request for someone to call you back.

You can also email us at [CouncilTaxSchemeConsultation@ealing.gov.uk](mailto:CouncilTaxSchemeConsultation@ealing.gov.uk)

## What happens next?

Feedback from the public consultation will be included in a report that will be presented to Ealing councillors who will make the final decision on the scheme. The scheme will come into effect from 1 April 2020 if the proposed changes are agreed.

## Key principles guiding the new scheme

The scheme has been designed to make it:

- **Fair**  
The scheme needs to be fair to all Council Tax Support recipients and support those on lowest incomes
- **Safeguard those in a protected category**  
The council believes that there are some individuals who require more support than others and the maximum discount for them will be up to 100%

- **Incentivise employment**

Through disregards of child care costs and some of the earnings. The new scheme is more flexible as it does not require customers to report changes to their income unless the change moves them into another income band.

- **Support those below set savings/capital limits**

Keep the savings/capital limit at £6,000 for the proposed discount scheme

- **Easy to administer and transparent**

Understandable for customers and efficient for the council with quicker decision making for both customers and the council.

## Overview of proposed changes to Ealing's Council Tax Support scheme

Pensioners are not affected by any of the proposed changes.

The council is proposing to introduce an income banded discount scheme to replace the current Council Tax Support scheme for working age residents. The likely impacts of the changes on certain type of households are detailed below, followed by the examples of the impacts.

### Key features of the proposed Income Banded Council Tax Discount Scheme

**Key feature 1:** This is an income banded scheme which will assess the maximum level of Council Tax Discount based on the net income of the applicant and their partner (if they live with one).

The proposed scheme will keep the maximum 100% discount for applicants who fall into the [protected](#) category and 75% for all other applicants.

The current scheme uses a means test calculation which compares a resident's income to set income levels that are dependent on individual circumstances. The variations in residents' personal circumstances are numerous, giving rise to a very complex calculation.

Under the proposal the calculation will be simplified as all state benefits including tax credits will be disregarded. Applicants will receive a discount based upon the level of their net income as set out in the table below.

	Protected		Non-protected	
Band	Income Bands (weekly income)	% Of Council Tax Discount	Income Bands (weekly income)	% Of Council Tax Discount
1	£0.00 - £119.99	100	£0.00 - £119.99	75
2	£120.00 - £139.99	75	£120.00 - £139.99	60
3	£140.00 - £159.99	60	£140.00 - £159.99	50

	Protected		Non-protected	
Band	Income Bands (weekly income)	% Of Council Tax Discount	Income Bands (weekly income)	% Of Council Tax Discount
4	£160.00 - £179.99	50	£160.00 - £179.99	40
5	£180.00 - £199.99	40	£180.00 - £199.99	30
6	£200.00 - £219.99	30	£200.00 - £219.99	20
7	£220.00 - £239.99	20	£220.00 - £239.99	10
8	£240.00 - £259.99	10	£240.00	0
9	£260.00	0		

**Key feature 2:** [Non dependant](#) deductions will be simplified by reducing them from the current five levels to only two: one for those in work and one for those not in work. The proposed levels of deduction from April 2020 are:

- £6.50 per week for those not in work (currently £6.39 for those on passported benefits or £11.93 per week for those not on passported benefits)
- £18.00 for those in work (currently £11.93, £17.46, £23.00, £28.54 depending upon the level of earnings)

There are no changes to those who are exempt from non-dependant deductions, or non-dependants who are full time students.

**Key feature 3:** Under the proposal the current five [earning disregards](#) will be replaced with one universal earning disregard for couples and households with children. The earnings disregard does not apply to single persons as the income bands under the proposed scheme are more generous than the means test under the current scheme.

Earnings Disregard for Council Tax		
	Current Scheme	Proposed Scheme
Single claimant	£10.65	£0
Couples	£15.97	£30
Special occupations	£26.63	£30
Disabled, long-term sick, or carer's earnings	£26.63	£30
Lone parent	£31.96	£30
Additional earnings disregard	£19.35	£0

**Key feature 4:** No discount will be awarded to an applicant if their entitlement is less than £2 per week. The current minimum entitlement to Council Tax Support is £0.01 per week.

## **Advantages of the proposed changes**

- The proposed scheme is much easier for applicants to understand. They will be able to see at a glance how much discount they could be entitled to. The new scheme replaces the current complex means test.
- The new scheme will reduce the need for customers to report changes, only those that would result in a change to their income band will have to be reported.
- The requirement to report changes in a non-dependant's income will be reduced to just reporting the start or end of work. Customers will no longer need to report changes in a non-dependant's income.
- Some customers will see a reduction in the non-dependant deductions made. Non-dependant deductions are simplified by reducing them from 5 to 2. A flat rate for those in work and one for those not in work.
- The new scheme and the principles upon which it is based, will ensure that the administrative burden on the council is kept to a minimum and provides value for money for local residents.
- The introduction of a minimum weekly discount of £2 will save the council time and resources in maintaining cases where entitlement is minimal. The current scheme has a weekly minimum entitlement of £0.01 per week and set at this level is not an efficient use of the council's time and resources.

## **Disadvantages of the proposed changes**

- Moving customers from the current scheme onto an income banded scheme will not affect recipients of passported benefits. Non passported cases may see their entitlement increasing or reducing as a result.
- Customers who have non-dependant deductions made when their entitlement is calculated may see the amount of the deduction increase, reducing their entitlement.
- Those customers entitled to less than £2 per week discount under the proposed scheme, would lose their entitlement altogether.

If the proposed changes to the existing scheme are not made, the following impacts would occur:

- Increasing cost of the administration due to the complexity of the current Council Tax Support Scheme and the replacement of legacy benefits by Universal Credit. This leads to claimants having their Council Tax Support

entitlement reassessed more frequently and in some cases as often as once a month. This will mean that their Council Tax bill may be adjusted each month and that will impact their payment arrangements, including direct debits.

- The council may be required to spend more money on administration of its Council Tax Support scheme.

Appendix 1 gives examples of how some Council Tax Support claimants would be affected if the proposed changes to the scheme take effect.

### **Transitional Capping**

While the proposed changes to the Council Tax Support scheme will benefit many households, we recognise that some will receive less Council Tax Support.

We are, therefore, proposing to introduce transitional capping which will limit losses and gains to the amount of discount awarded to £2 per week. The discount will be calculated on council tax liabilities as at 1 April 2020.

This is intended to give people who will lose proportionately more time to adjust to the change in entitlement. Further details on how the transitional capping will work can be found in the draft scheme.

## Frequently Asked Questions

### Who will be affected by these changes?

The changes will affect some working age claimants. No pensioners will be affected by the proposal.

### What is the definition of a pensioner?

A pensioner, for the purposes of localised Council Tax Support schemes, is someone who has reached the qualifying age for [state pension credit](#). If you have a partner, both of you must have reached state pension age to be classified as pensioners.

### When will the changes start?

From 1 April 2020, although you will be notified of any changes to your entitlement before this.

### What are non-dependant deductions?

A non-dependant is someone aged 18 or over who lives in your home or is using your home as a main residence other than on a commercial basis but is not:

- your husband/wife/partner/civil partner
- a child that you are receiving child benefit for
- someone jointly liable to pay rent and/or council tax with you

A deduction is made from an applicant's council tax support entitlement for each non-dependant living in the household (some exceptions apply – see details of the scheme).

### What are earning disregards?

An amount disregarded from your earnings/ self-employed earnings when deciding your entitlement to council tax support. The current earnings disregards vary depending on the circumstances of the applicant and their household members.

### Are other discounts affected?

At the moment current Council Tax discounts and exemptions will continue to apply.

### What are passported benefits?

The following benefits are considered as Passported for the purposes of the Council Tax Discount scheme:

- Income support
- Income based jobseeker's allowance
- Income related employment and support allowance.

Any other benefit is not regarded as a passported benefit.



### **Which groups of people are in the Protected Category?**

The council believes that residents who fall into one of the following groups require more support and should continue to receive up to a maximum of 100% of their council tax bill.

- Lone parents with a child under 5 years of age
- Those in receipt of a disability benefit, Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, Attendance Allowance or Disability Living Allowance
- Those in receipt of Universal Credit which includes one of the following elements: limited capability for work, limited capability for work related activity, disabled child or carer
- Care leavers under the age of 25
- Those in receipt of an Armed Forces Independence Payment
- Carers in receipt of Carer's Allowance or have an underlying entitlement to it.

### **Where can I get more information?**

You can find more details on our website [www.ealing.gov.uk/consultations](http://www.ealing.gov.uk/consultations) or telephone 020 8825 7000.

## Consultation questions

Please have your say about the proposed changes by answering the questions in this section.

**Q1: Based on the information contained in this consultation document, to what extent do you agree or disagree with each of the following statements?**

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know/can't say
<b>The new scheme is fair</b>						
If you disagree with the above statement, please give us your reasons in the space below						
<b>The new scheme safeguards those in a protected category</b>						
If you disagree with the above statement, please give us your reasons in the space below						
<b>The new scheme encourages people to be in employment</b>						
If you disagree with the above statement, please give us your reasons in the space below						
<b>The new scheme supports people who have less than £6,000 in savings/ capital</b>						
If you disagree with the above statement, please give us your reasons in the space below						
<b>The new scheme is simpler</b>						
If you disagree with the above statement, please give us your reasons in the space below						

**Q2: To what extent do you support or oppose each of the proposed changes to the scheme?**

	<b>Strongly support</b>	<b>Somewhat support</b>	<b>Neither support nor oppose</b>	<b>Somewhat oppose</b>	<b>Strongly oppose</b>	<b>Don't know/can't say</b>
<b>Replace the current means test with a measure based on income bands</b>						
<b>If you oppose the above change, please give us your reasons in the space below</b>						
<b>Reduce the levels of non-dependant deductions from five to two</b>						
<b>If you oppose the above change, please give us your reasons in the space below</b>						
<b>Replace five earnings disregards with one universal earnings disregard, applicable to couples and households with children</b>						
<b>If you oppose the above change, please give us your reasons in the space below</b>						
<b>No discount to be awarded to an applicant if their entitlement is less than £2 per week</b>						
<b>If you oppose the above change, please give us your reasons in the space below</b>						

**Q3: Overall, which of the following matches your opinion about the proposed changes to the council tax support scheme?**

- ☐ The current scheme should not be changed
- ☐ The current scheme should be changed as proposed in this consultation
- ☐ The current scheme should be changed but in a different way (please specify below)

**Q4: If you were eligible to claim for council tax discount under the scheme, how confident would you feel in making such a claim?**

- ☐ Extremely confident
- ☐ Very confident
- ☐ Moderately confident
- ☐ Slightly confident
- ☐ Not at all confident
- ☐ Don't know/ can't say

**Q5: If you wanted to find out more information about the new scheme, where would you look for this information?**

***(Please tick all that apply)***

- ☐ Ealing council's website ([www.ealing.gov.uk](http://www.ealing.gov.uk))
- ☐ The government's website ([www.gov.uk](http://www.gov.uk))
- ☐ Jobcentre
- ☐ A local voluntary organisation/ charity
- ☐ Friends or family
- ☐ Social media (Facebook/ Twitter etc.)
- ☐ Don't know/ can't say
- ☐ Other (please specify below)

**Q6: Please use the space below to provide any other comments or suggestions with regards to the Council Tax Discount scheme proposals.**

**Q7: Ealing Council recognises the importance of promoting equality and inclusion to improve public services for everyone. As part of this consultation the council has carried out an initial Equality Analysis Assessment (EAA) which looked at how the proposed changes might affect the following groups of people:**

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

**Do you feel that any particular group of people from the list above will be affected more than others by the proposed changes? If so, please let us know below:**

## About you

Please tell us a little about yourself. This information helps us to understand how views of different groups of people may differ.

All personal information will be kept completely confidential and used for research purposes only, in accordance with the Data Protection Act 2018 and GDPR. Information will be used in a summary form only and no individual will be identified.

**Q8: Are you responding to this consultation as an individual or an organisation?  
If responding as an organisation, please goes to Q19.**

- ☐ An individual (*continue with questions below*)
- ☐ An organisation (*skip to Q19*)

**Q9: Do you pay Council Tax to Ealing Council?**

- ☐ Yes
- ☐ No

**Q10: Do you currently receive, or have previously received, Council Tax Support or Housing Benefit in Ealing?**

	Currently receiving	Previously received	Have never received	Don't know / Can't say
Council Tax Support				
Housing Benefit				

**Q11. Are you?**

- ☐ Male
- ☐ Female
- ☐ Prefer not to say
- ☐ Prefer to self-describe

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**Q12. What is your age group?**

- ☐ 18 or below
- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65 or above
- ☐ Prefer not to say

**Disability**

The Equality Act 2010 defines a person as having a disability if s/he 'has a long term physical or mental impairment which has a substantial and long-term adverse effect on his/her ability to carry out normal day to day activities'.

**Q13. Do you consider yourself to have a disability?**

- ☐ Yes
- ☐ No
- ☐ Prefer not to say

**Q14. Which of the following applies to you?**

- ☐ Single
- ☐ Married/ cohabiting/ in a civil partnership
- ☐ Separated/ divorced
- ☐ Widowed
- ☐ Prefer not to say
- ☐ Other (Please specify below)

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**Q15. What is your employment status?**

- ☐ Employed full time (30+ hours per week)
- ☐ Employed part time (less than 30 hours per week)
- ☐ Self-employed (full or part time)
- ☐ Wholly retired from work
- ☐ Looking after home
- ☐ Unemployed
- ☐ Permanently sick/disabled and unable to work
- ☐ In full time education (at school, college or university)
- ☐ Prefer not to say

**Q16. Do you have any other adults living in your household apart from your partner (i.e. your spouse, civil partner or any adult you cohabit with), who is NOT dependent on you?**

- ☐ Yes
- ☐ No
- ☐ Prefer not to say

**Q17. Please tell us if any children live with you in your household, in the following age groups:**

	No children	One child	Two children	Three or more children
0-4 years				
5-16 years				
17-18 years				



**Q18. Which ethnic group do you consider you belong to?**

- ☐ White - English, Welsh, Scottish, Northern Irish, British
- ☐ White - Irish
- ☐ White - Gypsy/Irish Traveller
- ☐ White - Other
- ☐ Any other White background (*please specify*)
- ☐ Mixed/ multiple ethnic groups -- White and Black Caribbean
- ☐ Mixed/ multiple ethnic groups -- White and Black African
- ☐ Mixed/ multiple ethnic groups -- White and Asian
- ☐ Any other Mixed/ multiple ethnic background (*please specify*)
- ☐ Asian/ Asian British -- Indian
- ☐ Asian/ Asian British -- Pakistani
- ☐ Asian/ Asian British -- Bangladeshi
- ☐ Asian/ Asian British -- Chinese
- ☐ Any other Asian background (*please specify*)
- ☐ Black/ African/ Caribbean/ Black British -- African
- ☐ Black/ African/ Caribbean/ Black British -- Caribbean
- ☐ Any other Black/ African/ Caribbean background (*please specify*)
- ☐ Arab
- ☐ Any other ethnic group (*please specify*)
- ☐ Prefer not to say

**About your organisation**

(You need to answer the following questions only if responding on behalf of an organisation)

**Q19. Are you responding to this consultation as a representative of any of the following?**

	Yes	No
Voluntary Organisation		
Housing Association		
Landlord		
Other (Please specify)		

**Q20. Please give us your contact details:**

Organisation's name	
Primary Contact's name	
1st line of address	
2nd line of address	
City	
Postcode	
Email address	
Telephone number	

## Appendix 1 – Illustrated examples of the likely impact of proposed changes

Key to abbreviations	
ME	Main earnings
CB	Child Benefit
WTC	Working Tax Credit
CTC	Child Tax Credit
DLA	Disability Living Allowance
ESA	Employment Support Allowance
UC	Universal Credit
CA	Carer's Allowance
IS	Income Support

All examples based on Band D liability.

				Current Council tax support (CTS)		Proposed Council Tax discount (CTD)		
	Scenario	Total income (per week)	Weekly Income taken into account in new scheme	Current CTS	Customer pays	CTD	Customer pays	Change
1.	Non-protected Lone parent +1 child, working 19h	ME=£146.25 CB=£20.70 WTC=£65.45 CTC=£63.97 <b>Total: £296.37</b>	ME=£116.25	£6.10	£15.7	£16.31	£5.49	+£10.21

				Current Council tax support (CTS)		Proposed Council Tax discount (CTD)		
	Scenario	Total income (per week)	Weekly Income taken into account in new scheme	Current CTS	Customer pays	CTD	Customer pays	Change
2.	Non-protected Lone parent +1 child, working 37h,	ME=£197.99 CB=£20.70 WTC=£56.22 CTC=£64.01 <b>Total: 338.29</b>	ME=£167.99	£9.50	£19.57	£11.60	£17.47	+£2.10
3.	Non-protected Couple +2 children +1 non-dependant, working 16h,	ME=£177 CB=£34.40 WTC=£51.02 CTC=£117.47 <b>Total: £379.89</b>	ME=£147	£6	£23.07	£8	£21.07	+£2
4.	Non-protected Couple +2 children, working 24h,	ME=£184.81 CB=£34.40 WTC=£49.90 CTC=£117.47 <b>Total: £386.58</b>	ME=£154.81	£16.35	£12.72	£14.50	£14.59	-£1.85
5.	Non-protected Couple, 1 working 35h	ME=180pw	ME=£150	£18	£11.07	£14.50	£14.57	-£3.50
6.	Protected Couple+6 children, working 24h; protected due to a disabled child	ME=£156 CB=£89.20 DLA=£87.65 CTC=£366.89 WTC=£61.16 <b>Total: £760.90</b>	ME=£126	£29.07	£0	£21.80	£7.27	-£7.27

				Current Council tax support (CTS)		Proposed Council Tax discount (CTD)		
	Scenario	Total income (per week)	Weekly Income taken into account in new scheme	Current CTS	Customer pays	CTD	Customer pays	Change
7.	Protected Single claimant + 4 children, 2 non-dependants working earning 439pw; household protected due to child under 5	ME: £164 CB=£61.80 CTC=£198.64 WTC=£58.25 <b>Total: £482.69</b>	ME=£134	£16.99	£12.08	£11	£18.07	-£5.99 (due to non-dependant deduction)
8.	Protected Couple +3 children, working 40h, Protected due to child disability	ME=£207.69 CB=£48.10 WTC=£28.44 CTC=£259.44 DLA=87.63 CA=£66.15 <b>Total: £697.45</b>	ME=£177.69	£22.15	£6.92	£14.50	£14.57	-£7.65
9.	Protected single claimant, working 20 hours pw + caring for a disabled non - dependant	ME=£117.45 CA=£66.15 <b>Total: £183.6</b>	ME=£117.45	£13.74	£15.33	£29.07	£0	+£15.33
10.	Non- protected Single person, working 16h	ME=£150	ME=£150	£4.55	£17.26	£10.91	£10.90	+6.36

				Current Council tax support (CTS)		Proposed Council Tax discount (CTD)		
	Scenario	Total income (per week)	Weekly Income taken into account in new scheme	Current CTS	Customer pays	CTD	Customer pays	Change
11.	Protected single claimant on Income Support +2 children, 1 disabled child	IS=£73.10 DLA= £119.88 CB= £34.40 CTC=£117.50 <b>Total: £344.88</b>	NIL	£21.80	£0	£21.80	£0	£0
12.	Protected couple +3 children, partner disabled, on Employment and Support Allowance	ESA=£153.40 CB=48.1 CTC=£171 <b>Total: £372.50</b>	NIL	£29.07	£0	£29.07	£0	£0
13.	Protected single +2 children, disabled child, not working on UC with housing costs (rent £103.59pw)	UC=342.74 CB=34.40 DLA=58.70 CA=66.15 <b>Total: £501.99</b>	NIL	£21.80	£0	£21.80	£0	£0