Have your say on our Council Tax Reduction Scheme

Council Tax Benefit is being abolished. Tell us what you think about our proposed scheme to replace it.

From 1 April 2013 we will be introducing our Council Tax Reduction Scheme to help people pay their Council Tax. We want to hear your views on the proposed scheme which will replace Council Tax Benefit.

All the details you need should be in this document. Please read through everything carefully before answering the consultation questions.

Background
The Government has announced that Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax, will no longer exist from April 2013. Instead every council has to create its own local Council Tax Reduction Scheme by 1 April 2013.

Under the existing Council Tax Benefit Scheme, the council generally receives 100% grant from the Government to cover the cost of payments made. However, under the new local scheme the Council will only receive a maximum grant of 90%. South Lakeland District Council (SLDC) together with Cumbria County Council and Cumbria Police Authority will receive approximately £560,000 less grant for Council Tax support for the 2013/14 financial year.

The Council intends to calculate reductions in Council Tax in the same way as the current Council Tax Benefit Scheme. The reduction in funding means the Council now has to make some difficult decisions to cover the shortfall for 2013/14 and onwards. The Government has also said that pensioners must not be affected by the changes. Those who have reached the age for State Pension Credit will be assessed under a national scheme, which is likely to be very similar to the existing Council Tax Benefit Scheme.

Council Tax discounts and exemptions
The Government has also announced further changes to the Council Tax system from April 2013. This means that councils will be able to change Council Tax discounts and exemptions given to certain properties. These changes mainly affect second homes and empty properties. The money raised by reducing these discounts can then be used to fund the financial gap. There will be no changes made to other Council Tax discounts such as Single Person Discount, and most exemptions, for example when the owner of an empty property is in residential care, will remain the same.

The Council believes that by taking this opportunity to change some of our Council Tax discounts and exemptions, we will protect those currently receiving Council Tax Benefit from any additional financial burden.

Legislation will still allow the Council to award discretionary discounts in exceptional circumstances such as properties affected by flooding and each request will continue to be given due care and consideration and assessed on its own merits.

SLDC’s Council Tax Reduction Scheme
SLDC intends to adopt a Council Tax Reduction Scheme in line with the Government’s Default Scheme. This is similar to the current national Council Tax Benefit Scheme and will maintain the premiums and personal allowances for 2012/13 for all claimants.

Our Council Tax Scheme must be agreed by 31 January 2013. If the scheme is not approved by this date, the default scheme will be imposed by the Government.

All existing Council Tax Benefit claims will automatically be transferred to our Council Tax Reduction Scheme on 1 April 2013 so no-one will need to make a new application.
Our main proposal
SLDC is consulting on its preferred proposal that, instead of reducing council services or the level of Council Tax support to meet the shortfall in grant, the Council will:

- **Remove the Council Tax discount for second homes (currently 10%).**
  
  Result - By removing the Second Home Discount the Council will be able to pay for the reduction in grant for Council Tax support in full.

Also under consideration

- **Remove or reduce the Council Tax discount on properties which have been empty for less than six months (currently 100%).**

- **Remove or reduce the Council Tax discount on properties which have been empty for over six months up to two years (currently 50%).**

- **Charge an additional 50% Council Tax on properties which have been empty for over two years (total charge 150%).**
  
  Reason - These are not main proposals as they are not needed if our main proposal is accepted but are considered possible options in the future.

Not under Consideration

- **Reduce the level of support to those of working age who receive Council Tax Benefit.**
  
  Reason for not considering - This change in Council Tax support would affect the most vulnerable and low income members of our community. These include carers, lone parents, people with a disability, those who receive war pensions and families with children. The Council would like to reduce the burden for these groups where possible.

- **Reduce spending on other council services.**
  
  Reason for not considering – This would affect the greatest number of people and council services are already under budget pressures.

- **Increase Council Tax to pay for the funding gap from the Government**
  
  Reason for not considering – This would affect the greatest number of people and the Council is committed to only raise council tax by the minimum amount possible.

Have your say
We welcome your views on the proposals. Please complete the questionnaire or complete this survey online at: [www.southlakeland.gov.uk/council-tax-reduction-scheme](http://www.southlakeland.gov.uk/council-tax-reduction-scheme) which would be really helpful to us. Frequently Asked Questions and the guidance from the Department of Communities and Local Government are also available on the website.

If you have any queries, would like to request additional copies or would like help taking part please contact SLDC on: **0845 0504434** or email [counciltax@southlakeland.gov.uk](mailto:counciltax@southlakeland.gov.uk)

Please complete and return your questionnaire by: **Wednesday 31 October 2012.**

Completed questionnaires can be:

- left with your local District Councillor,
- taken to SLDC council offices, or
- posted to the address on the back page.