

Cumberland Council - Council Tax Reduction Scheme 2023/24 Consultation

1. A new Council Tax Reduction Scheme for Cumberland Council

From next year there will be a new council covering all of the Allerdale Borough Council, Carlisle City Council and Copeland Borough Council areas, providing all the services you are used to receiving. The new Cumberland Council will also replace the County Council in that area.

All of the councils are already working together to make sure that the services you value continue as usual when Cumberland Council comes into being on 1 April 2023.

Having one council means these services can be strengthened and joined up to improve the quality of life and opportunities for people across Cumberland. It will also save money by reducing duplication to put back into frontline services and support local priorities and decision-making.

We're asking you to take part in this consultation to find out what you think about our proposed Council Tax Reduction Scheme, which will start from 1 April 2023.

By law we have to introduce a **single** Council Tax Reduction Scheme covering the whole of the Cumberland area. We want to:

- continue with the successful approach to Council Tax Reduction that has operated within Allerdale Borough Council, Carlisle City Council and Copeland Borough Council areas;
- continue to provide up to 100% support for households on the lowest incomes; and
- make the scheme work better with the Universal Credit system.

Thank you for taking the time to share your views. It should take around 10 minutes to fill in this consultation.

2. Background to the Council Tax Reduction Scheme consultation

What is Council Tax Reduction?

Council Tax Reduction is a discount that helps people on low incomes pay their Council Tax bill.

The level of discount is based on the income and circumstances of the household. Each of the three councils that make up the new Cumberland Council area run similar but separate schemes.

Why are you making changes?

From 1 April 2023 the new Cumberland Council will replace Allerdale Borough Council, Carlisle City Council and Copeland Borough Council as well as the County Council. By law, we have to introduce a single Council Tax Reduction Scheme covering the whole of the Cumberland Council area by 31 March 2023.

What scheme is Cumberland Council proposing?

We are proposing to continue with a similar scheme to those that are currently operating within Allerdale Borough Council, Carlisle City Council and Copeland Borough Council. This will continue to provide the maximum level of reduction for the people most in need.

There is a need to adopt a single approach in the any areas where the schemes may differ and the new Council is also proposing to make some changes to align the scheme with changes that have been made to national benefits such as Housing Benefit and to make it work better now that Universal Credit has been introduced across the region.

Who will this affect?

The changes to the Council Tax Reduction Scheme will affect **working age households** in the Cumberland Council area who will get Council Tax Reduction from 1 April 2023. Pension age households will not see any change as the scheme to support this group is set out by Central Government.

When Council Tax Reduction was introduced in 2013 for working age applicants, Allerdale Borough Council, Carlisle City Council and Copeland Borough Council continued with the previous means-tested Council Tax Benefit scheme as the basis of awarding support. Since then, each authority has made some minor changes to the working age scheme.

The maximum level of support available to working age applicants within all of the current councils' schemes is 100% and it is the Council's intention to continue this in the new Cumberland wide scheme.

There are a small number of areas within the current schemes that will need to be aligned to adopt a single approach and also the Council is keen to make some changes which will allow the scheme to reflect changes that have occurred in national benefits such as Housing Benefit. The Council also wants to make the scheme more administratively efficient.

Details of each of the current schemes can be accessed by clicking the links below:

[Allerdale Borough Council](#)
[Carlisle City Council](#)
[Copeland Borough Council](#)

The 5 key areas we are consulting on are:

- Continuing with the means-tested scheme for all working age applicants. This will largely replicate the existing schemes and continue to provide up to 100% support in certain cases (**Part 1**);

- Changing the rules to align with the pension age scheme and Housing Benefit for applicants who receive Council Tax Reduction but who leave Great Britain for more than 4 weeks **(Part 2)**;
- Changing the rules for the family premium to align with the pension age scheme and Housing Benefit **(Part 3)**;
- Allowing the scheme to treat a claim for Universal Credit as a claim for Council Tax Reduction and providing the Council with flexibility in dealing with Universal Credit cases **(Part 4)**; and
- To ensure that the new scheme has the ability to deal with any new Government initiative without having a negative effect on the amount of support applicants receive **(Part 5)**;

Across Cumberland, currently around 12,300 working age Council Tax payers receive Council Tax Reduction. The gross cost of the scheme is estimated at £21m (based on current Council Tax values) which will be spread across Cumberland Council, and the Cumbria Police, Fire and Crime Commissioner in accordance with the proportion of Council Tax which each organisation levies (which is shown in brackets).

Currently the total amount of Council Tax Reduction awarded by the existing councils is £20.8m. It is anticipated that the cost of the new Cumberland wide scheme will be the same.

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

We have thought about other options but we do not think these are right for the reasons given below.

Providing a lower level of support

The proposed scheme will allow certain low income households to receive up to 100% support against their Council Tax bill. We want to provide the maximum support to those with the lowest income and the Council does not feel that a reduction in support is appropriate at this time.

Introducing other scheme changes

As all of the existing councils operate very similar successful schemes that support low income households, the Council feels that it is sensible not to make any significant changes to the design of the scheme at this time.

**1. I have read the background information about the Council Tax Reduction Scheme:
This question must be answered before you can continue. ***

Yes

No

3. Part 1 - Continuing with the means tested scheme for all working age applicants which will provide up to 100% support

We are proposing a single unified Council Tax Reduction Scheme, which will be introduced from 1 April 2023 for all working age applicants. This is based on the schemes currently operated by Allerdale Borough Council, Carlisle City Council and Copeland Borough Council. The proposed scheme will:

- provide up to 100% support for people on the lowest incomes (as in the current schemes);
- be means-tested comparing needs with financial resources (as in the current schemes);
- have safeguards for the most vulnerable (as in the current schemes);
- have a capital limit of £16,000 (as in the current schemes); and
- be broadly aligned with both Housing Benefit and the pension age Council Tax Reduction scheme which will be administered by the new Council.

The scheme will also work with the roll out of Universal Credit in the area and will provide stability to Council Tax payers by ensuring that any claim for Universal Credit is treated as a claim for Council Tax Reduction and allowing the Council flexibility in dealing with Universal Credit cases.

The positives are:

- It provides up to 100% reduction to people on the lowest incomes;
- It will protect the people who need support most;
- it will largely reflect the schemes currently in place within Allerdale Borough Council, Carlisle City Council and Copeland Borough Council; and
- It will work better for those applicants who also receive Universal Credit

The negatives are:

- As the proposed scheme is very similar to that operated by the existing authorities **and**, as it will continue to provide up to 100% support for low income households, the Council thinks that there are no negatives.

2. Do you agree with the means-tested scheme as shown above? *

- Yes
- No
- Don't Know

3. If you disagree please explain why. You can also use this space to let us know if you have any alternative suggestions.

4. Part 2 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Within the schemes currently administered by the existing authorities, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit.

Housing Benefit and the pension age Council Tax Reduction scheme has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease.

It is proposed that the Council's Council Tax Reduction scheme reflects the changes in Housing Benefit and the pension age Council Tax Reduction scheme. There will be exceptions for certain occupations such as mariners and the armed forces.

The positives are:

- The treatment of temporary absence will be brought into line with Housing Benefit and the pension age Council Tax Reduction scheme;
- It is seen as fair;

- There are exceptions for certain occupations including the armed forces and mariners;

The negatives are:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Council Tax Reduction will cease from when they leave the Country. They will need to re-apply on return.

4. Do you agree with this proposal? *

- Yes
- No
- Don't Know

5. If you disagree please explain why. You can also use this space to let us know if you have any alternative suggestions.

5. Part 3 - Changing the rules for the family premium to align with the pension age scheme and Housing Benefit

Within Housing Benefit and the pension age Council Tax Reduction scheme, the family premium is not awarded for any new claims. This proposal will align the new working age Council Tax scheme with those other schemes.

The family premium is part of the 'needs' assessment (Applicable Amounts) of any applicant which is compared with their income.

Family Premium used to be given when a claimant has at least one dependant child living with them. The proposal will mean that when we assess a new applicant's needs, it would not include the family premium.

This proposal will not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The positives are:

- It ensures that the new working age Council Tax Reduction Scheme is in line with Housing Benefit and the pension age Council Tax Reduction scheme where the change has already been introduced by Central Government;
- It will not affect existing claims or those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The negatives are

- New working age residents may not receive as much Council Tax Reduction depending on their circumstances

6. Do you agree with this proposal? *

- Yes
- No
- Don't Know

7. If you disagree please explain why. You can also use this space to let us know if you have any alternative suggestions.

6. Part 4 - Allowing the scheme to treat a claim for Universal Credit as a claim for Council Tax Reduction and providing the Council with flexibility in dealing with Universal Credit cases.

Currently, where an applicant wants to claim Council Tax Reduction, they must make a formal application. Where applicants claim Universal Credit from the Department for Work and Pensions (DWP) there is often either a delay in receiving a Council Tax Reduction claim or no claim is made at all leading to a potential loss in entitlement. The latter occurs largely through confusion, with all other benefits being claimed from DWP and claimants not realising they must make an additional claim to the Council.

When a person claims Universal Credit, their award details are passed to the Council automatically. It would be a distinct advantage and simplification in administration if the Council

were to take any Universal Credit data received from DWP as a claim for Council Tax Reduction.

In addition, the Council will receive a large amount of information from DWP regarding changes in Universal Credit entitlement. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays, and confusion for the applicant.

It is proposed that the new scheme has flexibilities to allow the Council to determine which changes received from the Department for Work and Pensions should be actioned.

The positives are:

- It will help the people who claim Universal Credit by maximising their entitlement to Council Tax Reduction;
- The proposed changes will make the administration of the scheme simpler; and
- The change is easy to put in place.

The negatives are:

- Although the proposals could make the scheme more costly, this is likely to be small.

8. Do you agree with this proposal? *

- Yes
- No
- Don't Know

9. If you disagree please explain why. You can also use this space to let us know if you have any alternative suggestions.

7. Part 5 - To ensure that the new scheme has the ability to deal with any new Government initiative without having a negative effect on the amount of support applicants receive

During difficult times and when there is a crisis, the Government often makes payments to assist households. This proposal will allow the Council to disregard such payments so that it will not have an adverse effect on Council Tax Reduction.

The positives are:

- The change is simple and administratively easy to incorporate within the scheme; and
- It will ensure that the receipt of these payments will not have an adverse effect by reducing any award of Council Tax Reduction

The negatives are:

- There are no drawbacks to this change.

10. Do you agree with this proposal? *

- Yes
- No
- Don't Know

11. If you disagree please explain why. You can also use this space to let us know if you have any alternative suggestions.

8. Your comments and suggestions on the proposed Council Tax Reduction Scheme

The proposed means-tested scheme supports working age households by allowing awards up to 100%, encourages work and protects the people who need support most. The scheme largely continues the approach taken within the existing schemes currently administered by Allerdale Borough Council, Carlisle City Council and Copeland Borough Council.

12. Please use this space to make any other comments on the proposed scheme or any alternative suggestions you have.

9. 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.

13. 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.

10. Questions for Individuals

Please answer the following questions.

14. Where do you live?

15. Do you pay Council Tax?

Yes

No

16. Are you currently receiving Council Tax Reduction?

Yes

No

17. Which of the following best describes your employment status?

Employed full time

Employed part time

Retired

Unemployed

In full or part time education

Long term sick or disabled

Providing care for others

Maternity, paternity, or adoption leave

18. Are you currently serving in the Armed Forces?

Yes

No

19. How would you describe your gender?

Male

Female

I describe myself in another way

I prefer not to say

20. What is your age?

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75-84
- 85+
- Prefer not to say

21. Do you consider yourself to be a disabled person or to have a long term, limiting condition?

- Yes
- No
- Don't know
- Prefer not to say

22. How would you describe your ethnic background?

- English / Welsh / Scottish / Northern Irish / British
- Irish
- White Other
- Mixed / Multiple ethnic groups
- Asian / Asian British
- Black / African / Caribbean / Black British
- Other Ethnic Group
- Prefer not to say

23. Other ethnic group?

11. Next steps....

The consultation closes at midnight on 21st November 2022. Thank you for taking part.

We will consider all responses when making a final decision on the Council Tax Reduction Scheme.

Following the decision in February 2023, the full results from the consultation will be available on the Cumberland Council website.

The new scheme will start on 1 April 2023.