



## COUNCIL TAX SUPPORT SCHEME CONSULTATION

### We are asking for your views on our proposed Council Tax Support Scheme (CTS) for 2025/26

Council Tax Support provides essential financial assistance to people on low incomes, helping them manage their Council Tax bills.

Every year, the Council reviews the scheme for working-age applicants in the area to determine if any changes are necessary.

It's important to note that pensioners are unaffected by changes to the local scheme, as the rules for those of pension age are set by Central Government.

Boston's scheme for working-age applicants is means-tested, with special consideration for vulnerable groups, including families with children, individuals with disabilities, and those with caring responsibilities. Additionally, the scheme protects War Disablement Pensioners, War Widows, War Widowers, and Care Leavers.

Since 2013, the Council has offered a support scheme that covers up to 75% of Council Tax for working-age households on low incomes. Currently, the scheme supports around 4,700 households at a cost of approximately £4.4 million annually.

Following an extensive review, we are proposing modifications to the scheme for 2025/26, rather than major changes. These improvements will make the scheme:

- **More generous**, offering enhanced protection for vulnerable families.
- **More efficient**, streamlining processes to reduce administrative costs.

We would welcome your views as part of this consultation.

The closing date for this survey is 15 November 2024.

Please read each question and give your response by placing a tick in the appropriate box.

1. **Proposal A: Do you think that the Council should increase the maximum CTS for households with children to 100% and to 85% for other households?**

According to recently published DWP estimates, 30% of children in Boston live in relative low-income households.

This change would increase the maximum level of support for households with children to 100%, demonstrating the council's commitment to respond positively to the concerns over child poverty.

There are currently 1,109 households with children in receipt of CTS, of which 727 receive the current maximum 75% CTS award.

Yes  No  I don't know

2. **Proposal B: Do you think that the Council should remove the earnings disregard for Universal Credit claims?**

'Earning disregard' is the income ignored when assessing eligibility for benefits, letting people keep more of their earnings. Research has shown that disregarding income significantly helps in reducing barrier to work.

The Department for Work and Pensions will already have regard to earnings and disregards in its calculation of the Universal Credit award, and, under its current scheme, Boston is then applying a further earnings disregard in its calculation of Council Tax Support for Universal Credit recipients.

This change will see the full amount of the UC award included in the CTS calculation.

This will make the scheme simpler and more efficient to administer.

Yes  No  I don't know

3. **Proposal C: Do you think that the Council should introduce a standard £10 rate for non-dependant deductions?**

Under the current scheme an applicant's entitlement to CTS can be reduced where other adults (non-dependants) live in the premises (other than the applicant or partner). The charges vary from £4.90 to £15.10 per week depending on the circumstances of the non-dependant.

Introducing a standard rate of £10 per week will remove the need to obtain evidence relating to non-dependants, in turn simplifying the claim process for the customer, and improving administration efficiency.

Yes  No  I don't know

4. **Proposal D: Do you think that the Council should introduce a minimum weekly award of £1.00 per week?**

Under the current scheme CTS will be awarded and Council Tax bills updated even where the CTS amount is a few pence per week.

Many small changes, especially those under £1.00, can make it difficult for Council Taxpayers to keep track of their claims. By streamlining administration, we aim to simplify the process, reducing confusion for claimants and ensuring a smoother, more efficient experience for managing their support.

This change would mean if entitlement to CTS was below £1 per week, there would be no CTS award made.

Yes

No

I don't know

5. **Proposal E: Do you think that the Council should increase the Capital Limits used in the calculation of CTS?**

Capital in this context is savings and other investments.

Boston's Upper Capital Limit is £16,000.

Where a household has more than £16,000 there is no entitlement to CTS. For every £250 between the Lower Capital Limit of £6,000 and the Upper Capital Limit of £16,000, there is an assumed level of income, known as a 'tariff' of £1 in the calculation of CTS.

Whilst recognising that not all capital may be accessible, and that households with a modest level of capital may still need support we are asking whether you think the Council should reduce the current Upper Capital Limit.

Yes

No

I don't know

If yes, do you think the Council should reduce the Upper Capital Limit to:

£8,000

£10,000

6. **Proposal F: Do you think that the Council should remove the current three month review period on Universal Credit earnings and replace it with a threshold for earnings changes?**

The National Living Wage is now £11.44 per hour, and the Real Living Wage is £12 per hour. As a result, if someone works just an extra hour a week, they may lose some of their Council Tax Support (CTS).

This change means that while some households may benefit, others might receive less support, as earning just below the threshold won't automatically increase their CTS. However, the Council has the flexibility to adjust CTS on a case-by-case basis, either by customer request or during routine checks.

This adjustment will also help reduce the cost of re-issuing bills for small changes and give households more certainty when planning their budgets.

Yes

No

I don't know

If yes, do you think the earnings threshold should be:

£30 per week (£130 per month)

£50 per week (£217 per month)

7. **Proposal G: Do you think that the Council should introduce a Discretionary Exceptional Hardship Payment Fund?**

This scheme provides short-term assistance to Council Tax Support claimants facing additional hardship, offering extra financial help while directing them to other resources and opportunities to maximise their income.

Yes

No

I don't know

8. **Proposal H: Do you agree that the Council should update the 2025/26 scheme in line with DWP uprating?**

This would be consistent with previous years, aligning the scheme with the DWP's annual update of allowances and premiums for 2025/26.

Yes

No

I don't know

Please return your completed survey to: Boston Borough Council, Municipal Buildings, West Street, Boston. PE21 8QR.

Thank you for taking the time to complete this survey