

Westmorland & Furness Council - Council Tax Reduction Scheme 2023/24 Consultation

1. A new Council Tax Reduction Scheme for Westmorland and Furness Council

From next year there will be a new council covering all of the Barrow Borough Council, Eden District Council and South Lakeland District Council areas, providing all the services you are used to receiving. The new Westmorland and Furness 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 Westmorland and Furness 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 Westmorland and Furness. 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 Westmorland and Furness area. We want to:

- continue with the successful approach to Council Tax Reduction that has operated within Barrow Borough Council, Eden District Council and South Lakeland District Council;
- 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 Westmorland and Furness Council area run similar but separate schemes.

Why are you making changes?

From 1 April 2023 the new Westmorland and Furness Council will replace Barrow Borough Council, Eden District Council and South Lakeland District Council as well as the County Council. By law, we have to introduce a single Council Tax Reduction Scheme covering the whole of the Westmorland and Furness Council area by 31 March 2023.

What scheme is Westmorland and Furness Council proposing?

We are proposing to continue with a similar scheme to those that are currently operating within Barrow Borough Council, Eden District Council and South Lakeland District 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 any of the areas where the schemes may differ and the new Council is also proposing to make some changes to align the scheme with the introduction of Universal Credit.

Who will this affect?

The changes to the Council Tax Reduction Scheme will affect **working age households** in the Westmorland and Furness 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, Barrow Borough Council, Eden District Council and South Lakeland District 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 Westmorland and Furness wide scheme.

The Council is keen to make some changes which will allow the scheme to reflect changes that have occurred in national benefits such as Universal Credit. 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:

[Barrow Borough Council](#)
[Eden District Council](#)
[South Lakeland District 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)**;
- Introducing a Minimum Income Floor for self-employed applicants who have been trading for a period of at least one year **(Part 2)**;
- Ensuring 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 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
- Aligning the provisions for backdating; **(Part 5)**

Across Westmorland and Furness, currently around 8261 working age Council Tax payers receive Council Tax Reduction. The gross cost of the scheme is estimated at £15.4M (based on 2021/2022 Council Tax values) which will be spread across Westmorland and Furness Council and the Cumbria Police, Fire and Crime Commissioner in accordance with the proportion of Council Tax which each organisation levies.

Based on the recommendations it is anticipated that the cost of the new Westmorland and Furness wide scheme will be the same or similar.

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 Barrow Borough Council, Eden District Council and South Lakeland District 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 Barrow Borough Council, Eden District Council and South Lakeland District 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 - Introducing a Minimum Income Floor for certain self-employed applicants

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income for those applicants who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business and the Council would have the discretion to waive the use of this facility in exceptional circumstances

The positives are:

- The change is simple and administratively easy to incorporate within the scheme; and;
- The treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with those applicants who are self-employed and who are in receipt of Universal Credit (where the scheme is already in place);

The negatives are:

- Where a working age applicant is self-employed and continues to run a business where their income is below the National Living Wage level, the Council will assume they earn

at least the minimum level (based on a 35-hour week, regardless of the hours they work).

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 - 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.

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 - Aligning the period that applications can be backdated.

Currently, all of the existing authorities allow applications to be backdated where 'good cause' is proven. In the case of Eden and South Lakeland, applications which meet the criteria may be backdated up to 6 months. Barrow currently has a one month backdate period.

The proposal is to align the scheme so that applications may be backdated up to 6 months where 'good cause' is proven.

The positives are:

- It will help applicants where they have circumstances which prevent them from making a prompt claims for Council Tax Reduction; and
- The change is easy to put in place.

The negatives are:

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

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 Barrow Borough Council, Eden District Council and South Lakeland District 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 Westmorland and Furness Council website.

The new scheme will start on 1 April 2023.