



Council Tax Benefit is changing from April 2013

The change could affect you.

This leaflet explains the change, asks for your views and tells you where you can get more help.

You can also find out more on-line at
[www.fenland.gov.uk /localcounciltaxbenefit](http://www.fenland.gov.uk/localcounciltaxbenefit)

What is Council Tax Benefit?

Council Tax Benefit (also called "CTB" in this document) is a benefit paid to people on low incomes, with little or no savings. It is called a "means tested" benefit. This means in working out how much CTB you get, we have to look at what money you get in (by "testing your means") (from other benefits or paid work) and what savings you have.

CTB is worked out and then paid into your Council Tax account. This means that instead of us giving you it directly, it is offset against what Council Tax you have to pay, reducing the amount you owe us.

Most of the rules for CTB are the same as Housing Benefit We use one application form (on paper and on the internet) for them both together, working them out at the same time (Housing Benefit is to help with your rent; so this is then paid directly to you or your landlord).

Who is responsible for Council Tax Benefit?

The Government's Department for Work and Pensions (also called "DWP" in this document) sets the law for CTB, which tells us how to work it out and how much we pay people. This is the same across the country, so the DWP set the rules and each Council (in Cambridgeshire this means District Councils) follows them in their area.

How much does Council Tax Benefit cost?

At the moment CTB is paid for by the DWP but worked out and paid out by Councils. They get this money back from the Government based on the actual amount paid out. So, if more people get CTB, more is paid out by Councils that the DWP picks up the tab for.

Nationally about £5 billion is paid out each year in CTB. In Fenland, we are paying £8 million in 2012-13 (remember it is not "paid" as such but offset against Council Tax bills).

What's changing?

The Government has said that from April 2013, Councils can make their own rules for CTB, but:-

Pensioners (of state pensionable age) must still be paid the same CTB as now;

Councils will be given 10% less money for CTB.

What this means

The Government will give us less money for CTB. They have said it will be 10% less. But initial information suggests it is more than 10% less. It also doesn't allow for us paying more CTB out if more people claim it. Councils either have to find this money from elsewhere or pay out less CTB by changing the rules. We are proposing to pay out less CTB.

What we are proposing to do

To find the savings we need, we propose to work out what CTB you could get, then take 20% off before paying it out, but this only affects people who are not pensioners.

All other current rules relating to CTB will stay as they are now, in terms of how we work out CTB and how we administer all parts of the scheme.

Why are we proposing such a high cut if we don't have to save that much?

The Government has told us we must protect pensioners by paying them the same CTB as now. This means that we need to find the savings from just working age people. As there are more pensioners on benefit locally than working age, there is more to save from non-pensioners. This means to balance our budget, we need to save 20% in the amount of CTB we pay working age people.

How will affect you?

If you're a pensioner you will see no change. If you're working age, we will work out your CTB and then take 20% off before off-setting this lower amount against your Council Tax Bill. This means you will have more Council Tax to pay, or pay Council Tax for the first time.

The average effect for someone receiving CTB now is that you will have to pay an average of £3.32 per week more Council Tax than you do now, based on current Council Tax and Council Tax Benefit figures.

Some examples

Person 1 – receiving full Council Tax Benefit now

Living in a Band B property in March.
Annual Council Tax Bill before benefit is now £1,224.12
They are getting full Council Tax Benefit so don't have to pay anything.

After the change their bill is still £1,224.12
They get Council Tax Benefit for the full amount less 20%.
Their CTB is £1,224.12 less 20% (£244.82) = £979.30.

At present, they pay no Council Tax.
Under these proposals, they will have to pay Council Tax of £244.82.
They will pay £4.71 a week more than now.

Person 2 – receiving some (but not full) Council Tax Benefit now

Living in a Band B property in March.
Annual Council Tax Bill before benefit is now £1,224.12
Receiving some Council Tax Benefit now.
They get CTB of £750. They now have to pay $£1,224.12 - £750 = £474.12$

After the change their bill before benefit is still £1,224.12
They get Council Tax Benefit as now less 20%.
Their CTB is £750 less 20% (£150) = £600.

At present, they pay Council tax of £474.12.
Under these proposals they will have to pay Council Tax of £624.12.
They will pay £2.88 a week more than now.

How we will protect the vulnerable

The existing CTB rules allow for certain groups of people to have a higher income before CTB is worked out. These groups are the disabled and families. We will continue to apply these rules as now to protect these vulnerable groups.

What do you think?

We are having a ten week consultation period about these proposed changes from 13 August 2012 to 20 October 2012.

We want you to have your say on the proposals, whether you currently get CTB or not.

Having you say

You can do this on-line at www.fenland.gov.uk by clicking on Local Council Tax Benefit

You can pick up a questionnaire at one of our Fenland @ Your Service Shops (see below).

More information

You can find out more information in these places:-

On-line at www.fenland.gov.uk/localcounciltaxbenefit

Visit one of our Fenland @ Your Service Shops (see below).

Email us at localcounciltaxbenefit@fenland.gov.uk

Phone us on 01354-654321

Meet us

Our team will be at the Fenland @ Your Service Shops between 10am and 12 noon on the days below to answer specific questions about the proposals and how they may affect you personally:-

Wednesday 19 September 2012

March Fenland @ Your Service Shop

Thursday 20 September 2012

Whittlesey Fenland @ Your Service Shop

Friday 21 September 2012

Chatteris Fenland @ Your Service Shop

Monday 17 September 2012

Wisbech Fenland @ Your Service Shop

When our Fenland @ Your Service Shops are open

Chatteris
20 High Street

Open Tuesday, Thursday and Friday 9am to 4pm,
Open Saturday 9am to noon.

March
8 Broad Street

Open Monday, Tuesday, Wednesday and Friday
9am to 4pm, Open Saturday 9am to noon.

Whittlesey
3 Causeway Centre

Open Tuesday, Thursday and Friday 9am to 4pm,
Open Saturday 9am to noon.

Wisbech
2-3 Bridge Street

Open Monday to Friday 9am to 4pm,
Open Saturday 9am to noon.