



## Local Council Tax Benefit Frequently Asked Questions

Here are answers to questions you may have about Local Council tax Benefit. If you have any that are not answered, please email [localcounciltaxbenefit@fenland.gov.uk](mailto:localcounciltaxbenefit@fenland.gov.uk) with your questions and we will both answer them directly and also update this list.

### What certain terms in this document mean

CTB	Council Tax Benefit
DWP	Department for Work and Pension
Pensioners	Anyone who is of pensionable age (in terms of state pension)
Working Age	Anyone who is not of pensionable age

### 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).

## **What's changing**

CTB now is the same across England, no matter where you live.

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.

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).

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

Pensioners must still be paid the same CTB as now;

Councils will be given 10% less money for CTB.

## **Why is it changing?**

The Government has changing the way CTB is paid for. This affects all Councils.

We could do nothing and you would see no change in CTB. 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. But this will cost over £1 million in Fenland alone, and this money would have to come from money used to pay for Council services.

We are proposing to cut the overall CTB paid out to balance the books.

## **How this affects you**

This affects you if you get CTB as at 1 April 2013, or apply for it after that.

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.

The effect of this 20% reduction in CTB paid out is that people will need to pay an average of £3.32 per week more Council Tax next year. This figure has been worked out by taking the current amount of CTB paid out and the split between pensioners and working age customers to get an average figure. The exact amount may be more or less than this for individual people.

### **How the amount of CTB we give you will change**

You will get a Council Tax Bill in March 2013 that shows what you will now have to pay, for the year that starts on 1 April 2013. Your first payment will be due in April, normally on the first day of the month. You can pay later in the month if you sign up for Direct Debit, contact us for details.

The exact amount more we are asking you to pay will not be confirmed until we send you this Bill.

We can give you an estimate of the extra you will need to pay. We are writing to everyone affected three times over the next few months (in August, November and January) to let you know what we expect this to be (an estimate only).

### **Why can't we tell you now about your Bill?**

The final Council Tax for next year is not set until 21 February 2013. We then update our computer system, print and send out Bills to all 43,000 households in Fenland. This means you will get a Bill in the post in mid-March.

The figures we are using now are estimates based on how much CTB we pay out now. We have used these to work out the potential effects of the changes.

### **Why is CTB being cut by 20% but you mention 10% cuts?**

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.

## **Why do we know already how much you may lose if it's not been decided yet?**

All of our figures are based on our proposed Local Council Tax Benefit scheme. We drew this up with the reductions mentioned in order to make the savings needed.

We are now asking people what they think. This is both those people who get CTB now but also the wider community, as they will also be affected as the final scheme we set affects the amount of Council tax everyone pays.

The scheme will be formally decided and approved by full Council in December 2012.

## **I am getting Council Tax Benefit now. What should I do?**

Changes to your CTB will be made automatically from 1 April 2013, you don't need to fill in any more forms or apply again.

You should start thinking about how to pay the extra Council Tax we'll be asking you for next year. Remember that there will be something more to pay (or even Council Tax to pay for the first time) unless you are getting CTB now and are a pensioner (if you are a pensioner and not getting CTB now, please apply for it; Council Tax is still due in the meantime).

## **Why are other Councils making different (or no) changes to CTB?**

Each Council has to set its own Local Council Tax Benefit scheme. Some may not change the existing rules but be able to make savings elsewhere in their budgets. Others (like us) will need to reduce CTB to make these savings. The exact reduction is also affected by the number of pensioners and working age people claiming CTB as well as the amount the Government is proposing to cut from funding for each Council (which can be more than the 10% quoted). Also Councils have to plan the likely increase in demand for CTB.



Fenland District Council

Fenland District Council, Fenland Hall, County Road, March, Cambridgeshire. PE15 8NQ  
Telephone: 01354 654321 Email: [info@fenland.gov.uk](mailto:info@fenland.gov.uk) Web: [www.fenland.gov.uk](http://www.fenland.gov.uk)