LOCAL COUNCIL TAX SUPPORT SCHEME FURTHER CONSULTATION

Have your say on changes to the scheme

Thank you for taking part. Once you have completed the questionnaire, please place it in an envelope and send it to:

FREEPOST RSZS-RGHK-ARCK
LBWF Council Tax Support Scheme Consultation
PO Box 856
London
E17 9PN

Questionnaires must be returned by Monday 5 January 2015.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background</strong></td>
<td>3</td>
</tr>
<tr>
<td>Read this carefully before completing the next section.</td>
<td></td>
</tr>
<tr>
<td><strong>Form to complete</strong></td>
<td>5 to 17</td>
</tr>
<tr>
<td>Including sections on paying for the scheme, principles of the scheme and your preferred option. Please write clearly and in block capital letters using blue or black ink.</td>
<td></td>
</tr>
<tr>
<td><strong>Further information</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Council Tax Support Scheme options summary</strong></td>
<td>18</td>
</tr>
<tr>
<td><strong>Frequently Asked Questions</strong></td>
<td>19 to 21</td>
</tr>
<tr>
<td>More information about the consultation that should help answer any queries you may have.</td>
<td></td>
</tr>
<tr>
<td><strong>Case studies</strong></td>
<td>22 to 24</td>
</tr>
<tr>
<td>Based on real life examples, these scenarios show how the proposed options could affect different people.</td>
<td></td>
</tr>
</tbody>
</table>
Background

The Welfare Reform Act 2012 abolished Council Tax Benefit and required all local authorities to design and run their own local Council Tax support schemes. At the same time, the Government announced that they were reducing the funding allocated to support local Council Tax support schemes by 10%. This has forced us to find other ways to fund the scheme to support eligible residents.

In late 2012 we consulted you about our proposed Council Tax Support Scheme. This scheme was very similar to the Government’s Council Tax Benefit scheme but meant that claimants of working age would be entitled to support of up to 85% of their Council Tax bill. The outcome was that this scheme was adopted by the Council in December 2012 and took effect from 1 April 2013.

There have been further reductions in the amount of money that the Council receives towards its’ Council Tax Support Scheme from Government since we first introduced our scheme. The Council has identified a funding gap of nearly £3.5million between the cost of maintaining the current Council Tax support scheme and the grant from Government in the period 2015/2016 and 2016/17. This is set out in the table below:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Estimated Government grant</th>
<th>Estimated CTS expenditure</th>
<th>Estimated funding gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>£18,597,000</td>
<td>£19,586,451</td>
<td>£989,451</td>
</tr>
<tr>
<td>2016/17</td>
<td>£16,185,000</td>
<td>£18,607,129</td>
<td>£2,422,129</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>£3,411,582</td>
</tr>
</tbody>
</table>

As a result, from August to October 2014 the council consulted again on proposals to change the current Council Tax Support scheme. In light of a recent Supreme Court judgment relating to a consultation undertaken by another local authority the council has decided to produce a new consultation document and ask residents, in particular those most affected by any further changes to the scheme, to provide their views on what changes should be made. This has also given us an opportunity to look again at options for making savings and to take into consideration the views expressed by residents in response to the recent consultation in designing this consultation. As a result the Council has revised its estimation of the savings necessary to meet the funding gap from approximately £4.5million to £3.5million.

The Council wants to make sure that Waltham Forest residents clearly understand the options available to the Council, why the Council is proposing particular changes to the current scheme and the reasons why we do not favour alternative options, which include maintaining the current scheme.

The council wants residents to have a meaningful input into the design of the scheme which will be in place from 1 April 2015. The council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made. The law sets out the way in which support for Council Tax Support is calculated for pensioners so our scheme will only apply to people below pensionable age. Whichever scheme is introduced will be means tested. This means that a person’s income is compared to an amount their family is treated as needing to live on, often referred to as a ‘needs allowance’.

The new scheme will start on 1 April 2015 and is expected to remain in effect for two years. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.
Paying for the Scheme

As well as putting a new scheme in place the Council has to decide how it will be funded. Broadly speaking there are two choices for the funding of the scheme:

1. Firstly, the Council could estimate the amount of money it will receive in the overall Government grant. We could then design our scheme so it costs the same as the amount of money that we believe is included in the grant to pay for our scheme. We have called this the “self-funding” option because it means that the scheme will be funded by the money received from Government and does not require the Council to find additional funding from other sources. This is the option we used when we designed the existing scheme and our preferred option going forward as it delivers better value for money for residents.

2. Secondly, the Council could increase the amount of money we spend on the scheme to make it more generous, potentially awarding up to 100% of a person’s Council Tax. Because this option would cost the council more money than the Government grant, it would mean having to find additional funding from other sources, for example by increasing Council Tax for all residents, including those not eligible for support, using reserves, cutting services or a combination of these options. The Council does not favour this option as it would place a burden on other services and potentially residents and we do not feel that it delivers the best value for money for the local community for the following reasons:

Increasing the level of Council Tax:

If the Council adopted a Council Tax support scheme that offered eligible residents a maximum 100% support to cover all of their Council Tax, we would need to increase Council Tax for everyone who does pay it by about 6%. This would not only place a financial burden on paying residents, but would require a referendum, an exercise which, in itself, carries significant cost implications and months of planning. It is also likely to lead to more members of the community experiencing financial hardship.

Calling on the Council’s reserves:

Like other Councils, and as recommended by the Government, the Council keeps reserves, to meet sudden, unexpected costs. The Council currently holds £10.684million within the General Fund balance. While we could use these reserves to help fund the scheme, they are intended to act as a ‘cushion’ if we need to react to unforeseen events in the future. Using them in this way might place a risk on the Council being able to deal with an emergency effectively. As these reserves are already factored in to the Council’s financial plans, this option would only provide a short-term solution.

Reducing Council services:

The Council has already made substantial cuts to the amount it spends on services. So far we have identified £68million in savings and we still need to find at least £45million more. Any further reductions would seriously compromise the Council’s ability to provide an appropriate level of service.

The Council would like your views on how you think we should fund the Council Tax support scheme.
Paying for the Scheme

The cornerstone of the current Council Tax Support scheme is that the scheme is ‘self funding’ so costs the same as the amount of Government grant the Council receives.

Do you agree that the Council should continue with a scheme which is, as far as possible, self-funding? Please select one answer only.

☐ Yes
☐ No
☐ Don’t Know

If the Council does not continue with a self-funding scheme it will need to find additional funding from other sources. Do you think we should adopt any of the following options to help fund the scheme?

Increase the level of Council Tax. Please select one answer only

☐ Yes
☐ No
☐ Don’t Know

Use the Council’s reserves. Please select one answer only

☐ Yes
☐ No
☐ Don’t Know

Reduce funding available for other Council services

☐ Yes
☐ No
☐ Don’t Know

If the Council were to partly or fully fund the scheme what would be your order of preference.

Please rank in order of preference (1, 2, or 3), where 1 is the option you most prefer and 3 is your least preferred option:

Increase the level of Council Tax:

☐

Use the Council’s reserves:

☐

Reduce funding available for other Council services:

☐
The principles underlying the Council’s Scheme

To reduce the financial burden on other services and residents who pay Council Tax, the Council’s preferred option is to introduce a self-funding scheme. We want to set a maximum level of support in line with the funding available from Government and without the need to find additional funding from other sources. We are therefore proposing to change the current scheme as described below, with our original six key principles used in the current scheme in mind:

1. Everyone of working age should pay something.
   The Council believes that the fairest way to calculate entitlement is to make everyone subject to the same maximum level of award and calculate the appropriate amount based on circumstance and need.

2. A discretionary fund of £750,000 should be created to help people suffering particular hardship.
   The council recognises that changes to the current scheme will cause significant hardship for some people and, similarly, some people who are not entitled to support may be unable to make their Council Tax payments without experiencing severe hardship.

3. The scheme should incentivise work.
   A person in work is likely to incur costs to go to work. This may be in the form of travelling costs, specific clothing or a number of other things. The scheme should acknowledge this and ensure that people are not worse off financially if they go to work.

4. Every adult in the household should contribute to the Council Tax bill
   All adult residents of a property, subject to certain exceptions, should be required to pay something toward the Council Tax bill.

5. Support should not be given to people with relatively large amounts of savings or capital.
   The current scheme allows people to receive support if they have up to £16,000 in savings or capital. If they have more than this they are not entitled to support irrespective of their income. The Council believes that £6,000 is a suitable maximum limit.

6. Some income should be ignored when calculating entitlement to Council Tax support.
   There are many types of income that are ignored for example Child Benefit, Disability Living Allowance and Personal Independence Payment. The full list can be found in the Council’s current scheme, which can be found at www.walthamforest.gov.uk/localcounciltaxsupport. Disregarding income has the effect of increasing entitlement for some people.
Do you agree with these six key principles? For each principle, please select one answer only.

Should every working age adult pay something?

- [ ] Yes
- [ ] No
- [ ] Don't Know

If you have answered ‘No’ to the question above please use the space below to tell us who you think SHOULD NOT have to pay anything.

Should the Council create a discretionary fund of £750,000 to help people suffering particular hardship.

- [ ] Yes
- [ ] No
- [ ] Don't Know

Should the scheme incentivise work?

- [ ] Yes
- [ ] No
- [ ] Don't Know

Should we stop giving support to those with relatively large amounts of capital or savings?

- [ ] Yes
- [ ] No
- [ ] Don't Know
Please use the space below to tell us what you consider a relatively large amount of capital / savings?


Should every adult of working age in the household contribute to the Council Tax bill?

☐ Yes
☐ No
☐ Don't Know

Do you agree that the Council should continue to ignore certain incomes, for example Child Benefit, Disability Living Allowance and Personal Independence Payment pensions?

☐ Yes
☐ No
☐ Don't Know

Please use the space below if you want to make any further comments regarding our key principles:


Options for making changes to the existing Council Tax Support Scheme

The Council proposes making some changes to the existing Council Tax Support Scheme which, if implemented, would enable the scheme to continue to be self-funding. Set out below are the various options that are being considered, some of which involve making technical changes which we have explained in more detail below under the heading ‘More information and explanation of the proposed technical changes’. Those changes, if implemented, would decrease the level of support available for those people affected by the changes.

Option 1: The Council’s preferred option

Between 1 April 2015 and 31 March 2016, all working age residents eligible for Council Tax Support will be required to pay at least 16% of their Council Tax. This is an increase of 1% from the current 15%.

From 1st April 2016 to the end of March 2017, this would increase to at least 24% of their Council Tax.

In addition to this:
• The standard fixed rate non-dependant deductions for other adults (people over 18) living in a household would increase by 25%; and
• The taper applied to a person’s income when their income is higher than their needs allowance would increase from 20% to 25%; and
• The capital/savings limit for getting support would reduce from £16,000 to £6,000

Under this option the proposed minimum level of Council Tax residents eligible for Council Tax Support will be required to pay is reduced by 4% because all three of the changes referred to above would be introduced.

In addition to the reason outlined above this is the Council’s preferred option because:
• The general trend in the economy seems to be one of improvement. If this is, indeed, the case the Council may be able to mitigate some of the impact of an increase in the amount payable from April 2016.
• The impact is greater on those people who are more likely to be able to afford it.
• The phased increase in the minimum contribution will give people more time to better plan their finances.

The benefits of doing this are:
• The initial impact on scheme users will be lessened with this option.
• Residents who;
  – have income no greater than their needs allowance,
  – do not have more than £6,000 in savings / capital,
  – have no non-dependants living with them
under this option will experience less impact.

The drawbacks of doing this are:
• Residents will be expected to pay at least 8% more towards their Council Tax in year 2.
• Residents with relatively large amounts of savings/capital will lose all entitlement to Council Tax Support
• Households with non-dependant adults living in the household or with more income than their assessed needs allowance will have to pay more.
Option 2

Make changes to all the same elements of the current scheme as in Option 1, but spread the increase in the minimum amount all people of working age would be liable to pay evenly over a two year period. This would mean that between 1 April 2015 and 31 March 2017, all working age residents eligible for Council Tax Support will be required to pay at least 20% of their Council Tax. This is an increase from the current 15% to 20%.

In addition:
- The standard fixed rate non-dependant deductions for other adults (people over 18) living in a household would increase by 25%; and
- The taper applied to a person’s income when their income is higher than their needs allowance would increase from 20% to 25%; and
- The capital/savings limit for getting support would reduce from £16,000 to £6,000

The benefits of doing this are:
- The minimum contribution will remain the same over the two year period, giving a degree of certainty to people who are eligible for support, helping them to better plan their finances.
- Residents who;
  - Have income no greater than their needs allowance,
  - do not have more than £6,000 in savings / capital,
  - have no non-dependants living with them under this option will experience less impact.

The drawbacks of doing this are:
- Council Tax charges in Year 1 will be higher with this option than with the Council’s preferred option 1.
- Households with non-dependant adults living in the household will have to contribute more towards their Council Tax.
- Households with an income higher than their assessed needs allowance will have to pay more

Option 3

Continue with the current Council Tax Support scheme and only make changes to the minimum percentage that all working age residents would have to make to their Council Tax.

This would mean that between 1 April 2015 and 31 March 2017, all working age residents eligible for Council Tax support will be required to pay at least 24% of their Council Tax.

The benefits of doing this are:
- The council will continue with a scheme that is already familiar to many people.
- The impact of the changes will be spread evenly across all people who receive support.
- The minimum level of support will continue for at least two years, giving a degree of certainty to people who are eligible for support, helping them to better plan their finances.

The drawbacks of doing this are:
- The full impact of the new scheme will be felt immediately
- The effect of the increase in the amount payable may be greater for those who are least able to afford it.
Option 4

Between 1 April 2015 and 31 March 2017, all working age residents eligible for Council Tax Support will be required to pay at least 22.5% of their Council Tax. This is an increase of 7.5% from the current 15%.

In addition:
- The standard fixed rate non-dependant deductions for other adults (people over 18) living in a household would increase by 25%; and
- The capital/savings limit for getting support would reduce from £16,000 to £6,000

The benefits of doing this are:
- The minimum level of support will continue for at least two years, giving a degree of certainty
- The changes will increase the amount some of those more able to meet the increase in demand are required to pay
- Residents who have income no greater than their needs allowance will experience less impact

The drawbacks of doing this are:
- Residents with more than a modest amount of savings will lose all entitlement to Council Tax Support
- Households with non-dependant adults living in the household will have to contribute more towards their Council Tax

Option 5

Between 1 April 2015 and 31 March 2017, all working age residents eligible for Council Tax Support will be required to pay at least 22% of their Council Tax. In addition, the taper applied to a person’s income when their income is higher than their needs allowance would increase from 20% to 25%.

The benefits of doing this are:
- The minimum level of support will continue for at least two years, giving a degree of certainty
- The changes will increase the amount some of those more able to meet the increase in demand are required to pay.
- Residents who do not have more than £6,000 in savings and those who do not have non-dependants living with them will experience less impact

The drawbacks of doing this are:
- Households with an income higher than their assessed needs allowance will have to pay more
- The full impact of the new scheme will be felt immediately
More information and explanation of the proposed technical changes

The technical changes to the existing Council Tax Support scheme referred to in some of the above options would decrease the level of support available for those people affected by the changes. These are set out in more detail as follows:

- **Reducing the capital limit**
  Under the current scheme you cannot get support if you have more than £16,000 in savings. If this was reduced to £6,000 we could save £122,000. This would mean that people with savings of more than £6,000 would not be eligible for support until their savings fell below that level.

- **Increasing non-dependant deductions:**
  Council Tax Support is usually reduced if there are other adults living in the household who are not directly responsible for paying the Council Tax. This is because they are expected to contribute to household bills in other ways. The amount of each deduction is based on the income of that person. If we increased the fixed non-dependant deductions rates used to reduce Council Tax support by 25%, we could save £175,000.

- **Increasing tapers**
  A taper is a deduction applied to a person’s income when their income is higher than their needs allowance. Essentially, it is the rate at which their support reduces as income increases. For example, we could save £409,000 by increasing the taper from the current scheme from 20% to 25%. This means that a person’s support would be reduced by 25p for every pound that their income was higher than their needs allowance.

Your preferred option

Please indicate which savings option you would prefer the council to use:

I agree with Option 1, the Council’s preferred scheme

☐ Yes
☐ No

If you do not agree with the Council preferred scheme, which of the other four options referred to above do you prefer? Please select one option only.

☐ Option 2
☐ Option 3
☐ Option 4
☐ Option 5
☐ None of these
☐ Don’t Know
Please use the space below to make any comments you may have about the Council’s preferred scheme.

Please use the space below if you would like to suggest that the Council adopt a different scheme rather than any of the options above.

Other comments

If you have any further comments to make regarding our scheme please use the space below.
About you

Why do we ask these questions? The following questions will help inform our decision. They will also help us monitor what different groups of people think about the proposed Council Tax Support Schemes. All information you provide is completely confidential and anonymous. This means that your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

Are you responding as…? Please select one answer only, and select the option which most closely applies.

☐ A Waltham Forest resident
☐ A representative of a voluntary or charitable organisation
☐ A representative of a housing association
☐ A private landlord
☐ Other

If other, please specify

If you are a Waltham Forest resident, please provide your postcode

This will be used for analysis purposes only and we will not be able to identify individuals from this information.

If you are not answering as a Waltham Forest resident, please go to the end of the questionnaire. Otherwise please continue.

Does your name appear on the Council Tax bill for your household?
Please select one answer only

☐ Yes
☐ No
☐ Don’t know
Does your household currently receive Council Tax support? Please select one answer only

☐ Yes
☐ No
☐ Don’t know

How many people live in your household? Please write in numbers below

Adults  [ ]  Children aged 18 or under  [ ]

Are you receiving a Retirement Pension or Pension Credit? Please select one answer only

☐ Yes
☐ No

Which of these activities best describes what you are doing at present? Please select one answer only

☐ Employee in full-time job (30 hours plus per week)
☐ Employee in part-time job (under 30 hours per week)
☐ Self-employed full or part-time
☐ On a government supported training programme (e.g. Modern Apprenticeship/Training for Work)
☐ Unemployed and available for work
☐ Permanently sick/disabled
☐ Wholly retired from work
☐ Looking after the family/home
☐ Full-time education at school, college or university
☐ Doing something else

Are you?

☐ Male
☐ Female
☐ Transgender

What was your age on your last birthday? Please select one answer only

☐ 18-24  ☐ 45-54
☐ 25-34  ☐ 55-64
☐ 35-44  ☐ 65 and over
Do you consider yourself to be disabled, or does anyone else in your household? (The Disability Discrimination Act defines a disability as a physical or mental impairment which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities). Please select all relevant answers

- Yes I do
- Yes another member of my household
- No

What is your religion or belief? Please select one answer only

- Buddhist
- Christian
- Hindu
- Jewish
- Muslim
- Sikh
- Other
- None

Which of the following questions best describes how you think of yourself? Please select one answer only

- Heterosexual or straight
- Gay or Lesbian
- Bisexual
- Other
- Prefer not to say
Next Steps

Because of the timescales involved and the legal requirement that the Council adopt its scheme by 31 January 2015 at the latest if it is to take effect from 1 April 2015, the consultation will therefore close on Monday 5 January 2015.

A draft report will be presented to the Council’s Cabinet in January to put forward the result of the consultation. We will listen carefully to what residents tell us, and the consultation results will be considered alongside other evidence and information for the Council’s Cabinet to make the final decision on which scheme to adopt.

Following the decision, the results from the consultation will be available on the Council’s website and we will write to you personally if you are going to be affected.

The new scheme will start on 1 April 2015 and is expected to remain in effect for two years. The council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.
Council Tax Support Scheme options

- All options are designed to achieve savings over two years of approximately £3.5 million.
- Each has been designed to be self-funding so requires no contribution above Government grant.

<table>
<thead>
<tr>
<th>Council's preferred option - Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>2016/17</td>
</tr>
<tr>
<td><strong>Note % changed in year 2</strong></td>
<td><strong>Fixed two-year scheme</strong></td>
</tr>
<tr>
<td>1 Minimum contribution 16%</td>
<td>Minimum contribution 24%</td>
</tr>
<tr>
<td>2 No support if savings £6,000+</td>
<td>No support if savings £6,000+</td>
</tr>
<tr>
<td>3 The standard fixed rate non-dependant deductions for other adults (people over 18) living in a household would increase by 25%</td>
<td>The fixed rate non-dependant deductions for other adults (people over 18) in a household increase by 25%</td>
</tr>
<tr>
<td>4 The taper applied to a person’s income when their income is higher than their needs allowance would increase from 20% to 25%</td>
<td>The taper applied to a person’s income when it is higher than their assessed ‘needs’ increase from 20% to 25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/2017</td>
<td>2015/2017</td>
<td>2015/2017</td>
</tr>
<tr>
<td><strong>Fixed two-year scheme</strong></td>
<td><strong>Fixed two-year scheme</strong></td>
<td><strong>Fixed two-year scheme</strong></td>
</tr>
<tr>
<td>1 Minimum contribution 24% only</td>
<td>Minimum contribution 22.5%</td>
<td>Minimum contribution 22%</td>
</tr>
<tr>
<td>2 not applicable</td>
<td>No support if savings £6,000+</td>
<td>not applicable</td>
</tr>
<tr>
<td>3 not applicable</td>
<td>The fixed rate non-dependant deductions for other adults (people over 18) in a household increase by 25%</td>
<td>not applicable</td>
</tr>
<tr>
<td>4 not applicable</td>
<td>not applicable</td>
<td>The taper applied to a person’s income when it is higher than their assessed ‘needs’ increase from 20% to 25%</td>
</tr>
</tbody>
</table>
Frequently Asked Questions

What is the Council Tax Support Scheme?
Council Tax Support is a local scheme that helps low income households pay their Council Tax.

Why are you consulting with residents again?
The Council has decided to consult with residents again because of a recent Supreme Court judgement on another local authority’s consultation. This said that residents should be given details of alternative ways the Council can fund the scheme.

This has given us an opportunity to look again at how we can make savings. We’ve also taken into consideration responses to the previous consultation when designing this one. As a result, we have revised our estimation of the savings necessary to meet the funding gap; these have reduced from £4.5million to £3.5million.

We are proposing to make some changes to our current Local Council Tax Support Scheme. Whether you receive help from the scheme or not, we would like to hear from you so we have the views of a range of residents. Some of the suggested options may also affect the wider community.

What are you consulting about?
The Council offers a local Council Tax Support Scheme to help people of working age on low incomes pay their Council Tax bill. The current scheme provides support up to a maximum of 85% of an eligible resident’s Council Tax. In other words, all working age residents receiving Council Tax support must pay at least 15% of their Council tax. The actual amount someone pays depends on their individual circumstances.

The Council is now consulting on changes to this scheme.

How will the scheme change?
The Council prefers the option of designing a scheme so it costs the same as the amount of money that we believe is included in the Government grant, which we call a ‘self-funding’ scheme. We have identified different ways of keeping it self-funding and we want your views on the options.

We will listen carefully to what residents tell us, and the consultation results will be considered alongside other evidence and information for the Council’s Cabinet to make the final decision. The final decision on the scheme will be decided by the end of January 2015. We will write to you if you are going to be affected.

Whichever scheme is introduced will be means tested. This means that a person’s income is compared to an amount their family is treated as needing to live on, often referred to as a ‘needs allowance’.

The new scheme will start on 1 April 2015. It is expected to run for at least two years but the Council will review the impact of the scheme annually and consult you again if changes are required.

What other options has the Council considered?
The Council has considered various options for making changes to the Council Tax Support Scheme. We can increase the amount of money we spend on the scheme beyond Government funding to make it more generous, meaning eligible residents could get help with up to the full amount of their Council Tax bill. We do not currently want to take forward this option because none of the potential sources of funding appear to be viable, whether considered individually or in combination.
These options include:

- **Increasing the level of Council Tax**
  We could increase Council Tax to pay for a more generous scheme. For example, reintroducing a scheme where eligible residents can get help with up to the full amount of their Council Tax bill could be made possible by increasing Council Tax by around 6%. An increase that would make a significant difference to the scheme would require a referendum. There is not enough time to organise a referendum - an exercise which, in itself, carries significant costs. It could also potentially lead to more members of the community experiencing poverty.

- **Calling on the Council’s reserves**
  The Council holds some reserves but these are already factored in to the Council’s financial plans. Using reserves would only provide a short-term solution and would seriously compromise the Council’s ability to react to unforeseen events.

- **Reducing Council Services**
  The Council has already made substantial cuts to the amount it spends on services. It has so far identified £68million and still has to find at least £45million more. Any further reductions will seriously compromise the Council’s ability to provide an appropriate level of service.

**How can I take part in the consultation?**

We want to ensure that residents clearly understand the funding options available to the Council to meet the funding gap and to find out what you think of those options.

We also want to ensure that residents understand why the Council is proposing particular changes to the current scheme, rather than funding it from other sources. In addition, we want your views on the various options for how the new scheme may look and how the changes could be funded.

Simply complete this form and hand in at a Council reception point, library or leisure centre in the borough, or pop it into an envelope and post it back to us by Monday 5 January 2015 to:

FREEPOST RSZS-RGHK-ARCK
LBWF Council Tax Support Scheme Consultation
PO Box 856
London
E17 9PN

You can also visit www.walthamforest.gov.uk/CTSconsultation and complete the survey online.

Free internet access is available at all libraries in Waltham Forest.

**Who will be affected?**

These changes affect all working age residents that pay Council Tax and are eligible to receive support through the local Council Tax Support Scheme. The wider community may also be affected by some of the proposed changes, which is why we want to get the views of a wide range of residents.

Pensioners are not affected by the scheme itself, but may be affected by some of the proposed wider changes.

**When will the consultation take place?**

The consultation is taking place between Monday 1 December 2014 and Monday 5 January 2015.

The Council is committed to ensuring our residents have the opportunity to inform these important changes. We urge you to participate in the consultation and look forward to hearing your views.
What will happen after the consultation has finished?
The information from the consultation will be used by the Council to decide what the new scheme will look like. The results from the consultation will be available on the Council’s website. The final decision on the scheme will be decided by the end of January 2015. We will write to you if you are going to be affected.

The new scheme will start on 1 April 2015. Unless further changes to the scheme are required, it will run until the end of March 2017. After March 2017, the scheme may continue as before or if changes are required a revised scheme will be subject to further consultation.

Where can I find out more about the consultation and the Local Council Tax Support scheme?
You can visit the dedicated pages on the Council’s website at www.walthamforest.gov.uk/CTSconsultation. You can also call 020 8496 3000.

Where can I go if I am having problems paying my Council Tax bill?
To find out your eligibility for Council Tax discounts, exemptions or reductions please visit our website at www.walthamforest.gov.uk/pages/services/council-tax-discount.aspx or call us on 020 8496 3000.

To find out more about Council Tax Support, including how to make a new claim, please visit www.walthamforest.gov.uk/localcounciltaxsupport.

The Council has established an Exceptional Hardship Relief Scheme to provide discretionary help with Council Tax for residents who experience exceptional financial hardship. The budget for this is limited so the help available will be for a limited period and amount. To find out more, please visit: www.walthamforest.gov.uk/Pages/ServiceChild/ctax-discretionary-reduction.aspx
Case studies

We have developed a series of scenarios to help you understand the impact the different options might have on different groups of people. We have assumed that their circumstances will remain the same for the purpose of the examples.

Scenario one

• Couple working with two children
• Weekly income of £370.42
• Weekly Council Tax costs of £24.74 (Band C)
• Non-dependant on Jobseekers’ Allowance or disability benefit
• Savings of £750

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help received per week under the current scheme</td>
<td>Help they would be entitled to per week in the first year</td>
<td>Help they would be entitled to per week in the second year</td>
<td>Help they would be entitled to per week over two years</td>
<td>Help they would be entitled to per week</td>
</tr>
<tr>
<td>£7.92 (reduction of £7.92)</td>
<td>£0 (reduction of £7.92)</td>
<td>£0 (reduction of £7.92)</td>
<td>£6.22 (reduction of £1.70)</td>
<td>£0 (reduction of £7.92)</td>
</tr>
</tbody>
</table>

Scenario two

• Lone parent with two children, working and receiving disability benefit
• Weekly income of £390.60
• Weekly Council Tax costs if £16.24 (including 25% single person discount (Band B))
• Savings of £3750

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help received per week under the current scheme</td>
<td>Help they would be entitled to per week in the first year</td>
<td>Help they would be entitled to per week in the second year</td>
<td>Help they would be entitled to per week over two years</td>
<td>Help they would be entitled to per week</td>
</tr>
<tr>
<td>£11.42 (reduction of £0.05)</td>
<td>£11.37 (reduction of £1.35)</td>
<td>£10.72 (reduction of £0.70)</td>
<td>£10.53 (reduction of £0.90)</td>
<td>£10.77 (reduction of £0.65)</td>
</tr>
<tr>
<td>£10.40 (reduction of £1.02)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Scenario three
- Couple working with three children
- Weekly income of £452.60
- Weekly Council Tax costs of £24.74 (Band C), Non-dependant on Jobseekers’ Allowance or disability benefit

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help received per week under the current scheme</td>
<td>Help they would be entitled to per week in the first year</td>
<td>Help they would be entitled to per week in the second year</td>
<td>Help they would be entitled to per week over two years</td>
<td>Help they would be entitled to per week</td>
</tr>
<tr>
<td>£7.45</td>
<td>£4.63 (reduction of £2.82)</td>
<td>£2.65 (reduction of £4.80)</td>
<td>£3.64 (reduction of £3.81)</td>
<td>£5.88 (reduction of £1.57)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£5.25 (reduction of £2.20)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£4.15 (reduction of £3.30)</td>
</tr>
</tbody>
</table>

### Scenario four
- Lone parent working with two children
- Weekly income of £346.14
- Weekly Council Tax costs of £20.87 (including 25% single person discount (Band D))
- Savings of £6500

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help received per week under the current scheme</td>
<td>Help they would be entitled to per week in the first year</td>
<td>Help they would be entitled to per week in the second year</td>
<td>Help they would be entitled to per week over two years</td>
<td>Help they would be entitled to per week</td>
</tr>
<tr>
<td>£7.85</td>
<td>£0 (reduction of £7.85)</td>
<td>£0 (reduction of £7.85)</td>
<td>£0 (reduction of £7.85)</td>
<td>£6.42 (reduction of £1.43)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£0 (reduction of £7.85)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£4.47 (reduction of £3.38)</td>
</tr>
</tbody>
</table>
**Scenario five**

- Single person on benefit
- Weekly income of £72.42
- Weekly Council Tax costs of £21.65 (Band B), Non-dependant, over 18, working and income below £186 per week

<table>
<thead>
<tr>
<th>Help received per week under the current scheme</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help they would be entitled to per week in the first year</td>
<td>£14.38</td>
<td>£13.16</td>
<td>£11.43</td>
<td>£12.30</td>
<td>£12.43</td>
</tr>
<tr>
<td>(reduction of £1.22)</td>
<td>(reduction of £2.95)</td>
<td>(reduction of £2.09)</td>
<td>(reduction of £1.95)</td>
<td>(reduction of £2.63)</td>
<td>(reduction of £1.51)</td>
</tr>
</tbody>
</table>

**Scenario six**

- Single person on benefit
- Weekly income of £72.42
- Weekly Council Tax costs of £13.92 (including 25% single person discount (Band A))

<table>
<thead>
<tr>
<th>Help received per week under the current scheme</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help they would be entitled to per week in the first year</td>
<td>£11.83</td>
<td>£11.69</td>
<td>£10.58</td>
<td>£10.58</td>
<td>£10.79</td>
</tr>
<tr>
<td>(reduction of £0.14)</td>
<td>(reduction of £1.25)</td>
<td>(reduction of £0.69)</td>
<td>(reduction of £1.25)</td>
<td>(reduction of £1.04)</td>
<td>(reduction of £0.97)</td>
</tr>
</tbody>
</table>

---

Thank you for completing the questionnaire.
Please place it in an envelope and send it to:

FREEPOST RSZS-RGHK-ARCK
LBWF Council Tax Support Scheme Consultation
PO Box 856
London E17 9PN

Questionnaires must be returned by Monday 5 January 2015.