

Council Tax Support Scheme consultation

Frequently Asked Questions

The proposed change to the Scheme could impact all working age (under state pension age) households.

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Q. What is Council Tax?

The Council Tax that is collected, funds local services provided by the Council.

Council Tax is based on the value of the property you are liable to pay Council Tax on. The level of Council Tax your household is required to pay is based on the band of the property (for example, Band D), and can be reduced by discounts, disregards, exemptions, Council Tax Support and Council Tax Support Hardship for which your household may qualify for.

As a London borough we also collect money as part of the Council Tax for the Mayor of London to provide police, fire, and public transport services. This amount is included in your Council Tax bill.

Q. What is Council Tax Support?

Council Tax Support (also known as Council Tax Reduction) is a benefit to help people on a low income get a reduction in the amount of Council Tax they are being asked to pay.

Each year local authorities must agree their Council Tax Support schemes for the following financial year. The scheme is funded by the Council with one in three households in the borough receiving Council Tax Support. In this financial year the scheme will reduce council tax income by £41m.

Q. How is the 2023/24 Council Tax Support Scheme calculated?

Council Tax Support reduces Council Tax bills by up to 75.5% for some working age households, with the household paying a minimum of 24.5% (if in a **protected group** or of pensionable age Council Tax bills are reduced by up to 100%, with the household paying no minimum payment). Some other households claiming Council Tax Support may have their Council Tax Support based on the 75.5% maximum award but receive less Council Tax Support than this maximum award, based on the household's income and circumstances.

The amount of Council Tax Support awarded depends on

- The type of householder (pensioner or working age and within working age if that householder is in receipt of Universal Credit or not and if in a **protected group** or not),
 - Pensioners and those in the **protected groups** (see below) will have their award based on 100% of the Council Tax.
 - Those of working age and not in the **protected groups** (see below) will have their award based on 75.5% of the Council Tax
 - Those in receipt of Income Support, Income based Job Seekers Allowance, Income-related Employment Support Allowance, Guaranteed Pension Credit and Universal Credit (not working) will get the maximum Council Tax Support (either 100% or 75.5% depending on whether protected or not). There may be a deduction for other adults living in the property.

- Those in receipt of Universal Credit (working) will have their maximum Council Tax Support reduced from 100% (protected) or 75.5% (not protected) depending on the level of earnings in accordance with the income banded scheme.
- Those not in receipt of Guaranteed Pension Credit, Universal Credit, Income Support, income-based Job Seekers Allowance or Income-related Employment Support Allowance will have a calculation based on income and needs. If there is excess income above needs (applicable amount figures provided by the Government) then Council Tax Support payments will reduce from the 100% or 75.5% starting point by a taper of 22.5% of the excess (above the applicable amount figures provided by the government)
- The Council Tax Band (Band A to H)
- What other adults live with the householder where a deduction from the calculated award is made based on the circumstances of that adult.

The current scheme reduces the total amount of Council Tax to be collected by £41M. This is the biggest reduction in London and one of the highest in the country with many Enfield residents benefiting from this support to help them pay their Council Tax. The Council is proposing to change our scheme in 24/25 to reduce the overall support by £15M. After considering the Greater London Authority share of Council Tax income and other costs associated with implementing the proposal, the net saving to the Council is estimated to be £7.5M.

Protected groups

The Council's Scheme provides additional support for particularly vulnerable households listed below. These households are not required to pay a minimum contribution to their Council Tax bill, albeit that Council Tax Support is still based on the householder's income, savings and circumstances. These groups are known as '**protected**' because they are protected from paying the minimum amount:

- War Widows
- A Claimant or partner in receipt of Carers Allowance
- A Claimant or partner in receipt of High-Rate Disability Living Allowance (Mobility and Care component) or Enhanced Personal Independence Payments (Daily Living and Mobility Component)
- A Claimant or partner in receipt of the support component of Employment and Support Allowance
- A Claimant or partner receiving the carers element, disabled child element or limited capability for work within Universal Credit
- A Claimant or partner who are foster carers and who were recruited and trained by Enfield Council
- Care leavers under 25 years of age

Q. Who receives Council Tax Support?

Households on low incomes qualify for Council Tax Support. It is a means tested scheme that considers the circumstances of a household, including but not limited to:

- Employment status
- Income
- Benefits received
- Savings, pensions and investments
- Property
- Who lives in the property (for example, a partner, dependant children and non-dependant adults)

Q. What is the Council's proposal for the Council Tax Support Scheme in 2024/25?

The Council is proposing to reduce the overall Council Tax Support costs (amount Council Tax is reduced by) to ensure cuts to services are kept to a minimum. The Council wants to make sure that the Council Tax Support provided is fair to all working age groups, targeted to those most in need and that everyone contributes towards Council Tax. We are making three proposals. Some may be affected by one, two or all three.

Details of the proposals:

Proposal 1

Restricting the support to a maximum Band C Council Tax liability. If you are in a Band D to Band H property, the maximum support will be based on Band C Council Tax liability. That is, the amount that Council Tax Support will be based on as if you lived in a Band C property even if you live in a property that is Band D to Band H. This is to target Council Tax support to households living in smaller, less expensive property so that those living in larger properties do not receive greater levels of support than those occupying smaller properties.

The following shows the number of households in each band that are currently in receipt of Council Tax Support. The majority of Council Tax Support recipients (18,049) live in a Band A-C property compared to 11,056 living in a Band D-H property):

- 2,201 residents in Band A
- 4,731 residents in Band B
- 11,117 residents in Band C
- 8,271 residents in Band D
- 2,262 households in Band E
- 439 households in Band F
- 83 households in Band G
- 1 household in Band H

Proposal 2

Introducing a minimum non-dependant deduction for households with other adults living in the property (so that most adults, regardless of their circumstances or the circumstances of the claimant and/or partner, can contribute to Council Tax, as a user of council services), and increase the current deductions by 20%. No deductions will be taken for full time students, boarders, lodgers, sub-tenants or those disregarded for Council Tax purposes.

The table below shows what changes are being made to non-dependant deductions

Non-Dependant Deductions – 23/24 and 24/25 proposed

Circumstances	Weekly income	Current weekly deductions	Proposed 24/25 deductions with a 20% increase
Working	£511 or more	£20.50	£24.60
Working	£410 - £510.99	£11.80	£14.16
Working	£236 - £409.99	£9.40	£11.28
Working	Up to £235.99	£4.60	£5.52
Not Working	n/a	£4.60	£5.52
Not Working	Receives out of work DWP benefits	£0.00	£5.52

(A non-dependant is a person living as a member of the applicant's household who is not their partner or a child/young person for whom they are responsible. Non-dependants aged 18 or over are usually expected to contribute to household expenses such as Council Tax.)

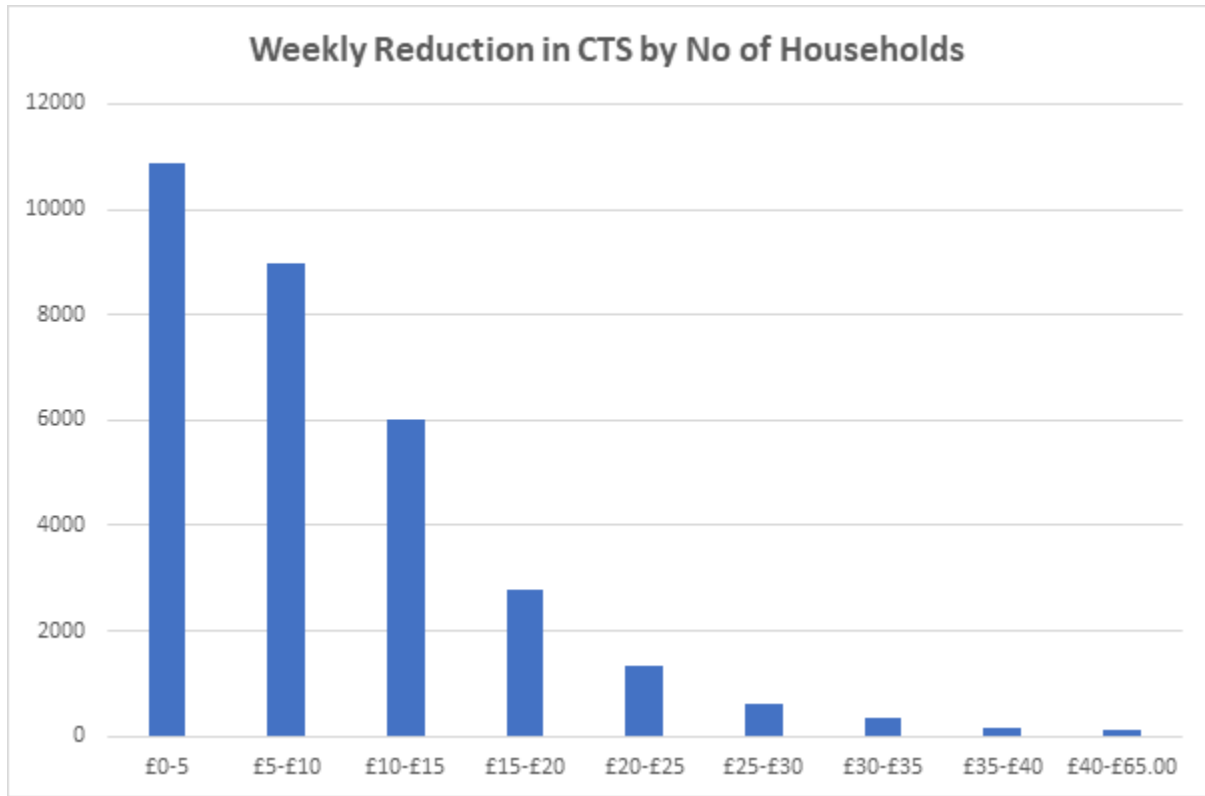
Proposal 3

Reducing the maximum award from 75.5% to 50% (and the minimum payment from 24.5% to 50%) as well as making the minimum payment the same for all working age claimants to ensure everyone contributes to their Council Tax. This means removing the protection from the maximum award of 100% (no minimum payment) from the following protected groups (single under 25-year-olds and war widows are excluded and will remain protected):

- An applicant (or their partner) receiving Carer's Allowance
- An applicant (or their partner) receiving Disability Living Allowance (either care component at the highest rate or mobility component at the higher rate) or enhanced Personal Independence Payments (daily living or mobility component)
- An applicant (or their partner) receiving the support component of Employment and Support Allowance
- An applicant (or their partner) receiving Universal Credit who have the following elements included in their awards - limited capability for work, disabled child element or carer element

- An applicant (or their partner) who are foster carers and who were recruited and trained by Enfield Council

The table below shows the proposed weekly reduction in Council Tax Support (increase in Council Tax to pay) and the number of households affected by each reduction:



The table below shows how the proposed changes will affect those in receipt of Universal Credit. This is in addition to all 3 elements of change above that may also apply:

Proposed Council Tax Support Scheme 2024-25 50% minimum payment within the Universal Credit banded scheme

- Removing protected groups apart from care leavers / single under 25's and War Widows
- Increasing minimum payments based on following circumstances:

Income bands	Maximum CTS award (Not Protected)	Maximum CTS award (Protected)	Single-weekly net earned income	Couple-weekly net earned income	Family with 1 child	Family with 2 or more children
1	50%	100%	£0	£0	£0	£0
2	50%	100%	£0.01-£55.00	£0.01-£55.00	£0.01-£55.00	£0.01- £55.00
3	40%	85%	£55.01-£104.60	£55.01-£148.64	£55.01-£203.69	£55.01- £258.74
4	30%	70%	£104.61-£159.65	£148.65-£203.69	£203.70-£258.74	£258.75-£313.79
5	20%	55%	£159.66-£214.70	£203.70-£258.74	£258.75-£313.79	£313.80-£368.84
6	10%	40%	£214.71 and above	£258.75 and above	£313.80 and above	£368.85 and above

Q. If implemented, how would the proposal impact on me?

If implemented this proposal would take effect from 1 April 2024. You may be affected by one, two or all three parts of the proposal below if you are:

- A working age claimant or partner in a Band D, E, F, G or H property for Council Tax your maximum liability will be restricted to a Band C property, and
- A working age claimant or partner and have other adults living with you that are non-dependants, a minimum non-dependant deduction will be applied regardless of the non-dependants' circumstances and the circumstances of the claimant and partner. Deductions will also be increased by 20%, and
- A working age claimant or partner (unless single under 25 or a war widow) all will be affected by the maximum award (minimum payment) change which either change from:

- 100% maximum award to 50% award if previously protected (0% minimum payment to 50% minimum payment), or
- 75.5% maximum award to 50% if not previously protected (24.5% minimum payment to 50% minimum payment)

We have provided examples to show how households may be impacted by one, two or all these parts of the proposal. It is not possible in this document to list every possible household situation. Towards the end of this document, you will see that we are offering residents one-to-one sessions with a Council officer to do discuss how the proposals could potentially affect them. Examples of how the proposals may impact households are detailed below.

Proposed Council Tax Support 2024-25 scheme example calculations

Example 1 – Affected by the maximum award change from 75.5% to 50% only.

Single claimant, Band C property, in receipt of UC but not working.

Current Council Tax Support Scheme

Weekly Council Tax liability – Band C less 25% single person discount	£24.89
Maximum eligible Council Tax Support 75.5%	£18.79
Weekly Council Tax payable	£6.10

Proposed Council Tax Support Scheme

Weekly Council Tax liability – Band C less 25% single person discount	£24.89
Maximum eligible Council Tax Support 50%	£12.44
Weekly Council Tax payable	£12.45

In this example under the proposed scheme the household will be entitled to a weekly CTS award of £12.44, as the maximum award has been decreased from 75.5% to 50%. The customer will be paying £6.35 per week more towards their Council Tax liability than under the current scheme.

Example 2 – Affected by the maximum award change from 100% to 50% (previously protected) and the Band C restriction (Band D). Single claimant, Band D property, in receipt of ESA IR and high-rate PIP (Personal Independence Payments).

Current Council Tax Support Scheme

Weekly Council Tax liability – Band D less 25% single person discount	£28.00
Maximum eligible Council Tax Support at 100% (Protected)	£28.00
Weekly Council Tax payable	£0.00

Proposed Council Tax Support Scheme

Weekly Council Tax liability – Band D less 25% single person discount	£28.00
Band C restriction less 25% single person discount	£24.89
Maximum award 50% (loss of protection)	£12.45
Weekly Council Tax payable	£15.55

In this example the customer will lose the protection, have the maximum support restricted to Band C and is affected by the maximum award of 50%. The customer has not had to pay anything towards their Council Tax under the current scheme but will be paying £15.55 per week under the proposed CTS scheme.

Example 3 – Affected by the UC Banded scheme. The maximum award for a single claimant earning £200 per week is reduced from 30% to 20%, the Band C restriction (Band E) and non-dep changes (non-dep deductions increased by 20% and introduction of non-dep deductions if not working).

A claimant with two non-dependents, band E property, claimant in receipt of UC and earning £200 per week. One non-dependent working and earning £300 per week, the other non-dependent out of work and receiving out-of-work benefit.

Current Council Tax Support Scheme

Weekly Council Tax liability – Band E	£45.64
Non-dependant deduction (£9.40 for working non-dep)	£9.40
Maximum award after non-dep deduction	£36.24
Maximum eligible support 30% (earning £200 per week)	£10.87
Weekly Council Tax payable	£34.77

Proposed Council Tax Support Scheme

Weekly Council Tax liability – Band E	£45.64
Band C restriction	£33.19
Non-dependant deductions (£11.28 for working non-dep and £5.52 for non- working non dep)	£16.80
Eligible support after non-dep deductions	£16.39
Maximum eligible support 20% (earning £200 per week)	£3.28
Weekly Council Tax payable	£42.36

In this example the customer’s eligible Council Tax Support will be restricted to a Band C. The customer will also be affected by a 20% increase in non-dependent deductions for one of the non-deps, and an introduction of a £5.52 per week deduction for the non-working non-dep on UC. Based on the claimant’s earnings, the maximum eligible support has been reduced to 20% compared to 30% under the current scheme.

The customer will be paying £7.59 per week more towards their Council Tax liability than under the current scheme.

Example 4 – Affected by the UC banded scheme maximum award for a non-worker reduced from 75.5% to 50%, Band C restriction (Band F) and non-dependent deductions increase. Single claimant in receipt of UC (not working). Band F, three non-dependents, one with no income, one getting out of work benefit and one earnings £200 / week.

Current Council Tax Support Scheme

Weekly Council Tax liability – Band F	£53.94
Non-dependant deduction (£4.60 x 2)	£9.20
Maximum award after non-dep deduction	£44.74
Maximum eligible support 75.5%	£33.78
Weekly Council Tax payable	£20.16

Proposed Council Tax Support Scheme

Weekly Council Tax liability – Band F	£53.94
Band C restriction	£33.19
Non-dependant deductions (£5.52 x 3)	£16.56
Maximum award after non-dep deductions	£16.63
Eligible support after non-dep deductions	£16.39
Maximum support 50%	£8.32
Weekly Council Tax payable	£45.62

In this example the customer's eligible Council Tax Support will be restricted to a Band C. The customer will also be affected by a 20% increase in non-dependent deductions for two of the non-deps, and an introduction of a £5.52 per week deduction for the non-dep getting out of work benefit. Maximum eligible Council Tax Support reduced from 75.5% to 50%.

The customer will be paying £25.46 per week more for their Council Tax liability than under the current scheme.

Q. Why is the Council restricting Council Tax Support to a maximum Band C Council Tax liability?

The Council is proposing this part of the change to the Scheme to target Council Tax Support to households living in smaller, less expensive properties so that those living in larger homes do not receive greater levels of support.

The following shows the estimated weekly amount that Council Tax Support households will lose depending on which council tax band their property is in. 600 households out of 31,200 would potentially lose over £30 per week. Most of these households are in a council tax Band E property and above.

Estimated weekly amount that Council Tax Support households will lose depending on Council Tax Band their property is in

Amount of Weekly CTS Claims will lose by band										
Band	Less than £5 per Week	£5-£9.99	£10-£14.99	£15-£19.99	£20-£24.99	£25-£29.99	£30-£34.99	£35-£39.99	£40-£65.00	Grand Total
A	1370	775	145	82	12					2384
B	1908	1375	1640	81	39	16				5059
C	4895	3334	2459	942	188	86	40			11944
D	2195	3104	1039	1329	775	285	80	71		8878
E	478	350	644	244	260	194	194	35	57	2456
F	64	35	65	97	58	43	21	33	56	472
G	15	10	5	13	14	10	10	2	14	93
H								1		1
	10925	8983	5997	2788	1346	634	345	142	127	31287

Council Tax charged for 2023/24 per Council Tax band (also showing 75% of charge if receiving a 25% single person discount)

Council Tax Liabilities 2023/24		
Band	Amount	75%
A	£1,301.63	£976.22
B	£1,518.56	£1,138.92
C	£1,735.50	£1,301.63
D	£1,952.44	£1,464.33
E	£2,386.32	£1,789.74
F	£2,820.19	£2,115.14
G	£3,254.07	£2,440.55
H	£3,904.88	£2,928.66

Q. Why is the Council introducing minimum non-dependant deductions and increasing the non-dependant deductions by 20%?

The Council is proposing the introduction of a minimum non-dependant deduction for households with other adults living in the property, to ensure most adults, regardless of their circumstances or the circumstances of the claimant and/or partner, have the expectation of contributing to Council Tax as they are also users of Council services. The Council is also increasing the current deductions by 20% to bring non dependant deduction rates in line with inflation as rates have not been increased in previous years.

The following shows the current weekly non dependant deductions and the proposed deductions for 2024/25. An estimated 7,250 households have non dependants living in their property and will be impacted by this change.

The table below shows what changes are being made to non-dependant deductions:

Circumstances	Weekly income	23/24 Weekly Deductions	Proposed 24/25 Deductions with a 20% Increase
Working	£511 or more	£20.50	£24.60
Working	£410 - £510.99	£11.80	£14.16
Working	£236 - £409.99	£9.40	£11.28
Working	Up to £235.99	£4.60	£5.52
Not Working	n\a	£4.60	£5.52
Not Working	Receives out of work DWP benefits	£0.00	£5.52

(A non-dependant is a person living as a member of the applicant’s household who is not their partner or a child/young person for whom they are responsible. Non-dependants aged 18 or over are usually expected to contribute to household expenses such as council tax.)

Q. Why is the Council removing the protection from the minimum payment for vulnerable groups?

11,000 households are currently protected from paying a minimum payment with a large proportion not paying any Council Tax due to having a maximum award based on 100%. Removing the protection ensures all households receiving Council Tax Support make a fairer contribution towards funding local services via Council Tax.

Q. Why is the Council not removing the protection from the minimum payment for single under 25-year-olds and war widows only?

The reason for these 2 groups remaining protected are:

- Single under 25-year-olds receive lower awards of benefits and income than someone 25 years or over. Under 25-year-olds have their own housing costs and are generally care leavers
- War Widows are considered in need of continued protection due to the sacrifices made by their spouses

Q. Why is the maximum award reducing to 50% (minimum payment increasing to 50%)?

This is the lowest level of support the Council can afford and will ensure service cuts are kept to a minimum.

Q. Why is the Council proposing to change the scheme now?

The Council has decided to review the Council Tax Support Scheme for 2024/25 now due to severe budget pressures and the need to reduce costs to keep Council service cuts to a minimum. This is the earliest opportunity the Council has had to present proposals to change the Scheme.

Q. Will the proposals impact pensioners?

The proposal only affects households where the claimant and/or their partners are working age.

Q. What alternatives were considered by the Council?

The Council considered not changing the Council Tax Support Scheme but the cost of the Scheme would have been unaffordable in the current financial climate.

Q. Does the Council provide any additional support for those experiencing financial difficulties where Council Tax Support does not meet the full cost of Council Tax?

In recognition of the difficulties faced by households in receipt of Council Tax Support, the Council introduced, and has maintained, a discretionary Council Tax Support Hardship Scheme. As the reduction in Council Tax Support is expected to be £15M, the Council has set aside £1M Council Tax Support Hardship for 2024/25 to help those most in need.

Households facing exceptional financial hardship can apply to the Hardship Scheme to see if they meet the criteria to be eligible to receive help with their Council Tax. A resident may be eligible to claim a Council Tax Support Hardship payment if they are:

- Registered as a Council taxpayer
- In receipt of Council Tax Support
- Actively taking steps to address the financial hardship they are facing

Details on how to apply for the Hardship Fund are on our website

<https://www.enfield.gov.uk/services/benefits-and-money-advice/council-tax-hardship-scheme>

In 2022/23, £ 324317.98 was awarded to 1,392 households and £1M has been set aside for 2024/25

Q. How can residents share their views?

Questionnaire

- Residents can share their views by completing our online questionnaire
- The online questionnaire, and accompanying information, can be accessed at www.enfield.gov.uk/haveyoursay
- At the end of the questionnaire, you press the 'Submit' button and the completed questionnaire will be sent to us

Email your feedback

If you do not wish to complete the questionnaire, please email us your views at haveyoursay@enfield.gov.uk. Please note, if you send us your feedback via questionnaire, we assure confidentiality.

One-to-one sessions

If you would like to discuss the proposals over the phone or face-to-face, please email us (haveyoursay@enfield.gov.uk) and provide your name, address, and contact details so that call back or email response can be given. These sessions are only intended for discussing the proposals.

Q. How can local groups and organisations share their views on the proposals?

There are four ways in which individuals and representatives from organisations can get involved.

Online questionnaire

- Representatives can share their views by completing our online questionnaire
- The online questionnaire, and accompanying information, can be accessed at www.enfield.gov.uk/haveyoursay

- At the end of the questionnaire, you press the 'Submit' button and the completed questionnaire will be sent to us
- A link to the questionnaire and accompanying information has been sent to key Third Sector organisations in Enfield who, for example, represent groups such as those with disabilities and the elderly, or provide advice relating to financial matters

Email your feedback

- If you do not wish to complete a questionnaire, please email us your views at haveyoursay@enfield.gov.uk. Please note, if you send us your feedback via questionnaire, we assure confidentiality.