



Wiltshire

Appendix 3

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Wednesday 23rd October 2019

Mr Ian Brown
Wiltshire Revenues and Benefits Service
County Hall
Bythesea Road
Trowbridge
BA14 8JN

Dear Ian

Re: Wiltshire Council Tax Reduction Scheme Consultation 2020/2021

Citizens Advice Wiltshire appreciate being asked to participate in the consultation process and comment on the proposed Council Tax Reduction Scheme. In the past year we have helped clients 413 times with CTR claims, and 1,301 issues of Council Tax arrears, and it is the largest debt issues that clients in Wiltshire seek advice about. A lot of this is driven by the frequent reassessment of Council Tax bills, triggered by small changes in income.

We understand that the intention of the new Scheme is to reduce the number of bill recalculations necessitated by small income changes. We agree wholeheartedly with this aim; it would be of considerable benefit to many of our clients, reducing confusing paperwork and better enabling them to budget for Council Tax expenditure.

The specific advantages of the scheme which we support are:

- The introduction of income bands to make the scheme simpler and have less changes.
- The £50 earned income disregard will be simpler to implement than the various current disregards.



Chief Executive: Suzanne Wigmore

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- The proposed scheme does not disadvantage a claimant who receives housing element rather than it being paid direct to the landlord. Similarly the scheme treats other deductions in the same way. This ensures that one claimant with variety of deductions is not treated more favourably (a higher reduction) in comparison to another claimant with no deductions.

We do however have some concerns about which we have explained below.

- The proposed Scheme does not treat people solely on Universal Credit equally, as they are not automatically in Band 1. A couple with no children who are receiving only the standard allowance of UC are already over the income amount for band 1, as their income would be £115.13 per week.
- If the housing costs in UC are included in the definition of “income” then the only type of claimant who can ever be in band 1 (so receive 80% reduction) is one whose UC comprises of no housing costs. The figures in band 1 of the proposal equate roughly to the relevant standard allowance plus, where applicable, the child responsibility element. The addition of housing costs will push every claimant into higher bands.
- Claimants in receipt of housing costs will have to pay a higher percentage of the annual charge for their property than they do under the present scheme.
- It will discriminate against those people who receive the disability element in UC if they do not also receive PIP/DLA (which would take them out of the scope of the proposed Scheme). A single person claiming UC with the limited capability for work and work related activity (LCWRA) element without the inclusion of housing costs would be in band 3 and subject to a 50% reduction. If housing costs were included at £75 per week, the claimant would be in band 5 and if housing costs were £100 per week, they would be in band 6. Under the current Scheme this claimant would be eligible for an 80% reduction.
- Carer’s Allowance 50% disregard: A claimant whose UC contains the Carer Element, but does not claim Carer’s Allowance (there is no requirement to actually claim Carer’s Allowance to be awarded the Carer Element in UC) will have a higher income for Council Tax purposes than a UC claimant who has the Carer Element and does claim Carer’s Allowance.

Considering the above we would have significant concerns for our clients’ welfare and the success of the scheme to deliver its stated aims if the proposed scheme is implemented in its current form.

We also accept that the situation is further complicated by the fact that the current working age caseload is a mixture of those who have income with no other welfare benefits apart from Council Tax Reduction, those in receipt of other legacy benefit, and those in receipt of Universal Credit with or without additional income.

For at least one interim year for 2020/2021 we would welcome the alternative proposal to apply a de-minimis change exemption for those in receipt of Universal Credit for changes in income. We believe that this would support the aim to minimise the impact of changes to Wiltshire Council, clients, and those who give advice.

We would welcome the opportunity to be further involved in the design of a new system and would like to thank you for demonstrating ways that we can work in true partnership.

Yours sincerely

Suzanne Wigmore

CEO - Wiltshire Citizens Advice