

## Analysis of the 2017/18 CTRS consultation responses

### Summary

- 5,000 Council Tax payers were sent a consultation pack. 3,780 customers were emailed directly and encouraged to use the online survey. 1,220 were directly mailed and directed to the web based consultation.
- Of the 5,000 contacted 1,220 were claiming Council Tax Reduction.
- 359 responses were received from completion of the online questionnaire, which is a response rate of 7.2%
- 44% of the people that completed the survey were aged over 55
- 29% of the people that responded are currently receiving Council Tax Reduction.
- People were consulted on 14 proposals to change the existing Council Tax Reduction Scheme from 1<sup>st</sup> April 2017.
- 58% (204) agreed with 'Reducing the maximum level of support for working age applicants from 81.5% to 75%'
- 47% (165) agreed with 'Removing the Family Premium for all new working age applicants'
- 68% (237) agreed with 'Reducing backdating to 1 month'
- 54% (191) agreed with 'Using a set income for self-employed earners after 1 year's self employment'
- 83% (292) agreed with 'Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks'
- 58% (203) agreed with 'Reducing the capital limit from the existing £16,000 to £6,000'
- 68% (237) agreed with 'Introducing a standard level of non-dependent deduction of £10 for all claimants who have non-dependents resident with them'
- 58% (203) agreed with 'Taking any child maintenance paid to a claimant/partner into account in full in the calculation of Council Tax Reduction'
- 55% (193) agreed with 'Taking any child benefit paid to a claimant/partner into account in full in the calculation of Council Tax Reduction'
- 56% (196) agreed with 'Restricting the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge'
- 50% (175) agreed with 'Removing Second Adult Reduction from the scheme'
- 56% (197) agreed with 'Removing the element of Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants'
- 67% (234) agreed with 'Limiting the number of dependent children within the calculation for Council Tax Reduction to a maximum of two'
- 82% (286) agreed with 'Introducing a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship'
- A briefing session was held with local stakeholder organisations, who work closely with people who are affected by changes to the Council Tax Reduction scheme.

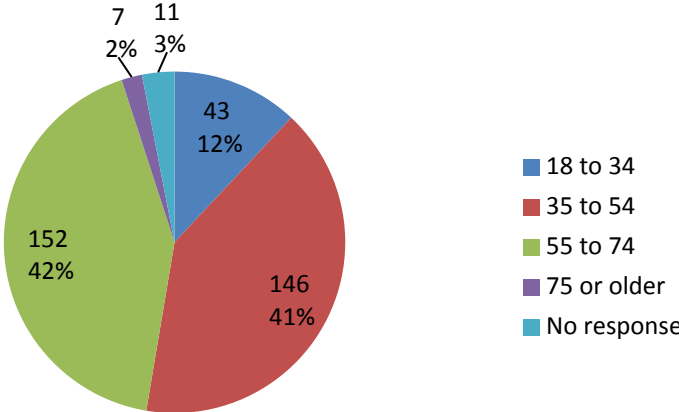
**Report structure:**

- Annex 1 – analysis of the consultation results
- Annex 2 – the response to each proposal
- Annex 3 – feedback on the proposals from other organisations

**Annex 1 - Consultation Responses:**

**Profile of the respondents:**

The majority of the responses were from people aged between 35 and 74, as shown below:-



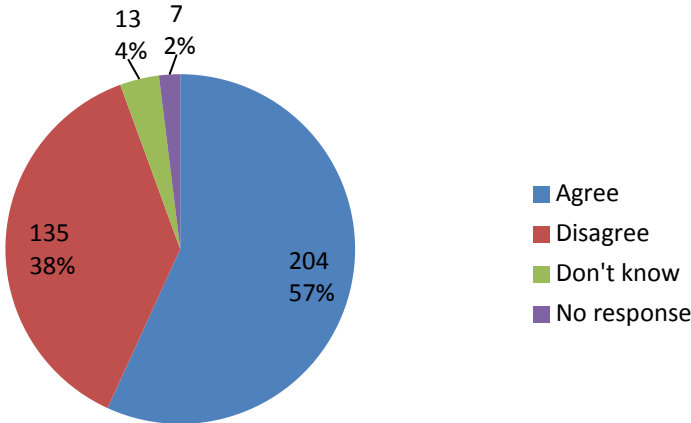
**Respondents in receipt of Council Tax Reduction:**

|             |       |     |
|-------------|-------|-----|
| Yes         | 28.1% | 101 |
| No          | 67.1% | 241 |
| Unsure      | 2.3%  | 8   |
| No response | 2.5%  | 9   |

## Annex 2 – responses to each proposal

Please Note – the comments for each proposal are available if required, however they have not been included in the report due to the number received.

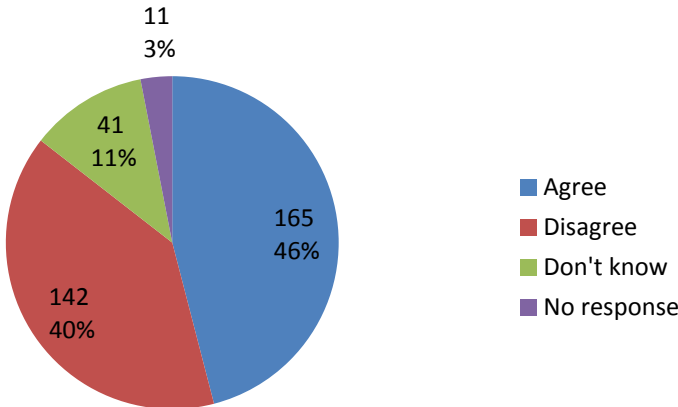
### 1. Reducing the maximum level of support for working age applicants from 81.5% to 75%



In total 113 comments were received regarding the proposal, the main points were:

- An easy figure to understand and provides a level playing field for all.
- No reductions for anyone.
- You are asking the most vulnerable to pay more.
- Simple and fair providing there is a special hardship provision available.

### 2. Removing the Family Premium for all new working age applicants

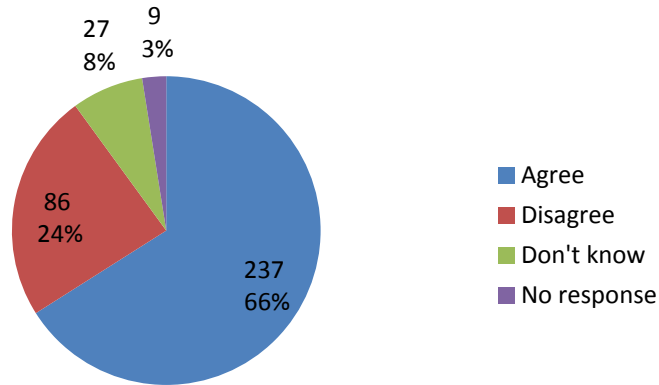


In total 82 comments were received regarding the proposal, the main points were:

- Means tested and therefore more transparent and fair.

- It affects the working poor with kids unfairly.
- Anything which drops the level of help is not welcome.
- Families must be responsible for their choice of lifestyle.

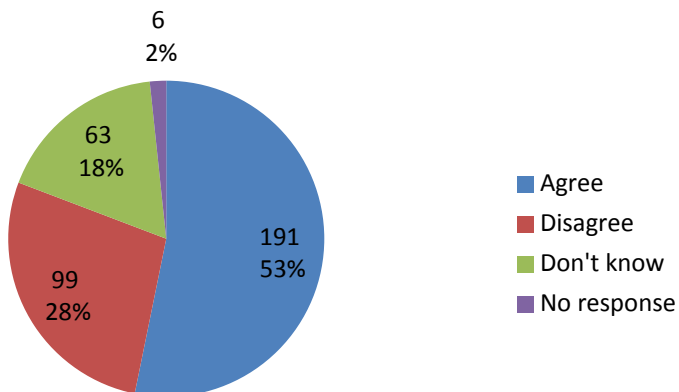
### 3. Reducing backdating to 1 month



In total 95 comments were received regarding the proposal, the main points were:

- This is a reasonable amount of time for backdating.
- Seems unfair to penalise people like this.
- 3 months backdating would be more appropriate.
- If people need help they should make it a priority to claim.

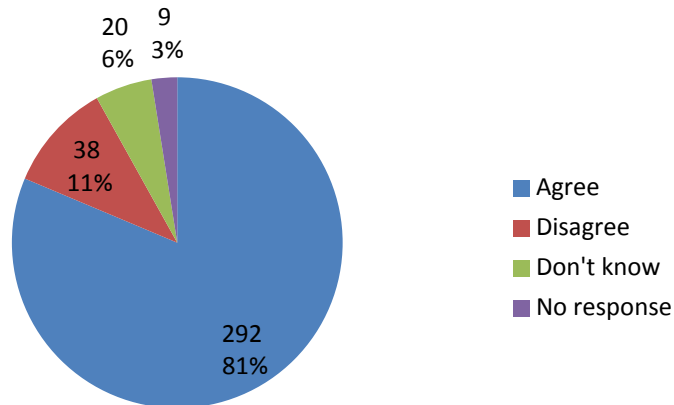
### 4. Using a set income for self employed earners after 1 year's self employment.



In total 91 comments were received regarding the proposal, the main points were:

- As long as calculated as an achievable income and not over estimated.
- Encouragement for businesses to grow.
- Too many variables in self employment to fix it. Use self-assessment net profit.
- Seems reasonable.

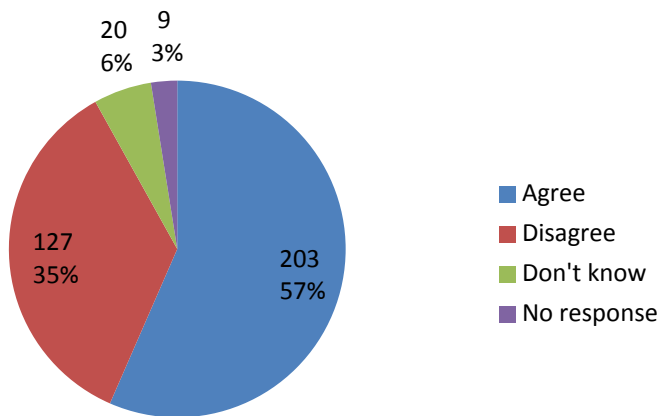
**5. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks.**



In total 84 comments were received regarding the proposal, the main points were:

- Good idea.
- Exceptional circumstances only should people not lose benefit.
- This would ensure no abuse to the system.
- If you are not in the country you should not receive council tax benefit.

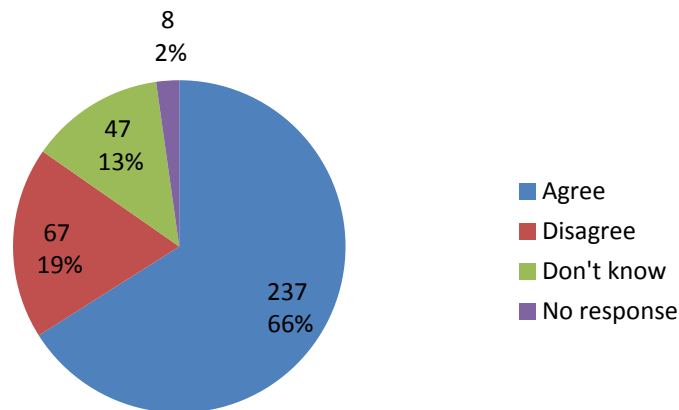
**6. Reduce the capital limit from the existing £16,000 to £6,000.**



In total 112 comments were received regarding the proposal, the main points were:

- This penalises savers.
- I think even lower than £6,000.
- Savings should not affect this as it penalises savings unjustifiably.
- To have savings of that amount means you can afford to pay your council tax in full.

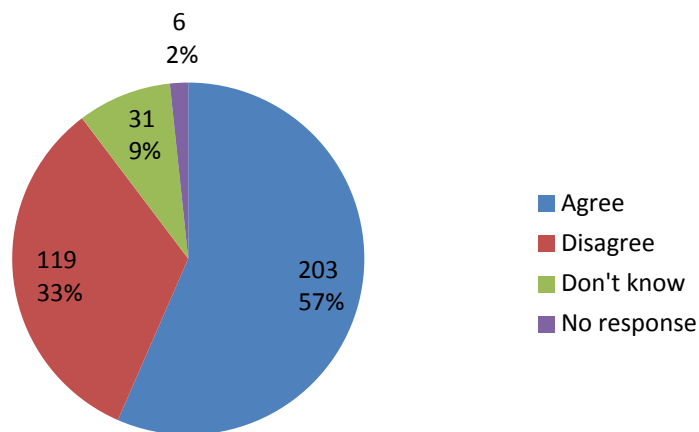
**7. To introduce a standard level of non-dependent deduction of £10 for all claimants who have non-dependents resident with them.**



In total 73 comments were received regarding the proposal, the main points were:

- No realistic savings will be made.
- £10 per month seems fairer, what if the resident is on Income Support/JSA.
- Simple to comprehend.
- A small contribution for living in the household is a small cost to pay.

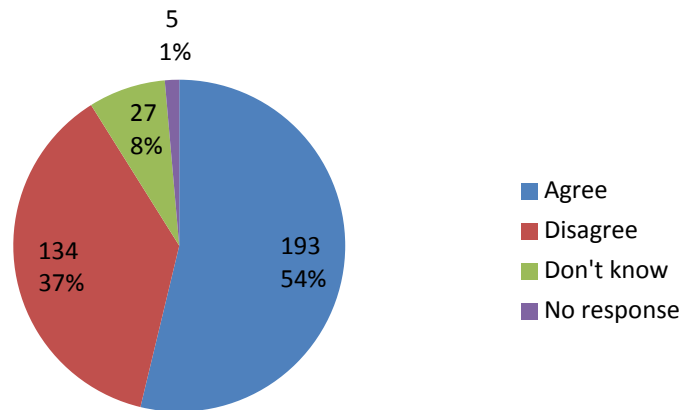
**8. To take any child maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction**



In total 108 comments were received regarding the proposal, the main points were:

- All income to a household should be taken into account.
- Child maintenance is for the benefit of the child, not the council.
- Pointless – will save very little.
- Seems fair.

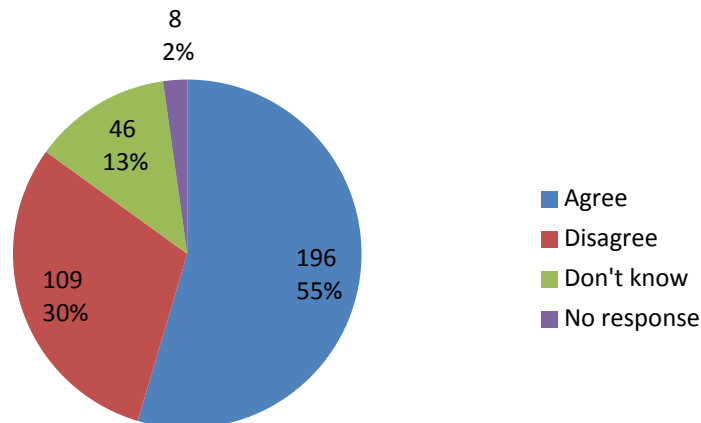
**9. To take any child benefit paid to a claimant or partner into account in full in the calculation of Council Tax Reduction.**



In total 97 comments were received regarding the proposal, the main points were:

- This should be for the children.
- All income should be included.
- Affects the working poor with kids unfairly.
- If they claim for more than two children.

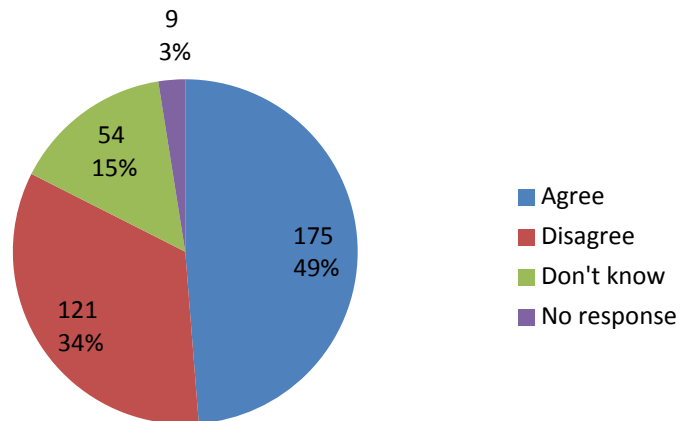
**10. To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge.**



In total 90 comments were received regarding the proposal, the main points were:

- It should be an individual circumstance thing.
- Only sensible caring option so far.
- It should depend on income not value of house.
- Unfair on people who have lost their job, but could previously afford their home.

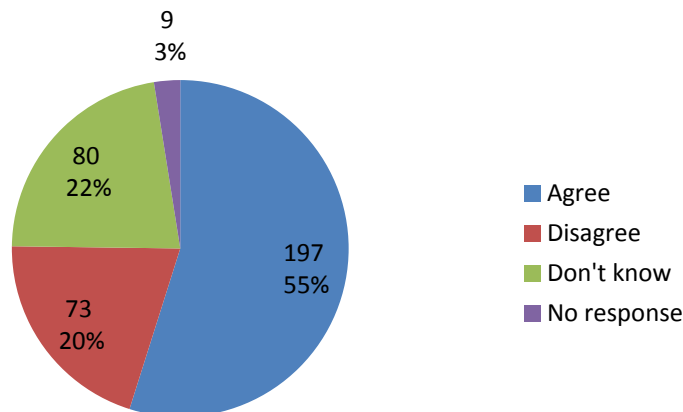
## 11. To remove Second Adult Reduction from the scheme



In total 65 comments were received regarding the proposal, the main points were:

- This should be removed its equivalent to double claiming.
- The second adult should be assessed separately.
- Waste of time and money for the little help that is given.
- If the second adult isn't contributing to the household income why should they be penalised further.

## 12. To remove the element of a Work Related Activity component in the calculation of the current scheme for new Employment and Support Allowance applicants.

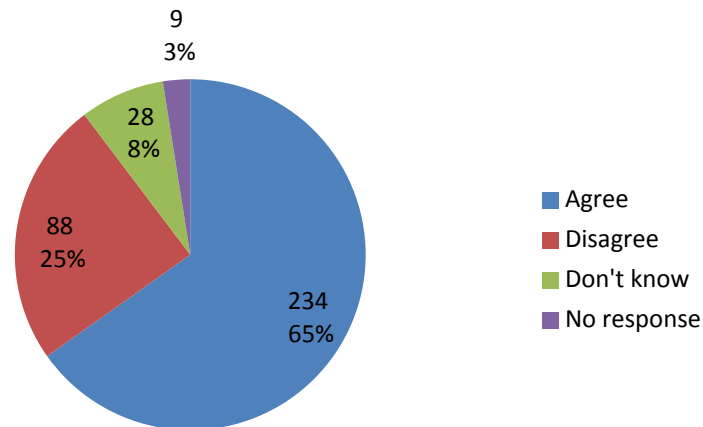


In total 43 comments were received regarding the proposal, the main points were:

- It's fair to align the council's benefit rules to the national efforts to cut benefits.
- Stop robbing the poorest people.
- Bring all benefits in line seems a good thing.
- Won't have enough to live on.



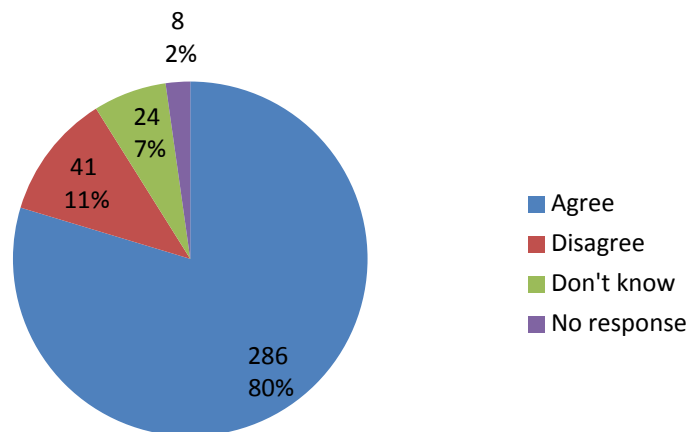
**13. To limit the number of dependent children within the calculation of Council Tax Reduction to a maximum of two.**



In total 82 comments were received regarding the proposal, the main points were:

- This penalises low income families with more than two children.
- Seems fair in this day and age.
- For new applicants only.
- A limit of 4 children might be more appropriate.

**14. To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship.**



In total 89 comments were received regarding the proposal, the main points were:

- Yes so long as the system is 'policed' properly.
- So long as hardship can be proven.
- The policy should be clear and published.
- This would help soften the impact of several of the other options proposed.

The consultation included additional questions allowing for the responders to give their views on the scheme, other options that could be considered, and any further comments on the Council Tax Reduction Scheme.

### **Other comments on the scheme.**

73 other comments were received regarding the scheme, the main points were:

- I think that it seems fair that everyone has to take some of the extra hardship.
- It's an absolute minefield of disasters and probably totally unworkable without an enormous increase in council staff, training and funding.
- The council should help those with low income where possible.
- Why should hard working people who are just managing, who don't get any help, pay more.
- The council have other resources that are often not fully utilised and sometimes money is wasted using up budgets to prevent cuts. Maybe this money could be somehow absorbed into other areas that need the funding.
- A very slight increase will not cripple most people but taking from the poorest will.
- never anything positive comes out of the council offices
- SDC could use the New Homes Bonus money and the receipts from the rental of the land to contribute towards raising the council tax.
- Increases in levels of Council tax should where possible be linked purely to rate of inflation
- Whilst austerity continues these should be the ranked priorities, they can be reviewed if the economy picks up or if council savings diminish.

### **The Council to consider other options.**

62 other comments were received, the main points were:

- Reassess all properties, with a view to Increasing the property's Tax Band when an extension has been built and the Tax Band has not already been altered (i.e. extensions built years ago and have increased a property's size significantly and/or added another bedroom)
- To use all income in the calculation, including DLA, PIP, carer's allowance
- Put it back to 100% instead of 81.5.
- Revalue property to 2016 levels, that way, more expensive home with high earners would contribute more. They should be targeted
- I think the council could consider other revenue streams such as creating products or services that could be profitable.
- There are many large properties which pay only maybe band "E", as they have made improvements to the property. A friend pays "E" band for 4 bedroom property we pay "G". I believe when people have work done to improve their property it should be accessed again.
- Look after the ones who work hard to look after and support themselves as it's not easy.
- Additional adults in a household of 3 or more adults of working age should be made to pay more council tax, they are still benefiting from services without having to pay per person. Also increasing the cost of a yearly parking permit to residents in areas where permits are needed.

- At the same time, I believe the Council would be able to generate more income from higher council tax receipts from those able to pay just a little bit more. This is preferable to cuts in other services.
- Make everyone pay...simple.

### **Further comments regarding the Council Tax Reduction Scheme**

27 comments were received, the main points were:

- Eligible claimants in receipt of DLA or PIP should not be affected by any alterations to the scheme, if you are of working age and can work and therefore pay, you should. If you are in genuine need of help, you should get it.
- Please stop penalising the workers (the people who sit in your offices doing all the hard work, running the council included) Most of us work at least 38 hours a week and struggle to make ends meet; you should award us not those who don't work.
- In my view, the payment for all public services should be means-based. Therefore, I would most like to see the abolition of Council Tax in favour of a small increase in Income Tax, coupled with a genuine exercise in ensuring that all taxes are collected (particularly from those higher earners who avoid it).
- Invite a member of the public to sit in on all future discussions on this matter to allow those earning less than £20,200 to have a voice and influence any possible proposals.

## **Annex 3 – Feedback from other Organisations**

A meeting was held on the 21<sup>st</sup> July 2016 to obtain feedback on the CTRS proposals, the meeting was attended by:-

Age UK Folkestone

B48's

DWP

East Kent Housing

Porchlight

Red Zebra

Sanctuary Housing

Shepway Employment Forum

Shepway Housing Options

Shepway Winter Shelter

Side by side advocacy service

The Shepway CAB were unable to attend the meeting so their feedback was provided after the event.

The feedback obtained was as follows;

### **Option 1: Reduce the maximum level of support for working age from 81.5% to 75%**

#### Rainbow Centre

- Impacting the poorest worst and it is punitive in this sense.
- Likely to result in increased debt and support required from services.
- Likely to result in increased homelessness.
- More likely to struggle with those on basic levels of income and those will say that they cannot make their living costs.
- Impact on poorest most strongly.
- Cost vs. administration may not show returns and justify the impact of hardship.

#### East Kent Housing

- Agree with earlier points and will impact on rent collection and increase evictions, this will result in higher temporary accommodation costs to the Council.

#### Porchlight

- Comments to follow later on individual feedback sheets following further consideration.

#### Shepway CAB

- Clients on benefits are already facing an unprecedented increase in the level of deductions which are made from their benefits. This increase would mean a client living alone in a band A property would have to pay an extra £5 per month in council tax. This would be more for clients with a higher council tax liability.

- Many clients will not feel able to apply for help under the exceptional hardship scheme. There is also a question as to what will count as exceptional hardship – we would argue, for example say that anyone in receipt of £73.10 per week was in exceptional hardship before having to pay any council tax.
- Recent research also shows that those councils where there have been increases in the percentage payable have also seen an increase in arrears.
- Currently Council Tax arrears represent 15% of all Debt issues that we deal with.

## **Option 2: Removing the family premium for all new working age applicants**

### East Kent Housing

- With the increase in the benefit cap to be introduced Autumn 2016 this will have a double impact on families with 2 or more children.

### Porchlight

- Comments to follow later on individual feedback sheets following further consideration.

### Rainbow Centre

- Nothing further to add at this stage.

### Shepway CAB

- While, we are also not in favour of this option we believe that this is marginally better than option 1.

## **Option 3: Reducing backdating of new claims to 1 month**

### Rainbow Centre

- Could impact on a few cases but difficult to tell, would impact those that are not able to contact sooner due to medical reasons, etc.

### East Kent Housing

- Keeping backdating would allow the Council to use CTR to collect some funds rather than all of it if this is reduced.

### Porchlight

- No further comments.

### Shepway CAB

- This is one of our preferred options. The fact that it also mirrors HB also means that there is some amount of consistency regarding housing costs.

## **Option 4: Using a set income for self-employed earners after 1 year's self-employment**

### East Kent Housing

- This is controversial but I can see the value in this.

### Rainbow Centre

- This is a big difference that will be a shock to some.

#### Porchlight

- No further comments.

#### Shepway CAB

- We do not agree with this as we believe that it would mean a large percentage of self-employed people would experience severe hardship as their earnings would not amount to the minimum level of income used to determine entitlement. Recent research by Citizens Advice national has found that over 56% of clients earn below the national minimum wage and also most commonly have debt and benefit issues.

### **Option 5: Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks**

#### Rainbow Centre

- This still allows for flexibility.
- Will impact foreign nationals more than anyone else.

#### Porchlight

- Unlikely to impact greatly on our client base.

#### East Kent Housing

- No further comments.

#### Shepway CAB

- Given that savings on council tax reduction have to be made this seems a reasonable option but the council needs to ensure that this is effectively communicated to residents to ensure that they are aware of the consequences of longer absences.

### **Option 6: Reduce the capital limit from £16,000 to £6,000**

#### Shepway CAB

- We believe that this is better than many of the other options as this means that at least people will remain with some savings and that help is being targeted to the poorest.

### **Option 7: To introduce a standard level of non dependant deduction of £10.00 for all applicants who have non-dependents residing with them**

#### Porchlight

- Sofa surfing could be impacted; many would be less inclined to allow people to stay due to risk of extra impact on their own benefits. Possible increase to homelessness.

#### East Kent Housing

- Similar to Universal Credit.

#### Rainbow Centre

- No further comments.

#### Shepway CAB

- We already see a great many parents who struggle with the effects of non-dependent deductions through changes in their adult children's circumstances, securing the contributions from their children who are also often on low incomes and through struggling financially from the loss of child benefit and tax credits when the children leave full time education. We also believe that a blanket charge does not target support to those who most need it.

### **Option 8: To take any Child Maintenance paid to an applicant or partner into account in full in the calculation of Council Tax Reduction**

#### Porchlight & Rainbow Centre

- The administration would be very difficult and also hard to prove.

#### East Kent Housing

- This could be a nightmare and very messy.
- Those capped would also be impacted by this largely.
- This could impact on the backdated claims for maintenance and how this would be treated.

#### All

- The amounts can change regularly and be erratic in amounts and timing, this would be very difficult to monitor.
- How would cash payments/personal arrangements be monitored if at all?

#### Shepway CAB

- We believe that this may be an option but would argue that it does nothing to lessen the complexities of the benefits system as other benefits do not take this into account. Having said that if it is adopted we would like to also see a disregard applied and would suggest £20 per child.

### **Option 9: To take any Child Benefit paid to an applicant or partner into account in full in the calculation of Council Tax Reduction**

#### Porchlight

- This would severely hurt family spending. If family spending decreases this could hurt the local areas and businesses as families are one of the main contributors to the district. This would ultimately cost the Council money in the long run as a result.

#### East Kent Housing

- Further squeezes on families alongside capping, the areas are mounting up on family units.

#### Rainbow Centre

- No further comments.

#### Shepway CAB

- We do not agree with this option as we believe that this would yet again hit hard pressed families and impact on child poverty.

### **Option 10: To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge**

#### Rainbow Centre

- This could be harsh as the household could lose its wage earner due to job loss, death, etc. when they previously could afford their home. Some protection for a certain timeframe could help this issue.

#### East Kent Housing

- If all of the options discussed so far came in, it could be a total disaster.

#### Porchlight

- Less likely to impact our client group.

#### Shepway CAB

- This is probably a reasonable option as long as the hardship fund is available for exceptional cases.

### **Option 11: Removal of Second Adult Reduction from the scheme**

#### East Kent Housing

- This does not impact on families and I don't disagree in principle with this.

#### Porchlight & Rainbow Centre

- No further comments.

#### Shepway CAB

- We do not agree with this option as it takes away provision for low income households and again creates difficulties in terms of the CT payer recovering any monies needed to meet the shortfall.

### **Option 12: To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.**

#### Shepway CAB

- Even though we are not particularly in favour of this option it does provide some consistency across the benefits system and still provides help to those on ESA.

### **Option 13: To limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of two**

#### East Kent Housing

- Impacts on families again, especially those hit by the benefit cap.



### Rainbow Centre

- Not our client base so no further comments.

### Porchlight

- No further comments.

### Shepway CAB

- Even though we are not particularly in favour of this option it does provide some consistency across the benefits system.

## **Option 14: To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship**

### All

The group agreed with the scheme in principle to offer support to those that require it on a case by case basis dependent upon individual circumstances.

### **Any other comments:-**

### East Kent Housing

- If all the options were introduced there would be widespread problems, particularly for families.
- If all (or a large number of the options) were introduced could it be an option to have a staged approach? For example, some next year (like the options that replicated Housing Benefit) and then some more year on year.
- If fewer options are introduced you would in theory receive more money in to the Council. Large numbers of options results in increased evictions and homelessness, loss of rent, landlord & B&B frustration where less will take on Benefits tenants.
- Future generation is being impacted which is a concern, most options hit family units.

### Porchlight & Rainbow Centre

- Any further comments to be submitted following the meeting upon further thought and consultation with colleagues.

### Shepway CAB

- We are acutely aware that local authorities are currently having to make some extremely tough choices around funding and cuts. All the above options will cause further hardship on households that are already struggling so we have quite simply chosen those options which we believe will hit our clients and those most vulnerable the least and which will ensure that support is targeted to those most in need of support.