



Council Tax Reduction Scheme Consultation

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INTRODUCTION:

On the 1st April 2013 Northampton Borough Council introduced its own local discount scheme to help people on low incomes pay their Council Tax.

Under the Local Government Finance Act 2012, Northampton Borough Council is required to publically consult on proposed changes to our local Council Tax Reduction (CTR) scheme.

The consultation had two aims:

- 1) To find out what people thought of the scheme in the first year.
- 2) To understand the impact on those who rely on this support if the proposed changes are implemented.

This consultation took place between Monday 4th November 2013 and Sunday 1st December 2013.

This document details the methodology, which underpinned the consultation, plus a full analysis of the results.

METHODOLOGY:

The consultation included the following:

- On-line survey
- News release
- Social media (Facebook, Twitter, etc.)
- Northampton Borough Council's internet and intranet pages
- All e-mail communication from the Benefit, Council Tax and Customer Services mailboxes included an invitation link to take-part in the consultation
- Display screens in the One Stop Shop
- Details of the consultation were emailed to the Multi Agency Forum and our welfare partners, including registered social landlords.
- Invitations to participate was sent to key stakeholders, including Precepting Authorities, parishes, local Councilors and Member of Parliaments
- Engagement with housing associations and voluntary and community sectors via their various networks
- Council's proposals raised at various Community Forums:
 - Disabled People Forum - 19.11.2013
 - Northampton LGBT and Q Forum – 12.11.2013
 - Northampton Pensioner Forum - 29.10.2013
- 1,500 email invitations were issued to email addresses held on the Benefit and Council Tax database
- Letters were issued to a random sample of 200 CTR recipients.
- Letters were issued to a random sample of 200 local Council Tax payers.

To help support the public the following was also made available and advertised in-line with the above:

- Dedicated email address for enquiries from the public
- Our Customer Service teams were made available to help the public complete the on-line form to mitigate any accessibility issues. In addition we carried out a home visit to support a request made to overcome specific accessibility issues.
- 4 drop in-sessions were run, aimed at providing those affected with a personal illustration on what the proposed changes would mean to them – ensuring they were able to provide a fully informed response.

RESULTS:

A total of 35 responses to our on-line survey were received by the end of the consultation and 7 members of the public attended one of the drop-in sessions.

Whilst we had taken the additional steps of sending 1500 email and 400 written invitations to take part, the response rate remained low.

The website was viewed 487 times during the consultation period. This demonstrates that media coverage of the consultation was active, however members of the public, did not complete the form to air their views.

SUMMARY OF FINDINGS:

Due to the type of questions asked in the on-line survey, in-line with the number of responses received, the results are mainly qualitative. The data has provided an in-depth look at what the proposed changes mean to the respondents and how it will impact them.

KEY RESULTS:

Question 1 focused on collecting personal data and will therefore not be summarised in this report.

Question 2 established whether the respondent was currently receiving a CTR discount and whether they were responding on behalf of an organization.

- 14 respondents are currently receiving a CTR discount
- 6 respondents were responding on behalf of an organization:
 - Citizen's Advice Bureau
 - Community Law Service
 - Mental Health Group
 - Richmond Fellowship (supported housing for people with mental health issues).
 - Nottingham Community Housing Association
 - Financial support and advice service
 - Northampton Borough Council's One Stop Shop

Question 3:

As from 1 April 2013 the maximum amount of discount a person can receive against their Council Tax bill is limited to 91.5% of their total annual Council Tax bill.

If during this period you have applied for or are receiving any support through our CTR scheme, please use the box below to tell us how the scheme worked for you, including any ideas you may have on how we can improve it.

24 respondents skipped question 3, the responses we did receive are summarised as follows:

- 4 respondents felt that the current CTR scheme worked well for them and helped them to pay their Council Tax.
- 5 respondents provided a response which indicated that the current scheme was placing a financial burden on them since the level of support reduced since the replacement of Council Tax Benefit.
- 1 respondent stated they had only just applied for CTR
- 1 respondent stated they felt the scheme was fair by ensuring everyone has to contribute.

Question 4:

From 1 April 2014, we are proposing that the maximum amount of discount a working age person can receive may be limited to 85% of their total annual Council Tax bill in order to help the Council bridge the gap in funding it receives from Central Government.

13 respondents skipped question 4, the responses we did receive are summarised as follows:

- 16 respondents stated that decreasing the amount of support available to them will mean they can no longer afford their expenses or place an increased financial burden on them.
- 2 respondents felt the proposed change would either help them to budget better or move into work.
- 1 respondent felt it was a fair increase when considering the current economic climate
- 6 respondents indicated they would not be impacted by the change.

Question 5:

From 1 April 2015, we are proposing that the maximum amount of discount a working age person can receive may be limited up to 64% of their total annual Council Tax bill in order to help the Council bridge the further reduction in funding it receives from Central Government.

12 respondents skipped question 5, the responses we did receive are summarised as follows:

- 15 responses stemmed from concerns that the proposed change would have a detrimental effect on their finances or that an increase of up to 36% would be too high. The concerns related to the inability to afford necessities such as food, water or fuel. There were also concerns raised about increasing debt on an individual level, the wider impact this would have on the community and the increased pressures this would place on other services e.g. social care or temporary accommodation.
- 3 responses were from disabled customers who stated the proposed change would have a detrimental effect on their quality of life or negatively impact their health.
- 2 respondents stated they felt this would encourage them to return to work or improve their circumstances.
- 3 respondents advised the proposed changes would not impact them.

INDIVIDUAL RESPONSES:

For Questions 3 - 5 there are a number of trends to the types of responses that were being received, summarised below.

Positive responses were limited but centered on the concept of 'fairness' and everyone having to contribute and that the scheme does help support people in paying their Council Tax bills. Some acceptance of the current economic climate was also expressed. One respondent did state they had no problem with a slight increase in the reduction but an increase up to 36% would be too much. Another respondent did indicate that if these changes were implemented it would prompt them to budget better and would give them the push to find rewarding work and therefore regain their self-respect and pride.

Negative responses can be categorised as follows:

- **Affordability:**
 - Concerns about being able to afford increasing contributions towards Council Tax bills, because this amounted to a large proportion of an already limited income.
 - Questions were raised about how those already on a low income cannot afford to find additional money and it would therefore affect their ability to afford necessities such as food, fuel or clothing for children.
 - One respondent stated their family would only be able to afford the increase by using their son's Disability Living Allowance currently used to pay for swimming lessons as part of his physiotherapy. Another

respondent stated they are disabled and due to the rising costs of heating she is living in just one room to keep warm.

- A increased reduction to 36% would be unaffordable
 - Proposed increases are well above inflation and the amount of benefits will not increase in line with these changes, this is compounded by rising prices (e.g. food and utilities) and the impact of other welfare reforms.
 - Sharp increase in the amount of Food Bank vouchers being issued, which is related to these changes and wider welfare reform.
- Debt/Arrears:
 - Expressed anxiety about how these changes will affect tenants' ability to sustain their tenancy and the implications if these people were made homeless due to arrears.
 - Increased costs to Northampton Borough Council in attempting to recover arrears and obtaining Liability Orders to recover unpaid Council Tax
 - Increased stress and worry that accompanies debt/arrears
 - Increased hardship, poverty and misery across the Borough
 - Impact on the vulnerable:
 - One respondent felt this would impact vulnerable people and could jeopardise mental health recovery and independent living.
 - These changes would cause health problems e.g. stress and worry and potentially cause existing health conditions to deteriorate.
 - This will impact on other local services that support those with mental health problems, disabilities, social services, troubled families unit etc. This will cost more than these proposed changes will save.
 - Another respondent who is blind stated that if these changes are implemented he will find it difficult to manage and will have to decide between paying for the care he receives or his other bills. If he has to reduce the amount of care he receives it will mean he will not have a proper meal because of the support his carer gives him. In addition he is concerned how he will be able to afford the bills associated with his Guide Dog, which is no longer funded by the Blind Association because of their reduced budgets. The result of this is will be a detrimental effect on his health and the ability to live independently - which will be more costly to the tax payer.

Neutral responses resulted from the respondent not being affected by the changes, either because they were of pension age or were not receiving a CTR discount.

ALTERNATIVE SUGGESTIONS:

Question 6:

The cost to the Council for running the scheme is expected to be £14million in 2014/15

The Government currently pays around £13m (Approximately 93% of the total cost).

The remaining £1m must be paid for by the Council Tax payers in Northampton.

The level of Government subsidy in the future may change and, unless the scheme is changed as proposed this may put further strain on the finances of the Council which could take money from other Council services.

10 respondents skipped question 6, the majority of responses that were received suggested alternative ways in which the funding gap can be bridged:

- 1) Charge £1.00 for each pensioner bus pass issued.
- 2) Remove protection from pensioners
- 3) Spread the cost across all tax payers
- 4) Increase Council Tax
- 5) Utilise Income generated from car parking charges
- 6) Central Government should adequately finance essential local services
- 7) Increased staff productivity at Northampton Borough Council
- 8) Find further ways to reduce Council waste
- 9) The distribution of the CTR grant should not be paid to local parishes who did not reduce their precepts last year (Billing, Collingtree, Duston & Hardingstone)
- 10) The financial burden should fall on those that have the most, not the least

FULL RESPONSE:

All responses in full are detailed in the attached spreadsheet:



CTRSII -
Consultation Respons

Or at the following:

<http://www.northampton.gov.uk/downloads/file/6827/ctrsii-consultation-responses-xls>

EQUALITIES:

Of the respondents who completed the equalities questions, relating to gender, age, disability or ethnic origin.

- 51.7% of respondents were female, 48.3% were male.
- In terms of age:
 - 0% were aged under 20
 - 3.3% were aged 20-29
 - 36.7% were aged 30-49
 - 46.7% were aged 50-64
 - 13.3% were aged 65-74
 - 0% were aged over 75
- 16.7% of respondents stated they considered themselves to have a disability.
- In terms of ethnic origin:
 - 75.9% described themselves as English White
 - 3.4% described themselves as Welsh White
 - 3.4% described themselves as White Irish
 - 6.9% described themselves as Other white background
 - 3.4% described themselves as Mixed – White and Black African
 - 3.4% described themselves as Asian or Asian British-Indian
 - 3.4% described themselves as Other black background