



Council Tax Reduction Scheme Consultation (CTRS)

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Status Report

INTRODUCTION:

The Council Tax Reduction Scheme replaced Council Tax Benefits (CTB) in April 2013, when local authorities were required to set up their own discount.

Northampton's scheme for 2014/15 was based on the former Council Tax Benefit Scheme with the exception that all working age claimants could only claim a discount for 85% of the amount they would have received under the old CTB scheme. The council has to carry out an annual review of its CTRS scheme.

The findings from this consultation will help inform any changes that may be required. The scheme for 2015/16 must be agreed by the 31st January 2015.

This consultation took place from 13 October 2014 to 9 November 2014.

METHODOLOGY

Our approach included the following:

- [On-line survey](#)
- [News release\(s\)](#)
- Social media ([Facebook](#), [Twitter](#), etc.)
- Northampton Borough Council's [internet](#) 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 Councillors and Members of Parliament
- Engagement with housing associations and voluntary and community sectors via their various networks
- Northampton Borough Council's Community Forum members were invited to take part
- 2,400 email invitations were issued to email addresses held on the Benefit and Council Tax database

The following companion documents were made available:

- **Background Information** giving details of options considered and recommended
- **Community/Equality Impact Assessment**
- **Banding Examples**
- **Example Scenarios**

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

- Dedicated email address for enquiries
- 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.

- Three drop in-sessions were made available to provide a personal illustration on what the proposed changes would mean – to enable people to provide a fully informed response. Sessions were offered as follows:
 - ✓ Tuesday 14 October 2014 (2pm to 5pm)
 - ✓ Thursday 23 October 2014 (2pm to 5pm)
 - ✓ Friday 31 October 2014 (10am to 1pm)
 - ✓ Those who could not attend were invited to contact us to discuss their situation and how the potential proposals might affect them.

RESULTS:

The website was viewed **1,435** 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.

A total of **39** people completed the on-line survey.

17 people expressed an interest in attending the drop-in information sessions.

59 individual comments were received in response to the consultation questions.

9 people emailed for further information

SUMMARY OF FINDINGS:

Due to the type of questions asked in the on-line survey, and 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 included in this report.

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

- 27 respondents are currently receiving a CTRS discount
- 3 respondents responded on behalf of an organization:
 - Community Law Service x2
 - Bromford Housing

Question 3:

Northampton's scheme for 2014/15 was based on the former Council Tax Benefit Scheme with the exception that all working age claimants could only claim a discount for 85% of the amount they would have received under the old CTB scheme. Keeping the current level of discount on our scheme or increasing the level of support is not sustainable for the Council. The Council feels that it has no alternative but to reduce the amount of discount available under the

*scheme. When we consulted last year we also stated that for 2015/16 we would need to increase the maximum discount to 36%. People told us that they felt that such a change would probably cause hardship for some people. The Council was also clear however that the scheme must continue to be paid for by the funding available and not through impacting the wider community in Northampton. We are concerned that increasing the amount payable by 36% as suggested last year would cause considerable difficulties for both individuals and the Council in terms of collecting the shortfall in support. We are therefore proposing to reduce the discount available to somewhere between 20% to 25%. A reduction within this range would help the Council to balance the financial position and represent an improvement on the 36% suggested last year. To view background information for our proposals, please [click here](#). Please note that the changes to our scheme will not affect customers who have reached their state pension age and at the same time are not receiving Jobseeker's Allowance, Income Support, Universal Credit or Employment & Support Allowance. To see some examples on how this could affect you, please [click here \(2015/16 examples\)](#). **Please let us have your views on our proposals in order to help us make a decision***

31 responses were made and 8 respondents skipped the question.

The key comments received were as follows:

- 22 respondents felt that the new proposals would cause additional hardship
- 5 respondents commented that the proposed increase was too high
- 5 respondents suggested alternative ways of funding the shortfall including restructuring services, reducing executive pay, scheme to be funded by those that could pay, review Council spending in other projects, increasing Council Tax
- 4 respondents thanked the Council for the opportunity to take part
- 1 respondent indicated that he supported the proposal on condition that the Council reverted the discount when things got better

Question 4:

We are considering the removal of paper notification for CTR decisions during 2015/16, which will continue to improve efficiencies within the service. As an alternative award letters will be made available electronically, and accessed with an on-line Citizen's Account. People will still be able to contact us by phone, email or via the website

28 responses were received, 11 people skipped the question 4.

The responses we did receive are summarised as follows:

- 12 respondents were concerned about the impact on vulnerable individuals with 9 people concerned with access to the internet and computer literacy and, 3 people expressed concerns for the elderly.
- 7 respondents stated that they would wish to receive email notifications as well.
- 3 respondents felt that an opting in/out facility should be given
- 2 respondents expressed concerns about printable documents
- 1 respondent would like to continue receiving notifications by post

Question 5

We are running a number of drop-in sessions at the One Stop Shop over the next few weeks to give people a chance to discuss the proposed changes and how they may impact on people- particularly for those receiving or likely to receive CTR discount. If you are interested in coming along, please select your preferred option below to give us an idea of numbers

- 3 people indicated that they would like to attend
- 17 people stated that they were unable to attend but would like further details. Individuals were provided with the proposal documents and, asked for any comments or queries, should they have any.

Question 6

How did you hear about this consultation?

- 8 people heard about the consultation from the website
- 16 people heard about the consultation by email
- 1 person heard about the consultation from Facebook
- 1 person heard about the consultation on the internet

Full responses

Question 3

*Northampton's scheme for 2014/15 was based on the former Council Tax Benefit Scheme with the exception that all working age claimants could only claim a discount for 85% of the amount they would have received under the old CTB scheme. Keeping the current level of discount on our scheme or increasing the level of support is not sustainable for the Council. The Council feels that it has no alternative but to reduce the amount of discount available under the scheme. When we consulted last year we also stated that for 2015/16 we would need to increase the maximum discount to 36%. People told us that they felt that such a change would probably cause hardship for some people. The Council was also clear however that the scheme must continue to be paid for by the funding available and not through impacting the wider community in Northampton. We are concerned that increasing the amount payable by 36% as suggested last year would cause considerable difficulties for both individuals and the Council in terms of collecting the shortfall in support. We are therefore proposing to reduce the discount available to somewhere between 20% to 25%. A reduction within this range would help the Council to balance the financial position and represent an improvement on the 36% suggested last year. To view background information for our proposals, please [click here](#). Please note that the changes to our scheme will not affect customers who have reached their state pension age and at the same time are not receiving Jobseeker's Allowance, Income Support, Universal Credit or Employment & Support Allowance. To see some examples on how this could affect you, please [click here](#) (2015/16 examples). **Please let us have your views on our proposals in order to help us make a decision***

1. I work 16 hours each week and struggle to pay on time, but I suppose if payment options were more flexible than any discount would be welcome to ease the pressure, no pay increase at work, where do you find the additional money from?
2. Seems much fairer but it should be put in place that when things improve financially for the council funding should be increased again, not just forgotten.
3. More affluent areas/houses could pay more. Stop wasting council tax payer's money
For example: Police commissioner Free school dinner for up to year 2

4. Hello, one thing is not very clear for me. Your example sheet only shows properties from Band A to D. What about higher band properties? We live in a Band F house, not by choice but by default. We are a large family with 9 children and when we needed housing we could not find anything else. (The council could not really help either; we were a few days away from being homeless). In the last minute we found this house where the rent is £1,400 a month, utility bills are very high too and it's in Band F council tax. Needless to say it is really hard to afford, by very strict budgeting we just about manage, however and any cuts would affect us and possibly jeopardize our renting ability.
5. It seems from my experience that people are already significantly struggling to pay their CT bills, particularly those who are on very low incomes. Any increase will simply increase indebtedness causing NBC to need to take recovery action costing more and taking longer than trying to keep bills at a more manageable level. I would urge the council to keep any contribution as low as possible. This coupled with the removal of the spare room subsidy has caused real hardship for people on low incomes. Perhaps any (inevitable?) increase in the amount of CT those on benefits have to pay could be coupled with a policy intention to be more flexible with DHP awards.
6. I'm struggling with paying council tax, my earnings are low, and I'm getting working tax credit. This reduction would help me very much.
7. I urge you not to increase the amount people need to pay. Please keep it at least as it was last year. Only review it when you have been able to assess the potential impact on the vulnerable community.
8. I am the Debt Services Manager at Community Law Service, and as such have a good deal of knowledge and experience of dealing with clients that are in debt, and usually in receipt of CTR at the current maximum available discount. The problem I see with the proposed changes is simply a case of affordability for the client. We have seen many clients in the current year who are in receipt of benefits such as Income Support, JSA and ESA, who are simply not in a position to be able to afford even the current rate of 15% of their council tax bill. It is regularly the case that they attend our service with not only council tax arrears, but also other priority debts, such as utility arrears or rent arrears. Given the steady increase in the costs of living, which is increasing each year more than the rate of benefit increases, I can only see that increasing the amount of council tax people in receipt of maximum CTR have to pay will only result in further council tax arrears being owed by people not in a position to repay them. The knock on effect of this as I see it will be that you incur further costs in issuing summons for the council tax arrears to obtain a liability order, the end result of which is that you end up either deducting from their income support, JSA or ESA at £3.65 per week, or you send the bailiffs round to visit. The rate of deductions mean that you will be waiting approximately 80 weeks to be paid back a debt of £290 (an estimate of one year's arrears plus summons costs), which means that many people will never be able to get themselves out of council tax arrears. Once deductions are set up this further reduces people's ability to service their essential living expenses, and has the potential to cause further hardship within the borough. The other problem with this change involves bailiffs and their fees under the new legislation. If you obtain a liability order, surely it would be prudent to check if a client is in receipt of full CTR prior to sending their account to bailiffs. If a client is in receipt of full CTR it would usually, although not always, mean they may be in receipt of a benefit you can deduct from. This is by far a better way to recover council tax arrears than getting bailiffs involved, as with the new fees they can charge, people can find their debt literally more than doubles with bailiff costs. If a client is unable to pay their council tax as normal, they will not be able to afford to pay more twice the amount of debt, at the rate that bailiffs demand payments to be made at. I understand that it may be preferable for a bailiff to be able

to remove goods belonging to the client, but you will find that the majority of the time that the sort of clients in receipt of full CTR do not have goods worth enough for the bailiff to remove them. Although I do understand that there are budget constraints and you cannot afford to give further discounts, I would implore you to consider making the minimum possible reduction to the CTR scheme. As it stands, we have seen an increase in the amount of people with council tax arrears this year because of the CTR scheme, and I can only see this increasing further if it is changed to 25% rather than 15%. I would suggest that to increase the maximum available discount to anything lower than 80% is lunacy, as it will simply not be possible for clients to maintain payments given their level of income, or if they do, it will mean in a large amount of cases that they had to forgo other areas of essential expenditure, such as gas/electric or food. Another knock on effect of the changes could well be that more and more clients need to consider insolvency as an option to deal with their debts, which would mean that you are able to recover less council tax anyway. The more priority debts that clients owe, and the pressure they are under to try to pay these debts means that when told of their options to deal with their debt more and more clients will inevitably choose insolvency as a way of dealing with their debts and hopefully having a fresh start. Overall, although I understand the need for the changes you are proposing, I strongly oppose them because of the effect I know they will have on our client group. It is very unfortunate that the funds are not available to support the CTR scheme further, and I genuinely worry about the effect it will have on our clients and the hardship the changes will cause across the borough. If the changes are going ahead, I would implore you to only go 20% rather than 25% - every penny literally does count for clients in receipt of benefits such as income support, ESA and JSA.

9. Personally I am struggling with any amount to pay, so the increase to 20% is going to hit me hard. I believe the severe disabled/chronically sick should be exempt from any payment. I have to contribute towards my care 24 hour care and I don't think this has been taken into consideration enough.
10. I think it's a decent suggestion, but why not use the pot to just bring down the ctax for everyone. More Fairer.
11. I am currently unemployed and am finding it difficult to pay what I am being asked to pay now. At present my bank account is overdrawn each month. I have been suffering from depression and have been on tablets for some time, this decision could make a huge difference to my physical and mental wellbeing.
12. I am blind and have a Care package with the county council which my contribution has increased by £70 per week, I feel that the council needs to realise the number of increases we are facing at the moment and the need to understand the hardship we face. There are other areas of savings that the council can find money from to help disabled people live independently, as the cost of supported accommodation is vastly more expensive. Is the council making enough money from this increase charges to warrant this stress on individuals considering there must be a greater cost in trying to recover this money from people on low and fixed incomes. There is a limit to stress I and others can take. I would suggest that the council consider bigger issues like unitary status to try and save money; there is a lot of duplicated process, like the democratic services.
13. I find it extremely concerning that our Council thinks that people who, through no fault of their own, i.e. sudden disability, already have to survive on benefits can suddenly find extra money to pay even more Council Tax. We, as a couple have paid Council tax and previously Poll Tax and Rates for some 40 years without help and now, when we are not in a position to pay we are being told we have to pay more. We actually

receive a very small amount of help towards our mortgage because of our circumstances and if the Council Tax we have to pay increases any more this will wipe this out and could therefore make us homeless. Perhaps the Council should cut costs by stopping paying the top executives such enormous salaries, with pay offs and golden pensions. It is time even Civil Servants realised that there is no longer such a thing as "a job for life". Perhaps the Council should make the rental Landlords who are benefitting from such high rents cut them so that we do not have to contribute so much to provide housing for people at a price that normal families cannot afford. It is the law of the marketplace that no demand then prices drop, perhaps the Council should be concentrating on stopping people who should be in Social Housing agreeing to pay rent to Private Landlords especially as we have funded this throughout our working life's, and ensure that any rental properties that are supported by housing benefit should be cut - Landlords will eventually realise they can no longer charge the earth for their properties - many of them are now using these properties as Pension Plans - can you blame them it is a much higher return, and I, for one, object to paying for this when I cannot afford to provide a pension for myself. The Council need to look at cutting their expenditure on other things that do not create even more homeless people requiring help.

14. This benefit is of no use to me. I finally started working part time in January and I lost a major amount of benefit I only get £24 a year now. I am a single mum with one income. I live in private accommodation because I'm not entitled to social housing. I was paying £26 per month now I'm paying £75 per month its killing me
15. First of all thank you for letting me know about the proposal, which, by the way is the first time. The thing is as I read the proposal I have noticed that my total allowable discount will go down to between 20% and 25% from the 85% I already receive, and I quote "We are therefore proposing to reduce the discount available to somewhere between 20% to 25%." I am currently paying £11 per month and in the best case scenario i.e. 25% discount I would be paying £44 per month approx. Please tell me that I am mistaken OR re-write your proposals because trust me a 400% rise in my council tax is just a touch above inflation, last year you made a 76% rise which you could not justify so I await your prompt response
16. These changes would have a significant impact on those that we support, as they have very limited income, as the vast majority of those that we support are out of work due to their health. They are struggling to manage now, so with an increase to the amount they are expected to contribute, this will make it difficult for them to cover this as well as their other priority bills.
17. Thank you for the opportunity to take a direct part in the consultation. What I do not understand, as last year, is why you do not simply increase the Council Tax. £66,730 would surely be hardly noticed across all tax payers. It could be argued that 91.5% was reasonable for most people. 75% or 64% is unbelievable when you remember that two years ago, the same people were deemed (BY THE COUNCIL) to be unable to pay any Council Tax at all. Please let me know why you haven't thought about the obvious application of an overall increase and why you think you should tax people you know haven't got the money to spare as opposed to taxing those whom you know actually CAN AFFORD it. Thank you.
18. This proposal scares me as I am aware of what a close balance there is between income and outgoings for me and others in similar situations. I do not understand why the council needs to increase the amount received by residents when previously they were paying full council tax benefit?
19. I am having it very difficult to make ends meet as it is. Income doesn't go up but expenses keeps going higher and higher. It's not just council tax, but every little

commodity in the shops goes up. Furthermore, I find myself in a band d, only because I was told that if I don't take the offer of the housing association, I will have to wait very long for another chance. After having moved in only I came to know that it is a band d. Don't get me wrong because the house is well adapted for my needs but I am concern of where extra money will come from to pay the increase.

20. Money should have been more wisely spent on town improvements e.g. bus station and vehicle access to Abington street rather than decreasing help on council tax payments
21. This is a very Fair proposal
22. Well, we are a large family with 9 children, all of them under 16. I work full time, but making ends meet is really hard going. The council tax reduction scheme is very important for us as it directly helps us being able to pay our rent, which is high as it is. The CT band of our rented house is (band "E") is beyond our control, you simply cannot find a suitable size property in Northampton in a lower band. I do not find it fair that just because I work we would be in worse position than becoming unemployed and receiving JA.
23. It is absurd to expect people like myself on £125 a week JSA to pay council tax
24. I think the new scheme is fairer and should've able to help more people although a slightly reduced rate.
25. to bring back support for those that can't pay for the tax
26. I don't think council tax is the problem it is Housing Benefit. I had to sell my flat due to being made redundant as I only got £80 towards my mortgage interest each month. Ironically my ex next door neighbour was a so called single mum yet the father of her child stopped most nights. She got her full rent of over £500 a month paid even though she had never worked. Once I moved into rented accommodation I got no help with my rent and no JSA as my savings were above £16K. Over time due to paying my rent and bills my savings have dropped below £16K. I now get £350 a month towards my rent. My old mortgage was £210 a month so Government policy has made it much harder for me to find work that pays and ends up costing the council more money. I know people who have said they are homeless and get council flats but never work, also young women are getting pregnant just to jump the housing queues and they never work. The council even give social housing to African and other economic migrants yet I am refused a council flat.
27. I appreciate the help I have received; however I do feel that I have to pay a substantial amount per month when lately my self-employment wage is pretty low, business has been very quiet lately. Before my last re-assessment my monthly council tax payments were quite a bit less which did help me financially with all the utility bills etc. that have to be paid plus all other outgoings and commitments
28. I cannot afford to pay any more towards council tax and feed myself and my young children. An increase is impossible to contemplate
29. Money is being saved by penalising already disadvantaged people. The support should be raised to 90%, with the funding gap plugged by raising overall Council Tax for the whole Borough. The PCC and County both raised their funding requirements by the maximum amount (1.99 %?) last year, why isn't NBC?
30. Once again the council is trying to get blood from a stone. Not only NBC all suppliers and utilities demand their annual increases. What seems to be forgotten is my income fails to keep up. How can a 1% increase in benefit fund the continuing cost of basic living? I agree pressure should be placed on scroungers and lazy beggars and the people who consider benefits to be the alternative to work. When I was a young man

work was essential we were taught to work for the things we wanted. I am unfortunately disabled with complex chronic illness. It's not my fault I cannot work yet like others in my position are tarred with the same brush. I agree the council has to fund the essential services but to reduce genuine hardship I hope you can consider my comments. Please keep increases to a minimum.

31. Agree that is good but what about people who do not have a computer or the more mature people.

Question 4

We are considering the removal of paper notification for CTR decisions during 2015/16, which will continue to improve efficiencies within the service. As an alternative award letters will be made available electronically, and accessed with an on-line Citizen's Account. People will still be able to contact us by phone, email or via the website

1. I believe a simpler format with regards to CTR should be sent out to customers, I have previously received almost a booklet full of information which is not clearly explained until the end, basic information, reward given on one piece of paper should be sufficient with clear terminology.
2. Also an email sent to the customer, giving the same details.
3. Happy with this idea. Should save a tremendous amount of money, only concern is for the elderly or vulnerable who are not computer literate.
4. That's great, I think online is a very good alternative - as long as there is someone to call if really need to.
5. I think many people will simply not access this due to lack of IT skills or internet access. It is a good idea to look at removing paper notification, but this should be made an option as part of the claims process. I also wonder whether an emailed notification is better as this is still provided to the claimant rather than them having to log into their Citizen's Account.
6. This is not a good idea. I think if you were to implement something like this it should be for clients to 'opt-in'. One of the main problems here again is that many clients are either not computer literate, or do not have regular access to the internet or email. Giving an alternative of telephone or website use is also not ideal - website for the reason already given, telephone because our client group regularly do not have enough credit to use mobile phones for lengthy calls, or a landline to be able to use. If you absolutely are going to proceed with this, I think it would be better to send notifications by email, rather than insisting that people have to log into a website to view the decision - how do you propose to inform people their decision is ready to be viewed for instance? Overall I can see this causing people problems, as there will be instances where clients are unable to view their decision letters and therefore do not know how much CTR they have been awarded - if there is a problem with their claim they may not be given the opportunity to address the problem as they cannot access the internet, or do not know how to, meaning they do not get the CTR they are entitled to. From what you have said above, it seems this will only apply to CTR decisions - not the actual council tax demand issued at the start of the year. I hope this is the case, if the council tax demand and any other reminder letters are only issued electronically many people will never receive them, and therefore will not even realise they are in arrears and need to address the situation.
7. Communication by email is fine.
8. I think this will affect the elderly the most and the service should not be removed
9. It would be of more use to me to receive this information through the post.

10. I am fine for paperless billing. But I like to have something I can print off as I need it.
11. There must be access, I am generally for this and have my own access. It would be very difficult if I didn't with Taxi's to get to Internet access, so it would be better if there was more local access as well as in the offices. I agree with the modernisation as long as disabilities are considered.
12. It will not affect me personally but could affect older people or people who are not technology savvy or able to access the internet. There are a lot of other things the Council could cut down on - Councillors' expenses = it should be an honour to be a Councillor not an easy way to make a quick buck or enjoy lunches or dinners. People should serve the community not serve themselves.
13. A change to the notifications regarding CTR would be appreciated, as these are often complex and confusing and can cause those that we support to worry about whether they owe additional money. However, without having paper notifications, it would be very difficult for our customers to be advised about their council tax as most do not have access to the internet, and might, due to their mental health, struggle to access services such as free internet use at Libraries on Fridays. This would therefore limit how effectively you can communicate with our customers.
14. Already in use by me. It seems to have improved in recent years.
15. It won't affect me if I can print the letters myself for my own records.
16. I personally prefer electronic contact but only on some occasions, i didn't receive a response and wondered whether you received my email or not.
17. Not everybody has broadband
18. It will not affect me as I am Online anyway - it should save quite a good amount on Postage
19. Great idea. I find no need for paper copies, as long as the service is easy to use and gives complete information. Emails usually work very well, especially if the subject line has clear indication that the email is about the Council Tax.
20. My phone and broadband were disconnected as I could not afford the bill, everyone should have the right to a letter, offer an "opt out" by all means.
21. Save tree save time save money but you have to think about the People who do not have internet access
22. it would make life easier till I can afford it
23. Should not affect me as long as we get a link sent to our account.
24. I am happy for you to remove the paper notifications and happy to be updated via an email so I can the login to NBC website to view my accounts.
25. Using an electronic system would certainly make the system more workable but what about people with no access to computers?
26. CTR decisions should also be issued via Email
27. I currently receive my notifications via my citizen's account on line. If this saves money it should be rolled out to everyone. Possible exceptions should be considered for those who have to pay but cannot use a computer for whatever reason. It is much easier on line too.
28. I have access to a computer and it means I will always be able to see it. At the moment with it being paper it is liable to get lost.

EQUALITIES:

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

- 53% of respondents were female, 47% were male.
- In terms of age:
 - 0% were aged under 20
 - 5.56% were aged 20-29
 - 50% were aged 30-49
 - 33.3% were aged 50-64
 - 8.33% were aged 65-74
 - 0% were aged over 75
- 36.11% of respondents stated they considered themselves to have a disability.