

### Council Tax Support scheme - Analysis of consultation

#### Executive Summary

From 1 April 2013 there will be a major change in the way that people on low incomes are supported to pay their Council Tax, including a reduction in the grant available to local Councils to fund Council Tax Support. As a result Telford & Wrekin Council are having to make changes to the amount and type of support they offer people under the scheme and undertook consultation with residents and stakeholders on the proposed options.

People were invited to comment on the proposals in a number of ways including meetings, a special 'Your Voice', letters/emails and social media, or through completing the Council Tax Support Scheme Survey to which 308 responses were received.

#### Principles

The survey set out five draft principles being considered for the new scheme. The level of support for range from 63% to 91%. The most supported of these was principle 5 – 'The new scheme should not discourage Council Tax Benefit Claimants from retaining or starting low paid employment' (91%), and the least supported was principle 2 – 'The impact of the cut should be shared equally across all working age Council Tax Benefit claimants.

More than two thirds of respondents (68%) agreed with principle 1 – 'The cut in funding should not mean a cut to Council services'. Suggestions for alternative areas in which to make cuts included:

- Reduce numbers of staff / staff wages / pensions / expenses
- Scrutinise for economy / quality / efficiency / less bureaucracy / thorough review of services / stop waste
- Reduce number of councillors / councillors expenses / review of councillor expenses

Just over three out of five respondents (63%) agreed with principle 2 – 'The impact of the cuts should be shared equally across all working age Council Tax benefit claimants'. Suggestions for alternative ways to share the impact of the cut included:

- Cuts should apply to pensioners too
- People do not have more money / cuts should not mean a greater burden for those on low income
- Should be means tested on household income / based on ability to pay
- Everyone should contribute something / cuts shared equally

More than three quarters of respondents (79%) agreed with principle 3 – ‘The most vulnerable Council Tax Benefit claimants should be protected from changes’. Suggestions for vulnerable groups to protect included:

- Disabled / long term illness
- Cuts should be shared according to income and need / means test
- Elderly / pensioners
- Need to define most vulnerable

Around two thirds of respondents (67%) agreed with principle 4 – ‘The needs of those with children or caring responsibilities should be recognised’. Ideas for supporting those with children or caring responsibilities included:

- Having children is a life choice should not be for council to support / should only support certain number of children
- Being a carer is a big responsibility / caring responsibility should be recognised
- Should be based on income/need / means tested
- People use children as income / benefits not used to support children

Nine out of ten respondents (91%) agreed with principle 5 – ‘The new scheme should not discourage Council Tax Benefit claimants from retaining or starting low paid employment’. Suggestions for supporting the idea the ‘work pays’ included:

- Continue to pay benefits for a period once work is started
- Allow people on low incomes to claim benefits and support / claim more than those not working

## **Features**

Nine draft features were proposed for the Council Tax support scheme, with all nine having majority agreement. Feature 4 ‘empty homes premium’ had the greatest level of agreement and Feature 5 ‘reducing the savings and capital limits’ the least at 57%.

- Feature 1 – ‘Applying the cuts in the Government’s funding equally to all working age claimants (65%)
- Feature 2 – ‘Protecting the severely disabled and those receiving specific types of income from the impact of the cuts’ (78%)
- Feature 3 – ‘Removing the current Council Tax exemptions and discounts for empty properties and second homes’ (81%)
- **Feature 4 – ‘Introducing an empty homes premium on properties left empty for longer than 2 years’ (86%)**
- **Feature 5 – ‘Reducing savings and capital limits to £6,000’ (57%)**
- Feature 6 – ‘Limiting claims for backdated benefit to one month’ (63%)
- Feature 7 – ‘Introducing a £2.50 minimum weekly award level’ (60%)
- Feature 8 – ‘Removing Second Adult Rebate for working age Council Tax Benefit claimants’ (62%)
- Feature 9 – ‘Introducing a cash-limited discretionary scheme to deal with extreme financial hardship’ (79%)

The feature with the most comments was Feature 5 – ‘Reducing savings and capital limits to £6,000’ (88 comments) with the top themes being:

- Needs to be higher than £6,000
- Penalises those who save / discourages people from saving

Feature 6 – ‘Limiting claims for backdated benefit to one month’ received 72 comments with key themes being:

- Should be longer than 1 month
- Should be discretionary for vulnerable cases
- As long as does not include processing time / not if it is council error

Feature 1 – ‘Applying the cuts in the Government’s funding equally to all working age claimants’ also received 72 comments with the top theme being:

- Should be means tested not based on age

Feature 3 ‘Removing the current Council Tax exemptions and discounts for empty properties and second homes’ received 64 comments with main themes being:

- Do not remove empty properties discount – need grace period to find new tenants / renovate
- Second home owners are able to pay full council tax
- Need time to sell properties (divorce, death, job move) / in current market houses do not sell