

### **Proposed Council Tax Support Scheme 2017/18 – Consultation results and summary**

Section 3 of schedule 1A to the Local Government Finance Act 1992 states:

*“Before making a scheme, the authority must (in the following order)-*

- a) ...*
- b) ...*
- c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.”*

The consultation document was prepared in collaboration with the Devon Benefit Officer Group (DBOG) and with substantial assistance of Devon County Council's Corporate Communications team. In developing the consultation questions regard was had to the Supreme Court decision of 29 October 2014<sup>1</sup> which considered the requirements for an effective consultation on Council Tax Support.

The proposals to be consulted on were agreed at a meeting of the Devon Local Government Steering Group in April 2016. As the proposed changes were common across the county, a single questionnaire was developed to be used by the different Billing Authorities. Devon County Council hosted the online survey with local branding so that responses were made to each Billing Authority.

#### **Promoting the survey**

Exeter City Council's consultation period ran from 27<sup>th</sup> June to 4<sup>th</sup> September 2016. During the 10 week consultation period the following activity was undertaken:

- Personalised letters were sent to 1,214 ECC CTS customers in the groups which may be affected by the proposed changes, either immediately or in the future.
- Information on the consultation process, the draft scheme and links to the online survey were put on the ECC website, both on the consultation pages and the benefits pages.
- Leaflets promoting the consultation were sent to 5,000 ECC Council Tax payers with their bills.
- Leaflets were included with approximately 1,000 recovery documents.
- Personalised letters were sent to 13 advice and support agencies operating in Exeter.
- Information on the consultation was sent to ECC staff working with customers who may be affected.
- The consultation was promoted through social media including to our community contacts to get the message out to as many hard to reach groups as possible.

#### **Consultation responses**

In total 76 online surveys were completed with two further submissions made; one from an individual making comments about the unfairness of the changes not

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<sup>1</sup> R (on the application of Mosely) v London Borough of Haringey [2014] UKSC 56

affecting pensioners and one from an organisation which addressed the proposal for a minimum income floor for self-employed claimants in detail.

83% of respondents reported that they pay Council Tax to Exeter City Council; 27% of all respondents were in receipt of Council Tax Support.

Only two respondents were self-employed, 6 were carers, 32 had three or more children and 11 identified themselves as having a health problem or disability.

Overall 70% of respondents agreed with introducing the 8 changes proposed. In a weighted calculation of respondents' preferred options, introducing all 8 changes scored 377 points, ranking first of the five substantive options. Keeping the scheme the same as now ranked second with a score of 317 points. Increasing Council Tax ranked fifth with a score of 231 points.

### **Responses to the individual changes**

#### **Change 1 – Remove the Family Premium for all new working age applicants**

70% of respondents supported this change with the remainder either disagreeing (21%) or unsure (9%). Nine people provided further comments, all of which suggested we maintain a scheme which is at least as generous as currently. Three comments felt it was unreasonable to penalise parents and that children were likely to suffer: *"Without this money our children don't eat as well, don't get to go out as often."*

#### **Change 2 – Reduce backdating to one month**

75% of respondents supported this change with 22.5% against. Thirteen comments were made, 10 of which suggested retaining backdating at between 2 and 6 months. One suggested removing the limit on backdating altogether and two misunderstood the financing of the scheme and operation of the backdating rules.

#### **Change 3 – Minimum income floor for self-employed claims**

79% of responses agreed with this proposal with 13% disagreeing. Eight comments were made. Three want to keep the scheme as it currently stands and one wishes to reduce the period where the minimum income would not apply from the proposed 12 months down to 3. The other comments and the detailed email submission make a number of points which should be considered when deciding whether to adopt this change:

- Make allowance for people who are unable to work full time (carers, parents)
- Use the appropriate minimum wage for the age of the worker
- Only apply to those required to work full time under the Universal Credit rules
- Take account of pension contributions in the same way as for employed claimants

#### **Change 4 – Reduce temporary absence from the UK from 13 to 4 weeks**

89.5% of responses were in favour of this proposal. Seven comments were made; four suggested longer periods should be allowed – *"What about holidays over 4 weeks? 6 weeks would be more sensible."* One comment suggested no absence should be allowed and another suggested a link with taxes and duties paid by the traveller.

#### Change 5 – Remove the Work Related Activity Component for new applicants

76.5% of respondents agreed with this proposal, 10.5% disagreed and 13% were unsure. Six people made comments opposing the change; *“People who cannot work due to illness need more support not less.”*

#### Change 6 – Limit the number of dependent children counted in the calculation to 2

76.5% of responses were in favour of this proposal with 15.5% opposed and 8% unsure. Nine comments were submitted; five suggested no limit and four suggested a limit of 3 or 4 children instead. Two comments pointed out that couples need to be having more than two children in order to maintain the UK population. Others that it is unfair; *“Don’t punish children for their parents’ decisions.”* *“It is not fair the government is telling people how many children they can have.”*

#### Change 7 – Remove the Severe Disability Premium where someone receives the Carers Element of Universal Credit to look after them

74.5% of respondents supported this proposal. Only three dissenting comments were made. One suggested the change *“is not fair to people with disabilities.”* Another suggested diverting money from footpath maintenance to keep support at current levels.

#### Change 8 – Remove the additional earnings disregard for Universal Credit claimants

83% of responses were in favour of this proposal. Three comments were made against the proposal suggesting that *“It removes incentive to work.”*

#### **Additional comments received**

Further free text opportunities were included on the survey allowing respondents to make comments on the proposals and alternatives. In total 27 further comments were received. These fell into the broad categories below:

Criticism of Government policy - austerity, welfare cuts and protecting pensioners	7
Criticism of Council spending / suggestions for raising income	7
Support for the proposals in full or in part	7
Criticism of existing CTS scheme	2
Criticism of proposed changes	2
Suggestions for further changes to scheme	2

#### **Consideration of the responses**

Overall there was a high level of support for the proposals amongst respondents. Although the number of responses was not especially high this is not unexpected given the technical nature of the changes proposed and the level of detail it was necessary to include in the survey.

The proportion of respondents who receive Council Tax Support was very low at 27%. This was despite activity targeted at this group to encourage them to have their say. This could indicate a lack of concern at the proposals, but may also reflect how lengthy and complicated the questionnaire had to be. It does mean though that

particular attention has been paid to the small number of comments and suggestions received.

Amongst the concerns raised and comments made were several which have caused us to look again at the proposals. Safeguards and exclusions were suggested in particular for the 2 child limit. On consideration of these responses and completion of the Equality Impact Assessment, the recommendation to Members is that Change 6 is not adopted at this point.

The comments and concerns regarding the Minimum Income Floor proposals have also been considered. The detailed submission from Low Income Tax Reform Group was received by a number of Devon authorities so a joint response is being prepared addressing their concerns and clarifying the areas of confusion.

Wherever possible complex exemptions from the changes will be avoided. It is considered to be more efficient and effective to deal with cases of particular hardship caused by the changes through payments under the Exceptional Hardship policy. This allows for extra help to anybody where the changes have an unfair effect or cause the household financial hardship.