

Tamworth
Borough Council



Local Council Tax Reduction Scheme Consultation Summary Report 2014

Produced by



Staffordshire
County Council

On behalf of

Tamworth
Borough Council



DOCUMENT DETAILS

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I. EXECUTIVE SUMMARY

The degree of endorsement for the policies was varied, with most support being received for Policy 1, which provides total protection for pensioners and those working age claimants classed as severely disabled. Least endorsement was received to Policy 6. Under this policy, claimants can protect up to £16,000 in savings and still receive support with their Council Tax bill.

There was a 'high'* level of endorsement for four out of the ten policies and the details of these are outlined below:

- Supporting pensioners, working age people classed as severely disabled, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme with up to a 100% rebate (Policy 1).
- Protecting claimants who are eligible for Severe Disability Premium. They can receive a reduction for up to 100% off their Council Tax bill (Policy 9).
- Including maintenance payments as income when calculating a Working Age claimant's Council Tax Reduction entitlement (Policy 8).
- Working Age claimants (not protected) have to pay at least 25% of their Council Tax bill (Policy 2).

Furthermore, five out of the ten policies received a 'moderate' level of support with between 50-74% agreeing that they were reasonable. One received 'some' support. This was Policy 6 under which claimants were able to protect £16,000 in savings and still receive support towards their Council Tax bill.

The results must be considered in the context of the respondents. The majority of respondents were residents of Tamworth (86%), who did not receive a Council Tax reduction (81%). The majority had also not been impacted by the changes. 62% had experienced a low or very low impact to the changes since April 2013.

Over one third of respondents (38%) had experienced either a medium or high impact to the changes. Whilst it is not advisable to undertake statistical analysis on their responses (as their numbers were relatively low) it is important to acknowledge that they may have a different perspective. Their commentaries are documented throughout this report and these can provide an indication of possible impacts.

It would be advisable for these to be supplemented by localised data. This for example could include looking at the local levels of arrears and bailiff referrals linked to non payment of Council Tax following the introduction of changes. This information would enable a deeper understanding of the possible impacts of reform.

*Where the 'level of support' is quoted within this report, this is defined as:

Low: 0% - 24% agree the proposal to be reasonable

Some: 25% - 49% agree the proposal to be reasonable

Moderate: 50% - 74% agree the proposal to be reasonable

High: 75% - 100% agree the proposal to be reasonable

2.1 INTRODUCTION AND METHODOLOGY

Since April 2013, Tamworth Borough Council has administered a Local Council Tax Reduction Scheme for those of working age on behalf of the Government. The Government still provides funding for localised schemes but since April 2013 it has been reduced.

In 2012 there was a public consultation to gauge views about the locally proposed scheme from April 2013. At that time, Tamworth Borough Council pledged to review its local council tax reduction scheme during its second year of operation.

As part of this review, a consultation ran between 15th July 2014 and 15th September 2014 and residents and the voluntary sector were encouraged to share their views through an online survey.

This report has been produced by Staffordshire County Council on behalf of Tamworth Borough Council and brings together analysis and key themes of all responses received.

2.2 RESPONDENT PROFILE

A total of 77 respondents completed the online survey, a considerably smaller group when compared with the number of respondents who took part in the consultation last year (828). To this end, comparisons can not be drawn between the results of the two.

A full respondent profile can be found in Appendix I, but some key points include:

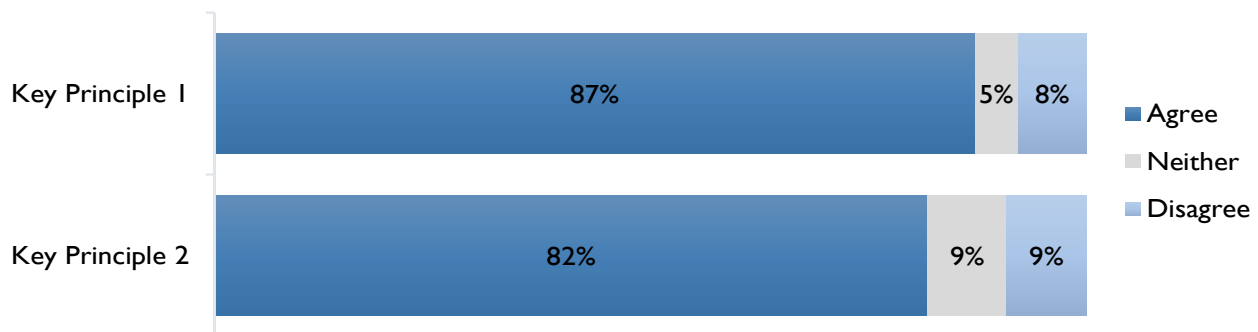
- 86% of respondents identified themselves as a resident of Tamworth.
- 9 respondents were Council Tax Reduction claimants with a further 3 being friends or relatives of a Council Tax Reduction claimant.
- 42% were from households with full or part-time workers and 18% had one or more dependent children living with them.
- The respondent group consisted of largely older people with almost a third aged 55-64 years. When comparing with the district profile breakdown by age from the most recent Mid Year Estimates it is clear that those aged 18– 34 were under-represented while those aged 55 and above were over-represented. More detail can be found in Appendix I.
- 3 respondents were responding on behalf of a voluntary organisation.

3. RESULTS - KEY PRINCIPLES

Respondents were invited to state to what extent they agreed or disagreed with the following two key principles:

Key Principle 1: Every household with working age members should pay something towards their Council Tax bill

Key Principle 2: The Local Council Tax Reduction Scheme should encourage people to work



As the graph above illustrates, there was a high level of support from each of the two key principles with 87% of respondent agreeing with Key Principle 1 and 82% agreeing with Key Principle 2. In both cases, over 50% of respondents stipulated that they were in strong agreement.

4. RESULTS - POLICIES

Respondents were invited to state to what extent they felt the following policies were reasonable or not reasonable and to offer any comments to explain why they felt that way:

Local Council Tax Reduction Scheme Policy 1

Pensioners receive support for up to 100% of their Council Tax bill as they are protected by the Government under a national scheme. Tamworth also protect working age claimants classed as severely disabled and in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment in the Local Council Tax Reduction Scheme. This means that pensioners, claimants classed as severely disabled, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment are the only claimants that can receive support for up to 100% of their Council Tax bill. All other working age claimants pay something towards their Council Tax bill.



88% of respondents felt that this policy was reasonable and this was reinforced through the additional comments, “we should support those in our community who are unable to work due to age or disabilities” , “claimants who are severely disabled or with disabled children should be protected under the scheme” and “it is

pleasing to see the elderly protected by the government safeguards”.

However, it was posed by several respondents that rather than roll out a standard approach across the district, cases should be considered at an individual level, “not all pensioners should automatically be protected as some may have greater capacity to contribute towards their council tax” and that the “circumstances of the individual play a big part of what you should receive, not a blanket amount”. One respondent suggested that “maybe pensioners should be means tested as some earn more than I do.”

Local Council Tax Reduction Scheme Policy 2

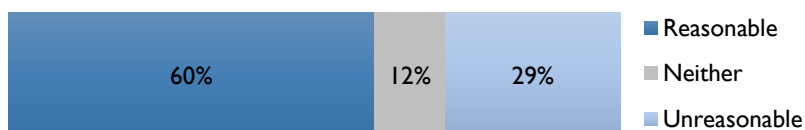
All working age claimants that are not protected have to pay at least 25% of their Council Tax bill.



While there was a high level of support for this policy with around three-quarters of respondents agreeing that it was reasonable, it was interesting to see how diverse the opinions were of those who felt this proposal was unreasonable. While there were a number of comments stipulating that it was “unreasonable if someone on a low income has to pay at least 25% of Council Tax” and “morally wrong to expect them to contribute to Council Tax when it means depriving them and their children of food”, there were also some suggestions that “25% is not really enough”, and that all working age claimants “should be made to pay more than 25%”.

Local Council Tax Reduction Scheme Policy 3

Council Tax Reduction is limited to the level that is given for a smaller house. Tamworth limit the maximum support offered based on 75% of the Council Tax bill for a Band D property, even if the claimant lives in a property with a higher banding than D. This means that any working age claimant who lives in a property with a banding higher than D has their reduction calculated as if they lived in a Band D property.



There was moderate support for this policy with 60% of respondents stating that they felt it was reasonable. Additional comments were fairly small in numbers and showed mixed views. Some used it as an opportunity to emphasise their position of support, “they should pay based on the property they occupy”, “if they can afford to purchase a large house in the first place, they should have less reduction”. While others, who disagreed with the policy, expressed that this would be another exercise which will benefit the rich and penalise the “many downtrodden, overtaxed and overworked ‘lower class’”, “tax breaks for the richer people, none for the poorest”.

Other respondents who felt that this was not a reasonable policy, were more mindful of individual circumstance, “it may be that some unfortunate people are in a large house, can't move and are being penalised” and that “at times of difficulty it would be wrong to drive people from their homes. There are good reasons why people were previously assessed as needing full council tax relief.”

One respondent suggested that “Council Tax should be based on the person and not on the size of the property” .

Local Council Tax Reduction Scheme Policy 4

Before April 2013, some customers were not entitled to Council Tax Benefit in their own right because their own income was too high or they had too much in savings. However, they could claim a Second Adult Rebate, for a reduction of up to 25% off their bill, because they had another adult living with them who was on a low income. From April 2013, Second Adult Rebate was removed under the Local Scheme. This means that all those of Working Age who were previously entitled to a Second Adult Rebate have to pay 100% of their Council Tax bill. (Second Adult Rebate can still be claimed by pensioners as it is in the national rules).



There was moderate support for this policy, and while very few additional comments were made, those who did felt that if people were earning a certain amount of money, then it was considered reasonable to expect them to pay the full amount,

- *“Why should liable people who have the means to pay get a discount?”*
- *“If joint income is high then they should pay total charge”.*
- *“When there are 2 or more incomes in the household then the full amount should be paid unless the income falls”.*

One respondent suggested that *“maternity leave should be considered”* while another felt that *“pensioners should not be exempt - it is completely unfair to protect wealthy pensioners, and this should be income based rather than age-based”*.

Local Council Tax Reduction Scheme Policy 5

We disregard child care costs when calculating Council Tax Reduction. This does not contribute to any reductions but provides an incentive for parents to stay in work or return to work.

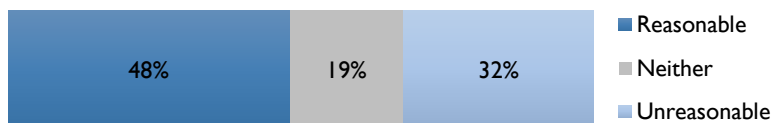


While there was moderate support shown for this policy, the additional comments highlighted that some respondents did not understand how the policy would provide an incentive for parents to stay in or return to work since *“child care costs are a significant household bill for many families”*:

- *“The expense of child care must be taken into consideration...or am I misunderstanding this?”*
- *“I don't really understand this. To disregard child care costs is to disregard the most major outgoing of these people you are seeking to incentivise to work! Why should these be disregarded?”*
- *“The main disincentive for working parents not to work is the high cost of child care”*
- *“It doesn't provide an 'incentive', it forces the desperate to take up low paid and exploitative work”*

Local Council Tax Reduction Scheme Policy 6

Claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax Bill.



There was some support for this policy, with just under half of respondents agreeing that it was reasonable to have savings and still receive support towards their Council Tax Bill. However, almost a third of the respondent group did not agree with this policy and the majority of additional comments were made by this group:

- “You should support yourself to some extent if you have any savings above £5,000” .
- “If you have savings then they should be used first”.
- “People with full time jobs probably don’t have savings of £16K”.
- “Any support should be for those who REALLY need it”.

One respondent suggested whether “ it would be possible to have a **sliding scale** for the savings calculation, rather than a fixed £16000?”.

Local Council Tax Reduction Scheme Policy 7: Child Benefit is not included as income when calculating a claimant’s Council Tax Reduction entitlement.



There was a moderate level of support for this policy, with 70% of respondents agreeing that it should not be included since “Child Benefit is for the use of the child, not to finance local government”.

The additional comments section saw several respondents voicing their opinions of why they felt this was unreasonable and why they felt that it was more appropriate to include Child Benefit in the calculations:

- “Many people are paid too much Child Benefit, with the attitude that more children equals more money!”
- “Child benefit should be included in total family income. It is income!”
- “It is income paid by the tax payer”

Local Council Tax Reduction Scheme Policy 8: We include maintenance payments as income when calculating a Working Age claimant's Council Tax Reduction entitlement.



There was a high level of support for this policy and it was felt fair that this was included in calculations since *“maintenance is supposed to count towards living costs, Council Tax is a cost of living...”*

However, it was recognised by several respondents that there are many cases where maintenance payments are not made consistently, *“it is difficult for some single parents to get maintenance payments from former partners”*. With this in mind, some said that they would only support the proposal *“if the maintenance is guaranteed and not intermittent”* and *“if somebody is supposed to pay but doesn't then that shouldn't count”*.

One respondent felt very strongly against this policy, stating that *“this is basically taxing children. Child Maintenance is paid AFTER taxation for the upkeep of children.”*

Local Council Tax Reduction Scheme Policy 9: If a Working Age person receives Disability Living Allowance, a Care Component may be added if they require help with day to day tasks or if they need frequent personal care. A lower, middle or higher rate is paid depending on the care needs of the claimant. Single claimants that receive a middle or higher rate Care Component are classed as severely disabled and can attract a Severe Disability Premium too, as long as no one lives with them and no one receives a Carers Allowance for looking after them. Couples can also receive this premium as long as they both are eligible for a middle or higher rate Care Component, no one lives with them and no one receives a Carers Allowance for looking after either of them.

A Severe Disability Premium is also payable if a Working Age person (and their partner if they have one) receives a Personal Independence Payment at the Enhanced Daily Living rate and no one lives with them and no one receives a Carers Allowance for looking after them.

Claimants who are eligible to Severe Disability Premium can receive a Reduction for up to 100% of their Council Tax bill.



There was a high level of support for this policy with respondents identifying that *“this is a very vulnerable group and needs the most protection”* and agreeing that *“we need to support vulnerable people in our society”*.

While one respondent stated that *“as they are unable to work I think this would be very reasonable in the circumstances”*, another commented that *“one should not presume that all with a disability have insufficient income”* and therefore *“the level of reduction should depend on income”*.

Local Council Tax Reduction Scheme Policy 10: Any non-dependants living in a Working Age claimant's household are expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be £10 per week.



There was a moderate level of support for this policy with 71% agreeing that this was reasonable. *“non dependants utilise the same services as others so should pay their full contribution”, “everyone needs to contribute”*. However, several comments were made about *“Council Tax being payable on the property not on individuals living in that property”* with this policy being cited as *“mixing the two”*.

Some respondents expressed some caution, one stated that *“it should depend on financial circumstances of the family”* while another commented that *“it depends on the non-dependent's income. This would be significant for some people on low wages or low benefits - so you need to consider their income, rather than put in a flat rate.”* One respondent voiced a concern about how the payment would be collected, *“do not expect the householder to demand payment.”*

5. RESULTS - IMPACTS OF THE CHANGES

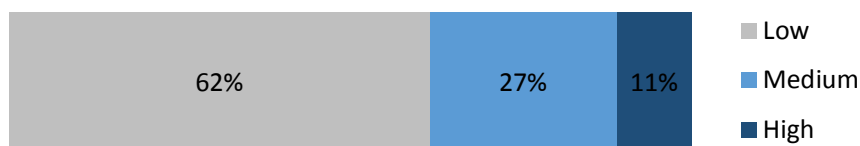
Respondents were asked a series of questions to ascertain how they feel the changes implemented from April 2013 have impacted on both their individual circumstances as well as some of the key groups. This section displays the results from these questions.

Does your household receive Council Tax Reduction?



Just 16% (12) respondents live in a household which receives Council Tax Reduction and consequently, as the graph below shows, the impacts felt on individual financial situations have been low for almost two-thirds of the respondent group.

What level of impact have the changes had on you and your household?



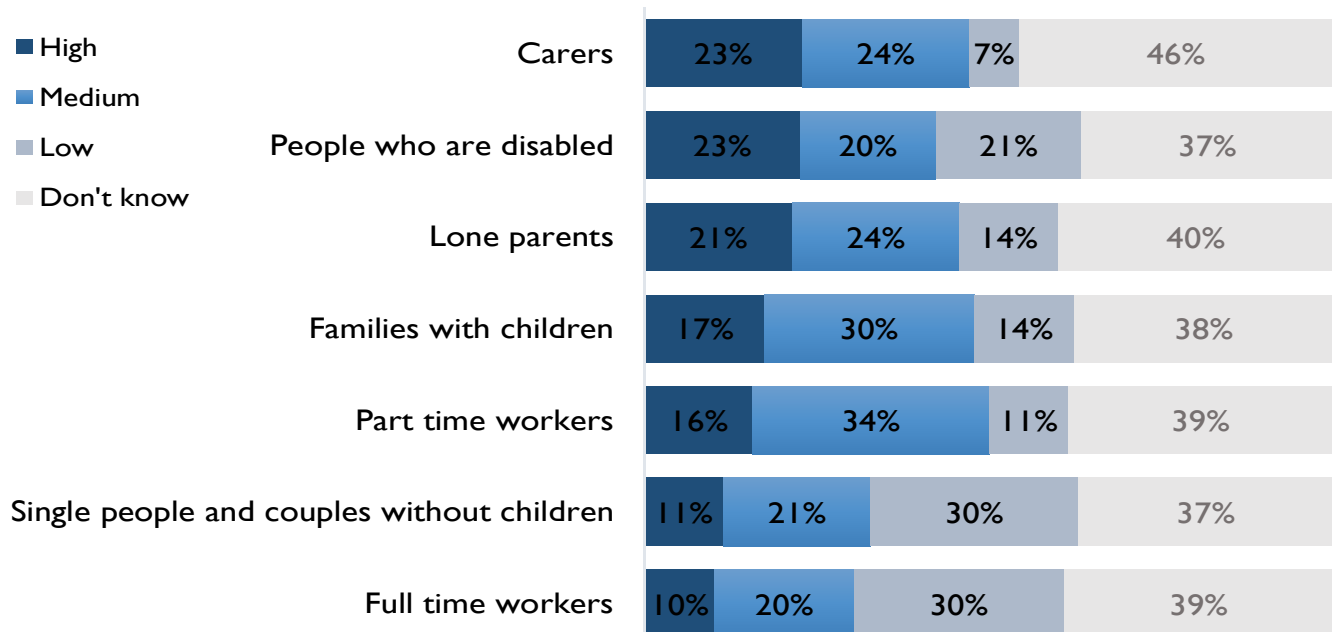
Additional comments made by respondents included some personal concerns:

- *“I am on maternity leave this should be taken into consideration as my income is half what it would be”.*
- *“Less money to spend on children as maintenance money is taken into account”.*

As well as considerations for others in more difficult situations than themselves:

- *“I pay my full Council Tax bill with no rebate so this has not affected me but I have seen the difficulties it has caused to single parent families”.*
- *“Most are now in debt and have had attachments to their benefits making them even poorer than previously. Great going! Rich get richer poor get into poverty.”*
- *“My concern is with those families who are dependent on benefits because they are in low paid and exploitative work or are unemployed through no fault of their own. It seems wrong to take more money away from them when the wealthiest people in society, many of whom contributed to the financial crash in 2007 are seeing their wealth increase substantially.”*

Please tell us whether you think the changes had a high, medium or low impact on each of these groups.



The graph above illustrates how a sizeable proportion of the respondents were unable to assess how the changes had impacted on certain groups, acknowledging that they “*have no knowledge of their income changes or personal lives*”.

However, those who have provided answers felt that carers, people who are disabled and lone parents are more likely to feel high level impacts from the changes, while full time workers, single people and couples without children are more likely to feel much lower impacts.

When asked whether they felt there could be any other groups affected by these changes, the following answers were given:

- “*Older people prior to pension age living on part time earnings*”
- “*Part time workers are often on zero hours contracts and if they do not get enough hours of work they cannot claim benefit for the shortfall and so cannot pay rent /mortgage so could lead them to becoming homeless and unable to pay Council Tax*”
- “*Unemployed, long term sick, low-income workers (more now than ever)*”

Further additional comments included:

- “*Some family difficulties where parents aren't working but a young person gets their first job, however good learning curve for the young persons future, everything costs someone something.*”
- “*For ALL people on benefits already struggling to feed themselves and family this change took away vital money and hence food from their plates. Low-income workers sometimes struggle as much as those on benefits and thus will increasingly find they cannot justify working and resort back to benefits curtailing any progress they might make in life.*”
- “*I am retired but believe that instead of council tax being capped by government and making councils introduce reduction schemes, the Council should be able raise the necessary saving of £700k in other ways*”
- “*These sort of changes only normally affect the people with work, have worked before retirement or those with no children. People on benefits or with large numbers of children that do not want to work are normally the ones that benefit most as they never have to pay a penny towards their Council Tax!*”
- “*This is called Council Tax reduction but it seems that more people will have to pay*”.

6. APPENDIX I: RESPONDENT PROFILE

Are you a resident of Tamworth?

| Survey responses | | |
|------------------|------|-----|
| | No's | % |
| Yes | 65 | 86% |
| No | 11 | 14% |

Does your name appear on the Council Tax bill for household?

| Survey responses | | |
|------------------|------|-----|
| | No's | % |
| Yes | 66 | 89% |
| No | 7 | 9% |
| Don't know | 1 | 1% |

Are you submitting your views as....

| Survey responses | | | | | |
|---|------|-----|---------------------------------------|------|-----|
| | No's | % | | No's | % |
| Voluntary organisation | 3 | 4% | A friend of a Ctax Reduction claimant | 1 | 1% |
| Community group | 0 | 0% | Nationally or locally elected member | 1 | 1% |
| Housing Association | 1 | 1% | Partner organisation | 1 | 1% |
| Private landlord | 9 | 12% | Resident of Staffordshire | 38 | 49% |
| A Ctax Reduction claimant | 9 | 12% | None of these | 12 | 16% |
| A relative of a Ctax Reduction claimant | 2 | 3% | Other | 4 | 5% |

Does your household receive any of the following benefits?

| Survey responses | | |
|---|------|-----|
| | No's | % |
| Attendance Allowance | 0 | 0% |
| Carers Allowance | 3 | 4% |
| Child Benefit | 13 | 17% |
| Child Tax Credit | 2 | 3% |
| Disability Living Allowance/ Personal Independence | 7 | 9% |
| Housing Benefit | 5 | 6% |
| Income Support | 0 | 0% |
| Job Seekers Allowance | 1 | 1% |
| Employment and Support Allowance | 1 | 1% |

Do any of the following describe your household?

| Survey responses | | |
|--|------|-----|
| | No's | % |
| A family with one or two dependant children | 14 | 18% |
| A family with three or more dependent children | 2 | 3% |
| A lone parent household | 3 | 4% |
| A household with full and/or part-time workers | 32 | 42% |
| A household that includes someone who is disabled | 5 | 6% |
| A single person household or a couple without children | 10 | 13% |
| None of these | 16 | 21% |

Do you regularly provide unpaid support caring for someone?

| Survey responses | | |
|------------------|------|-----|
| | No's | % |
| Yes | 14 | 20% |
| No | 55 | 80% |

Are you male or female?

| | Survey responses | | Tamworth MYE 2013 |
|--------|------------------|-----|-------------------|
| | No's | % | % |
| Female | 35 | 46% | 51% |
| Male | 41 | 54% | 49% |

Do you consider yourself to have a disability?

| | Survey responses | | Tamworth 2011 Census comparison |
|-------------------|------------------|-----|---------------------------------|
| | No's | % | % |
| Yes | 17 | 23% | 18% |
| No | 56 | 75% | 82% |
| Prefer not to say | 2 | 3% | N/A |

What type of disability do you have?

| Survey responses | | |
|------------------|------|-----|
| | No's | % |
| Communications | 0 | 0% |
| Hearing | 3 | 18% |
| Learning | 0 | 0% |
| Mental Health | 2 | 12% |
| Mobility | 3 | 18% |
| Physical | 5 | 29% |
| Visual | 3 | 18% |
| Other | 1 | 6% |

What is your age?

| | Survey | | Tamworth MYE 2013 |
|-------|--------|-----|-------------------|
| | No's | % | % |
| 18-24 | 2 | 3% | 10% |
| 25-34 | 5 | 6% | 17% |
| 35-44 | 15 | 19% | 18% |
| 45-54 | 17 | 22% | 18% |
| 55-64 | 24 | 31% | 16% |
| 65-74 | 13 | 17% | 13% |
| 75+ | 1 | 1% | 8% |

What is your ethnicity?

| | Survey responses | | Tamworth 2011 Census comparison |
|-------------------|------------------|-----|---------------------------------|
| | No's | % | % |
| White British | 71 | 93% | 95% |
| White-Other | 2 | 3% | 2.3% |
| Prefer not to say | 2 | 3% | N/A |
| Other | 1 | 1% | 2.7% |

Are you receiving a Retirement Pension or Pension Credit?

| Survey responses | | |
|-------------------|------|-----|
| | No's | % |
| Yes | 19 | 26% |
| No | 52 | 71% |
| Prefer not to say | 2 | 3% |

What is your relationship status?

| Survey responses | | |
|--------------------|------|-----|
| | No's | % |
| Single | 19 | 26% |
| Married | 47 | 64% |
| Living as a couple | 6 | 8% |
| Civil Partnership | 1 | 1% |
| None of these | 1 | 1% |
| Prefer not to say | 0 | 0% |

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