

# Localisation of Council Tax Consultation Final Report - Tamworth Borough Council November 2012

## DOCUMENT DETAILS

This document has been produced on behalf of Tamworth Borough Council by the Staffordshire County Council Insight Team



Title	Localisation of Council Tax Consultation Report, Tamworth Borough Council
Date created	November 2012
Description	The purpose of this document is to provide Tamworth Borough Council with the consultation results on their proposals for localising their Council Tax Benefit Scheme.
Produced by	Heather Collier, Research Co-ordinator, Insight Team, Staffordshire County Council tel: 01785 27 7450 email: <a href="mailto:heather.collier@staffordshire.gov.uk">heather.collier@staffordshire.gov.uk</a>  Daniel Maddock, Research Co-ordinator, Insight Team, Staffordshire County Council tel: 01785 27 6538 email: <a href="mailto:daniel.maddock@staffordshire.gov.uk">daniel.maddock@staffordshire.gov.uk</a>
Tamworth Borough Council contact details	Charlotte Green Corporate Consultation Officer Marmion House Lichfield Street Tamworth B79 7BZ  Tel : 01827 709570 Email: <a href="mailto:charlotte-green@tamworth.gov.uk">charlotte-green@tamworth.gov.uk</a>
Additional contributions	Susie Bentley, Emma Edwards and Jo Williams, Insight Team at Staffordshire County Council
Geographical coverage	Tamworth Borough
Time period	September—November 2012
Format	PDF and Publisher files
Status	Final (Version 1)
Usage statement	This product is the property of Tamworth Borough Council. If you wish to reproduce this document either in whole, or in part, please acknowledge the source and the author(s).
Disclaimer	Staffordshire County Council, while believing the information in this publication to be correct, does not guarantee its accuracy nor does the County Council accept any liability for any direct or indirect loss or damage or other consequences, however arising from the use of such information supplied.

## CONTENTS

---

<b>Title</b>	<b>Page</b>
<i>Document Details</i>	2
<i>Contents</i>	3
<b>1. Executive Summary</b>	<b>4</b>
<b>2. Introduction, Methodology and Respondent Profile</b>	<b>5</b>
<b>3. Results: Key Principles</b>	<b>6</b>
<b>4. Analysis of Proposals</b>	<b>7</b>
Proposal 1: Level of support for pensioners, disabled and working age claimants	7
Proposal 2: Level of benefit for working age claimants	9
Proposal 3: Council Tax Benefit and property band	11
Proposal 4: Changes to the Second Adult Rebate	13
Proposal 5: Continuing to disregard childcare costs	15
Proposal 6: Claimants and the level of savings allowed	17
Proposal 7: Continuing to exclude Child Benefit payments	19
Proposal 8: Including Child Maintenance payments	21
Proposal 9: Continuing to protect those claiming a Severe Disability Premium	23
Proposal 10: Non dependents contributions towards the Council Tax bill	25
<b>Impact of the changes</b>	<b>27</b>
<b>Appendix I: Respondent profile</b>	<b>29</b>

## I. EXECUTIVE SUMMARY

---

The degree of endorsement for the proposals was varied, with most support<sup>l</sup> being received for Proposal 9, which provides continued protection for those claiming a Severe Disability Premium. Least support<sup>ll</sup> was received to Proposal 4 under which the Second Adult Rebate would be removed and those of a working age would be responsible for paying 100% of their Council Tax bill. There was a **high** level of support for five out of the ten proposals and these proposals are outlined below:

- Continuing to protect those claiming a Severe Disability Premium (Proposal 9).
- Continuing to disregard childcare costs (Proposal 5).
- Level of support for pensioners, severely disabled and in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension (Proposal 1).
- Continuing to exclude Child Benefit payments (Proposal 7).
- Claimants and the level of savings allowed (Proposal 6).

In addition, there was a moderate level of backing for all other proposals with least support being received for proposal 4, changes to the Second Adult Rebate under which the rebate would be removed and those of a working age would be responsible for paying 100% of their Council Tax bill.

The results must be considered in the context of the respondents. The majority of respondents identified themselves as either a 'Council Tax Benefit claimant' or a 'Resident of Tamworth' and the results have been analysed by person type to ensure that the views of different groups, including those who are vulnerable are clearly visible. Over half (51%) felt that the results would have a low impact upon them personally or upon the groups that they represent, a fifth (21%) thought the results would have a medium impact and over one quarter (28%) were concerned that the implementation of the proposals were impact highly upon them personally or upon the groups that they represent. Respondents overall were of the view that people should be encouraged to work and that everyone should pay something towards their Council Tax.

Broadly speaking there was little difference in the results when comparing results from 'Residents of Tamworth' and 'all other respondents'. The differences that did exist have been outlined below:

- More support from 'Residents of Tamworth' to Proposal 2, covering the level of benefit for working age people than from 'all other respondents'.
- More support from 'Residents of Tamworth' to Proposal 8, including Child Maintenance payments than from 'all other respondents'.
- Less support from 'Residents of Tamworth' for Proposal 7, continuing to exclude Child Benefit payments than from 'all other respondents'.

Responses for each proposal do also reflect differences by claimant type and these vary between the individual proposals. There is however a lower level of support from respondents claiming Income Support (in four of the ten proposals). The views of vulnerable communities are vital and must be assessed as part of the decision making process and additional vulnerable groups including those on a low income and students were also highlighted during the consultation period.

Those disagreeing with the proposals were slightly more likely to voice their concerns and provide commentaries explaining their viewpoint. These raise interesting issues with themes, including that proposals should purely be based on people's 'ability to pay' with means testing being the fairest way to ensure that those who can afford to pay do so, whilst those that need protecting the most, are duly protected.

Respondents also felt that changes that are implemented should be publicised in advance and be phased in their approach; both allowing time for appeals and for concerns to be dealt with in a timely manner. The cost and time involved in following up non payments also needs to be considered at an early stage and it is key that they are efficient and are not costly to maintain to ensure the savings which need to be made can be achieved.

Respondents also felt that employment opportunities and the availability of suitable affordable housing also need serious consideration due to pressures which arise should the proposals be implemented.

<sup>l</sup> Largest proportion of respondents that feel the proposal is 'reasonable' <sup>ll</sup> Largest proportion of respondents that feel the proposal is 'unreasonable'

## 2.1 INTRODUCTION

---

Local Authorities currently deliver a national Council Tax Benefit scheme on behalf of the Government. This national scheme is being abolished and from April 2013 local authorities across the country will be expected to provide and deliver their own local Council Tax Support Scheme for working age people. The Government will still provide funding for localised schemes, but this will be reduced and in response to this the Council have developed a number of proposals designed to allow the Council to provide a localised scheme which costs less money than the current national scheme.

Tamworth Borough Council has consulted with residents, claimant organisations and other interested parties to ascertain views on the proposals to ensure that their views, and in particular the views of vulnerable residents, are used to shape the development of the future Localised Council Tax Support Scheme.

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. As this consultation has taken place across all local authorities in Staffordshire, it will be possible to place these results in the wider context and identify local differences. This analysis will be made available in December, once all local consultation has closed.

## 2.2 METHODOLOGY

---

The methodologies used to capture views have been diverse and include telephone surveys, face-to-face interviews, online surveys, focus groups and consultation with Tamworth Borough Council's Citizen's Panel. All fieldwork was conducted between 4<sup>th</sup> September and 28<sup>th</sup> October 2012. This report brings together analysis from locally collected consultation responses as well as additional responses from telephone and face-to-face surveys undertaken by the market research company MEL.

A total of **511** responses were received through local consultation and **317** were received in response to the telephone and face-to-face surveys undertaken by MEL, resulting in a total of **828** responses. This is a statistically robust number of responses based on the population of Tamworth, resulting in a confidence interval of **+/- 3.4** percentage points at a confidence level of 95%.

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

## 2.3 RESPONDENT PROFILE

---

Out of the **511** local responses that have been received to the consultation, the largest proportion of responses are from **Council Tax Benefit claimants**. The profile of respondents is outlined below:

- A Council Tax Benefit claimant (67%)
- Resident of Tamworth (63%)
- A relative of a Council Tax Benefit claimant / Other / Housing Association (3% each)
- Resident outside of Tamworth / None of these / Private landlord (2% each)
- A friend of a Council Tax Benefit claimant / Voluntary organisation (1% each)

Full respondent profiles can be found in Appendix I.

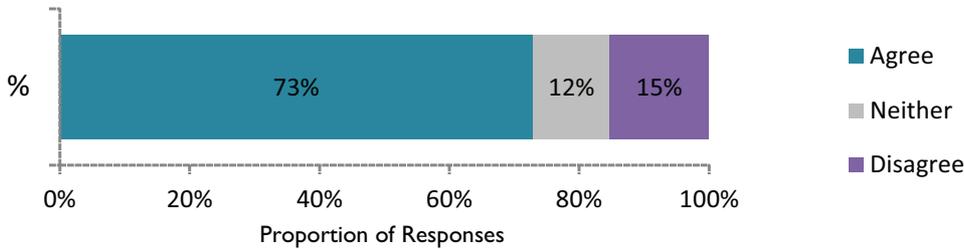
### 3. RESULTS - KEY PRINCIPLES

---

Respondents were invited to state to what extent they agreed or disagreed with the following principles.

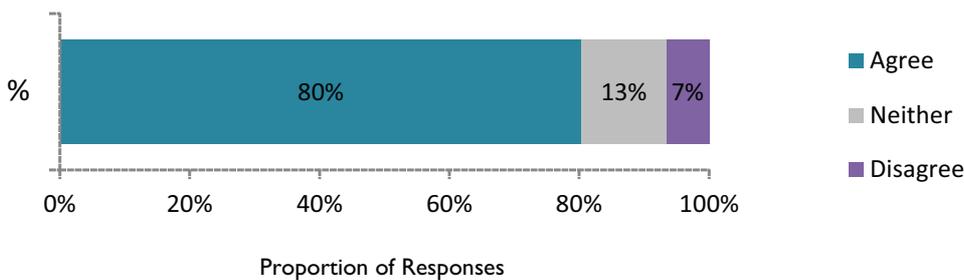
**Key Principle 1:** Every household with working age members should pay something towards their Council Tax bill.

#### Consultation responses



**Key Principle 2:** The Local Council Tax Support scheme should encourage people to work.

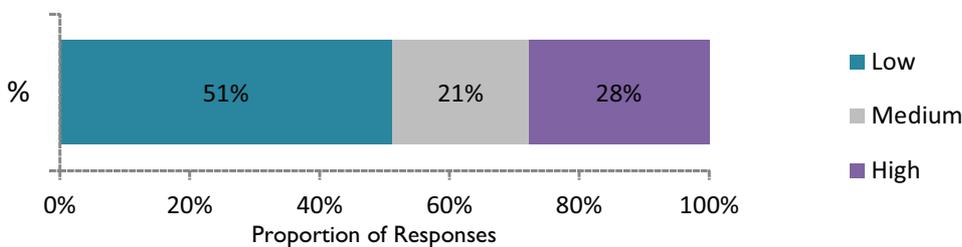
#### Consultation responses:



#### Financial Impact of Proposals

Respondents were also asked what impact the proposed changes would have to their financial situation, or the financial situation of those communities they represent

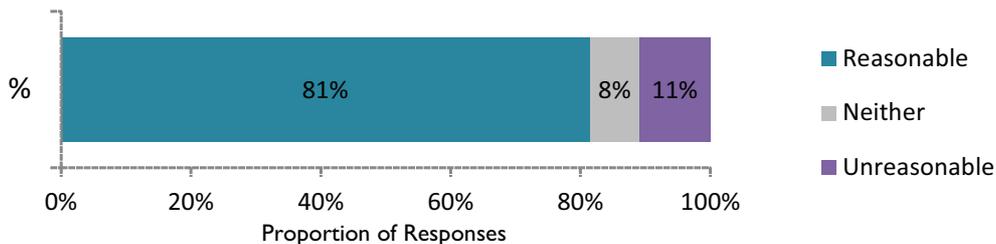
#### Consultation responses:



## 4. RESULTS - PROPOSALS

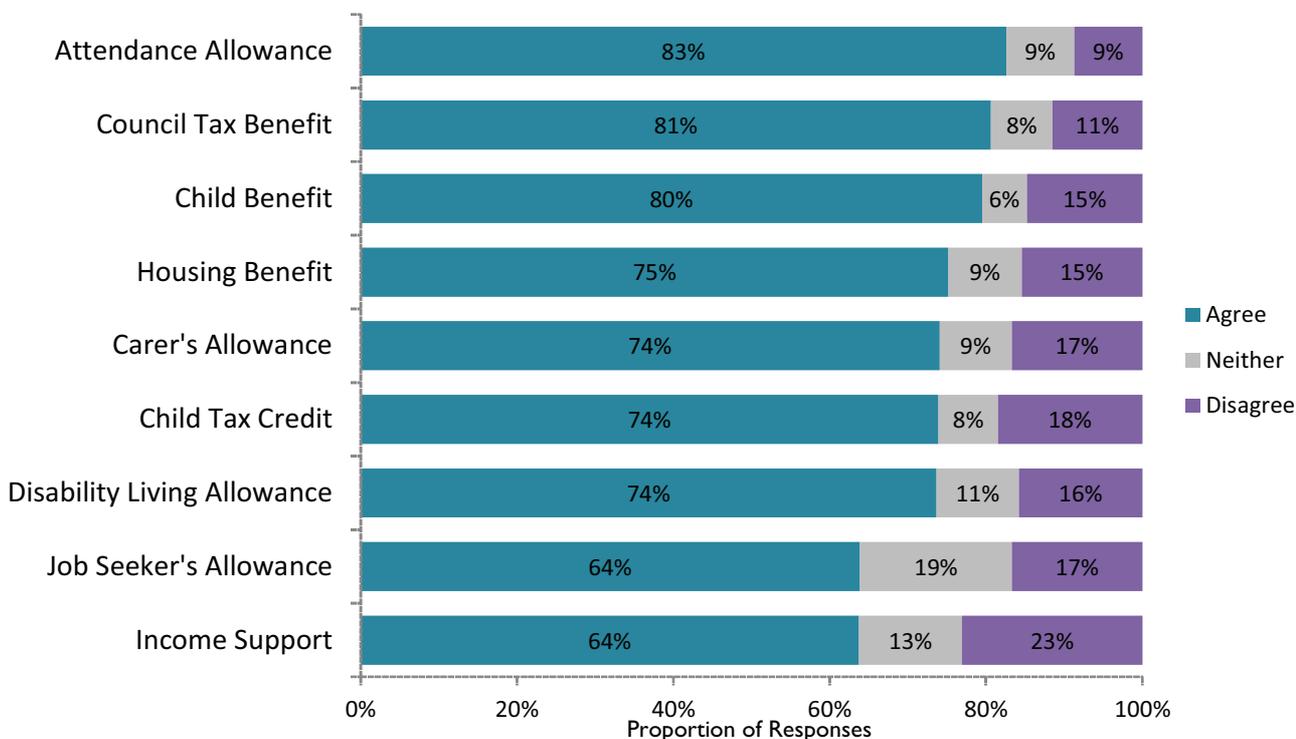
**Proposal I:** Pensioners would continue to receive support for up to 100% of their Council Tax bill as they will be protected by the Government under a national scheme. We propose to also protect working age claimants classed as severely disabled **and** in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension in the Local Council Tax Support Scheme. This means that pensioners, claimants classed as severely disabled who receive a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension would be the only claimants that could still receive support for up to 100% of their Council Tax bill. All other working age claimants would be expected to pay something towards their Council Tax bill.

### Consultation responses:



There is a **high** level of support for this proposal, with 81% of total respondents believing the proposal to be reasonable. The proportion of respondents who thought the proposal reasonable was similar when comparing 'Residents of Tamworth' with other<sup>1</sup> types of respondent.

The level of support for Proposal I was also dependent on whether the respondents household was in receipt of various benefits<sup>2</sup>. As illustrated below, there was moderate support from recipients of Carer's Allowance, Child Tax Credit, Disability Living Allowance, Job Seeker's Allowance and Income Support.



<sup>1</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>2</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## Comments

There is a high level of support for this proposal and this was partially reinforced through respondents comments, particularly in relation to protecting pensioners with respondents voicing that it was *“a positive move to support the elderly and vulnerable”*.

Whilst some respondents were also supportive of protecting the severely disabled or claimants with disabled children, others were less supportive and felt that apart from the most severely disabled, all others should contribute *“at least something”* towards their Council Tax.

Concerns were also raised about the implications for all other working age claimants with some feeling that they should be supported 100% whilst others conversely felt that they should pay their way if they are of *“working age”* and are *“in good health”*. Means testing was suggested as one way of ensuring that payments are fair and based on people's *“ability to pay”*.

## Pensioners

There was a general agreement that *“pensioners”* should be *“protected”* and also those who receive *“war pensions”*. Many pensioners have paid contributions for *“50 years or more”* and they shouldn't be *“penalised because of the current climate”*. *“We need to look after pensioners”*. One did feel that it was *“unfortunate that others have to pay more so that pensioners are protected”*.

## Disabled

The inclusion of a clause aimed at protecting claimants classed as severely disabled created a discussion amongst respondents with a number of diverse views being expressed.

Clarity on the *“definition”* of severely disabled was sought and in particular this was because there will be some people who need support but *“are not classed as severely disabled”*. For example someone who has *“24 hour care support may not qualify as they have a carer”*.

Others felt that everyone should contribute *“something”* towards their Council Tax, whether they are disabled or not with another reinforcing this point and adding that people with disabled children should contribute *“unless their parents can't work because they need to look after them”*. Another felt that *“those who were disabled but not severely disabled”* should be *“considered”* and asked to *“contribute”* towards their Council Tax if they could *“afford”* to do so.

## Working age claimants

It is *“not possible for people on benefits to pay towards their Council Tax bill on any level”* and they may be forced to *“take money from their food or utilities bill to make ends meet”* with respondents questioning how this could be considered *“reasonable”*. People will *“struggle”* to be able to afford to *“feed and clothe themselves”*. It would also be unreasonable to hit them with *“a high charge”*. Any charge should be *“nominal”*.

Others commented on the current employment crisis and felt that the proposals act to *“penalise everyone who is genuine”*. *“Some people are out of work due to redundancy, not choice. How will you tell which people want to work and which don't?”*

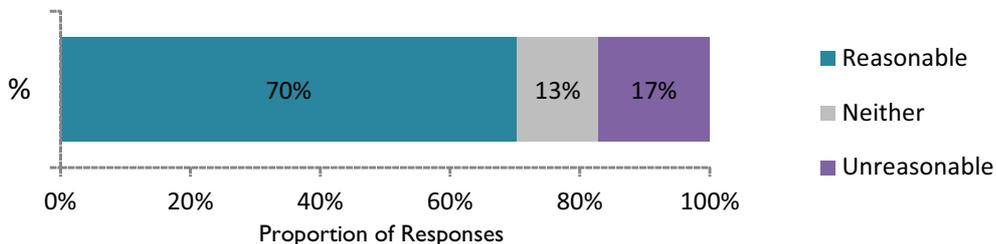
Another did feel that working age claimants should be included and asked to make a contribution if they could *“afford”* to do so but they recognised that if they are on very low benefits that this may cause *“difficulties”*.

## Focus group responses

Respondents agree that these were the right groups to be protected. There was a wish for the protection of all disabled claimants but respondents understood that this would put extra pressure on other working age claimants to make up this shortfall. The view was expressed that not all working age claimants that are on Job Seeker's Allowance can work although their illnesses aren't severe enough to receive Disability Living Allowance.

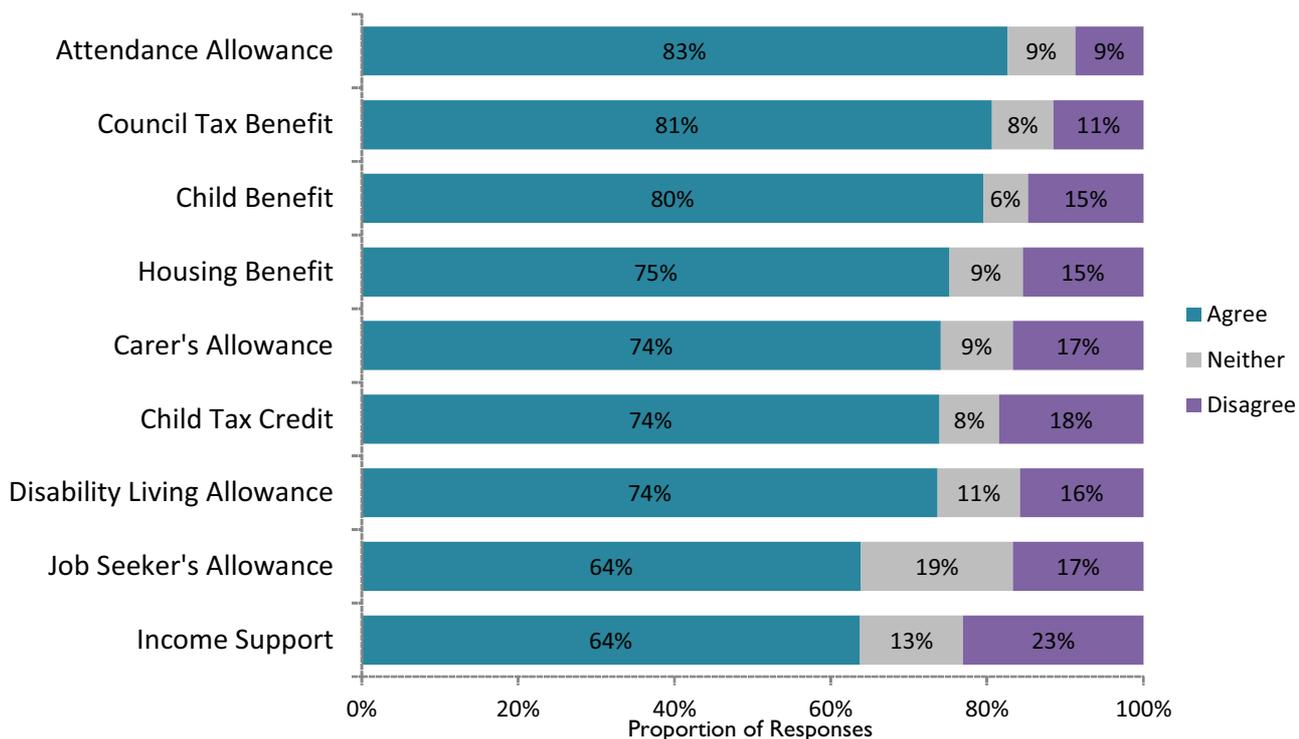
**Proposal 2:** Under the current scheme, Council Tax Support can be given to those of working age for up to 100% of their Council Tax bill. For the new scheme, we propose to reduce the Council Tax Benefit that people receive to 75%. This means that all working age claimants that are not protected would be expected to pay at least 25% of their Council Tax bill.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with 70% of total respondents believing the proposal to be reasonable. This proportion increased to a high level of support for ‘Residents of Tamworth’ compared to other<sup>3</sup> types of respondent.

The level of support for Proposal 2 was also dependent on whether the respondents household was in receipt of various benefits<sup>4</sup>. There was a high level of support from recipients of Attendance Allowance, Council Tax, Child Benefit and Housing Benefit.



<sup>3</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>4</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal, and respondents commented on why the proposal was both reasonable and unreasonable. Respondents were more likely to comment on why the proposal was unreasonable or to ask questions and comment on how the proposal could be adapted or changed to become more reasonable.

### **25% is a fair amount to pay**

Those that commented in support of the proposal felt that 25% wasn't too much to pay and that *"everyone should contribute a little to their Council Tax bill"* as this is *"reasonable"* and *"much better than getting 100%"*. It's *"quite a practical percentage"* and is *"fair enough"*. People should take *"some responsibility for their use of council services"* and this proposal will *"encourage people to work"*.

### **25% is too much to pay**

The majority of those commenting did however focus on questions and concerns that respondents raised in relation to this proposal with some being concerned on a general level that this proposal will just ensure that *"the poor become poorer whilst the well off will remain relatively unaffected"*. Respondents were also concerned that the unemployed *"just wouldn't be able to find the additional money"* and this was even more concerning considering *"the rising food and fuel prices"*. It would also cause difficulties for people going *"back to education"*. 10% would be a more reasonable amount or *"a sliding scale"* which was also suggested as a more appropriate alternative to the 25% payment of Council Tax.

### **Collection of the money**

Respondents questioned how the *"extra money would be collected"* and *"by who"* and *"who would go after the people who will not contribute"*.

### **Availability of jobs**

Respondents commented on the current lack of jobs feeling that *"work is not as easy to come by these days"*. It will be essential for the Council to do something to improve the prospect of *"jobs"* and *"encourage companies"* to *"set up"* in the local area.

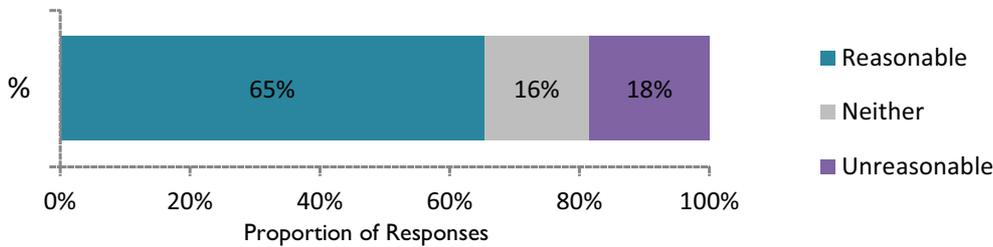
### **Focus group responses**

View from those who do not feel this proposal is reasonable feel that 100% CTB should still be allowed for all claimants as many will not afford to pay this additional bill, especially with the rises in food and energy costs.

Others express the view that the contribution is affordable and people will be able to find this extra money by making small cut backs.

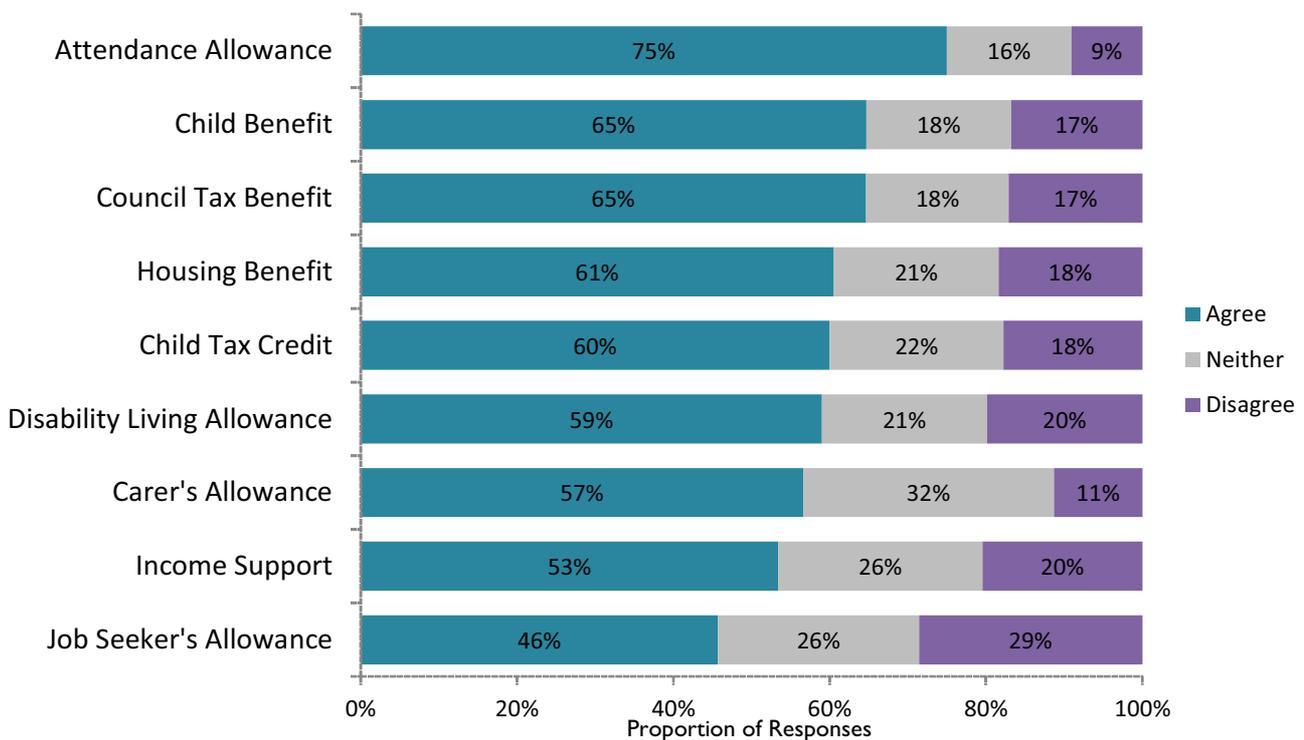
**Proposal 3:** In the current scheme, a person could get 100% Council Tax benefit no matter how large their house is. We want to change this so Council Tax Support is limited to the level that would be given for a smaller house. We propose that we limit the maximum support offered based on 75% of the 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 claimant who lives in a property with a banding higher than D would have their support calculated as if they lived in a Band D property

**Consultation responses:**



There is a **moderate** level of support for this proposal, with just under two thirds of the total respondents agreeing that the proposal is reasonable. For ‘Residents of Tamworth’, the proportion who thought the proposal was reasonable was similar to other<sup>5</sup> types of respondent.

The level of support for Proposal 3 was also dependent on whether the respondents household was in receipt of various benefits<sup>6</sup>. There was a high level of support from recipients of Attendance Allowance, with some support from Job Seeker’s Allowance claimants.



<sup>5</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>6</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal and whilst few of those in support of the proposal provided comments, those that did felt that people should pay according to size and that *“people with bigger houses should pay a bigger bill or they should downsize”*.

## **Larger houses**

If people want to *“keep a larger house”*, *“the Council should not pay for that”*. The Council do however, need to *“make allowances for some people who are stuck where they live, why should they be penalised?”*

Almost a fifth felt the proposal was unreasonable and respondents provided more detailed explanations as to why they felt this was the case. Comments principally focused on concerns raised in regard to residents who are made redundant and the fairness of the proposals.

## **Redundancy**

*“If somebody is working and finds themselves redundant, they will be getting less help if they live in a nice house”*. These respondents felt that everyone should get *“equal support and help”*, especially considering that *“people who live in large houses will have paid more Council Tax in the past”* and to think that they *“will not receive support in times of need seems unfair”*. Support of *“the same magnitude”* should be provided.

## **Fairness**

*“Why punish someone for working hard to gain a large house”*. *“You could work all your life, buy a big house then become too ill to work”*. It seems *“unfair”*.

## **Base proposals on housing need not housing size**

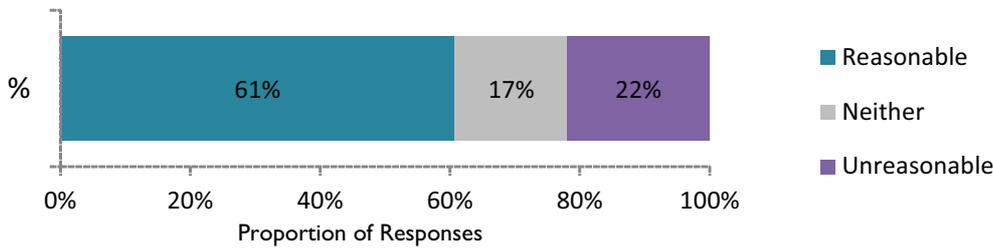
Other respondents felt that the proposal should be *“based on housing need”* and not on *“housing size”*. Some may be able to adequately *“manage with less”* but others may be *“unable”* to do so and this in particular applies to those who live in *“a large household”*. *“Building houses for pensioners to free up larger houses for families”* was a further suggestion.

## **Focus group responses**

Many felt that this could be reduced to a Band C or a Band B property and expressed the view that people living in larger properties should not be subsidised by the tax payer.

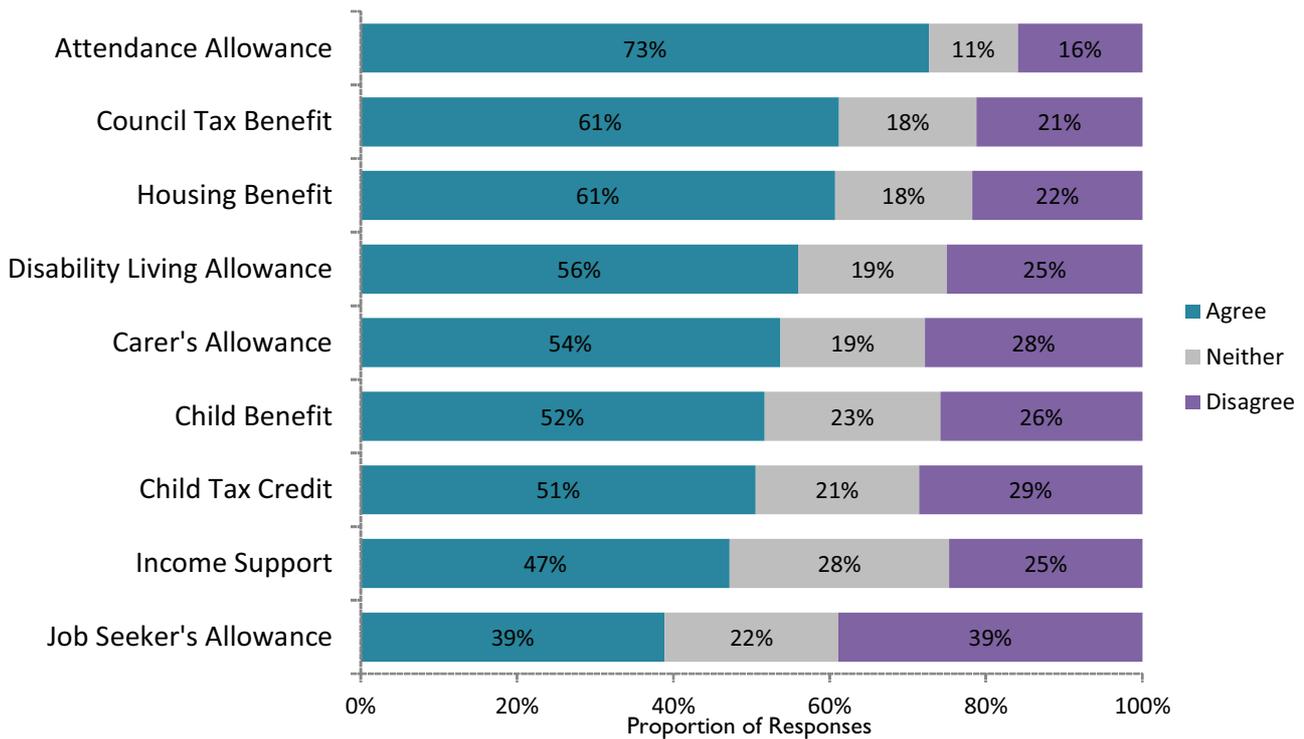
**Proposal 4:** We propose to remove the Second Adult Rebate under the new scheme which means that all those of working age currently entitled to a Second Adult Rebate may have to pay 100% of their Council Tax bill.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with 61% of total respondents agreeing that the proposal is reasonable. For ‘Residents of Tamworth’, the proportion who thought the proposal was reasonable was slightly higher than other<sup>7</sup> types of respondent, at 63%.

The level of support for Proposal 4 was also dependent on whether the respondents household was in receipt of various benefits<sup>8</sup>. There was some support from recipients of Income Support and Job Seeker’s Allowance, with just over half of those on Child Tax Credit and Child Benefit agreeing the proposal to be reasonable.



<sup>7</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>8</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal and whilst fewer in support of the proposal provided comments, those who did felt that if people were earning a certain amount then it was considered “reasonable” to expect them to “pay their full Council Tax bill”. “They can afford it if two people are working”. “It’s an appropriate thing” and “if they earn a good wage, they should pay 25%”. It’s “not that much” and they do “use the services”. “Families should look after each other” and in some cases, residents may have adult lodgers paying rent which is a second income and in such examples, the Second Adult Rebate should definitely be removed.

## **Fairness**

It would be “unfair” that one member of a household who is either “well paid or thrifty”, would have to “pay another persons Council Tax”. Tax should be calculated on “an individual basis”. People should not be “penalised for saving” with another questioning “where is the incentive to save for one’s retirement, if it is depleted in this way?”

## **Financial pressures and ability to pay**

It is highly likely that the removal of the second adult rebate would apply “more pressure to families” and respondents outlined examples of the likely impacts.

One respondent who had previously relied on the current scheme said that when her daughter was on Jobseeker’s Allowance, “the second adult rebate had been important” and without this she would have been “one hundred pounds a month worse off”.

Anxieties were raised about the effectiveness of this proposal because the implementation could lead to “many so called second adults being asked to leave the other persons property and having to find a place of their own where they would receive a 75% rebate on their Council Tax bill, instead of the 25% they currently receive”. This respondent felt in essence, that it was highly likely that this proposal would “increase the council tax benefit budget” and “not lower it”.

Another highlighted the difficulties for carers supporting people on benefits stressing that this proposal would just make the “financial pressure worse”. More “help is needed”.

## **Means testing**

Others felt that the changes should be purely “income” related and that payments should be based on “a means tested approach”.

## **Additional considerations**

- “Sudden change isn’t too good The second adult scheme protects those on low incomes- again an attack on the poor and in my view indefensible”.
- “Depends on who the second adult is. A relative might be treated differently to someone who just shares the house”.

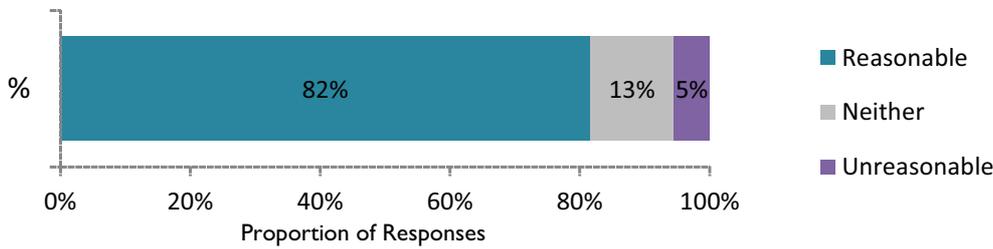
## **Focus group responses**

Many felt that this was a reasonable proposal as it was based on the income and affordability of the householder.

The view was expressed that this disadvantages people that are supporting mature students.

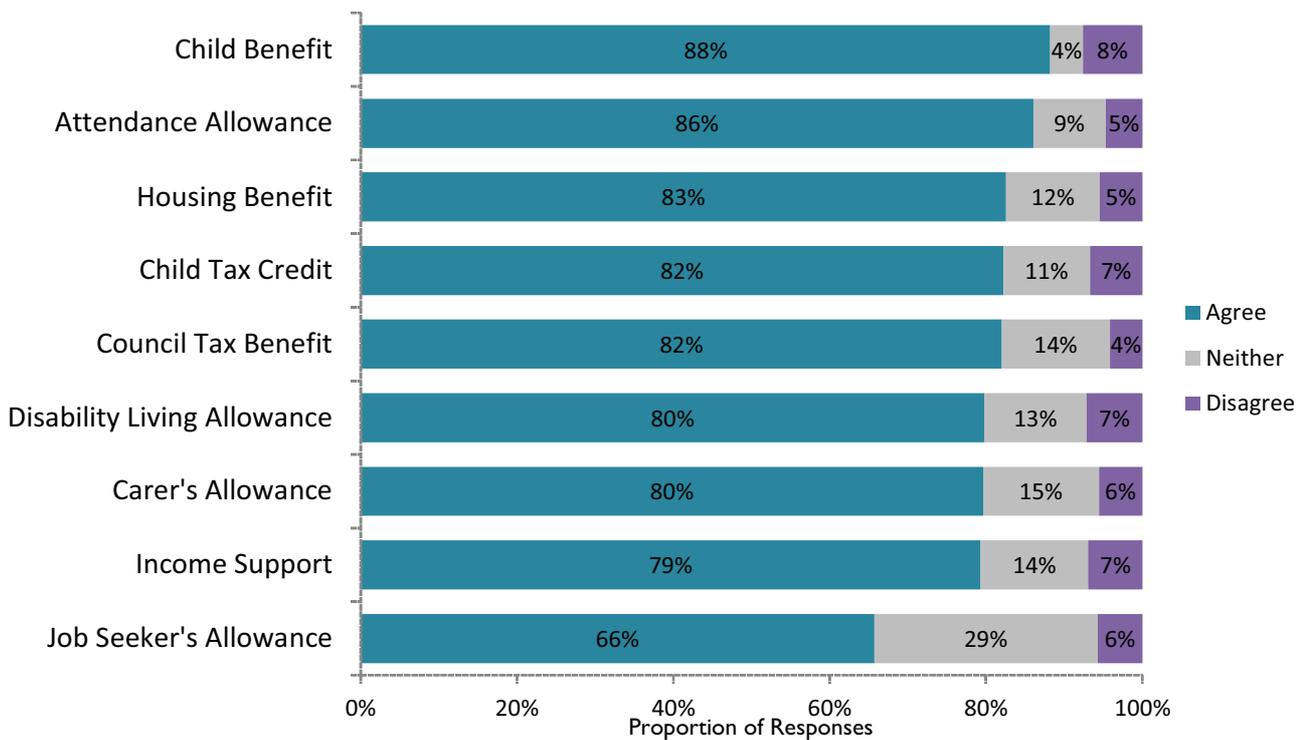
**Proposal 5:** We propose to keep disregarding child care costs when calculating Council Tax Support. This does not contribute to any reductions but would provide an incentive for parents to stay in work or return to work.

**Consultation responses:**



There was a **high** level of support for this proposal, with eight out of ten respondents believing the proposal to be reasonable. The level of support was similar for ‘Residents of Tamworth’ as for other<sup>9</sup> types of respondent.

The level of support for Proposal 5 was also dependent on whether the respondents household was in receipt of various benefits<sup>10</sup>, with recipients of Job Seekers Allowance expressing moderate support.



<sup>9</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>10</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal. Respondents provided comments on both the positive and the negative effects of the proposal and provided their suggestions for improvement to ensure the proposal could be effectively implemented.

### **Parents need the help and children need to be protected**

Disregarding child care costs was considered “good for families” and a “fair” proposal. “If people go to work, they need childcare and the cost is high”. “How do people afford to work and pay these fees? These people need the most help”.

This proposal would act as an “incentive” and “encourage” people to work: “It’s reasonable if it keeps people in a job”. Childcare should be taken into “consideration” and “children should be protected”. Another respondent was complimentary about the proposal and delighted to see a proposal that didn’t “come down hard on the low paid”.

Another who was a working mother commented, that she knew herself how expensive child care can be and agreed that “this should be taken into context when calculating Council Tax Benefit”.

### **Improving the jobs market**

In order for this proposal to be fully effective, more does need to be done to “improve the number of job vacancies” and furthermore to encourage “local employers” to “employ people from Tamworth”. It was also considered vital to “encourage employers to pay a proper living wage and not just a minimum wage” as this is likely to act as a further incentive to encourage people to “start looking for” and to “go back to work”.

### **Means testing**

Means testing is a theme which was broadly raised across multiple proposals and in particular it was viewed as important in relation to disregarding childcare costs. These should depend on the “income of the parent” and if there is “any financial support for children”. This support should be included and the support needed should be calculated on “a regular income basis” as it does still depend on “how much they earn”.

### **Limiting payments**

A few respondents felt that payments should be limited so that the proposal does not act as an incentive for parents to have more children with suggestions including “just paying for one”. Others questioned why individuals with children were treated “more favourably than those who have chosen not to burden society with children” feeling that “positive discrimination is still discrimination”.

### **Everyone should contribute**

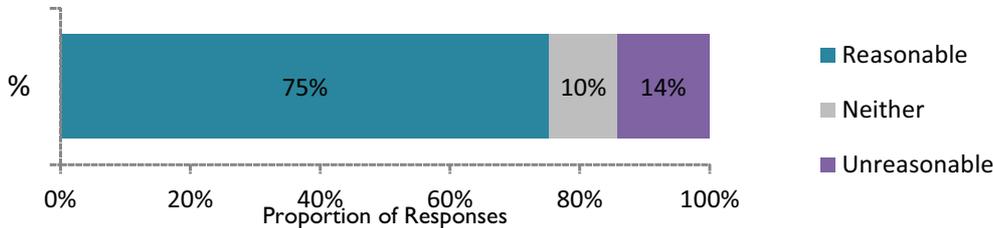
Others who disagreed with the proposal were vocal in their responses and as well as highlighting the general point that everyone should pay a “percentage” of their Council Tax, they also felt that people should not have children if they could not “afford to pay” for them. Furthermore, if parents choose to work then they should have the “money to pay for care” and providing incentives for parents may just encourage people to have “more children”.

### **Focus group responses**

No issues were raised over this proposal. All felt it is a good proposal as it does not disadvantage parents that work.

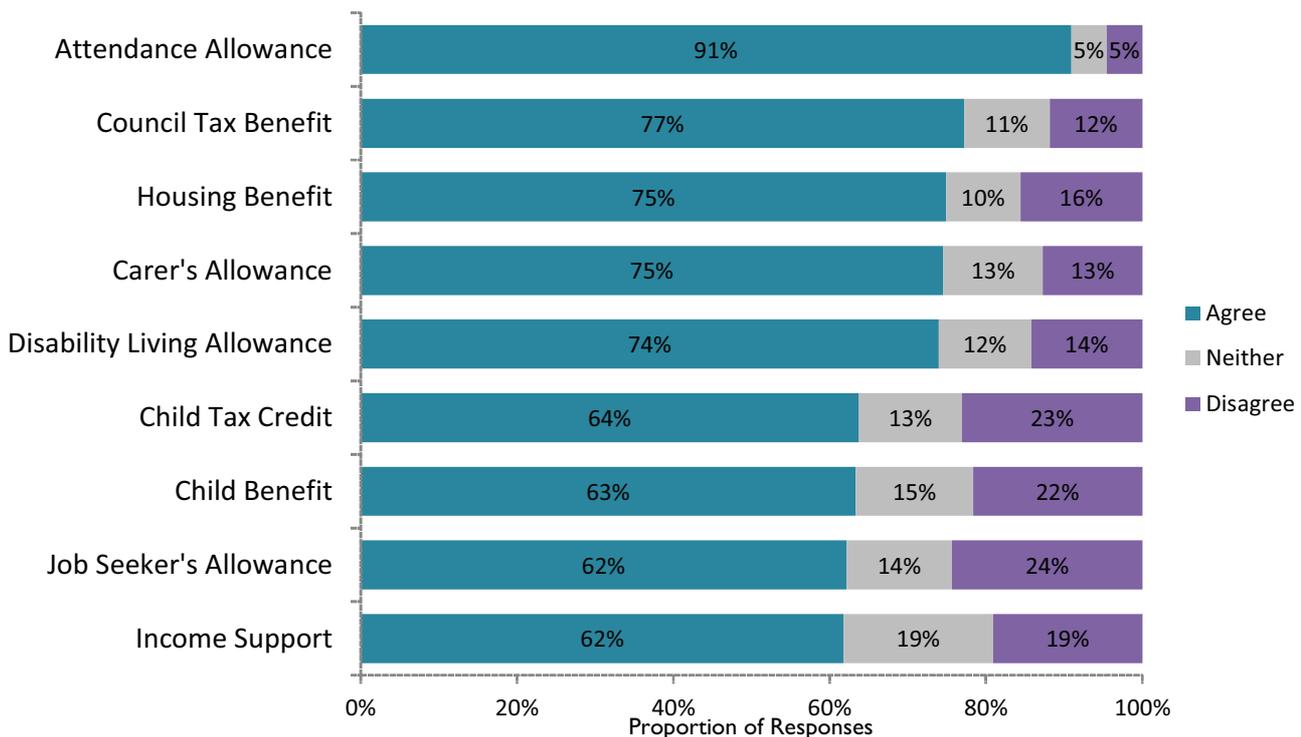
**Proposal 6:** Under the current scheme, claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax bill. We propose to keep this limit at £16,000. This means that claimants could have up to £16,000 in savings and still receive support for their Council Tax Bill. This would not contribute to any reductions but would encourage people to save and not disadvantage those who have savings.

**Consultation responses:**



There is a **high** level of support for this proposal, with three quarters of respondents believing the proposal to be reasonable. The high level of support was consistent across ‘Residents of Tamworth’ as well as other<sup>11</sup> types of respondent.

The level of support for Proposal 6 was also dependent on whether the respondents household was in receipt of various benefits<sup>12</sup>. Recipients of Job Seeker’s Allowance, Income Support, Child Benefit, Child Tax Credit and Disability Living Allowance expressing moderate support.



<sup>11</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>12</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal with respondents in support feeling that it is a “fair” and “reasonable” proposal. Others disagreed feeling that the levels of savings allowed should be either higher or lower, or should not be protected at all. Others were concerned that no matter what the threshold was, some people would try and “hide” their “savings”.

### **It’s unfair on savers**

People should be able to “hold onto their savings” because £16,000 “really doesn’t go too far these days”. Respondents felt that savings are “important” as people have “expenses other than Council Tax”. People who have “worked hard” and “saved” all their lives should not be penalised if it comes to a point when they have to claim benefits. They could be saving it for their “pension”.

### **The limit should be higher**

Whilst others agreed with the principle of protecting savings in general, there was some discussion as to the level at which savings should be protected. Others who agreed with the principle of protecting savings felt that savings should be protected to a higher degree than outlined in the current proposals with £25,000 suggested as a reasonable amount of savings to protect.

### **The limit should be lower**

Conversely, others who agreed with the principle of protecting “savings” felt that they should be protected to a level lower than outlined in the proposal. “£16,000 is a lot of money” and it’s really “too much” with £10,000 being suggested as a more reasonable level. Putting a “time limit” on how long claimants can receive support before having to dip into their savings was additionally suggested as a measure which could ensure people do not have to immediately tap into their savings but would also ensure that they are “encouraged to work” in the longer term.

### **Savings shouldn’t be protected**

Some respondents felt the proposal was unreasonable and did not feel that savings should be taken into account when calculating Council Tax benefit for claimants. Those who were in disagreement with this proposal felt that if people have £16,000 worth of savings then they “don’t need help” with their Council Tax and they should “pay” if they can “afford to” as there are people who work full time and have to pay “all their bills” and consequently have “no savings”.

### **People will hide their savings**

Another raised concerns that this proposal would encourage people to save up to the £16,000 threshold and then “hide” any additional savings.

### **Sliding scale**

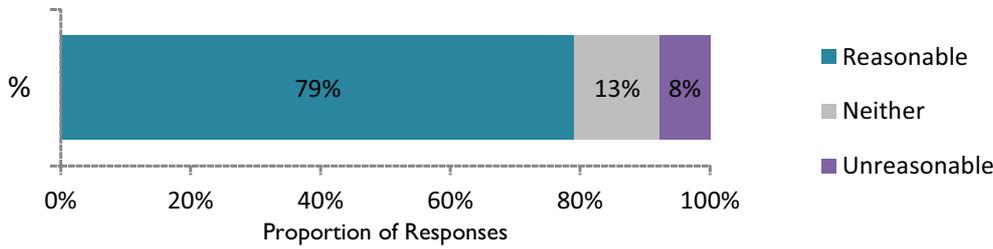
If the proposal will be implemented using “a sliding scale” then this should be explained more fully to allow respondents to make an informed decision.

### **Focus group responses**

Respondents tended to express the view that £16,000 was a little too high and felt it should be reduced. The reason for this was that people not entitled to Council Tax Benefit many be earning less than £16,000 per year so the amount should be reduced to reflect a low earning wage.

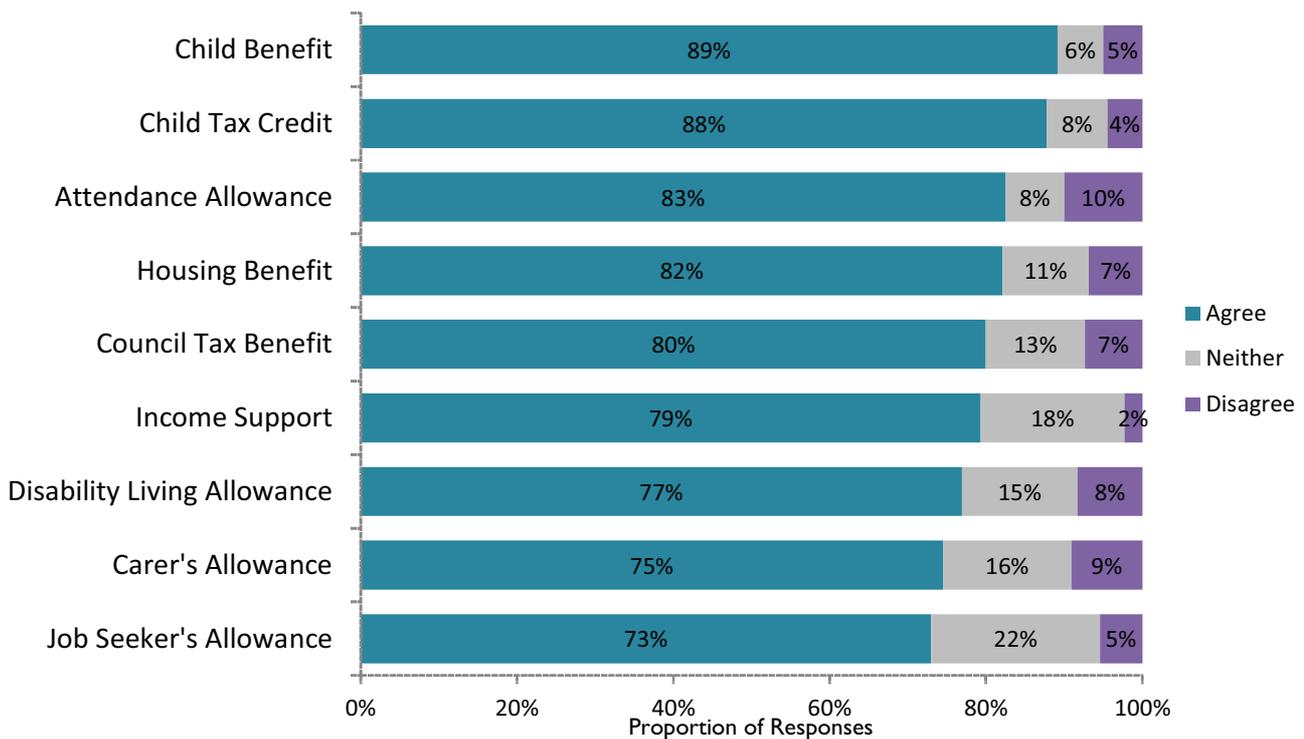
**Proposal 7:** For the new scheme, we propose to keep excluding Child Benefit payments as income when calculating the claimant's Council Tax Support entitlement. This would not contribute to any reductions but would not disadvantage working age people who work.

**Consultation responses:**



There is a **high** level of support for this proposal with 79% of respondents agreeing that the proposal is reasonable. The level of support was lower for 'Residents of Tamworth' (77%) than for other<sup>13</sup> types of respondent (81%).

The level of support for Proposal 7 was also dependent on whether the respondents household was in receipt of various benefits<sup>14</sup>, with a moderate level of support being expressed by Job Seekers Allowance claimants.



<sup>13</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP, Partner organisation, Resident outside of Tamworth, Other.

<sup>14</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a high level of support for this proposal and the comments provided were mostly supportive or neutral in their nature.

### **Benefit is for the child's welfare**

Those in support commented that it is important to continue excluding child income when calculating Council Tax Benefit. "*Child Benefit is Child Benefit and should be dealt with separately*". It aims to reduce "*child poverty*" and it is "*for children and not for their parents*" so it should never be "*taken into consideration*".

### **Encourage parents to work**

Respondents also supported this proposal as it would encourage parents to "*continue working*" and it was regarded as a positive move to include a proposal which does not "*disadvantage workers*".

### **Discourage people from having more children**

One respondent felt that more "*detailed assessments*" were needed regarding the number of families who do not work over a long period of time. If these families continue to have more children knowing that Child Benefit will be part of their income, then Child Benefit should not be excluded as this would just "*encourage people to have more children*".

### **Treat everyone the same**

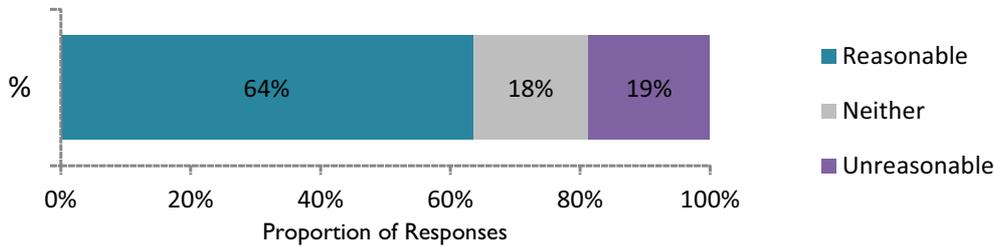
One respondent who felt this proposal was unreasonable commented that "*having children should not entitle people to any exclusions*".

### **Focus group responses**

There were no issues raised over this proposal. There was support for this as it is a standard benefit that most parents receive so it is fair to all if excluded.

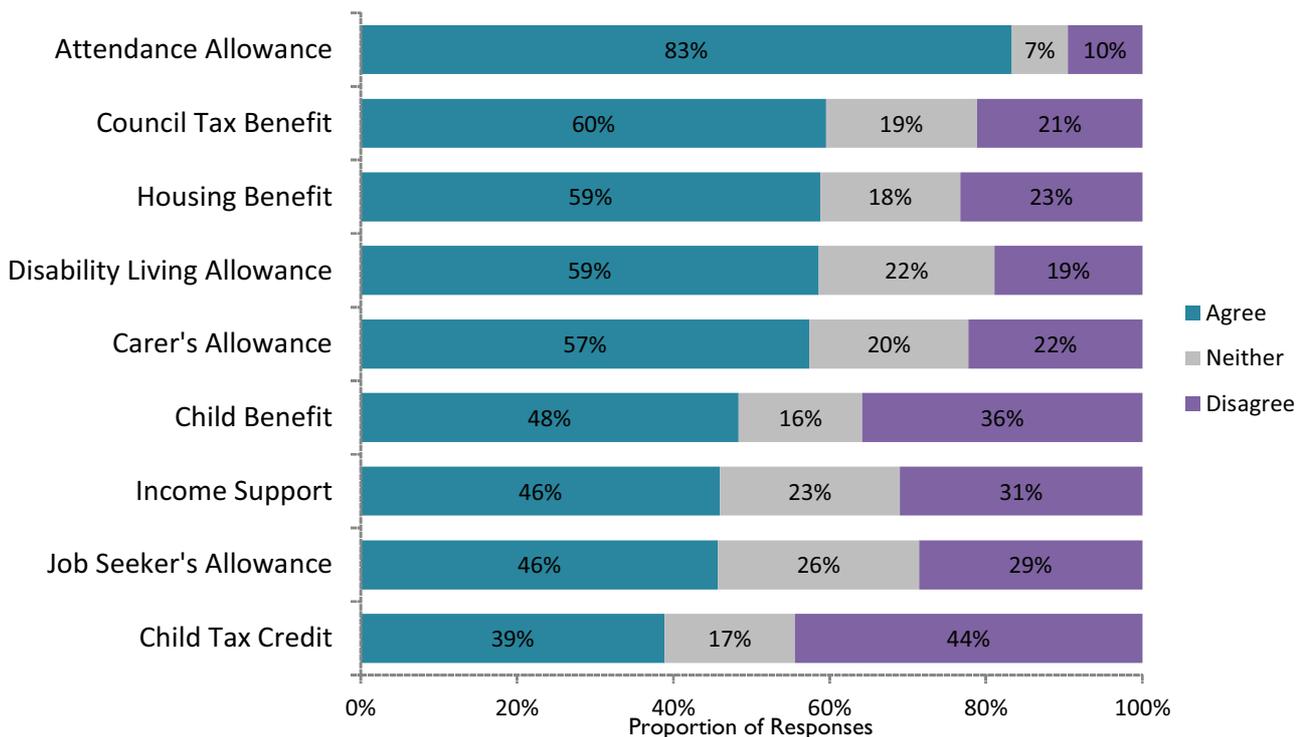
**Proposal 8:** Under the current scheme, maintenance payments are not included as income when calculating a claim. For the new scheme, we propose to include maintenance payments as income when calculating the claimant's Council Tax Support entitlement.

**Consultation responses:**



There is a **moderate** level of support for this proposal, with just under two thirds of respondents agreeing that the proposal is reasonable. The proportion of respondents who thought the proposal reasonable was greater for ‘Residents of Tamworth’ (68%) compared to other<sup>15</sup> types of respondent (63%).

The level of support for Proposal 8 was also dependent on whether the respondents household was in receipt of various benefits<sup>16</sup>. There was a high level of support from recipients of Attendance Allowance, but considerably less from those in receipt of Job Seeker’s Allowance and Child Tax Credit, who expressed some support.



<sup>15</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>16</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is a moderate level of support for this proposal and respondents who felt it was reasonable said that it was a “good” proposal so long as “payments made” are on a “regular basis”. Where this is the case, it should be considered as “income” just like “any other income” and therefore it should not be “ignored”. Despite moderate levels of support for the overall proposal, the majority of comments received did focus on why the proposal was unreasonable with many respondents also being unsure about this proposal feeling that additional considerations should be taken into account before they would indicate their support.

### **This money is for the child’s welfare**

Those who felt the proposal was unreasonable felt that “any payments towards the cost of child rearing should not be included” and the reason given for this is because the money is given to make sure that ex spouses provide “enough money” for their children to be able to live on. It should continue to be “excluded” to ensure it is spent on “children” and their “needs and education” and not on “bills”.

One respondent currently relies on child maintenance payments to “top up” her income and losing the Second Adult Rebate along with including maintenance as income, would do little to help her financial situation so “other proposals should be considered first”.

### **Not sure**

Some respondents were unsure as to whether maintenance should be included or excluded with respondents feeling that it really depends on the “amount” of maintenance being received and upon how “reliable” it is. Maintenance payments can “differ greatly” in their amount and it is also a well known fact that maintenance payments are “prone to stop unexpectedly or to be irregular”.

### **All income should be included**

“This is income so should be calculated as such” and sometimes it can be “a large amount”. People who receive maintenance can often end up “better off”, so it is “about time” this was “taken into account”. One respondent felt that the deciding factor on whether maintenance is taken into account should be dependent on “how much maintenance is received”.

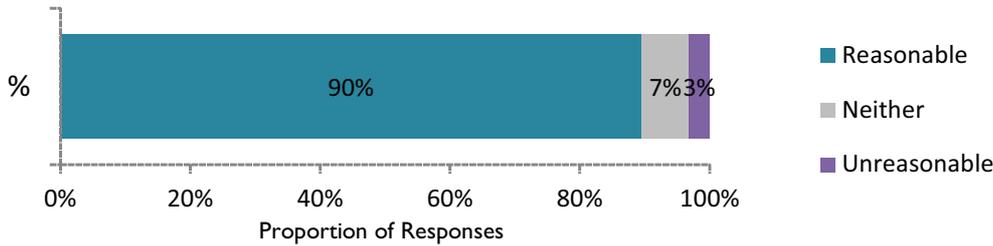
### **Focus group responses**

Generally attendees supported this proposal. Reasons given were that it can actually provide a reasonable extra income and if the absent parent were living with the family this money would be going to contribute to the Council Tax bill. Another reason given was that by disregarding maintenance payments we would be disadvantaging single parents who do not receive any maintenance and families living together whose second income is low but would still be included in their income calculation.

Many attendees expressed the view that administration of this proposal will be difficult and would rely on the claimant being honest about payment being received. They also expressed concern about irregular payments and feel that processes should be put in place to ensure that claimants are not put into financial hardship when the absent parent misses a payment.

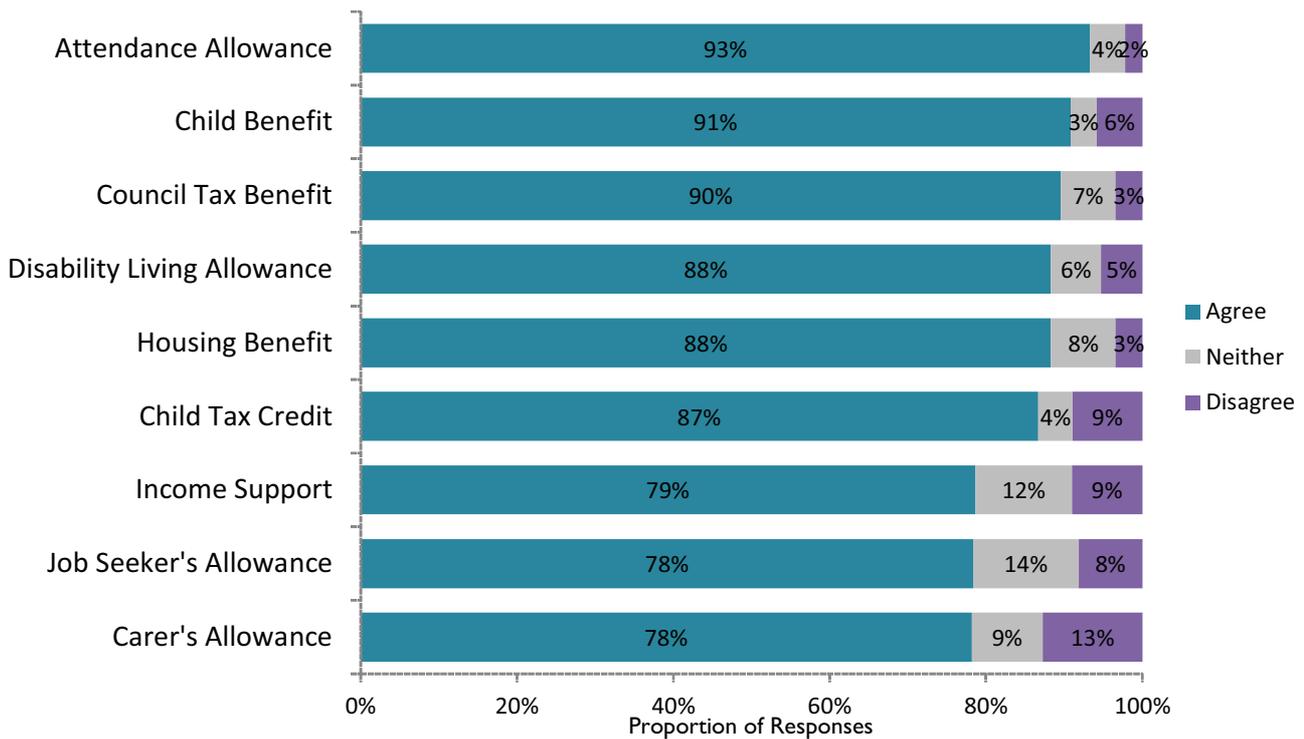
**Proposal 9:** Under the current scheme, claimants who are receiving a Severe Disability Premium can be given support for up to 100% of their Council Tax bill. We propose to keep this within the new scheme to protect our most vulnerable residents.

**Consultation responses:**



There was a **high** level of support for this proposal, with nine out of ten respondents believing it to be reasonable. There was little or no difference between the opinions of ‘Residents of Tamworth’ and other<sup>17</sup> types of respondent.

The level of support for Proposal 9 was also dependent on whether the respondents household was in receipt of various benefits<sup>18</sup>. The proportion of respondents that agreed with the proposal ranged from 78% of recipients of Carer’s Allowance, to 93% of recipients of Attendance Allowance.



<sup>17</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>18</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There was a high level of support for this proposal and the broad consensus was that all vulnerable people should be protected. One did feel that the proposal was difficult to understand and needed to be *“simplified”*.

## **Protect disabled people and others who are vulnerable**

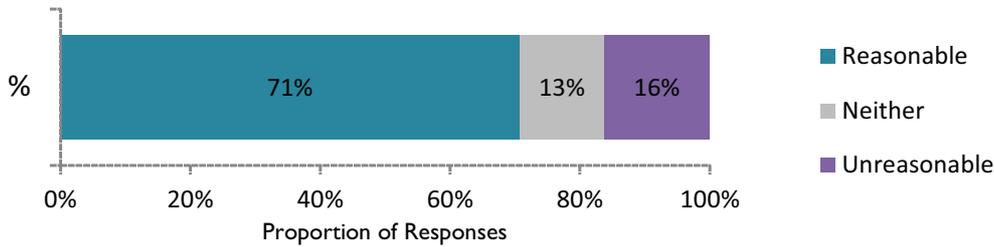
These people are *“vulnerable”* and should be *“considered”* and *“catered for”* with the severely disabled being *“protected”* and deserving *“all the assistance they can get”*. *“They need our help”*, they should receive *“extra support”*. It’s *“fair”* and we need to look after *“those who really need it”*. In addition, one also felt that *“carers should also be exempt from this bill”*.

## **Focus group responses**

Attendees agreed that claimants receiving Severe Disability Premium should be 100% protected but would like to see this extended to all severely disabled claimants regardless of whether they have a carer receiving a Carer’s Allowance.

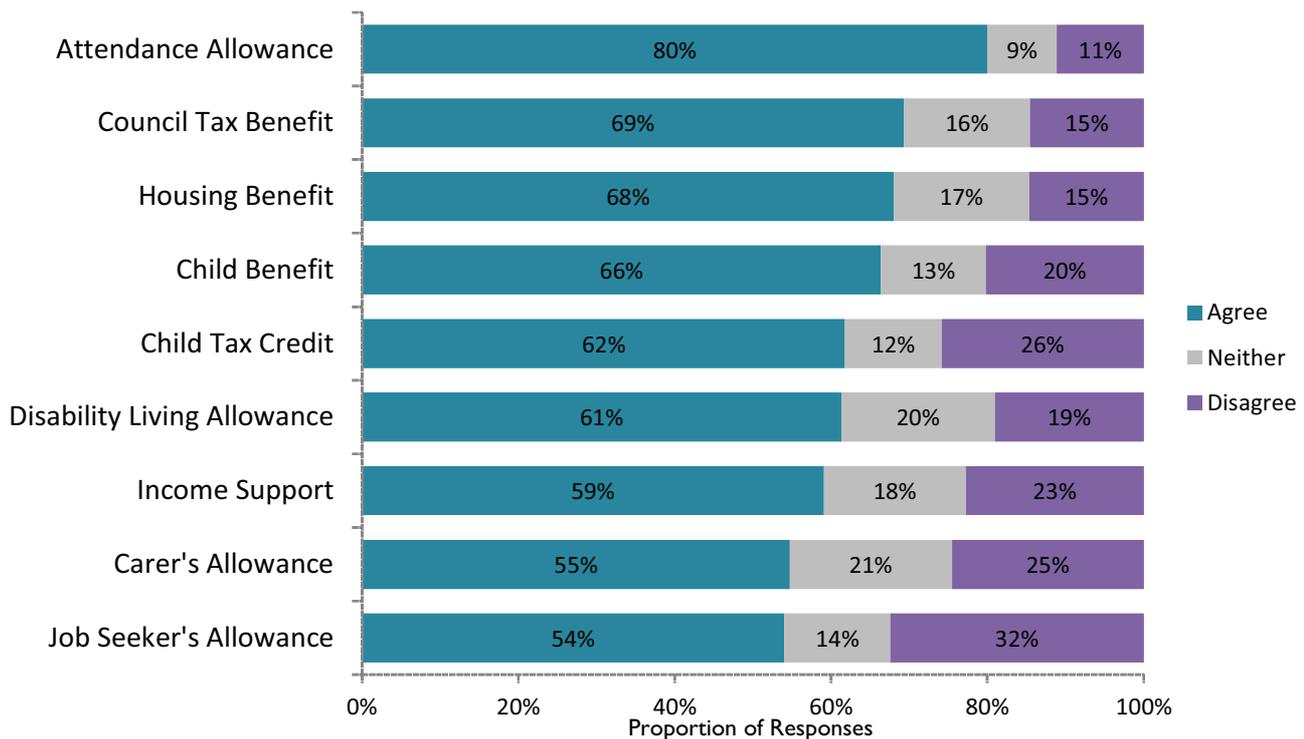
**Proposal 10:** We propose that any non-dependants living in the claimant's household would be expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be a £10 per week.

**Consultation responses:**



There was a **moderate** level of support for this proposal, with 71% of respondents believing it to be reasonable. There was little or no difference between the opinions of ‘Residents of Tamworth’ and other<sup>19</sup> types of respondent.

The level of support for Proposal 10 was also dependent on whether the respondents household was in receipt of various benefits<sup>20</sup>. Respondents in receipt of Attendance Allowance expressed a high level of support, whilst other types of benefit claimants expressed moderate levels of support.



<sup>19</sup> Council Tax Benefit Claimant, Voluntary organisation, Community group, Housing association, Private landlord, A relative of a Council Tax Benefit claimant, A friend of a Council Tax Benefit claimant, Nationally or locally elected member/MP , Partner organisation, Resident outside of Tamworth, Other.

<sup>20</sup> It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit

## **Comments**

There is moderate support for this proposal with 71% agreeing that the proposal was reasonable.

### **Everyone should contribute something**

*“Adults should be expected to contribute to the household”* as it is a *“fair and proper way”* to share the bill and ensures that non dependents within a household are aware of their *“financial responsibilities”*. Most people can *“easily manage it”*, it sounds *“reasonable”* with some also suggesting that it would be feasible to ask for amounts *“higher than just £5 and £10”* a week.

### **It depends on who the non dependent is**

Another also agreed with the proposals to an extent but felt that it should depend on who the non dependent was. For example *“a working son or daughter”* should not have to pay but *“a lodger”* should.

### **Difficult for low earners**

Others agreed that the proposal was reasonable to an extent but did feel that it should be adapted. For example if a non dependent is working then it is *“acceptable”* for them to pay *“£10 a week”* but if they are not working then *“£5”* is *“a huge amount”* of money to pay. If anything they should be *“encouraged to contribute to the householder’s contribution”*.

### **It will be difficult to administer and police**

Respondents who were of the belief that this proposal was reasonable *“in theory”*, felt that *“in practice it would be impossible to collect”*.

### **It’s like the Poll Tax**

*“It’s going back to what Margaret Thatcher tried with the poll tax”* and *“people protested”*. Council Tax should only be collected on the *“banding of the house”* and not *“the people in it”* with the household owner being *“responsible”*.

### **Focus group responses**

Respondents would like to see this contribution remain income based rather than a set amount. The view was expressed many non-dependants are young people who are having difficulty obtaining more than a few hours of work a week and £10 being taken from their income means they may as well not work. There is a feeling that this proposal actually goes against the principles of the local Council Tax support scheme as it will not encourage people to work. Many confused this proposal with poll tax until it was explain that the money is actually deducted from the benefit and is not an addition payment on top of the full Council Tax bill.

## RESULTS—IMPACT OF THE CHANGES

---

### **Financial impact upon individuals or upon the communities that they represent**

51% felt that the changes would have a low impact upon them personally or upon the groups that they represent, a further fifth (21%) agreed that they would have a medium impact whilst over one quarter (28%) felt that the proposed changes would impact upon them highly or impact highly upon the groups that they represent.

### **Groups who may be affected by the proposals**

A variety of groups are likely to be impacted by the implementation of the proposals and these include the unemployed and those on a low income including those working part time and single working parents. Young adults over the age of 18 and students are also likely to be affected.

Additional groups who will probably be affected also include those who are disabled and are hospitalised as well as those living in larger properties which have been adapted for medical needs but may be larger in size than they need.

People saving to buy homes, couples without children and single adults who may be asked to leave their home could all be affected by the proposals.

### **Likely affects of the changes**

The changes will affect “everyone to an extent” but they will hit “the poorest the hardest” and not the ones on the “higher incomes” with one respondent feeling that “all government taxes affect the most vulnerable”.

Adding an extra bill to households which are already stretched by the rising cost of living will mean that some families struggle and do not have enough money to pay for food and bills. In some cases, overdrafts and personal debts will increase as people work to try and make ends meet. For example one respondent commented that they had an overdraft which they are already finding difficult to clear.

*“Paying more Council Tax would mean having to cut down on other bills, and the only other bill I can cut down on would be the food bill. I already shop at Aldi because of the cheap prices, and I don't know where I could turn to for help”.*

Property owners may be affected “marginally” and people who are aiming to better themselves e.g. those returning to college to study would find it difficult to “get by”. Others who have mental illnesses may also find that the changes “impact upon their illness”.

On a positive note, the proposals may encourage people to look for “a job” so ensuring that jobs are available will be important if the proposals are to have a positive affect.

## **What can be done to ensure a smooth transition into the new scheme for those people affected by the proposed changes?**

Initially residents felt that the scheme would need to be “widely advertised” and this would work to ensure people are kept “up to date” and details of the changes should be “communicated”.

Residents who will be affected need to understand “why” the changes are happening and “how” they will be affected. “Give people the opportunity to find out how the changes will affect them individually, perhaps by phone or internet”. “Be aware that some can't read and write and some are disabled” therefore making sure the information is available in a range of suitable formats will be vital.

Long “lead in times” and “notification” on more than one occasion was considered necessary for anyone who will be affected by the changes. Suggested lengths for lead in times varied from “six months” through to a gradual implementation of changes over a “four year” period. The implemented proposals would need reviewing in “a year's time” and tailoring to ensure they “meet people's needs”.

“Means testing” was suggested as one way of implementing the changes in a fair way with others feeling that everything should be done to try and keep people “debt free”. Where there are cases of severe financial hardship, these should also be considered separately and genuine support should be provided. Providing “easier payment terms” e.g. “weekly” would also be useful and would ensure a smoother transition for those affected by the proposals.

Respondents also identified other ways of achieving savings which could be implemented either separately or alongside the proposals:

- “Concentrate on benefit fraudsters to save the money you need”.
- “Ensure everyone is on the right benefits that they are entitled to”.
- “Get more people off benefits by training”.
- “Provide incentives for more employment in the area”.
- “Introduce voluntary work” as a way of paying for “Council Tax”.

## APPENDIX I: ABOUT YOU

### Are you a resident of Tamworth?

Response	No' of Responses	%
Yes	484	99%
No	5	1%

### Does your name appear on the council tax bill for your household?

Response	No' of Responses	%
Yes	731	90%
No	56	7%
Don't know	25	3%

### Are you submitting your views as? \*proportion of local responses

Response	No' of Responses	%
A Council Tax Benefit claimant	348	67%
A relative of a Council Tax Benefit claimant	16	3%
A friend of a Council Tax Benefit claimant	7	1%
Nationally or locally elected member/MP	2	0%
Resident outside of Tamworth	14	3%
Resident of Tamworth	325	63%
Other	15	3%
Voluntary organisation	3	1%
Community group	1	0%
Housing Association	15	3%
Partner organisation	0	0%

### Does your household receive any of the following benefits?

Response	No' of Responses	%
Attendance Allowance	46	6%
Carer's Allowance	55	7%
Child Benefit	124	15%
Child Tax Credit	94	11%
Disability Living Allowance	174	21%
Housing Benefit	270	32%
Income Support	91	11%
Job Seeker's Allowance	37	4%
Council Tax Benefit	449	54%

### Does any of the following describe your household?

Response	No' of Responses	%
A family with one or two dependant children	99	12%
A family with three or more dependant children	134	17%
A lone parent household	21	3%
A household with full and/or part-time workers	224	28%
A household that includes someone who is disabled	77	10%
A single person household or a couple without children	97	12%
None of these	144	18%

### Do you regularly provide unpaid support caring for someone?

Response	No' of Responses	%
Yes	127	16%
No	643	84%

**Gender:**

Response	No' of Responses	%
Female	459	56%
Male	316	39%
Prefer not to say	38	5%

**Ethnic origin:**

Response	No' of Responses	%
Asian or Asian British	1	0%
Black or Black British	4	1%
Chinese	0	0%
Mixed Heritage	2	0%
White - British	738	93%
White - Other	39	5%
Prefer not to say	7	1%
Other	2	0%

**Disability or long term health condition?**

Response	No' of Responses	%
Yes	330	42%
No	399	51%
Prefer not to say	61	8%

**Are you receiving a Retirement Pension or Pension Credit?**

Response	No' of Responses	%
Yes	329	62%
No	174	33%
Prefer not to say	30	6%

**Age:**

Response	No' of Responses	%
18-24	14	2%
25-34	58	7%
35-44	89	11%
45-54	118	14%
55-64	162	20%
65-74	202	25%
75+	157	19%
Prefer not to say	14	2%

**Disability: If yes, please specify condition:**

Response	No' of Responses	%
Communication	8	2%
Mobility	181	34%
Hearing	37	7%
Physical	138	26%
Learning	7	1%
Visual	30	6%
Mental health	54	10%
Other	74	14%

**What is your relationship status?**

Response	No' of Responses	%
Single	301	38%
Living as a couple	47	6%
Married	374	47%
Civil Partnership	5	1%
None of these	54	7%
Prefer not to say	17	2%