

# Local Council Tax Support Scheme

## Consultation Report

Report Date: January 2020

Report Author:

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## INTRODUCTION

This report presents the findings of the consultation on proposals to update the Council Tax Reduction Scheme (CTRS). The CTRS helps people on low incomes to pay their Council Tax.

The consultation sought feedback on the proposed changes to the CTRS, which would come into effect in April 2020.

## BACKGROUND

Under the current scheme, a Hackney resident liable for Council Tax could get up to 100% of the charge paid through the scheme if they are a pensioner, or up to 83% of the charge paid if they are of working age (i.e. the Council Tax Bill Payer is under pension credit age).

When Hackney's Council Tax Reduction Scheme was changed in 2017 we promised to review the revised scheme in 2019.

Hackney Council is proposing to increase the amount of support it provides to those struggling to pay their Council Tax. The changes would mean that those who qualify for the Council Tax Support Scheme (CTRS) will get up to 85% paid if they are of working age - up from 83%. Pensioners and young care leavers living in the borough will continue to get up to 100% of their Council Tax paid. The proposals follow a series of recent Government announcements which suggest they expect councils to now increase Council Tax to the maximum level each year. The Council had committed to regularly review its CTRS, to ensure the borough's poorest residents are not disproportionately affected by Council Tax increases.

At the moment, the Council Tax Reduction Scheme helps around **27,000** Hackney residents on a low income to pay their Council Tax.

### **Proposed change to the CTRS:**

A consultation on the proposed changes, which would come into force April 2020, invited feedback on the proposal to:

- decrease the minimum contribution all working age CTRS claimants pay from 17% to 15% of their total Council Tax liability, regardless of income and circumstance.

## CONSULTATION APPROACH

The public consultation ran from 28 October to 8 December 2019.

The consultation featured on the Council's consultation and engagement platform, <https://consultation.hackney.gov.uk/> for the duration of the consultation period. This included:

- A summary of the consultation proposals, including a consultation questionnaire
- An online version of the consultation questionnaire.

A letter was sent to all current CTRS recipients informing them about the consultation and giving them the opportunity to request paper copies of the consultation packs. Consultees who had any queries about the consultation could telephone or email the Benefits service.

A press release was also sent to local media and ethnic press and promoted via the Council's social media channels and via the Council's e-newsletters.

## **SUMMARY OF RESULTS**

The public consultation received **459** responses in total via the online and paper completion surveys. The majority of responses were received via paper completions, with just a small proportion received via online completions. We also received a key stakeholder responses from the Greater London Authority (GLA)

### **Interpretation of the data**

Percentages in a particular chart will not always add up to 100%. This may be due to rounding, or because each respondent is allowed to give more than one answer to the question. Differences between sub-groups will not always be statistically significant. We need to exercise appropriate caution where a small group of self-selecting respondents has been analysed.

The questionnaire consisted of 12 questions, inclusive of the equalities monitoring questions.

## EXECUTIVE SUMMARY

The majority of the respondents to the self-completion questionnaire were very supportive of the proposed changes to the Council Tax Reduction Scheme.

The majority of respondents, **73% (322), agreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

The majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.

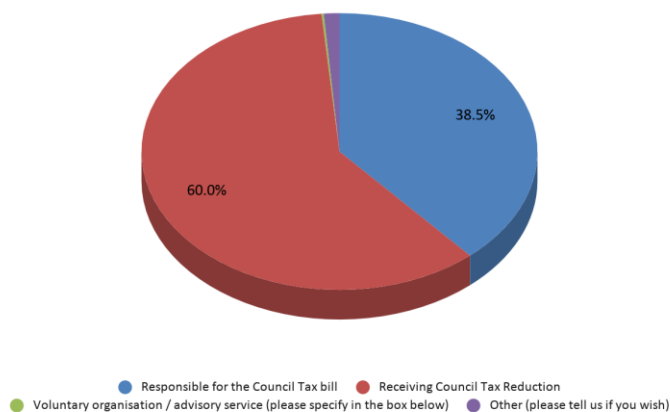
### Profile of respondents

- The majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27%(7) chose the other option, which included responses such as retired and pensioner
- **22% (130)** were pensioners followed by those that identified as disabled **20%(118)**, and **15%(85)** who identified themselves as a single person.
- **64.5 %(285)** of the respondents were female compared to males 35.5% (157). .
- **28%(123)** were aged 65 – 84, 22%(97) were aged 55 – 64 and 20%(89) were aged 45-54.
- **83%(359)** don't provide support caring for someone, whilst, 17%(71) indicated that they have caring responsibilities.
- **51%(220)** answered 'yes' to having a disability, whilst 49%(210) said they didn't have a disability.
- **49% (213)** of the respondents gave their ethnicity as White British; the second largest group was other Black or Black British 25% (108).
- **48% (188)** said they were Christian, followed by Muslim 18% (74).
- **89% (300)** of the respondents said they were heterosexual, followed by 6% (21) stating that they were a Gay man.

## OVERALL RESULTS ANALYSIS

## Respondent profile

Which best represents you (pick more than one if applicable)?

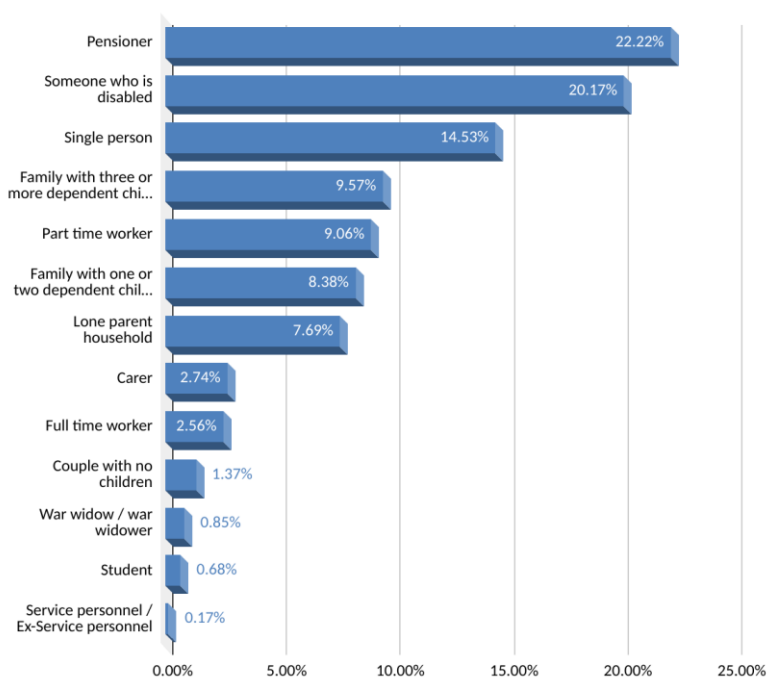


As graph 1 shows, the majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27%(7) chose the other option, which included responses such as retired and pensioner.

Graph 1: Base (550 responses)

responses)

Are you:



The majority of respondents **22% (130)** were pensioners followed by those that identified as disabled **20%(118)**, and **15%(85)** who identified themselves as a single person.

Some respondents included information in the 'other' box – describing themselves as: (provided verbatim)

- Widow
- Widower
- Self-employed
- On universal credit
- Unemployed
- Part-time worker

Graph 2: Base (585 responses)

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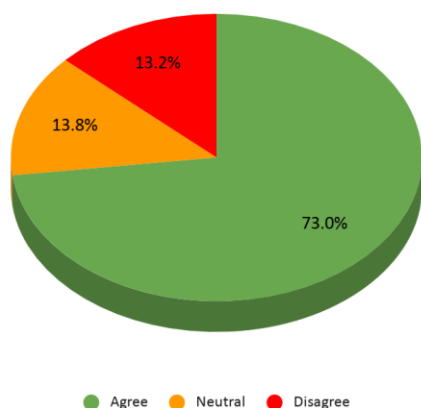
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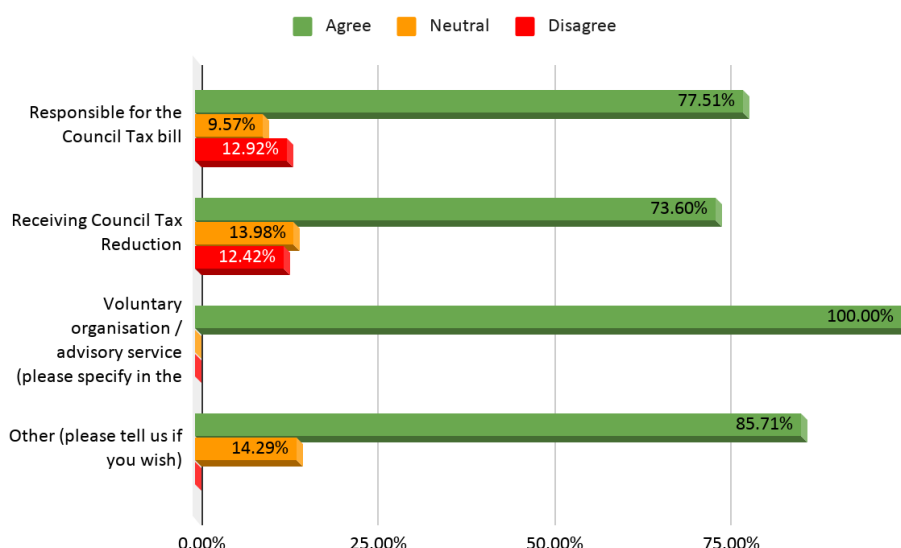
**Q1 To what extent do you agree or disagree with the Council’s preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%?**

The majority of respondents, **73% (322)**, **agreed** with the Council’s preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.



**Graph 3: Base (441)**

Graph 4 shows that the majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.



**Graph 4 : Base (539 responses)**

**Table 1: Analysis of question 1, by the question which asks respondents to answer which best represents them.**

	Responsible for the Council Tax bill	Receiving Council Tax Reduction	Voluntary organisation / advisory service	Other
<b>Agree</b>	162	237	1	6
<b>Neutral</b>	20	45	0	1
<b>Disagree</b>	27	40	0	0
<b>Total</b>	<b>209</b>	<b>322</b>	<b>1</b>	<b>7</b>

**Q1 (a) Please provide additional comments to support your response?**

Respondents to Q1 were provided with the opportunity to provide additional comments in support of their response. 188 respondents provided additional comments.



The following themes emerged when analysing the comments of those respondents that strongly agreed/ agreed with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

Themes	Response count
Makes it easier to balance other expenses/ makes council tax more affordable	61
Still going to struggle/Need more support/ the contribution should be lower than 15%	35
Proposal will have a positive impact on health and wellbeing	7
High Inflation and stagnant wages is causing debt and financial problems	6
People with disabilities should not have to pay at all	4
Proposals are a good idea/ provide support for those that need it	4

#### Quotes: (provided verbatim)

*"I believe a reduction, though this looks quite nominal realistically is better than an increase or staying firm. Both employed and unemployed individuals can benefit from the change in the long term and given that London is an expensive place to live a reduction is positive".*

*"I agree with the changes, although being a single male in receipt of esa the change will have a negligible affect on me".*

*"Decreasing the minimum contribution from 17% to 15% will help me a great deal..because I am finding it hard to pay my council tax bill on a low income"..*

*"I am on Universal Credit and I am struggling to pay my council tax. so I would appreciate any further reductions, as I am really struggling to survive"*

*"We have so many outgoings and expenses, a reduction in council tax will really help, if the council are changing our weekly refuge collection to forthrightly then the savings should reflect in tax we pay".*

The following themes emerged when analysing the comments of those respondents that **disagreed/ strongly disagreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

Themes	Response count
Support shouldn't be limited to CTRS recipients/ Everyone needs support	13
Protection should be extended to the following groups: people on low incomes, disabled people of working age and working families on low incomes	8
Everyone should pay/ should stay the same	8
Not fair on families that have to pay full amount/ Money should be used for other projects	8
Should be 0%/ Lower than 15%/ amount should be decreased further/ doesn't go far enough	5

### Quotes: Provided verbatim

*"The minimum contribution should be reduced to nothing. They should be one hundred per cent compensated. We are talking about some of the poorest Hackney residents. They should be the first priority in financial considerations. The council is spending millions on speculative property development, whereas this is a much better use of council money. Tower Hamlets and Camden both have hundred per cent compensation schemes. Hackney should as well".*

*"What about disabled people at working age?"*

*"I currently pay a little towards council tax I am on income support and a single mum and find this hard to do has it is".*

*"I agree with Council updating but I disagree with the Council decreasing payment but I am 80 years old and what I have to pay for Council tax I can hardly afford it".*

### Written responses to the consultation

Written responses were received from:

- Greater London Authority (GLA)
- The Hackney Green Party

### Greater London Authority (GLA)

A formal written response was received from the GLA.

The bullet points below summarise some aspects of the GLA's response to the consultation<sup>1</sup>.

### GLA Response to Proposals:

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<sup>1</sup> The GLA letter has been provided to the service to provide a formal response to the issues raised.

- The GLA response acknowledges the fact that the determination of the CTRS schemes are the responsibilities for each local authority under the provisions of the Local Government Finance Act 2012.
- The GLA concurs with the general broad principles set by Government and states that the Council should pay heed to them when implementing the final scheme.
- The GLA supports the Council's proposal to decrease the minimum contribution level from 17% to 15%; the Council states this proposal balances the increasing financial
- The GLA recognises that local authorities face difficult choices on CTS schemes, as overall funding from central government has reduced and funding for CTS is no longer identifiable within the settlement.
- The GLA welcomed the continued commitment by the Council to its discretionary hardship scheme for those who have difficulty paying their council tax and cannot get any assistance through the CTS scheme or when the assistance received still does not fully cover their bill.
- The GLA welcomed the early consultation but asserted that: "*the Council may wish to note that changes to regulations in 2017 mean that billing authorities are now required to set and agree their local council tax reduction schemes by 11 March 1 . This change from 31 January deadline reflects one of the recommendations made by Eric Ollerenshaw in his review of local council tax reduction schemes, for the deadline to be extended by Government to give councils sufficient time to design, consult and implement their schemes taking into account impacts on protected characteristics*".

## **The Hackney Green Party**

A formal written response was received from the the Hackney Green Party

The bullet points below summarise some aspects of the The Green Party's response to the consultation

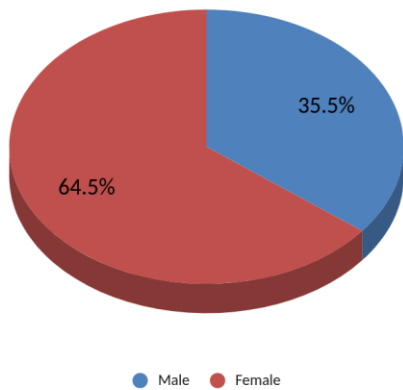
### **The Green Party Response to Proposals:**

- The Green Party response supports the cut in minimum payment from 17% to 15%.
- The Green Party would prefer to see the rate cut to zero because the minimum payment is seeking money from people who are least able to pay
- The Green Party considers that Hackney Council should move forward with a mixture of alternative ways of raising funding, including raising fees and council tax. These measures would represent a 'spend to save' where tax and fees paid today are preventing low-income families and individuals from being pushed into poverty and a greater likelihood of a range of poor outcomes such as homelessness. The response also asserts that the Council should consider a referendum on raising council tax beyond the current cap. The Hackney Green Party also states that they would campaign in favour of a 'Love Hackney referendum' to increase council tax were the extra money to be explicitly used to protect the vulnerable.

## **PROFILE OF RESPONDENTS**

**Are you:**

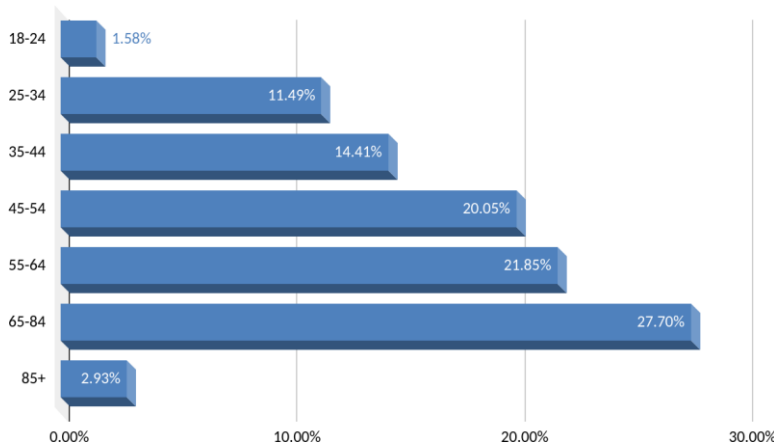
**Gender analysis:**



As shown in the graph, **64.5%(285)** of the respondents were female compared to males 35.5% (157). The proportion of female respondents is slightly higher than that of the borough as a whole<sup>2</sup>, so this female voice may have been overstated by this particular dataset.

**Graph 5: Base (442)**

**Age analysis:**



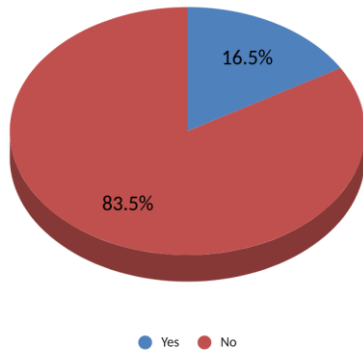
As the graph shows, the majority of respondents **28%(123)** were aged 65 – 84, 22%(97) were aged 55 – 64 and 20%(89) were aged 45-54.

**Graph 6: Base (444)**

**Caring responsibilities:**

<sup>2</sup> Around 50% of Hackney's population is Male and 50% is Female. (Hackney's Population, Borough Profile, Office of National Statistics Mid-year Population Estimates, June 2017). <https://www.hackney.gov.uk/population>

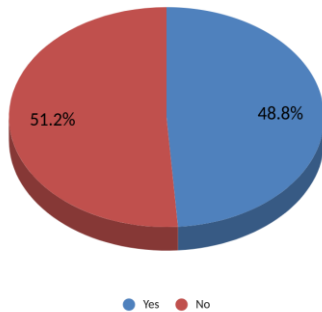
As the graph shows, the majority of respondents **83%(359)** don't provide support caring for someone, whilst, **17%(71)** indicated that they have caring responsibilities.



**Graph 7: Base (430)**

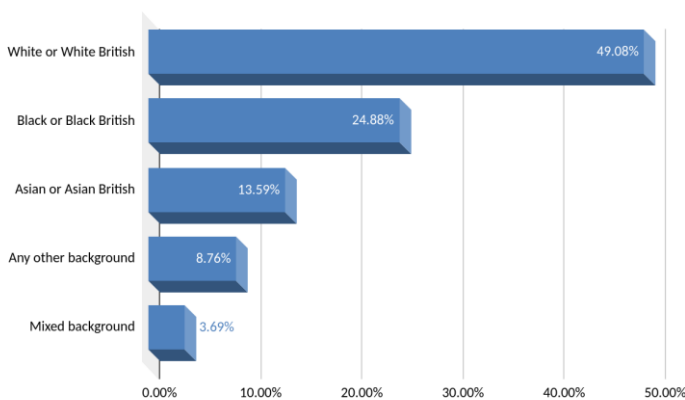
**Disability analysis:**

As the graph shows, the majority of respondents, **51%(220)** answered 'yes' to having a disability, whilst **49%(210)** said they didn't have a disability.



**Graph 8: Base (430)**

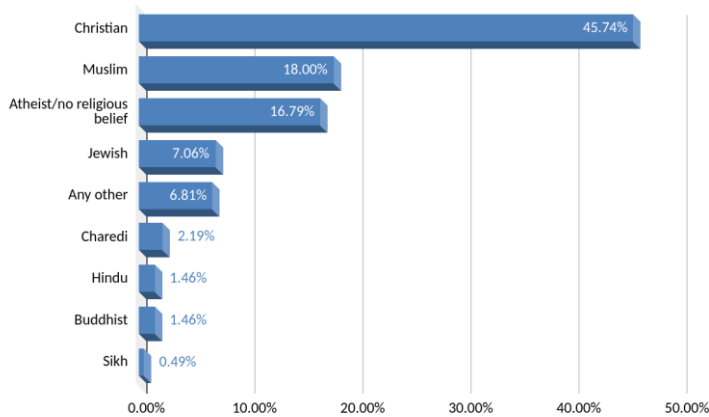
**Ethnicity analysis**



As the graph shows, **49% (213)** of the respondents gave their ethnicity as White British; the second largest group was other Black or Black British **25% (108)**.

**Graph 9: Base (434)**

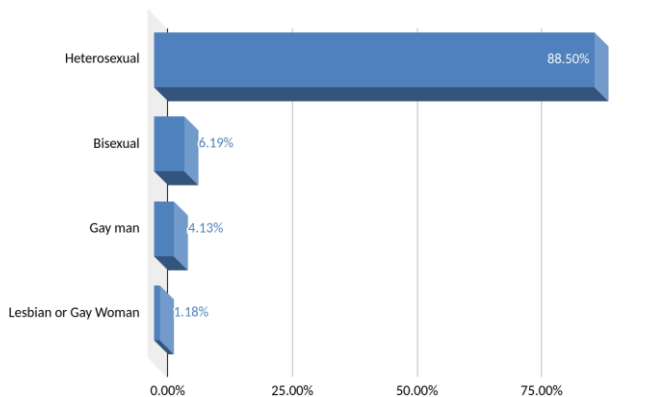
## Religion analysis



As the graph shows, the highest proportion of respondents **48% (188)** said they were Christian, followed by Muslim 18% (74).

## Graph 10: Base (411)

## Sexuality analysis



As the graph shows, **89% (300)** of the respondents said they were heterosexual, followed by 6% (21) stating that they were a Gay man.

## Graph 11: Base (339)

## CONCLUSION

The majority of the respondents to the self-completion questionnaire were very supportive of the proposed changes to the Council Tax Reduction Scheme.

The majority of respondents, **73% (322)**, **agreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

The majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27% (7) chose the other option, which included responses such as retired and pensioner

The majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.

Respondents that left comments supporting the proposal alluded to the fact that the increased support would make council tax more affordable and make it easier for them to balance other expenses. There was also a recurring theme that the support doesn't quite go far enough and should be lower than the proposed 15%.

There was a feeling that the Council should be exploring other options to raising the monetary shortfall rather than implementing the CTRS proposals. Some suggestions included increasing Council Tax levels so that more affluent residents can share the financial burden.

There was a feeling amongst those unsupportive of the proposal that the support shouldn't be limited to CTRS recipients, as there are many people also struggling to pay their council tax bills.

The results of the consultation in addition to other information will be considered and the draft Local Council Tax Reduction Scheme will be reviewed in the light of the feedback received. If the draft scheme is approved, the implementation will be in place in April 2020.