

## Consultation Summary

This document sets out the response to the consultation about the possible changes to CTR from 1<sup>st</sup> April 2017.

It provides the numerical responses to the questions about whether those people that responded Agreed, Disagree or did not know about a possible change. It also provides a breakdown of the comments made about each issue.

Formal consultation was undertaken between 21<sup>st</sup> September and the 1<sup>st</sup> November. The consultation was open to anyone to respond to but all working age recipients who would be affected by any of the possible changes set out in the draft scheme were written to and invited to respond. The consultation was promoted through community and voluntary sector and advice agency networks; on social media; through press releases; and, via front line staff who work with people who claim CTR.

## Consultation overview

The consultation asked the following questions:

### Part A

- **The taper rate for CTR will change from 20% to 25%**

Q1. Do you agree or disagree with the proposal to change the taper rate from 20% to 25%?

Q2. Is there anything we haven't considered or any further comments you'd like to make about the proposal to change the taper rate?

### Part B

- **CTR will pay up to maximum of 80% of Band B**

Q3. Do you agree or disagree with the proposal that CTR will pay up to a maximum of 80% of Band D?

Q4. Is there anything we haven't considered or any further comments you'd like to make about the proposal to pay up to a maximum of 80% of band D?

### Part C

- **CTR will have a minimum amount of £5 per week**

Q5. Do you agree with the proposal that CTR will have a minimum amount of £5 per week?

Q6. Is there anything we haven't considered or any further comments you'd like to make about the proposal to set a minimum amount of CTR?

- **General**

Q7. Is there anything we haven't considered or any further comments you'd like to make about these ideas to reduce the cost of the scheme?

## Responses to questions

### Q1. Do you agree or disagree with the proposal to change the taper rate from 20% to 25%?

		Frequency	Percent	Valid Percent
Valid	Definitely agree	21	25.9	27.6
	Tend to agree	14	17.3	18.4
	Tend to disagree	8	9.9	10.5
	Definitely disagree	33	40.7	43.4
	Total	76	93.8	100.0
Missing	Don't know / not sure	5	6.2	
Total		81	100.0	

### Q2. Is there anything we haven't considered or any further comments you'd like to make about the proposal to change the taper rate?

1. Of the replies to this question 19 set out problems that they felt it would cause with issues around cost and standard of living.
  - 1.1. 11 replies set out concerns that this proposal would act as a disincentive for people to work because their CTR would reduce faster as they earned more.
  - 1.2. 5 comments focussed on the impact the change would have in terms of worsening financial hardship and that people would not be able to afford to pay.
  - 1.3. 3 comments reflected that there has been no increases in benefits to help with affordability; that in conjunction with other measures to benefits it will make things tougher; and, that the increases in the proposed measure is higher than inflation.
  
2. Of the replies to the question 10 were about concerns about the impacts on specific groups and the overall impact of the measure.
  - 2.1. 6 replies set concerns about the impact on specific groups including: disabled people; pensioners\*; families affected by the Benefits Cap; and, people on a low income.
  - 2.2. 4 comments focussed on the risk of increased stress and general wellbeing; the risk to mental health; and, the risk of suicide.
 

\*(Pensioners would not be affected by these provisions. CTR for pensioners is governed by national rules).
  
3. Of the replies to the question 8 were about issues people felt there would be with the administration of the scheme and the unintended consequences of the change.
  - 3.1. 2 replies set out that they thought the scheme would be complicated to administer

- 3.2. 2 replies focussed on communication including that this would be hard to explain and is not transparent so would be hard to understand.
  - 3.3. 4 comments reflected on the financial impact of the scheme including that: It could result in a lower collection rate; that is will cost the council more in the long term; that it will cost the health service more money due to increase in service demand; and, that it is a false economy.
4. Of the replies to the question 7 were about alternatives to the possible change.
- 4.1. 4 replies suggested other groups should pay more including: increasing charges for higher bands; increasing charges for higher earners; that households with spare rooms should pay more; that people with empty properties should pay more.
  - 4.2. 1 comment suggested the taper should mirror income tax rates.
  - 4.3. 1 comment suggested the mayor should take a pay cut.
  - 4.4. 1 comment stated Just don't.
5. 2 replies were in favour of the measure or thought it should be increased above £0.25.
- 5.1. 1 reply suggested the taper should be set at £0.35p.
  - 5.2. 1 reply stated that living in the city is a privilege and paying for that is a must for all people who earn money from any source.

**Q3. Do you agree or disagree with the proposal that CTR will pay up to a maximum of 80% of Band D?**

		Frequency	Percent	Valid Percent
Valid	Definitely agree	23	28.4	29.5
	Tend to agree	25	30.9	32.1
	Tend to disagree	13	16.0	16.7
	Definitely disagree	17	21.0	21.8
	Total	78	96.3	100.0
Missing	Don't know / not sure	3	3.7	
Total		81	100.0	

**Q4. Is there anything we haven't considered or any further comments you'd like to make about the proposal to pay up to a maximum of 80% of band D.**

6. Of the replies to this question 10 set out problems that they felt it would cause with the standard and cost of living.
- 6.1. 5 comments were around increased financial hardship including: that it would be unaffordable and increase poverty; that it would increase charges for people on low incomes; and, that it would act as a disincentive to work.

- 6.2. 5 comments were concerned with relating the charge to the size of property rather than income. This included that: the measure could be punitive on a small number of people; that Council Tax bandings are not an accurate reflection on a person's ability to pay; that it would affect people regardless of income; and, that it affects fewer people but they would have to pay more.
7. Of the replies to this question 5 raised concerns about specific groups.
  - 7.1. 2 replies raised the issue that people affected by the Benefit Cap may also be affected.
  - 7.2. 1 reply suggested larger households were more likely to have children in them.
  - 7.3. 1 reply concerned people being unable to move due to having properties in trust.
  - 7.4. 1 reply was concerned that no caveats had been built in for vulnerable groups.
8. Of the replies to this question 5 focussed on issues around moving or housing.
  - 8.1. 2 replies suggested people in larger properties could sublet or downsize.
  - 8.2. 2 replies focused on moving and included; families could move to smaller properties; and, that families face barriers to moving.
  - 8.3. 1 reply highlighted what they felt would be an increased risk of homelessness.
9. Of the replies to this question 9 suggested alternatives or adjustments to the possible change.
  - 9.1. 7 replies suggested raising income through other means including: taxing pensioners more; taxing richer people more; taxing tourists; that households with 2 incomes or more should pay more.
  - 9.2. 3 replies suggested adjustments to the proposals including: that the amount due should depend on the number of occupiers rather than the size of the property; that there should be discretionary relief for people in large properties where a room is used for equipment to support disabled people and, that there should be a 13 or 26 week protection period for people who newly claim CTR.
  - 9.3. 1 reply suggested the council should work with people who own empty properties so they can be leased for rent.
10. Of the replies to this question 3 focused on the reductions to the cost of the scheme of this possible change and issues around administration.
  - 10.1. 3 replies suggested the reductions in the cost to the scheme would be limited for reasons including: that it is pensioners who tend to live in higher banded properties so the impact will be limit; that increased collection costs could offset savings; that increased applications to Discretionary Council Tax Reduction could offset savings.
11. Of the replies to this question 4 were in favour of the possible change or thought it should be taken further.
  - 11.1. 2 replies suggested that anyone living in a band D property should not need CTR.

11.2. 1 reply suggested CTR should be limited to 50% of band D.

11.3. 1 reply stated they thought the idea made sense.

**Q5. Do you agree or disagree with the proposal that CTR will have a minimum amount of £5 per week?**

		Frequency	Percent	Valid Percent
Valid	Definitely agree	24	29.6	30.4
	Tend to agree	14	17.3	17.7
	Tend to disagree	11	13.6	13.9
	Definitely disagree	30	37.0	38.0
	Total	79	97.5	100.0
Missing	Don't know / not sure	2	2.5	
Total		81	100.0	

**Q6. Is there anything we haven't considered or any further comments you'd like to make about the proposal to set a minimum amount of CTR?**

12. Of the replies to this question 12 focussed on the problems they felt it would have on the standard and cost of living.

12.1. 8 replies focussed on the potential for this possible change to impact on financial hardship including; that it would increase hardship; and, that £5 per week or £260 per year would be too much.

12.2. 3 replies focussed on interactions with other measures which could increase financial difficulty including: that the interaction with the Taper rate proposal will exacerbate the impact of this measure; and, that it will make it hard for people struggling with Local Housing Allowance freezes and other rising costs.

12.3. 1 reply said that people would become indebted to the council as a result of this change.

13. Of the replies to this question 10 suggested alternatives or adjustments.

13.1. 3 replies were in favour of making the minimum amount higher including; that the minimum amount should be £10; that it should be more than £5 per week; and, that the approach should be tougher.

13.2. 2 replies suggested the minimum amount should be less including; that the minimum amount should be set at £2.30; and, that the minimum amount should be £5 per month

13.3. 1 reply stated they felt there should be no minimum amount.

13.4. 1 reply suggested the measure should apply to pensioners.

13.5. 1 reply suggested there should be safeguards in place for people on zero hour contracts.

13.6. 1 reply suggested an empty properties scheme should be considered instead.

13.7. 1 reply suggested a minimum amount should be set on a case by case basis.

14. Of the replies to this question 8 highlighted the specific concerns with the way the scheme would work under this measure.
  - 14.1. 5 replies focussed that this measure would also exclude people from being able to apply for Discretionary Council Tax Reduction because of the requirement in that scheme to have an entitlement to standard CTR to qualify.
  - 14.2. 2 people highlighted that this measure could create a cliff edge reduction in income where a small increase in earnings could result in a larger drop in CTR.
  - 14.3. 1 reply focussed on the point that this measure effectively does away with the means testing aspect of the scheme for the people who would be affected.
  
15. Of the replies to this question 2 focussed on the administrative impacts the change may have
  - 15.1. 1 reply said it would create extra work for benefits staff.
  - 15.2. 1 reply said that it would increase collection costs to the council which will reduce the savings made.

**Q7 Is there anything we haven't considered or any further comments you'd like to make about these ideas to reduce the cost of the scheme?**

16. Of the replies to this question 23 suggested alternatives or adjustments.
  - 16.1. 16 replies suggested alternative ideas for raising revenues, these included: that Council Tax is increased to cover the deficit; that people who can afford it should pay more; that more should be charged for refuse collection, recycling, business charges etc; that CTR should pay up to 75% not 80% of liability; that nudge theory should be used to increase collection; that backdating of CTR should be limited to one month; that properties should be re-banded with more realistic property values; that only pensioners on Pension Credit should be exempt from other CTR measures; that people in expensive properties should be charged more; that empty properties should be taxed more; that the Council Tax base should be increased overall; and, that using the money from the i360 should be used to pay for CTR.
  - 16.2. 7 replies concerned other suggested adjustments or clarifications of the scheme including: that hardship should be avoided by considering cases on an individual basis; that more innovative solutions are needed to support the most needy, eg multiple support bands and tapers; that income should be based on everyone at the property and cross referenced with HMRC records; that pensioners and disabled people with no savings should not have to pay CTR; that if people had paid Council Tax for 5-10 years then they should be able to expect to get help; that the terms of payment for the discretionary scheme needed greater clarity; that changes to the taper should be introduced slowly to give security during a new job;
  
17. Of the replies to this question 16 raised issues relating to the cost or standard of living.

- 17.1. 10 replies focussed on issues of financial hardship including: that the changes penalise the poorest; that the changes are a disincentive to work; that the council needs to be sure it will not increase homelessness; that the change would increase hardship; that the changes would penalise disabled people.
  - 17.2. 6 replies related to the broader context in which these possible changes would be happening including; that services that provide support with advice or around issues of DLA or PIP are being reduced; that schools and transport are in dire straights and are increasing pressure on families; that it was not fair to carers who cannot work; that some people had no choice over which accommodation they live in; and, that there is no extra income, no help with respite or childcare.
18. Of the replies 15 raised general issues relating to the scheme.
- 18.1. 3 replies were generally in favour of the possible changes including; that they suggested it was a fair scheme; that more people should contribute to CTR; that the scheme would increase revenue.
  - 18.2. 3 replies raised concern how much CTR is paid including: that benefit fraud is not taken seriously enough and that councillors should stand up for people who live within their means; that as long as people on CTR smoke or have tattoos then the scheme is too generous; that people who do not want to work should not be helped at all.
  - 18.3. 2 replies concerned the levels of savings these possible changes would make including: that the level of savings were insignificant; that the cost of administering the changes will limit the effectiveness of the savings.
  - 18.4. 1 reply emphasised they completely disagreed with the proposal to change the Taper.
  - 18.5. 1 reply suggested the consultation related to the possible changes was no more than a PR exercise.
  - 18.6. 5 replies which raised other issues including; that people on CTR do not know how much Council Tax for 2017/18 is going to be yet; that they hold the government responsible for the changes not BHCC; that they did not know what the council could do whilst the government was sticking to austerity; that people who own their homes and are on JSA should get help with repairs; that people who are entitled to CTR must be paid.