

# Council Tax Reduction Consultation 2016/17 summary

**Have you or someone in your household received Council Tax Reduction in the last two years?**

		Frequency	Percent	Valid Percent
Valid	Yes	128	56.4	58.4
	No	91	40.1	41.6
	Total	219	96.5	100.0
Missing	No response	5	2.2	
	Don't know / not sure	3	1.3	
	Total	8	3.5	
Total		227	100.0	

**Do you support or work with someone/people who claim Council Tax Reduction?**

		Frequency	Percent	Valid Percent
Valid	Yes	35	15.4	18.2
	No	157	69.2	81.8
	Total	192	84.6	100.0
Missing	No response	16	7.0	
	Don't know / not sure	19	8.4	
	Total	35	15.4	
Total		227	100.0	

# Feedback on the current scheme

**Q1. Please tell us if you have any feedback on the current scheme, how it has been operating, and what it has meant for people in the city.**

**Three quarters of respondents made comments (173 respondents, 76%)**

1. Of the replies to this question 125 comments set out general problems that people had with the scheme and issues that they felt it caused.
  - 1.1. 106 replies included views, that; people on benefits and vulnerable people should be exempt from paying Council Tax; that it was unclear where people would find the money to pay, may face debt and may have to cut back on food and fuel or face and use foodbanks; that it's unfair; that other benefits are worked out assuming CT would be paid and had gone down or had been frozen; that the changes could lead to stress and depression; that high rents in the City exacerbate the issue; that the proposed increase is too high; that it should be referred to the fairness commission; that travel is a struggle; that people may resort to crime; that it could cause a revolution; that services don't improve as payments go up; that direct debits are hard to manage; that recovery is ruthless; and, that a person had to get the money to pay their CT as a birthday present from their family.
  - 1.2. 13 comments focussed on the impact on disabled people including the impact of the reduction in capital limits; that people with carers and adaptations to their property should not pay; and, that the scheme does not discriminate between people who can work and those who cannot
  - 1.3. 6 comments focussed specifically on the impact on families with children including the reduction in capital limits; the impact of school related expenses; and, problems with providing food.
2. Of the replies to the question 43 comments were about the amounts people had to pay or alternatives to the current CTR scheme
  - 2.1. 26 comments suggested that Council Tax should be changed so better off people paid more and that poor people pay less than at present
  - 2.2. 9 people said that the 15% minimum contribution was too high, or that it should be 8.5% or that there should be no further increase

- 2.3. 5 comments said the scheme would create costs for other services or increase the cost of collection
- 2.4. 3 comments referred to broader economic issues, that; support for ordinary people in a recession stimulates growth; that taking tax from people who rely on income derived from tax does not make sense; and, that the scheme created a false economy
- 3. 27 comments were from people who thought the current scheme was fair; that they agree with how the discretionary scheme works; that the principle everyone pays is good; that the reduction in capital limits is fair; that 15% was affordable (with concern expressed should it increase); and that a recipient likes to contribute.
- 4. 18 comments set out alternatives to how the scheme currently operates.
  - 4.1. 7 comments suggested specific changes including; looking at everyone’s background; bringing capital limit down to £3,000 or £5,000; that there should be no transitional protection; that extended payments should not be 6 weeks; that pensioners should not be exempt and that different age ranges should receive different amounts; and, that CTR should become a loan which is paid back once someone goes back to work.
  - 4.2. 7 comments suggested other ways of saving or raising money including; using parking revenue; reducing the CEOs salary; cutting councillors allowances and support staff; not paying for travellers; selling shops and cafes owned by the council; ending large expensive services like Hove library; don’t pay the EU; increase corporation tax; charge students; and, charge landlords;
  - 4.3. 4 people suggested the council should fight back against the government
  - 4.4. 1 person suggested DHP information should be given to everyone.
- 5. Other comments included 2 which were critical of the administration, 2 who said they did not understand it; and, 2 that said CT was too high for everyone.

## A. Proposal to increase minimum contribution to 25%

**Q2a. How much do you agree or disagree with the proposal to set the minimum contribution at 25%?**

		Frequency	Percent	Valid Percent
Valid	Definitely agree	15	6.6	6.9
	Tend to agree	14	6.2	6.4
	Tend to disagree	22	9.7	10.1
	Definitely disagree	167	73.6	76.6
	Total	218	96.0	100.0
Missing	No response	8	3.5	

Don't know / not sure	1	.4
Total	9	4.0
Total	227	100.0

If tend to disagree or definitely disagree > Q2b

**Q2b. What do you think should be the minimum contribution that someone in receipt Council Tax Reduction (CTR) should make?**

	Frequency	Percent	Valid Percent
Valid			
0% - no minimum contribution	107	47.1	60.8
15%	43	18.9	24.4
20%	9	4.0	5.1
Other	17	7.5	9.7
Total	176	77.5	100.0
Missing			
No response	13	5.7	
No response expected	38	16.7	
Total	51	22.5	
Total	227	100.0	

**Other' minimum contribution**

5%	2
5-10%	1
5% maximum if disabled	1
6%	1
8.5% i e no change	1
40%	1
If totally disabled with no other income except benefits the amount should be 0%	1
means tested	1
more circumstances should be taken into consideration	1
Per person not per household	1
Don't Know	2
No response	4

**Note:** Regardless of the response to question 2a, nearly a half of all respondents (107 people, 47%) thought that there should be no minimum contribution and nearly three quarters (164 people, 72%) thought the contribution should be lower than the proposed 25%.

**Q3. Is there anything we haven't considered or any further comments you'd like to make about the minimum contribution and the council's proposal to set it at 25%.**

**Those who responded 'definitely agree' or 'tend to agree' to Proposal A (13 respondents out of 29 made comments)**

6. Of the people who agreed with this proposal 6 commented that the scheme was fair and reasonable (with one adding so long as the discretionary scheme existed); 2 comments said 25% was too low; 2 suggested the changes should be implemented more gradually; 2 suggested that the scheme should take account of different circumstances and be means tested; and, 1 suggested that the council should work to stabilise rents in the City.

**Q3. Is there anything we haven't considered or any further comments you'd like to make about the minimum contribution and the council's proposal to set it at 25%.**

**Those who responded 'definitely disagree' or 'tend to disagree' to Proposal A (153 respondents out of 189 made comments)**

7. Of the comments made in this section 134 set out concerns with the proposal to increase the minimum contribution to 25%

- 7.1. 79 comments concerned general problems with the proposal, these included; Where will people get the money to pay?; that people on benefits should not have to pay; that people are struggling and this will lead to strain and costs and problems with heating, food and rent; that benefits are supposed to be set at minimum levels; that the change is unfair/disgusting; that it will add to poverty; that it could cause negative mental health issues, suicide; that other benefits have been reduced or frozen; that people already find 15% high and this is too much of a jump; that people will rely on pay day loans and food banks and that discretionary funds (the Local Discretionary Social Fund ) will not cope; that it's stupid; that hard working people will be hit; that people may become criminalised; that cuts to other services make it worse; that the council should look after the vulnerable; that 25% is too high; that it affects the poorest and most vulnerable; that it's a breach of human rights; that this isn't central governments idea; that no other bill has tripled in three years;

that a person earning £114 pw cannot afford it; that other council costs are rising; and that if people are too poor they will not be able support the wider economy.

- 7.2. 24 comments concerned equalities issues and how the proposal aligned with council priorities around reducing inequality; the fairness commission and the council's anti-poverty strategy.
  - 7.3. 21 comments concerned the impacts on disabled people including that; disabled people should not pay; that it's difficult for carers; that disabled people are unable to find work as an alternative; that other welfare reforms are also having an impact; and, that every extra penny spent on Council Tax is a penny less spent on care.
  - 7.4. 5 comment concerned the impact the changes could have on families and children
  - 7.5. 5 comments suggested that the changes could have consequences including homelessness and impacts on the health service.
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8. 71 comments suggested alternatives ways of raising money or reducing costs so reductions from CTR would not be needed.
    - 8.1. 45 comments suggested increasing Council Tax for better off people, including; a general increase (and an increase in subsidies for CTR); re-evaluation of bandings; raising CT for properties over £750,000
    - 8.2. 41 comments suggested other ways the council could reduce costs or raise money; these included; increasing council efficiency; borrowing money or using reserves; use and keep better track of parking payments (£3.3million); reduce councillor expenses/pensions; avoid large payoffs and remove the gravy train; staff libraries with volunteers; cap council salaries at £70,000; charge two people living in a flat 75% Council Tax each; stop money going to the EU; charge students; that the council shouldn't have funded the i360; not to spend money on travellers; close tax loop holes; means test pensioners; charge landlords; stop non-necessary projects
    - 8.3. 8 comments said the council should challenge the government
    - 8.4. 5 people said they would be willing to pay more CT or pay a voluntary contribution, or to volunteer time to reduce costs and suggested others might too.
    - 8.5. 5 people suggested the rate should be set at 15%
    - 8.6. 4 people suggested the rate should be set at 20%
    - 8.7. 2 people looked at Brighton and Hove in a regional context, one suggestion was that it should be treated the same as London, for example it should be subject to the £20,000 benefit cap, not the £23,000 benefit cap. The other comment said the city should try to become regionally autonomous like the Northern Powerhouse.
    - 8.8. 1 person suggested the scheme rate should be increase to 40% but the discretionary scheme increased
    - 8.9. 1 person said that making changes is not a necessity and that there were choices.
  9. 16 comments made practical suggestions about how the scheme works, including; that where people live should be taken into account; that money should be taken straight from other benefits; that it should be taken over 12 months not 10; that blanket increases are not fair and

that people in different circumstances should pay different amounts; that CTR should be a loan; why not go to 48% now?; that the council should expect lower collection rates and higher costs; that services must be maintained and that if people are too poor they cannot support the wider economy

## B. Proposal to limit the increase any household will see as a result of the increases in B to £3.50

**Q4. Do you agree or disagree with the proposal to limit the increase in Council Tax current CTR claimants have to pay to £3.50 per week as a result of the changes in Proposal A?**

		Frequency	Percent	Valid Percent
Valid	Definitely agree	39	17.2	20.6
	Tend to agree	37	16.3	19.6
	Tend to disagree	13	5.7	6.9
	Definitely disagree	100	44.1	52.9
	Total	189	83.3	100.0
Missing	No response	9	4.0	
	Don't know / not sure	29	12.8	
	Total	38	16.7	
Total		227	100.0	

**Q5. Is there anything we haven't considered or any further comments you'd like to make about the proposal to limit the Council Tax increase as a result of the changes set out in Proposal A to £3.50 per week for current claimants?**

**Those who responded 'definitely agree' or 'tend to agree' to Proposal B (31 respondents out of 76 made comments)**

- Of the people who agreed with this proposal 13 comments suggested the changes will create further hardship for people on low income or benefits; 9 people said CTR should be based on a persons income; 4 people said the rate should be frozen at 25%; 3 people said it reasonable or affordable; 2 people said disabled people should be exempt; 2 people said it should only increase if benefits do as well; 2 said larger families would not be able to afford the increase; 1 person said the council expenses should be managed better; 1 person said better off households

should pay for poorer ones; 1 person said everyone should have a family size they can afford; 1 person said council tax and rent should be increased for 2 years; 1 person said it was unfair to people with mental health issues and 1 person was critical of the administration.

**Those who responded 'definitely disagree' or 'tend to disagree' to Proposal B (70 respondents out of 113 made comments)**

11. 46 comments set out concerns with the proposals

11.1. 33 comments concerned general criticisms including; that no increase in contribution to CTR should be made; that it is unaffordable to people on benefits and they need that money to eat, £3.50 is a meal and is a high percentage of income; that this measure could push vulnerable people over the edge; that the council should show compassion; that it should not be higher than £3.50; being British means believing in fairness; that it's too high; that it should reflect the 2% increase others pay; that cuts for in work benefits and high numbers of migrants make it difficult for single people

11.2. 6 comments were concerned about the impacts on families and young people

11.3. 6 comments were concerned about the impacts on disabled people and carers

12. 14 respondents suggested alternatives including; setting the maximum increase at £2.80 or £3; increasing benefits; that the rate should be based on peoples earnings; that the council should find another way or money from elsewhere; that Council Tax should be increased (with a decreased CTR contribution); that Council Tax should be scrapped and replaced with a land value tax; a new tax should be introduced for houses worth over £1million; use the money from parking charges; increase business rates; and, that people should have a family size they can afford to support (with discretionary fund used in cases of exceptional hardship)

13. 3 comments suggested collection costs would increase

14. 2 comments agreed that the amount was affordable; that it was less than a packet of cigarettes and that whilst the increase in contribution was good that the design was unfair.

**Those who responded 'don't know / not sure or did not respond' to Proposal B (18 respondents out of 38 made comments)**

15. 11 comments concerned general criticisms including; that people on a low income should make no contribution at all; that the proposal contradicts the council's anti-poverty strategy; that it isn't realistic; that any limit to £3.50 is academic; that a person felt suicidal with all their expenses.

16. 5 people suggested alternatives including; limiting the amount to £10 per month; increasing business rates; giving free bus travel; that the rich should pay for the poor; and, that people should pay less contribution not more

17. 2 comments were in agreement with the proposal; 1 said it is not a lot, I will try and pay it; 1 said £3.50 should be the maximum increase.

## C. Proposal to remove the Family Premium

### Q6. Do you agree or disagree with the proposal to remove the family premium?

		Frequency	Percent	Valid Percent
Valid	Definitely agree	21	9.3	12.0
	Tend to agree	16	7.0	9.1
	Tend to disagree	18	7.9	10.3
	Definitely disagree	120	52.9	68.6
	Total	175	77.1	100.0
Missing	No response	14	6.2	
	Don't know / not sure	38	16.7	
	Total	52	22.9	
Total		227	100.0	

<b>Q7. Which of the other national changes which could prevent council cost associated to Council Tax Reduction scheme (CTR) increasing do you think the council should adopt</b>	<b>Yes</b>	<b>As a percentage of all respondents</b>
Reduce the amount of money from earnings which is disregarded before it is counted for CTR	34	15
Limit benefit payments to the amounts for a family with two children	38	17
Increase the rate at which CTR is withdrawn as people start to earn more	67	30

**Q8. Is there anything we haven't considered or any further comments you'd like to make about reducing the impact of national changes on the CTR scheme in Brighton & Hove and the proposal to remove the family premium? (84 respondents out of a total of 227 made comments)**

18. 70 comments set out concerns with the proposal including; the cumulative impact of welfare reforms on people; negative impact on the health and well being of people and increased take up of foodbanks; the impact on helping people back to work; that CTR should not be reduced; that is discriminates against poor parents and children; that the council is not supporting its citizens; that it will increase child poverty; that the proposals only consider cost; and, that taxes shouldn't be increased for the poor.

19. 32 comments suggested alternatives to the proposal including; increasing Council Tax (or increase Council Tax bands in line with property prices); better off citizens should pay more; charge landlords more; charge people with second homes more; Remove single person discounts for better off households; increase business rates; challenge the government; stop paying for the i360; stop paying for council pensions; cut managers in the council; stop spending on cycle lanes; non-dependents who earn should pay more; CTR should be reduced; and, stop paying for immigrants.
20. 8 other comments were made including criticism of the administration; arguing that changes to other schemes are not a good reason to make changes to CTR; that the council should mirror other changes; move extra funding to discretionary funds allows council to 'blow its own trumpet'; if families earn more they should get less CTR; It's peoples own responsibility to pay for their children; and, that it's fair that people act responsibly as many hardworking people are struggling with bills.

**Q9. Do you agree or disagree with the proposal to increase extended payments from four to six weeks?**

		Frequency	Percent	Valid Percent
Valid	Definitely agree	90	39.6	53.3
	Tend to agree	37	16.3	21.9
	Tend to disagree	16	7.0	9.5
	Definitely disagree	26	11.5	15.4
	Total	169	74.4	100.0
Missing	No response	28	12.3	
	Don't know / not sure	30	13.2	
	Total	58	25.6	
Total		227	100.0	

<b>Do you think that the council should introduce either of the schemes, described above, to help incentivise people into work who are currently in receipt of CTR?</b>	<b>Yes</b>	<b>As a percentage of all respondents</b>
Increase the amount people can earn before it is counted for CTR by £5 per week	97	42.7
Provide advice and guidance about employment and moving into work to recipients of CTR	80	35.2

**Q11. Is there anything we haven't considered or any further comments you'd like to make about incentivising work? (80 respondents out of 227 made comments)**

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21. 54 comments set out concerns with proposal

- 21.1. 24 comments concerned employment and the council's role in helping people with employment including; that it is the job of the Job Centre to help people to work, not the council; that people shouldn't be pushed into work; that there are no jobs out there; that zero hour contracts should be banned; that fair wages should be paid so that people don't require benefits; that rents should be capped and that service charges in ex-council properties are too high; and that people do not require an incentive to work.
- 21.2. 16 comments concerned the overall proposed changes to the scheme and concerns that it will create hardship for the people affected.
- 21.3. 9 comments concerned the impact on disabled people; that the disregard should be £100 per week for disabled people once Universal Credit starts; and, that the council must accept that some people will never work.
- 21.4. 5 people commented that four weeks is long enough for extended payments and extending it by 2 weeks will not create an incentive to work.
- 21.5. 2 people said they were better off being unemployed than working.

22. 18 comments set out alternatives including; suggestions that Council Tax should be increased so better off people pay more and poor people less; that rents should be capped; that Council Tax should be collected over 12 months not 10; that the money should be spent on advice services instead; that Extended Payments should be a loan; and, that the council should lobby the government about these changes.

23. 6 people agreed with incentivising employment and a further 6 people made comments suggesting alternatives about what could be done to incentivise employment. These include; creating new jobs; creating training for CTR claimants; supporting CTR claimants into employment carefully; increasing the minimum wage; support for longer after employment; ensuring penalties are not used; pay the equivalent of one month's salary when employment starts; increase disregarded earnings; stopping people's benefits if they refuse to work.

## **Equalities**

The standard equalities questions were asked with the consultation but the replies to this area of the questionnaire were too low to draw any statistically significant conclusions.

