

## Public Consultation

The key issue throughout the consultation process was to make customers and stakeholders aware of the Government's funding cut in respect of what was formally Council Tax Benefit and that the original scheme principles and qualifying rules would be generally maintained.

The Government allowed some latitude to Local Authorities in developing their schemes and whilst the general scheme principles were to be maintained the opportunity was taken to look at any amendments that could be made in light of the Government's principles to incentivise work and protect the vulnerable.

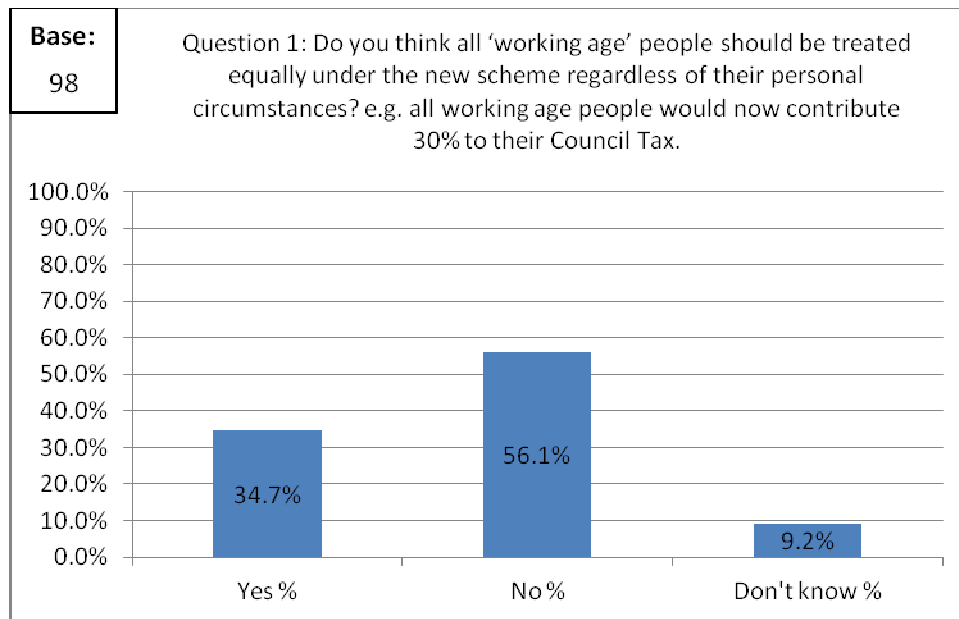
Each of the scheme areas reviewed are set out below along with feedback from the customer survey providing stakeholder views on the options. A recommendation is set out under each of the options.

The number of survey questionnaires returned by all respondents was 101 not all of these were CTS customers but even so the numbers only represent 1.55% of the current working age case load meaning that the responses are not statistically sound.

### **1. Do you think all Working Age customers should be treated equally under the new scheme regardless of their personal circumstances?**

This question was aimed at eliciting views as to whether the cut in benefit entitlement should be shared equally across the customer base. The current scheme that has been in place since the 1980's provides a sound basis for the council's new scheme from April 2013 and assesses entitlement based upon customers personal circumstances meaning that customers are not treated equally but that each customer's entitlement is based on their own personal circumstances.

The outcome of the survey was:



The stakeholder response supports the approach been taken in maintaining applicable amounts (The money a customer will require to live off depending upon their personal circumstances) that fairly reflect customers circumstances and that any reduction in benefit will be shared proportionally.

## **2. If not what exceptions do you think should apply?**

Other stakeholder comments included:

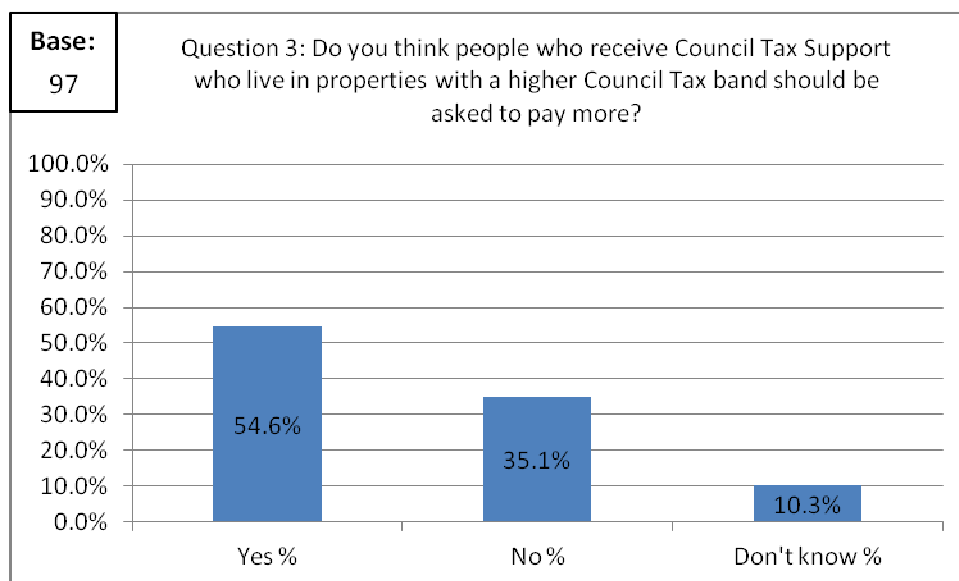
*In answering what exceptions should apply the most frequently mentioned issues were disability, unemployment, medical reasons. Others included personal circumstances, pensioners, ability to pay, low income, unable to work, carers, single parent and war pensioner.*

These circumstances are reflected in customer's applicable amounts and require no change to the proposed scheme.

## **3. Do you think people who receive Council Tax Support who live in properties with a higher council tax band should be asked to pay more?**

As well as York a number of local authorities have looked at limiting their schemes to Band D. This would mean that customers in bands E – G would only receive a maximum benefit entitlement equivalent to that of a band D customer.

Stakeholder feedback on this issue was:

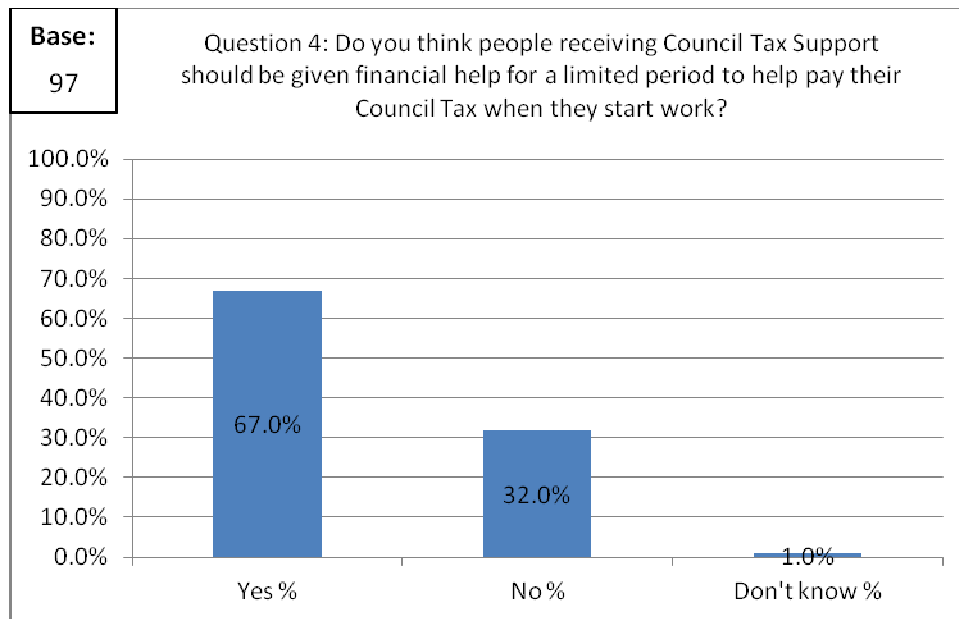


The additional liability from taking this approach would be approximately £88K affecting 130 customers. Approximately 40% of the customers in this category are one parent families and the effect of this change would be a cap of between 57% at Band E and 35% at Band G. The risk of collecting all or any of the money is unlikely given the level of the cap and that all are in receipt of benefit. The impact on one parent families and families would also impinge on Child Poverty. It is recommend that this approach is not taken as it will cause greater hardship to a small number of families, the on cost of dealing with issues that may arise as a result of this approach may be far greater than any additional revenue collected, and it would disqualify the council from the Governments transitional grant by taking at best 43% of benefit away and at worst 65%.

**4. Do you think people receiving Council Tax Support should be given financial help for a limited period to help pay their council tax when they start work?**

This support is currently provided within the existing scheme for a period of 4 weeks. It is aimed at incentivising customers receiving CTS to take up paid employment and is aligned with the Governments principle that we should encourage customers into employment. The savings associated with withdrawing this from the scheme will depend on how many customers enter work during 2013/14. The last full year figures (11/12) show this to cost a little under £35K.

Stakeholder feedback on this issue was:



Based upon the stakeholder feedback and continuing to support work incentives it is recommended that this is retained within the scheme.

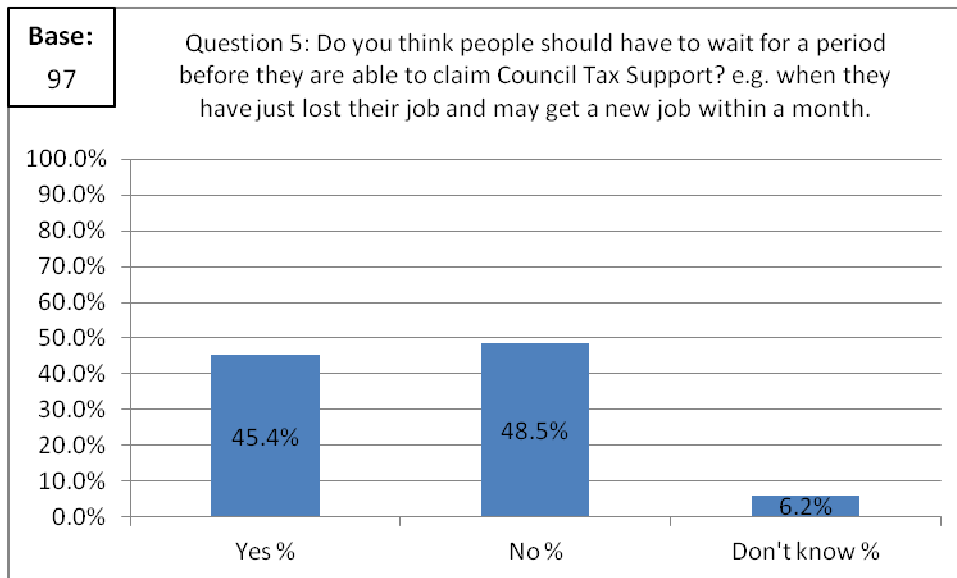
**5. Do you think people should have to wait for a period before they are able to claim Council Tax Support?**

This is aimed at reducing the cost of the scheme each year by making customers wait for a period before they become entitled for example four weeks after the date of claim. They would still be required to pay their full council tax during this period and the saving would fluctuate depending on the number of new customers in each financial year. The saving however would only be achieved if the customer was able pay their council tax in full during the waiting period.

Taking this approach would create an early divergence from Housing Benefit and possibly Universal Credit where entitlement is from the Monday following date of claim.

This could create hardship for new customers and there is no guarantee of the level of income that could be collected. It would also take us away from the mainstream benefits which could potentially create a challenge.

Stakeholder feedback on this issue was:

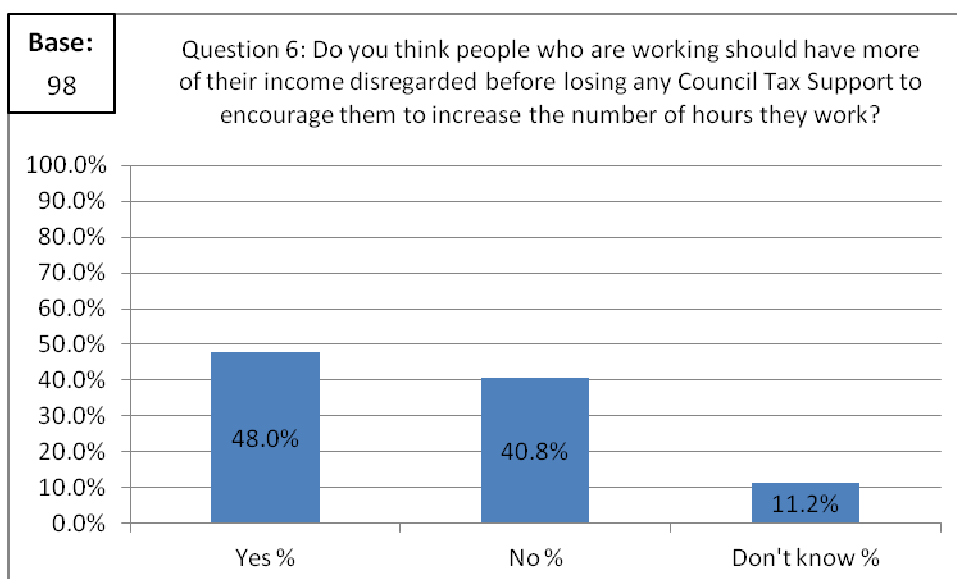


The recommendation is that the current scheme rules in respect of new claims are maintained and customers paid from the first Monday following date of claim.

**6 Do you think customers who are working on low income should have a greater amount of their income disregarded to encourage them to increase the number of hours they work?**

The Government is asking that local schemes look to incentivise work and this proposition would see customers retaining an additional £5 of their income. There is no supporting data that would indicate whether this would actually encourage customers to move into employment or increase their hours. The additional cost of making this change would be in the region of £70K per annum.

Stakeholder feedback on this issue was:



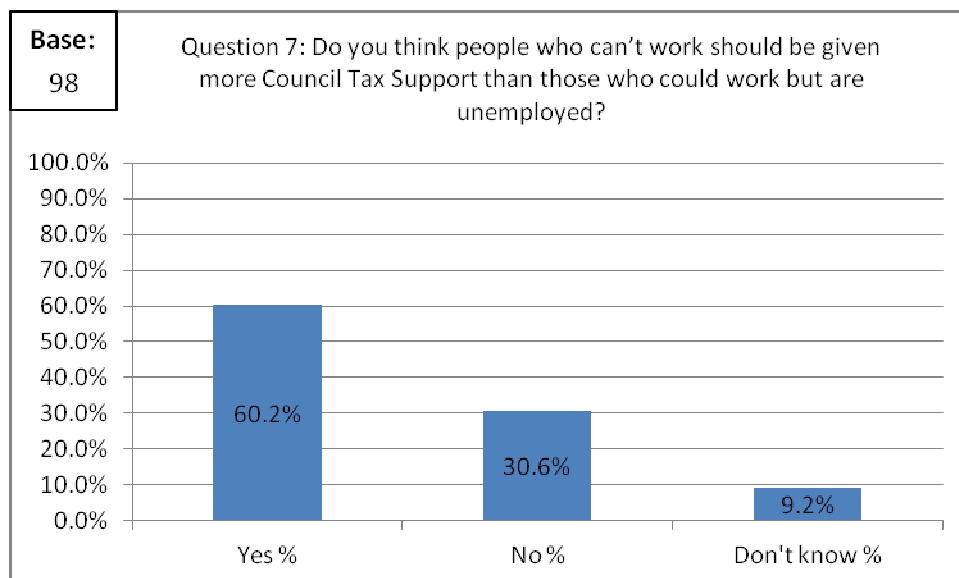
Adding additional scheme costs would penalise those customers who have less opportunity to move into paid work such as one parent families and the disabled. It is recommended that this is not adopted into the scheme for 2013/14.

### **7. Do you think that people who can't work should be given more support than those who could but are unemployed?**

This question explores the possibility of deliberately reducing the support provided to customers who can work in favour of those who can't. There are a number of key considerations associated with this option. The main ones are what opportunities there are for customers to move into work (Local job vacancies).

This would potentially create greater financial hardship for certain customers such as single people who receive the lowest amount of income and have the lowest Applicable Amounts.

Stakeholder feedback on this issue was:



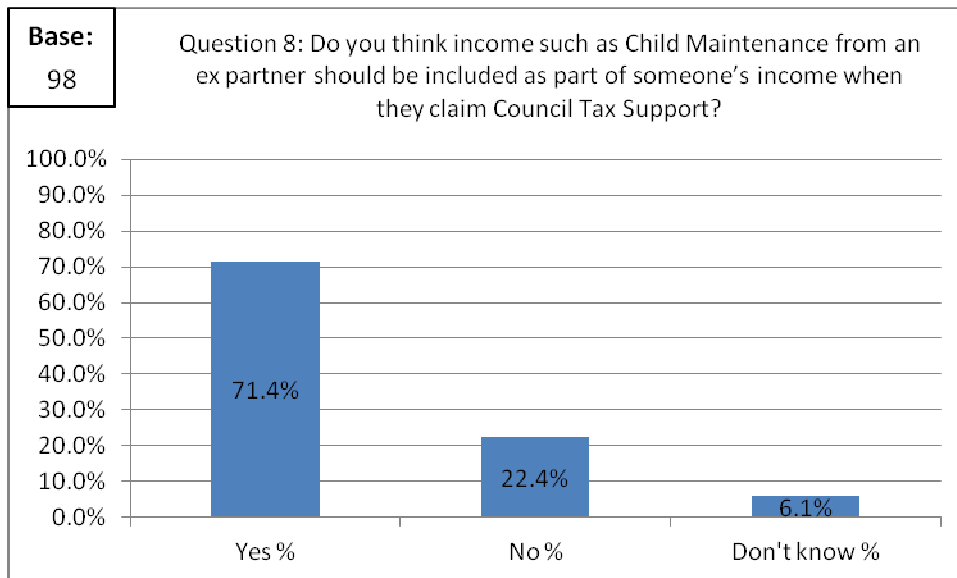
Any additional support would have to be paid from the additional reduction in benefit passed to those customers who it was deemed had greater opportunity to work. As the current level of the benefits cut is in the region of 25% - 30% the likelihood of generating additional income above this level is remote. It is recommended not to adopt this into the scheme in 2013/14.

### **8. Do you think income such as Child Maintenance should be treated as income when making a claim?**

Child maintenance was until several years ago treated as income as part of the Governments Council Tax Benefit scheme. This question was seeking customers view as to whether this should be reintroduced. It is estimated that the additional liability generated from doing this would be in the region of £50K.

This will only affect one parent families but does not guarantee that they will be in the position to pay their additional council tax. Not all payments of maintenance are made or made on time and could create financial hardship. This may also impact on our responsibilities under the Child Poverty Act.

Stakeholder feedback on this issue was:



The likelihood of collecting the additional income and that the amount of additional liability been charged across the whole customer base will be collected in full is unlikely. Again this would move the scheme away from the current Housing Benefit and Universal Credit rules and may generate additional administrative costs. It is recommended that this change is not adopted in the 2013/14 scheme.

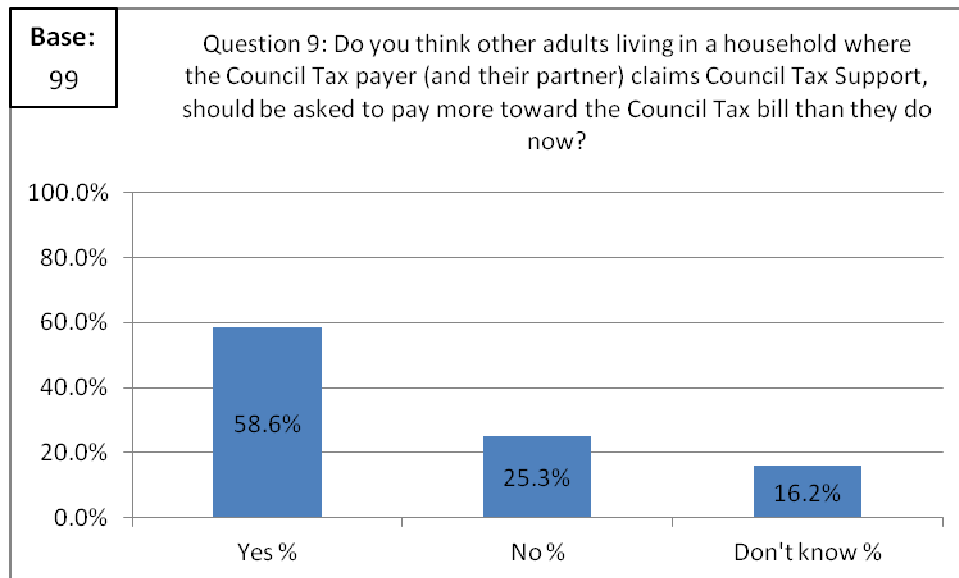
### **9. Do you think other adults living in a household where the council tax payer (and their partner) claims council tax support should be asked to pay more towards the bill than they currently do?**

This is commonly known as non-dependant deductions. There is little evidence that making any change would be beneficial as the council tax payer has to receive this money from the non-dependant. There are

various rates of non-dependant deduction and even harmonising them to a standard £5pw would not create any tangible saving.

Any fundamental change in non-dependant deductions would also disqualify the council from the Government's transitional grant.

Stakeholder feedback on this issue was:



It is recommended that this change is not adopted in 2013/14.

**10. Second adult rebate is currently given to people who are not entitled to council tax benefit based on their own income, but receive a rebate of up to 25% on their bill because they have other adults living with them who are on low income. Do you think people who receive this help should be asked to pay more under Council Tax support?**

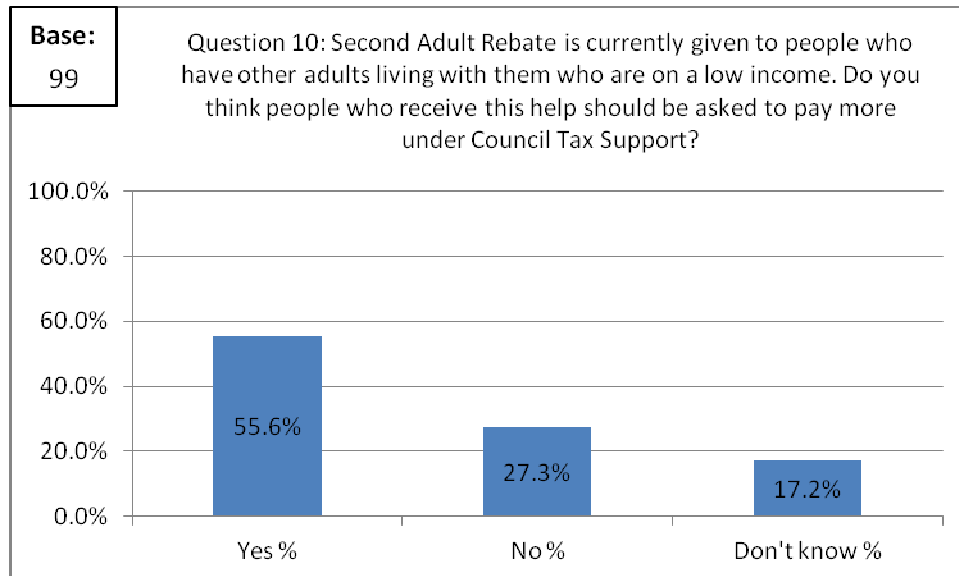
This is something of an anomalous rebate within the current scheme. It looks to compensate a single customer who has a second adult on low income living in their household and is therefore unable to claim a single person discount. If this element of the scheme is removed it would look to save in the region of £25K should the additional liability be collected in full. The second adult may be able to claim CTS in their own right but the household is currently better off claiming a second adult rebate when Benefits have made a 'betterbuy' calculation.

As most second adults are likely to claim in their own right it is not envisaged that there will be a great financial benefit. However it will remove an anomaly and help reduce administration. A majority of local authorities are looking to remove this element of the scheme but it is



possible that it will disqualify a council from the Governments transition grant.

Stakeholder feedback on this issue was:



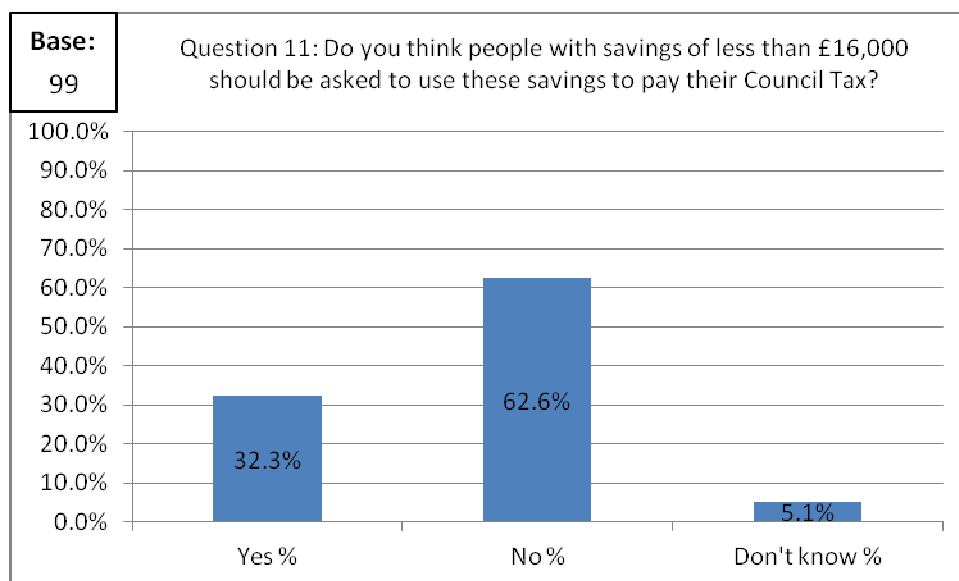
It is recommended that the Second Adult Rebate is removed from the scheme.

**11. Do you think people with savings of less than £16,000 should be asked to use these savings to pay their council tax?**

This is a standard consideration and where customers savings are already above £6,000 an element of their additional savings are taken into account. Changing this rule is unlikely to have any great financial benefit as few customers have this level of saving.

There are two additional considerations in respect of customers savings the first is that it would make sense to ensure that our capital rules reflect those currently in place with Housing Benefit and likely to be adopted in Universal Credit (UC). If we did not do this we may be in a position where we could not rely on UC data sharing and would create additional costly administration. The second is changing this rule would disqualify the council from the Governments Transitional Grant.

Stakeholder feedback on this issue was:



It is recommended that the capital rules remain unchanged.

**12. Do you think there are any groups of people in the community who would be affected more than others if everyone currently on benefit has to pay something towards their council tax?**

The respondents view on this was as set out below. The CIA in relation to the implementation of a Council Tax Support scheme is set out at Annex F:

*In answering what groups of people in the community who would be affected more than others if everyone currently on benefit has to pay something towards their Council Tax. Those who answered this question (54) almost half highlighted disabled people. Others identified included; low income families, those with medical issues, unemployed and lone householders.*

*Reasons they could be affected more included inability to work, higher costs associated with disability/medical needs, increasing cost of living.*

**13. The council has identified a few groups that may be affected by these changes and have listed them below. Please could you tell me whether you think these changes will have a medium or low impact as a result to the changes in council tax support?**

- **Families with children** – High or Medium (66% of responders)
- **Lone Parents** – High or Medium (75% of Responders)

- **Carers** – High or Medium (75% of Responders)
- **Part time and full time workers** – No comments received
- **People who are disabled** – High or Medium (85% of responders)
- **Single people and couples without children** – No comments received

**14. Why do you think the groups you have identified are affected more?**

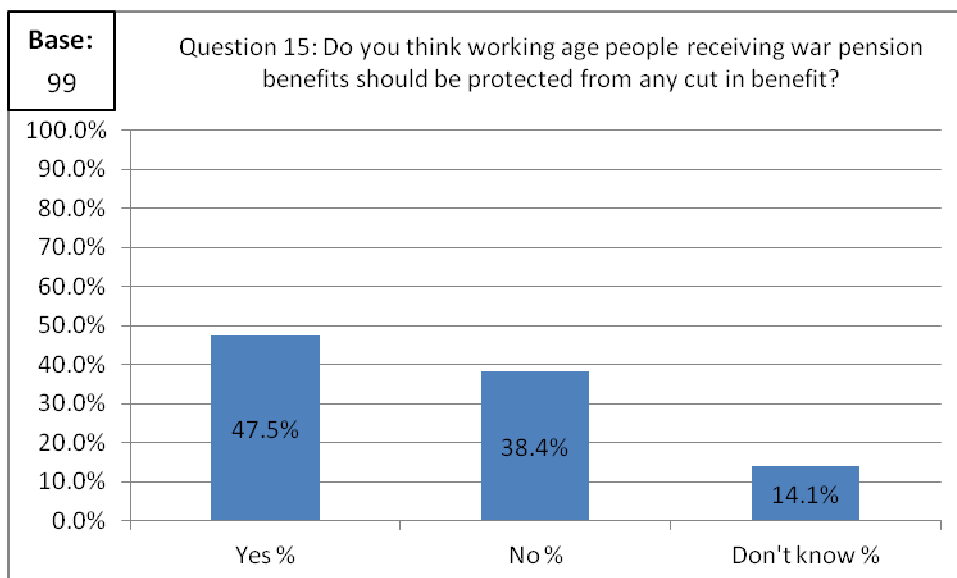
The respondents view on this is set out below:

*Inability to work, lack of ability to increase earnings, cost of childcare, costs associated with disability, all other costs already going up and links to other reductions in benefits.*

**15. Do you think working age people receiving war pension benefits should be protected from any cuts by not taking this into account?**

The council has had a policy of disregarding War Pension and through reviewing the scheme for working age customers felt it was right to consult on this issue.

Stakeholder feedback on this issue was:



The cost of providing ongoing protection to working age war pensioners is approximately £4k and it is recommended that this protection is maintained.

## **16. General Comments**

*“Everyone benefits from council provided facilities it is only fair they contribute”*

*“If these cut do come into place people will suffer and I do think that there could be further cuts next year.”*

*“Many pensioners have benefits such as free bus passes, get reduced concessions to all sorts of things, can shop around for bargains, cheap hair cuts etc etc. Given all these perks to protect them entirely from council tax benefit cuts is somewhat unfair.”*

*“Affected as practically housebound (not pensioner) and impossible to work due to medical reasons”*

*“for a lot of people it would worrying as to how they are going to find the extra income”*

*“They fight or have fought for their country and should have some sort of reward given back to them.”*

*“I think people who can work should be encouraged to do so even if they do have children to care for. Both me and my partner went to work when we had a child because we knew we couldn't afford not to.”*

*“Our wages don't go up but rents/council tax does as does everything else yet unemployment benefits go up every year....”*

*“make it fair on low income people weather its a family or someone single”*

*“All changes have an affect on all the population and it is hard to see why some groups are penalised less than others”*

*“I think people all ready not able to manage will find it a lot harder”*

*“All groups need help in different ways. You know what help is given and how it should be continued”*

*“Seems they are aimed at a poorer section of society less able to fight the charges. Politically safe course of action”*

*“tell’ m how to get on the benefits gravy train as all in our area seem to have a far higher standard of living than I can afford.”*

*“ I pay tax so all benefits should be taxed”*

*“Will anyone unable to pay lose their home or get put in prison for not paying. Will carers be able to look after them in prison 24/7?”*

*“It’s a difficult cut to put in place, as it really only hits those who earn the least, not those who can afford it. Whatever is decided, it needs to apply to all, not selective groups, it needs to be fair”*

*“I think its central government's way of abdicating responsibility and making it appear to be the 'fault ' of local government. Everyone benefits in some way from paying council tax. Those with more money should pay more to supplement the less well off.”*

*“These charges could end up putting people into debt.”*

*“Having had to sell my car to pay rent any further cut will result in my becoming guaranteed homeless”*

*“Other people that are in high risk jobs should be treated the same”*

*“people who receive war pension benefits should be protected because they have served the country”*

*“The fact is if you are claiming benefits you simply CANNOT afford to pay any amount towards your council tax bill.”*

*“Because of the cuts you are proposing, you will increase hardship in very low income families”*

*“I think people with life-long disabilities from birth who are unable to work should have the same protection as pensioners”*