

Appendix 2

Council Tax Support Consultation on Option 1

Period 24 August 2012 to 18 October 2012

Consultation on Option 1 Council Tax Support Scheme took place over an 8 week period starting 24th August and ending 18th October 2012. It consisted of a number of engagement opportunities for residents across the borough in addition to events and meetings with key stakeholders of the Revenue & Benefit Service.

A number of forums, events and drop in sessions were arranged to seek feedback on the proposals. Questionnaires were available at a number of Council buildings and partner organisations outlets as well as being available for completion on-line. Articles were also placed in both the Widening Horizons magazine and the News Guardian.

Questionnaires were also posted out to five hundred Council Tax Benefit recipients, including areas which had been highlighted by Council members as not receiving the Widening Horizons magazine.

Additionally precepting Authorities were asked for their comment on the proposed scheme.

There were 391 responses to the consultation questionnaire.

The questionnaire explained that the local scheme being proposed was based on the current Council Tax Benefit Scheme, however with three key changes highlighted which were necessary due to the reduced funding available. The questionnaire gave an overview to some of the key elements of how the scheme would still support customers. These were presented through seven principals of the scheme.

The Council's scheme should promote work incentives so people are better off in work than on benefit. In certain circumstances when we work out entitlement we will continue to disregard some earnings:

- £5 for single people
- £10 for couples
- £20 for those entitled to carers premium or disability premium
- £25 for lone parents
- £17.10 depending on hours of work
- Award additional support for the first four weeks of moving into work

The Council's scheme should support families with dependant children by continuing to:

- Ignore Child Benefit and Child Maintenance
- Award higher allowances for families

The Council's scheme should provide for the higher living costs for those on certain disabilities by continuing to:

- Ignore Disability Living Allowance
- Award higher allowances for people entitled to certain disabilities

All working age claimants will pay a minimum percentage of their Council Tax liability before any Council Tax Support is granted.

- The amount of Council Tax liability eligible for support will reduce from 100% to 80%.
- This means working age people who currently qualify to have all their Council Tax paid for them will pay 20% of their liability themselves. Those that currently pay something will have to pay an additional 20% of their Council Tax liability.

All those working age claimants that can afford to pay their Council Tax will not be entitled to support,

- There will be no Second Adult Rebate, as this benefit is based on the income of other adults in the household and not on the liable person's ability to pay.

The contribution that non-dependants currently pay should also increase.

- Those working age claimants who have other adults living with them, for example; sons or daughters, often have a charge applied which reduces their overall entitlement. This charge will be increased by 20%

| Current non dependant charges | Proposed charges under the new scheme |
|-------------------------------|---------------------------------------|
| • £3.30 | • £3.96 |
| • £6.55 | • £7.86 |
| • £8.25 | • £9.90 |
| • £9.90 | • £11.88 |

The Scheme should encourage savings by continuing to:

- Allow claimants to have up to £16,000 savings and still qualify for help.

Methods of consultation

Questionnaires

Questionnaires were posted directly to 500 claimants of Council Tax Benefit, and were also available in libraries, Customer Service Centres and Sure start centres. An on-line version of the questionnaire was also available on the Council's website. There were no mandatory fields and respondents were able to complete all or some of the questions and provide additional comments.

Information flyers

An information flyer raising awareness of the proposed change to Council Tax Benefit was included in the Council Tax bills created during the consultation period. This resulted in 5,000 flyers being issued without incurring additional postage costs.

Summary of events and forums

Eight drop in sessions were arranged and delivered through two sessions at each of the four Customer Service Centres. A number of questionnaires were completed at these sessions with the changes being explained to customers and customers having the opportunity to ask questions.

Some customers arrived at the sessions specifically to ask questions about their own personal circumstances having seen the events publicised, and others took part in the consultation because they were visiting the centre for other enquiries.

Area forums

All four area forums were attended, presentations were provided at three of these forums with all four 'market place' arrangements being attended. Residents were encouraged to complete questionnaires and provide comments and advice was provided on individual circumstances.

'Working with' event

This was a session organised by the Councils Engagement Team. It was well attended by around 50 partners from different voluntary sector and community organisations. Although questionnaires were distributed the main aim of the day was to have informal discussions with groups to raise awareness of the changes and consider the proposed scheme. Comments from this event were collected.

Department for Work and Pensions (DWP) Partnership event

This event was arranged on behalf of the DWP partnership team and was attended by Registered Social Landlords and other partner organisations. The changes to Council Tax Benefit were explained and the proposed scheme discussed. Questionnaires were distributed so partners were able to provide feedback on the proposals.

Landlord forum

This forum was attended by private landlords and landlords' agents. At this session landlords were made aware of the proposals and asked to complete questionnaires and provide feedback.

Tyne and Wear Fire and Police Authority

Tyne and Wear Fire and Police Authority were consulted on the recommended scheme. Comments provided were predominantly related to potential collection. They felt that the 20% pass on to working age claimants may appear potentially regressive as higher amounts levied will be on those who least could afford to pay. They felt the Band A property adjustment cannot all be collected via an attachment of Benefit, so

this may prove challenging to collect. However the positive dimension was that North Tyneside do not have as significant numbers as others in terms of those on full benefit. Their key issue was that there should be little or no impact on their funding as a preceptor.

Analysis of feedback

Questionnaire headline views are provided below.

Responses to questions relating to the proposed changes

- 53.6% either strongly agree or agree that 'All working age claimants should only be able to have Council Tax Support based on 80% of their current tax liability instead of 100%'. With 30.7% either strongly disagreeing or disagreeing. 15.7% neither agreeing, or disagreeing.
- 45.5% either strongly agree or agree that 'The contribution that non-dependants currently pay should also increase by 20%' with 28% either strongly disagreeing or disagreeing. 26.5% neither agreeing, or disagreeing
- 83.5% either strongly agree or agree that 'The Council's scheme should be based on the income of the person/s who is / are liable to pay it' with 10% either strongly disagreeing or disagreeing. 6.5% neither agreeing, or disagreeing.
- 69.6% either strongly agree or agree that the Council's scheme should operate within the reduced grant, so other services are not affected, with 10.6% either strongly disagreeing or disagreeing. 19.8% neither agreeing, or disagreeing.

Questions relating to other elements of the scheme

- 86.7% either strongly agree or agree that 'The Council's Scheme should promote work incentives so people are better off in work than on benefit', with 5.7% strongly disagreeing or disagreeing. 7.6% neither agreed, or disagreed.
- 78.1% either strongly agree or agree that 'The Council's Scheme should support families with dependant children' with 8.4% strongly disagreeing or disagreeing. 13.5% neither agreed, or disagreed.
- 76.3% either strongly agree or agree that 'The Councils Scheme should provide for the higher living costs for those on certain disabilities', with 6.7% strongly disagreeing or disagreeing 16.9% neither agreed, or disagreed.
- 60.5% either strongly agree or agree that 'The Council's Scheme should encourage savings by continuing to allow claimants to have capital of up to £16,000 and still qualify for help' with 23.2% strongly disagreeing or disagreeing 16.3% neither agreed, or disagreed.

Of those that provided Council Tax Benefit information:

- 288 respondents answered the question 'Do you pay Council Tax'? 79 (27.4%) stated they do not pay Council Tax to North Tyneside Council; this may include people who do not pay anything because of entitlement to full Council Tax Benefit as well as those who are living with someone who is responsible for the Council Tax Bill.
- 293 respondents answered the question 'Do you receive Council Tax Benefit?'
- 135 (41.6%) stated they are in receipt of Council Tax Benefit

Employment and household information

- 290 respondents answered the question 'Are you employed?'
- 123 (42.4%) state they are employed

- 295 respondents answered the question 'Do you have dependant children?'
- 103 (34.9%) state they have dependant children

- 296 respondents answered the question 'Are you in receipt of a Disablement Benefit?'
- 49 (16.6%) state they are in receipt of a disablement benefit

Those who provided their age

205 respondents provided their age

- 48 (23.4%) were 64 and over
- 31 (15.1%) were aged between 55 and 64
- 126 (61.5%) were aged between 18 and 54

Of those that provided their gender

337 respondents provided their gender

- 122 (36.2%) were male
- 215 (63.8) were female

Of those that provided Council Tax Benefit claim information

290 respondents that answered both questions

- Of those that strongly agreed that support should be based on 80% of the Council Tax liability rather than 100%, 22 (30.1%) were in receipt of Council Tax Benefit, 51 (69.9%) were not.
- Of those that agreed 41 (46.1%) were in receipt of Council Tax Benefit, and 48 (53.9%) were not
- Of those that neither agreed nor disagreed 25 (59.5%) were in receipt of Council Tax Benefit, and 17 (40.5%) were not
- Of those that disagreed 26 (51%) were in receipt of Council Tax Benefit, 25 (49%) were not.
- Of those that strongly disagreed 20 (57.1%) were in receipt of Council Tax Benefit, 15 (42.9%) were not.

Summary in table format.

Council Tax Support

To what extent do you agree or disagree with each of the following statements?

| | <i>Strongly agree</i> | <i>Agree</i> | <i>Neither agree nor disagree</i> | <i>Disagree</i> | <i>Strongly disagree</i> | <i>Total</i> |
|--|-----------------------|--------------|-----------------------------------|-----------------|--------------------------|--------------|
| The Council's scheme should promote work incentives so people are better off in work than on benefit | 196 51% | 137 35.7% | 29 7.6% | 12 3.1% | 10 2.6% | 384 |
| The Council's scheme should support families with dependant children | 154 40.1% | 146 38% | 52 13.5% | 24 6.3% | 8 2.1% | 384 |
| The Council's scheme should provide for the higher living costs for those on certain disability benefits | 124 32.3% | 169 44% | 65 16.9% | 19 4.9% | 7 1.8% | 384 |
| All working age claimants should only be able to have Council Tax support based on 80% of their current tax liability instead of 100% | 86 22.6% | 118 31% | 60 15.7% | 66 17.3% | 51 13.4% | 381 |
| The Council's scheme should be based on the income of the person/s who is / are liable to pay it | 150 39.4% | 168 44.1% | 25 6.5% | 27 7.1% | 11 2.9% | 382 |
| The contribution that non-dependants currently pay should also increase by 20% | 71 19% | 99 26.5% | 99 26.5% | 69 18.4% | 36 9.6% | 374 |
| The Council's scheme should encourage savings by continuing to allow claimants to have capital of up to £16,000 and still qualify for help | 100 26.3% | 130 34.2% | 62 16.3% | 50 13.2% | 38 10% | 380 |
| The Council's scheme should operate within the reduced grant, so other services are not affected | 110 29% | 154 40.6% | 75 19.8% | 28 7.4% | 12 3.2% | 379 |

Please indicate which of the following applies to you

| | <i>Yes</i> | <i>No</i> |
|--|--------------|--------------|
| Do you pay Council Tax to North Tyneside? | 209 72.6% | 79 27.4% |
| Do you receive Council Tax Benefit? | 135 46.1% | 158 53.9% |
| Are you employed? | 123 42.4% | 167 57.6% |
| Do you have dependant children? | 103 34.9% | 192 65.1% |
| Are you in receipt of a Disablement Benefit? | 49 16.6% | 247 83.4% |

290 respondents answered both questions 'Do you receive Council Tax Benefit?' and 'All working age claimants should only have Council Tax Support based on 80% of their liability instead of 100%'.

3 respondents who were in receipt of Council Tax Benefit did not answer the question 'All working age claimants should only have council Tax Support based on 80% of their liability instead of 100%'.

| | Total | Do you receive Council Tax Benefit? | |
|---------------------------|-------|-------------------------------------|------------|
| | | Yes | No |
| | 290 | 134 | 156 |
| Strongly agree | 73 | 22 (30.1%) | 51 (69.9%) |
| Agree | 89 | 41 (46.1%) | 48 (53.9%) |
| Neither agree or disagree | 42 | 25 (59.5%) | 17 (40.5%) |
| Disagree | 51 | 26 (51%) | 25 (49%) |
| Strongly disagree | 35 | 20 (57.1%) | 15 (42.9%) |

205 respondents answered the question 'Which of the following age bands do you fall within?'

| | | | | | |
|----------------|-------------|----------------|-------------|----------------|-------------|
| <i>18 – 24</i> | 19 9.3% | <i>35 – 44</i> | 35 17.1% | <i>55 – 64</i> | 31 15.1% |
| <i>25 – 34</i> | 33 6.1% | <i>45 – 54</i> | 39 19% | <i>64 – 70</i> | 21 10.2% |
| <i>70+</i> | 27 13.2% | | | | |

Comparisons with other Councils

Middlesbrough issued 22,000 letters to Council Tax Benefit recipients and only received around 200 responses over a 12 week period.

South Tyneside having gone through 8 weeks of their 9 week consultation has received 17 responses.

Stockton Council who has proposed the same 20% reduction as North Tyneside and who invited all residents to take part in the consultation have advised that respondents are in favour of the approach proposed by their Council.

Other Councils have been asked for their results.