

Cotswold District Council
Council Tax Reduction Scheme 2019/20
Consultation

Report

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Summary of agreement with proposed changes to the Council Tax Reduction Scheme for 2019/20

Proposal:		
To introduce income bands so that we can apply a flat rate percentage discount to each banding	% agree	64.71%
	% disagree	23.53%
To disregard in full child maintenance payments	% agree	77.06%
	% disagree	17.06%

1. Background

Cotswold District Council is required by law to have a scheme to help people on low incomes pay their council tax. For people of pensionable age there is a prescribed scheme to follow but for people of working age, subject to a few prescribed requirements, the council is free to design such a scheme as they see fit.

This requirement replaced the national council tax benefit scheme that had been in operation since 1993. The costs of the council tax benefit scheme were more or less met in full by the Government. For the new local schemes, however, the Government had reduced the amount of funding available by approximately ten per cent. For Cotswold this meant approximately £46,200.

Following public consultation in 2013 and 2016 and full Council approval its CTS scheme for working age claimants was amended for 2014/15 and 2017/18 as follows:

- (i) That the entitlement be reduced to 91.5%;
- (ii) That the maximum capital limit be reduced to £6,000 and the first £3,000 be disregarded for the purposes of calculating the tariff income;
- (iii) That the Second Adult Rebate entitlement be removed;
- (iv) That Maintenance payments be treated as earned income;
- (v) That Support be calculated using a maximum liability of Band E;
- (vi) That extended payments are increased from four to thirteen weeks;
- (vii) That those defined as disabled and those in receipt of War Widows Pension and/or War Disablement Pension be protected from all the above changes;
- (viii) The removal of the Family premium;
- (ix) The reduction in backdating to one month;
- (x) Reduce the period for which a person can be absent from Great Britain to 4 weeks;
- (xi) Limit the number of dependent children to a maximum of two (with exemptions);
- (xii) Reduce the number of weeks for extended reduction to 4 weeks;
- (xiii) Disregard in full child Maintenance for those in receipt of Universal Credit.

These amendments will still apply to the CTS scheme for 2019/20; however, there are amendments to item (iv) - maintenance payments - which are being proposed within the report.

2. Methodology

A postal and online survey was carried out between 10 September 2018 and 9 November 2018.

2.1 Postal Survey

A consultation questionnaire was sent to the following groups:

1. All major precepting authorities
2. Bromford Housing Association
3. Citizens Advice Bureau

2.2 Online Consultation

An online version of the same questionnaire was made available via the council's website. The online consultation was promoted via the website, press releases and other local publicity.

2.3 Response Rates

In total 54 responses were received (3 postal returns and 51 online responses). The profile of response is detailed in section 3.

2.4 Analysis and Reporting

This report highlights and comments on the key findings from the consultation. Full tabulations of the results have been provided under separate cover.

3. Definition of a 'person with disabilities'

People with disabilities are defined, by Cotswold District Council, as persons in receipt of the following:

- Disability Premium,
- Enhanced Disability Premium,
- Severe Disability Premium,
- Disability Premium for Dependants,
- Enhanced Disability Premium for Dependants,
- Disability Earnings Disregard,
- Council Tax Disability Band Reduction,
- Employment Support Allowance (any rate).
- Personal Independent Payments (PIP)

4. Profile of Respondents

The majority of respondents were individuals responding on their own behalf (see Table 4.1).

5 of the 54 consultation respondents (11.91%) claimed to be in receipt of a Council Tax Reduction. Of these 1 said they receive a full reduction and 4 claimed to receive a partial reduction. Around a quarter of reduction recipients responding were pensioners or people with disabilities, who are protected from the impact of the proposed scheme.

Table 4.1: Sample profile – Type of Respondent

	<i>No. of respondents</i>	<i>% of respondents</i>
All respondents		100%
Responding as:		
On own behalf	52	95.35%
On behalf of someone else		-
A landlord		-
Voluntary organisation	1	2.33%
Housing Association		-
Parish Council	1	2.33%
Other		-

- family members		
- other organisations		
Not stated		-
Receipt of council tax reduction:		
Any reduction		
- 100% Full reduction	1	2.38%
- Partial reduction	4	9.52%
Recipients in protected groups :		
Any protected group		
- Pensioner	8	19.05%
- Person with disabilities	4	9.52%
- Recipient of War Widows Pension		-
- Recipient of War Disablement Pension		-
- Recipients not in protected groups	42	69.05%

The demographic profile of reduction recipients responding to the consultation was relatively mixed (38.09% aged under 45, 42.086% aged 46 – 65 years, and 19.05% aged 66 or over) - see Table 4.2.

Table 3.2: Sample profile – Demographic

	<i>recipients</i>
TOTAL	100%
Age:	
Under 18	0.0%
19 to 25	2.38%
26 to 45	35.71%
46 to 65	42.86%
66 and over	19.05%
Household composition:	
Single person	14.29%
Lone parent	7.14%
Couple with children	35.71%
Couple	35.71%
Other	7.14%
Not stated	-

5. Full Details of Proposals

Proposed change number 1:

Amend scheme to Income Bands and introduce a 100% discount.

Income bands will allow people to vary their hours at work without losing support. The new scheme will also give applicants more certainty about how much council tax they need to pay, and will result in fewer council tax bills if their income fluctuates within the same band.

The benefit of this is:

- It supports those on the lowest income by giving 100% council tax support discount

The drawbacks of doing this are:

- Those working age residents in the higher income bands may see a reduction in the amount of support they receive

Proposed change number 2:

Disregard in full child maintenance payments.

Currently claims for Council Tax Reduction from working age claimants who are not in receipt of Universal Credit but receive child maintenance have this payment included as other income within their CTS assessment.

The benefit of this is:

- It brings the scheme in-line with all other welfare benefits by disregarding this income.
- The council will be meeting its responsibilities for mitigating child poverty
- Customers in receipt of Child Maintenance will see an increase in the amount of support they receive

The drawback of this is:

- Those residents receiving the same level of income of those in receipt of Child Maintenance may be worse off

6. Other Comments

Within the consultation, respondents were asked if they had any other comments about the proposed changes to the scheme.

There were few common themes, although a few issues were raised by a number of respondents:

- For those people who receive a high amount of child maintenance to be disregarded concerns were raised that it would be unfair on middle earning
- Support to disregard child maintenance as a good way for single parents to provide for their families
- Concerns were raised as to why people were on low incomes
- Concerns by some that using a flat rate assumes people are equal
- Concerns on hard working people and introducing another income based taxation system

- An appreciation of the need to reduce funding.

(END)

