



Appendix A - Council Tax Support Scheme Consultation 2012 Report – 6 November 2012

Changes to Council Tax Benefit

- Council Tax Benefit is being abolished by central Government, and each council has to replace it with a locally-funded scheme. The Government is also giving councils less money to fund these local support schemes, meaning that savings are needed if Hillingdon's council tax is to remain low.
- The reduction in funding means the Council will need to make some difficult decisions about who gets financial support and how much. The Council therefore held a consultation with residents on their proposed local Council Tax Support Scheme.

The Consultation

- The consultation period ran from 6th August to 31st October 2012.
- The proposals and consultation were publicised via:
 - The Council's website – www.hillingdon.gov.uk
 - The Council's magazine – Hillingdon People (which is mailed across the borough)
 - A leaflet included in letters to Council Tax payers and Council Tax Benefit claimants.
 - Local meetings with residents, including:
 - Hillingdon Older People's Assembly
 - Parent Carers' Group
 - Coffee Morning at Uxbridge Library
 - Hillingdon Senate (made up of council tenants and leaseholders drawn from various community groups recognised by the London Borough of Hillingdon)
 - Coverage in the local press (e.g. Uxbridge Gazette, 20 August 2012).
- The consultation generated significant interest:
 - There were 137 requests for information via telephone, and 359 paper surveys were sent out as a result.
 - The consultation webpage was viewed 6,887 times in August to October.
- Overall, there were 318 responses to the consultation, of which:
 - 60 were postal responses and 258 online.
 - 94 (30%) respondents say their household receives Council Tax Benefit.
 - 67 (21%) are likely to be affected by the changes (working age and receive CT Benefit).
- There was also a submission by GLA (see Appendix 3), and a suggestion by a Senate member which they wished to be included (see point 7 in the Feedback).

Feedback from the Consultation

1) Vulnerable Groups

- The majority of respondents agree that the following 'vulnerable' groups should be protected from the proposed changes:
 - Pensioners (80%)
 - People in receipt of a disability premium (70%)
 - People in receipt of a War Widows Pension or a war disabilities pension (75%)
- There were 66 (21%) comments about the proposals for vulnerable groups.
- Summary of the points raised:
 - These groups are not necessarily more 'vulnerable' than other benefit claimants.
 - Other groups (e.g. single parents household) should also be considered as 'vulnerable'.
 - Age should not be a factor in determining need, only income.
 - Benefits should be means tested on a case-by-case basis.
 - Some disability claims are fraudulent, and these cases affect the credibility of the benefits system.

2) Non-vulnerable claimants of working age

- The majority of respondents (71%) agree that all 'non-vulnerable' claimants of working age should have to pay a contribution towards Council Tax, while 20% disagree.
 - Half (49%) of those likely to be affected agree, while 39% disagree.
- Half (52%) agree with the proposal to make the maximum amount of support to non-vulnerable claimants 80% of their Council Tax bill, while 32% disagree.
 - Those likely to be affected are split 40% v 40%.
- There were 89 (28%) comments about the proposals for 'non-vulnerable' claimants of working age.
- Summary of the points raised:
 - The council tax burden should not only fall on those who work. The benefits system should therefore encourage people to work and contribute to society.
 - The terms 'vulnerable' and 'non-vulnerable' create a grey area e.g. why would someone need to claim benefits if they were not 'vulnerable'?
 - Some argue that the figure of 80% is too much, others that it is too little.
 - The figure of 80% needs to be explained more as it feels arbitrary.
 - Benefit should be based on circumstances and means tested.
 - Some households with already low incomes will not be able to afford the changes.
 - Current benefits are based a minimum amount someone needs to live on. These proposals would reduce some household's incomes below this amount.

- Chasing such small amounts of Council Tax arrears from hard-pressed households will not be cost effective.
- Benefits could be offered in return for voluntary work.

3) Second Adult Rebate

- Half (48%) agree the Second Adult Rebate be removed from people who are not pensioners, while 34% disagree.
 - One third (33%) of those affected agree, which 40% disagree.
- There were 47 (15%) comments about the proposals for Second Adult Rebate.
- Summary of the points raised:
 - Second Adult Rebate often confused with Single Person Discount.
 - Some think that the occupancy of the house should be considered, while others that it should be per household.
 - Rebate system may be open to abuse e.g. Sub-tenants
 - Removing the rebate may penalise those in work and make it better for them to claim benefits instead.

4) Capital (Savings and Investments)

- The majority (79%) agree that the Council Tax Support Scheme should encourage people back to employment.
 - This includes 57% of those affected, while 24 disagree.
- Two thirds (65%) agree that the capital limit should remain at £16,000, while 23% disagree.
 - Just over half (54%) of those affected agree with this, while one third (34%) disagree.
- Just over half (55%) agree that the contribution for Council Tax Support should be set at £1 for every £500 of capital savings, while 22% disagree.
 - Half (49%) of those affected agree, while a quarter (24%) disagree.
- Three fifths (58%) agree that £10,000 capital should be disregarded, while one fifth (21%) disagree.
 - There were similar proportions among those affected (49% v 22% respectively).
- There were 54 (17%) comments about the proposals for Capital.
- Summary of the points raised:
 - People with £10,000 of savings should not be receiving benefits.
 - Savers should not be penalised and that those in work should be able to save some of their income.
 - Jobseekers are unlikely to have this level of capital so the proposals will not encourage people into work.

5) Backdated Payments

- Three fifths (62%) agree that backdating should be restricted to 3 months, while one quarter (26%) disagree.
 - 57% of those affected agree, while 28% disagree.
- There were 50 (16%) comments about the proposals for Backdated Payments.
- Summary of the points raised:
 - Backdating of payments should be abolished.
 - Claimants should take responsibility for themselves and claim immediately.
 - Backdating should be retained as the delay may not be the fault of the claimant.
 - No backdating apart from exceptional circumstances e.g. errors by the Council.

6) Final Comments

There were 59 (19%) final comments.

Summary of the points raised:

- The benefits system needs reforming.
- Need to cut down on fraudulent claims and help those in genuine need.
- The proposals will adversely affect low income households, and people will struggle.
- What will be the impact of Council Tax charges of the proposals?
- There are too few jobs at present to encourage people back to work.
- The consultation should be more widely publicised.
- The proposals may impact on carers and the people they care for (Hillingdon Carers)

7) Alternative Proposal from Senate

A member of the Senate made this alternative proposal:

- The proposed Council Tax Support scheme seeks to cover a shortfall in central Government funding by targeting benefit claimants - a group that are least able to cope with increases in household expenditure. Benefit claimants are often powerless to change their circumstances, and as the cost of essentials (such as food and fuel) rises, many claimants and their families are struggling to make ends meet. An alternative proposal should be considered, which would cover the shortfall in funding by raising Council Tax for higher band properties. Those living in these properties are likely to have a higher level of disposable income, and therefore more able to absorb an increase household expenditure.