

APPENDIX 9 - REVIEW OF LOCAL COUNCIL TAX REDUCTION SCHEME

SUMMARY

158. This appendix outlines proposed amendments to enable the scheme rules to be kept aligned with the Housing Benefit regime, to assist understanding by claimants and for ease of administration, rather than more fundamental changes to the scheme. These proposals were approved by Cabinet for public consultation on 22 June 2017, and following completion of that consultation are now proposed for recommendation to Council in January 2018 for implementation from 1 April 2018.

159. This public consultation exercise was undertaken from 4 September to 16 October 2017, with 101 responses being received and a minimum of 66% respondents agreeing or strongly agreeing with each of the proposals to align the scheme with Housing Benefit regulations. Outputs from this consultation are set out within this appendix.

RECOMMENDATION

That Cabinet approve the proposed amendments to the Council's local Council Tax Reduction Scheme effective from 1 April 2018, for public consultation, to align the scheme with recent changes to Housing Benefit regulations.

BACKGROUND

160. The localisation of Council Tax support was implemented in April 2013, giving the Council responsibility for setting up a local Council Tax Reduction (CTR) Scheme to provide financial support to pensioners and working age residents including vulnerable people in paying their council tax liability. The Council agreed that the CTR scheme should be self funding, that is central government funding should cover the cost of the scheme, as essentially it was a new burden following the abolition of Council Tax Benefit (CTB).

161. In creating a local scheme, the intention was to keep aligned with Housing Benefit regulations as far as possible, both to help claimants to understand the two schemes and to simplify administration.

INFORMATION

Current Scheme Design

162. The rules for operation the Council's current CTR scheme are:

- a. The maximum amount of reduction a working age household can receive is 75% of the council tax liability;
- b. The maximum amount of reduction a vulnerable household can receive is to 90% of the council tax liability;
- c. Second Adult rebate is no longer payable;
- d. Back-dating is limited to 4 weeks; and

- e. The overall capital/savings of £16,000 limit will continue, although under £6,000 will be disregarded, and a weekly-assumed income of £1 will be taken for every £250 between £6,000 and £16,000.
- f. Removed family premium for new working age claimants
- g. Increased non-dependant charges for all categories where a charge is made
- h. Introduced two new non-dependant charges for those over 25 years of age in receipt of Income Support, Job Seekers Allowance (Income Based) and main phase Employment Support Allowance (Income Related)

163. Where the person liable for council tax (or their partner, if applicable) is entitled to the Disability Premium, or they receive a War Widows Pension, War Disablement Pension or Armed Forces Compensation Payment they are not subject to the local percentage restriction of council tax liability. War Widows Pensions, War Disablement Pensions and Armed Forces Compensation Payments are also fully disregarded as income. The Government prescribed the rules for assessing Council Tax Reduction for pensioners to ensure pensioners entitled to a Council Tax Reduction would be no worse off than through CTB.

Proposed amendment to Hillingdon's CTR Scheme

164. The Hillingdon scheme, as explained above, was designed to mirror the old CTB scheme as far as possible to reduce complexity for claimants and limit the cost of administration. Changes to the scheme were implemented in 2016 to align with the introduction of Universal Credit and Housing Benefit (HB) changes. To maintain that alignment with Housing benefit further changes to CTR scheme rules are now proposed:

- a. Bereavement benefit disregard for working age claimants to mirror HB regulations;
- b. Two child limit for working age Claimants;
- c. Temporary absence abroad restrictions for working age claimants
- d. To award claims from the start of a B&B tenancy (providing the claimant is also occupying the property from that date) rather than from the date of the claim;
- e. To uprate the scheme annually in line with DWP (HB) uprating.

165. In the context of around £14m funding for the CTR scheme, these changes will not materially impact upon the overall level of support offered through the scheme. The changes will not impact upon current CTR awards and will only be applied to new awards after 1 April 2018. As mentioned previously, the changes are aimed at simplifying understanding by claimants, streamlining the administration of the scheme and maintaining alignment with HB regulations.

Consultation Process & Summary of Results

166. A public consultation exercise was undertaken between 4 September and 16 October 2017 to seek views on the proposed changes to the current scheme, in line with the requirement set out within the 2012 Local Government Finance Act. This consultation was publicised through the following routes, alongside specific views being invited from Registered Social Landlords, Voluntary Organisation and the Greater London Authority in their capacity as a precepting authority:

- a. On the Council's website, Facebook page, Twitter feed and All Staff Email;
- b. In the Borough's 17 libraries and the mobile library;
- c. Via Housing Needs, Housing Benefits and the Register Office;
- d. In children's centres;
- e. In Hillingdon Hospital maternity unit;
- f. In the Borough's GP surgeries; and
- g. In the Borough's pharmacies.

167. The consultation received 101 responses, with the majority of respondents (approx 70%) either agreeing or strongly agreeing with the proposals. 31% of respondents indicated they felt the proposals could have a negative impact on Hillingdon residents. Of particular concern was the effect they would have on vulnerable people on low incomes, particularly families with children. There was a perception that they could lead to hardship for families and increased child poverty.

CONSULTATION RESULTS

Summary of Key Results

168. The following sections provide further detail on survey results, with the following headlines identified:

- a. Over 70% of the respondents agreed or strongly agreed with the proposals, apart from proposal 5 (66.3%).
- b. 30.7% of respondents indicated that they felt the proposals would have a negative impact on Hillingdon residents. Of particular concern was the effect they would have on vulnerable people on low incomes, particularly families with children. There was a perception that they could lead to hardship for families and increased child poverty.
- c. Only 2% of respondents disagreed or disagreed strongly with proposal 4.
- d. 93.1% responded to the survey as a Hillingdon resident.
- e. 17% of respondents receive a reduction in their council tax through the CTRS.
- f. The majority of respondents described themselves as White British (67%).
- g. 85% of respondents gave their age as 35 or older. No respondents gave their age as under 25.

Survey Results

Q1. To what extent do you agree with Proposal 1 (Two child limit)?

Response	No. Responses	%
Strongly agree	40	39.6%
Agree	35	34.7%
Neither agree nor disagree	3	3.0%
Disagree	5	5.0%
Strongly disagree	17	16.8%
Don't know	1	1.0%

Q2. To what extent do you agree with Proposal 2 (Temporary absence from the UK limited to 4 weeks)?

Response	No. Responses	%
Strongly agree	51	50.5%
Agree	23	22.8%
Neither agree nor disagree	6	5.9%
Disagree	8	7.9%
Strongly disagree	12	11.9%
Don't know	1	1.0%

Q3. To what extent do you agree with Proposal 3 (Bereavement support payment disregard)?

Response	No. Responses	%
Strongly agree	34	33.7%
Agree	38	37.6%
Neither agree nor disagree	16	15.8%
Disagree	7	6.9%
Strongly disagree	3	3.0%
Don't know	3	3.0%

Q4. To what extent do you agree with Proposal 4 (Start date claim for Bed & Breakfast licence agreements-daily liabilities only)?

Response	No. Responses	%
Strongly agree	31	30.7%
Agree	43	42.6%
Neither agree nor disagree	16	15.8%
Disagree	1	1.0%
Strongly disagree	1	1.0%
Don't know	9	8.9%

Q5. To what extent do you agree with Proposal 5 (Annual Uprating)?

Response	No. Responses	%
Strongly agree	29	28.7%
Agree	38	37.6%
Neither agree nor disagree	16	15.8%
Disagree	3	3.0%
Strongly disagree	8	7.9%
Don't know	7	6.9%

Q6. To what extent do you agree with Proposal 6 (Treatment of payments from emergency funds)?

Response	No. Responses	%
Strongly agree	45	44.6%
Agree	33	32.7%
Neither agree nor disagree	9	8.9%
Disagree	7	6.9%
Strongly disagree	2	2.0%
Don't know	5	5.0%

Q7. Do you feel that any of these proposals will have a negative impact on Hillingdon residents?

Response	No. Responses	%
Yes	31	30.7%
No	39	38.6%
Don't Know	31	30.7%

169. Key themes include:

- a. It disadvantages larger families
- b. It may increase the financial burden on some residents.
- c. It will have a negative impact on those on lower incomes who are already vulnerable.

Q8. If you have any suggestions for how we can continue to improve the scheme, please provide suggestions below:

170. Suggestions included:

- a. Enforce it vigorously and fairly. Don't let benefits cheats off lightly by picking on easier targets.
- b. Ensure the data held on council tax is used effectively to join the dots on issues such as HMOs and criminal landlords.

- c. Online claims - could the information be automatically saved? Make it clearer what information is required to make a claim e.g. add a note to state that a bank statement is required.
- d. Households with disabled non-working adults or those unable to work due to ill-health should be exempt altogether.
- e. Increase the maximum discount to support those in greatest need.
- f. More support should be available for those affected by flooding. Reduce the council tax payment on the primary residence if it has become uninhabitable by flooding
- g. Claims should be processed within a certain time limit to avoid confusion and disappointment for families and emotional support should be offered.

Q9 Are you responding to this survey as:

Response	No. Responses	%
A Hillingdon resident	94	93.1%
A representative of a local authority	6	5.9%
A representative of a voluntary organisation	0	0.0%
Other (former resident who received benefits)	1	1.0%

Q10. Do you currently receive a reduction in your council tax through the Council Tax Reduction Scheme?

Response	No. Responses	%
Yes	16	17.0%
No	72	76.6%
Don't Know	6	6.4%

Q11. Are you:

Response	No. Responses	%
Male	43	45.7%
Female	49	52.1%
Other	0	0.0%
Prefer not to say	2	2.1%

Q12. How old are you?

Response	No. Responses	%
Under 25	0	0.0%
25-34	8	8.6%
35-44	20	21.5%
45-54	17	18.3%
55-64	21	22.6%
65+	21	22.6%
Prefer not to say.	6	6.5%

Q13. How would you describe your ethnicity?

Response	No. Responses	%
White - British	59	67.0%
White - Irish	4	4.5%
White - Gypsy or Irish Traveller	0	0.0%
White - Other White	3	3.4%
Mixed - White and Black Caribbean	0	0.0%
Mixed - White and Black African	0	0.0%
Mixed - White and Asian	1	1.1%
Mixed - Other	2	2.3%
Asian/Asian British - Indian	9	10.2%
Asian/Asian British - Pakistani	3	3.4%
Asian/Asian British - Bangladeshi	0	0.0%
Asian/Asian British - Chinese	0	0.0%
Asian or Asian British - Other	1	1.1%
Black British - African	0	0.0%
Black British - Caribbean	2	2.3%
Black British - Somali	0	0.0%
Black British - Other	0	0.0%
Other - Arab	0	0.0%
Other - Any	0	0.0%
Prefer not to say	4	4.5%

Q14. Do you consider yourself to have a disability?

Response	No. Responses	%
Yes	19	20.2%
No	70	74.5%
Prefer not to say	5	5.3%