

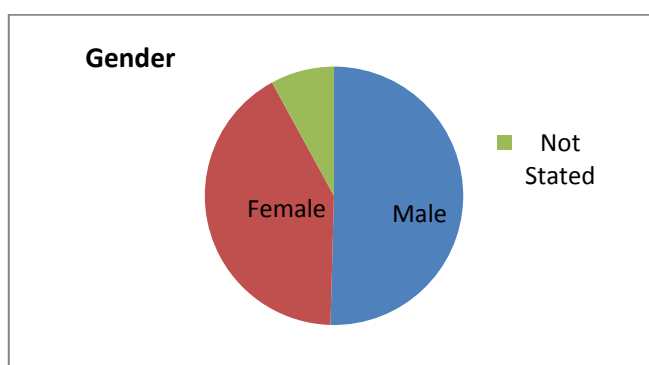
Council Tax Reduction Scheme Consultation

- 1.1 Surrey Heath Borough Council, working alongside the other Surrey councils, developed a framework for a replacement scheme. Consultation took place between 24 September and 18 November 2012, so that residents and interested groups can have their say on the matter.
- 1.2 As part of the consultation all 2,098 current Council Tax Benefit claimants were sent a mailshot advising them of the forthcoming changes and alerting them to the consultation.
- 1.3 In addition the major preceptors, Surrey County Council and Surrey Police Authority were written to and provided extensive details of the forthcoming changes and asked for their views.
- 1.4 Surrey County Council responded. No response has been received from Surrey Police Authority.
- 1.5 The Royal British Legion enquired by letter received 5 November 2012 if Surrey Heath would be retaining the local full income disregard in respect of income received in the form of War Widows Pensions, War Disablement Pensions and Armed Forces Compensation Scheme Payments. It has been confirmed that the proposed Local Council Tax Support Scheme retains the current local disregard of these income items
- 1.6 In total 113 responses were received from benefit claimants and council tax payers although it is not possible to differentiate in the responses between the two.

2 Demographic of the Respondents

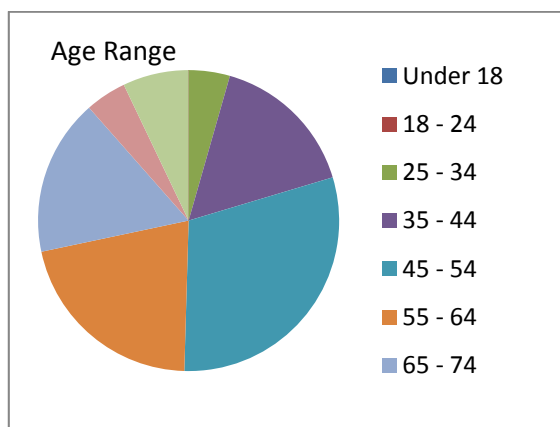
2.1 Gender

Gender	Number of respondents	Percentage
Male	57	50.4
Female	47	41.6
Did not state	9	8



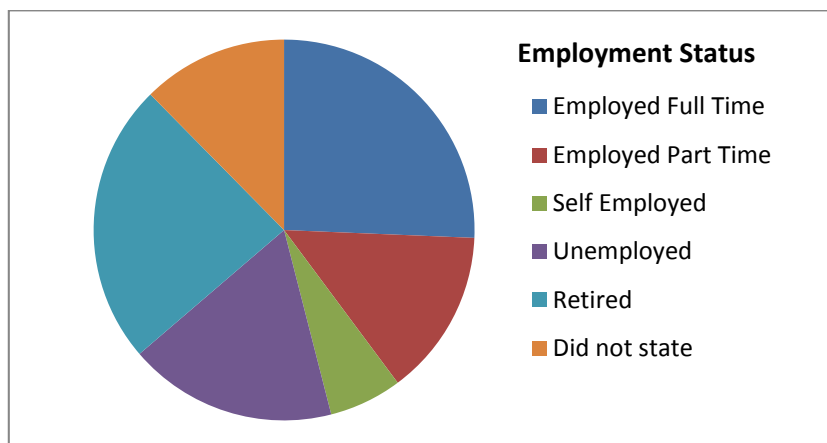
2.2 Age

Age Range	Number in Range	Percentage of number responding
Under 18	0	0
18 – 24	0	0
25 – 34	5	4.4
35 – 44	18	16
45 – 54	34	30
55 – 64	24	21.2
65 – 74	19	17
Over 75	5	4.4
Did not state	8	7.1



2.3 Employment Status

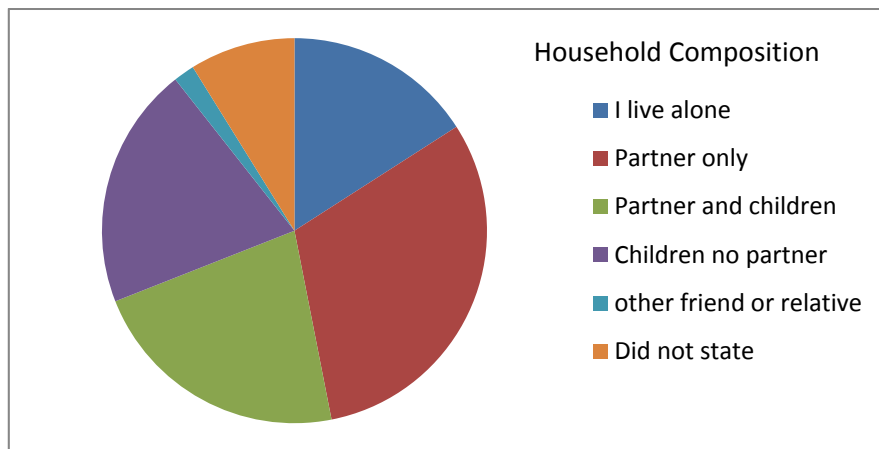
Status	Number of Reponses	Percentage of total
Employed full time	29	26%
Employed part time	16	14.1%
Self employed	7	6.2%
Unemployed	20	17.6%
Retired	27	24%
Did not state	14	12%



2.4 Household Composition

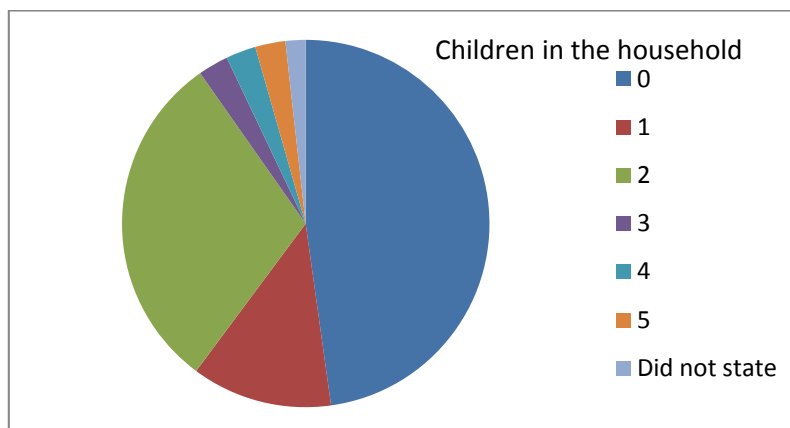
Who lives with you?

	Number of Responses	Percentage
I live alone	18	15.9
Partner only	35	31
Partner and Children	25	22.1
Children no partner	23	20.3
Other friend or relative	2	1.8
Did not state	10	8.9



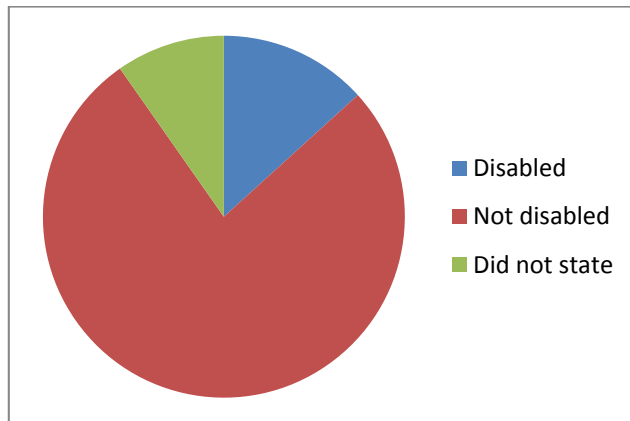
2.5 Number of children in the household

Number of children	Number of Responses	Percentage
0	54	47.8
1	14	12.4
2	34	30
3	3	2.7
4	3	2.7
5 or more	3	2.7
Did not state	2	1.7



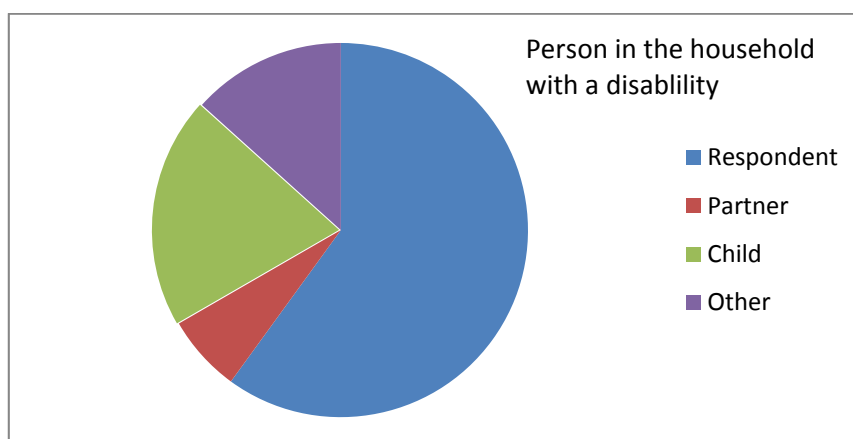
2.6 Is anyone in the Household disabled?

Disabled	Number of respondents	Percentage
Yes	15	13.3
No	87	77
Did not state	11	9.7



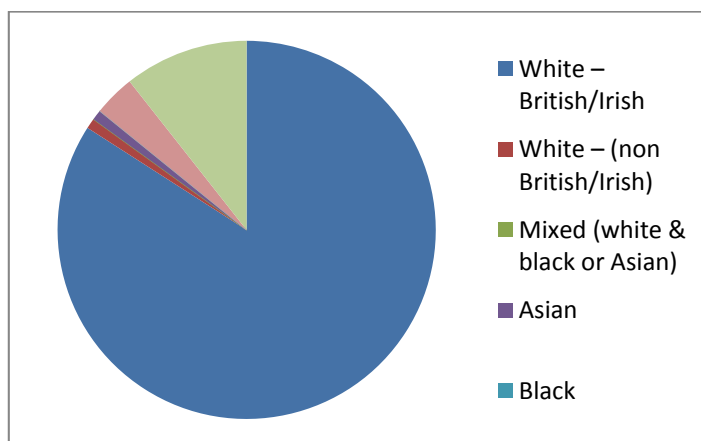
2.7 Person in the household with a disability

If disabled in 2.6 above who	Number	Percentage
Respondent	9	60%
Partner	1	6.7%
Child	3	2.0%
Other	2	13.3%



2.8 What is your ethnic background?

Ethnic Group	Number	Percentage of respondents
White – British/Irish	95	84
White – (non British/Irish)	1	0.9
Mixed (white & black or Asian)	0	0
Asian	1	0.9
Black	0	0
East Asian	0	0
Other	0	0
Prefer not to answer	4	3.5
Did not state	12	10.6

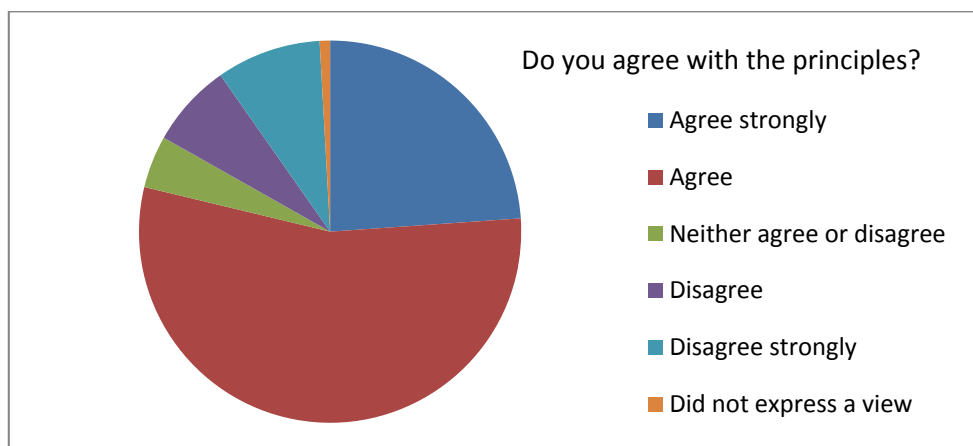


3 Broad Principles

- 3.1 The consultation document asked respondents to give their views regarding the broad principles of the proposed Local Council Tax Support Scheme. The responses received are set out in tabular and graphical form below.
- 3.2 Respondents were asked to indicate if they agreed with the broad principals of the new scheme which are, that it largely copies the existing Council Tax Benefit means tested scheme but with some specific variations.
- 3.3 Those variations are that most working age householders, even those on the lowest incomes, will have to pay something towards the council tax on the home they are living in, that the local scheme should incentivise work and that those in vulnerable groups are protected from any increase.

3.4 The responses to the question, “Do you agree with the principles?” were

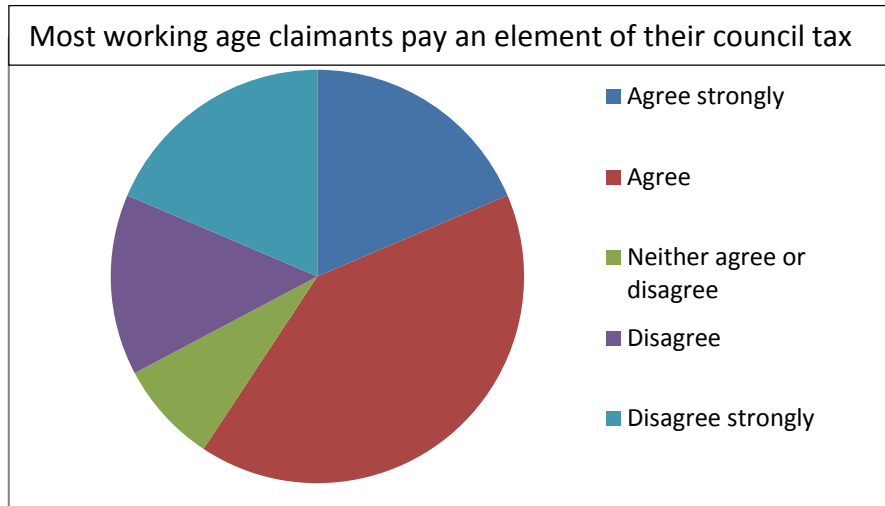
	Number	Percentage
Agree strongly	27	23.9
Agree	62	54.9
Neither agree or disagree	5	4.4
Disagree	8	7.1
Disagree strongly	10	8.8
Did not express a view	1	0.9



89 out of 113 or 79% of residents who responded agreed or strongly agreed with the broad principles of the proposed scheme.

3.5 A broad principle of the scheme is that most working age claimants will be required to pay an element of their council tax. Respondents were informed that this proposed change would offer up the largest saving in expenditure towards council tax relief and that currently some household pay no council tax and under the new scheme will pay over £150 more per year. The responses to the question, “Most working age claimants pay an element of their council tax” were

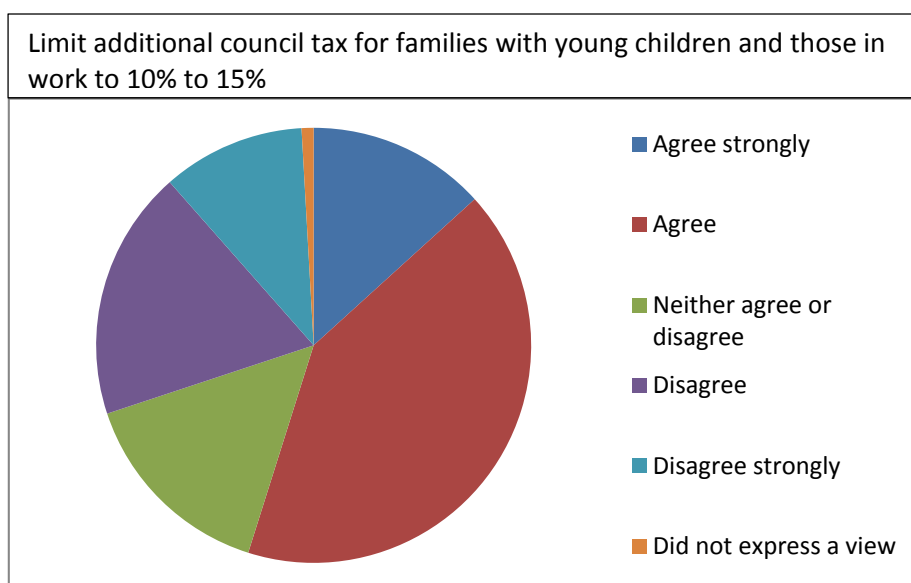
	Number	Percentage
Agree strongly	21	18.6
Agree	46	40.7
Neither agree or disagree	9	8.0
Disagree	16	14.1
Disagree strongly	21	18.6
Did not express a view	0	0



67 out of 113 or 59% of residents who responded agreed or strongly agreed with this broad principle that all working age claimants should pay an element of their council tax.

- 3.6 The consultation asked respondents to indicate how they felt regarding the possibility that under the proposed new local support scheme those families with young children and those in work have any additional council tax they have to pay limited to 10% to 15% more than they currently do. The responses were

	Number	Percentage
Agree strongly	15	13.3
Agree	47	41.6
Neither agree or disagree	17	15.0
Disagree	21	18.6
Disagree strongly	12	10.6
Did not express a view	1	0.9



62 out of 113 or 55% of residents who responded agreed or strongly agreed with this broad principle that the increase in the amount of

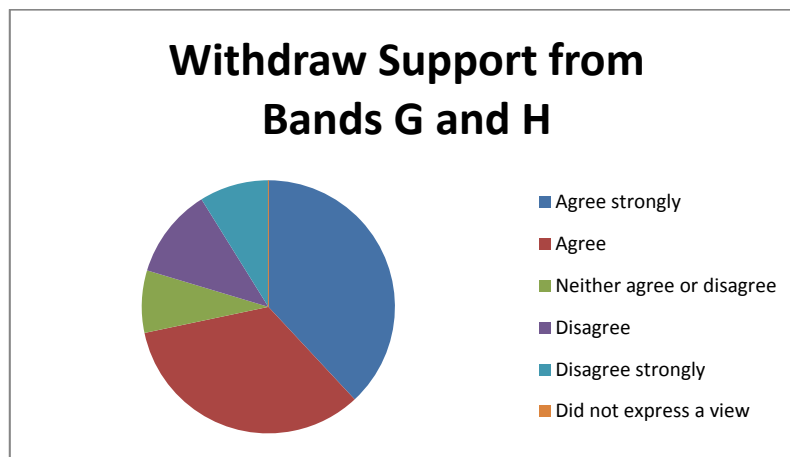
council tax payable should be limited to between 10% and 15 % for those claimants with young families or who are working.

3.6 The amount of Council Tax payable is calculated according to the Valuation Band the property is in. There are eight Valuation Bands and a property is placed in a particular Band by reference to its open market capital value on 1 April 1991. The Bands run A to H and the open market capital values at 1 April 1991 are

A	up to	£40,000
B	over	£40,000 and up to £52,000
C	over	£52,000 and up to £68,000
D	over	£68,000 and up to £88,000
E	over	£88,000 and up to £120,000
F	over	£120,000 and up to £160,000
G	over	£160,000 and up to £320,000
H	over	£320,000

3.7 The consultation asked residents their views on withdrawing support in its totality from households in the two highest Valuation Bands of G and H

Withdraw Support from Bands G and H	Number	Percentage
Agree strongly	43	38
Agree	38	33.6
Neither agree or disagree	9	8
Disagree	13	11.5
Disagree strongly	10	8.8
Did not express a view	0	0

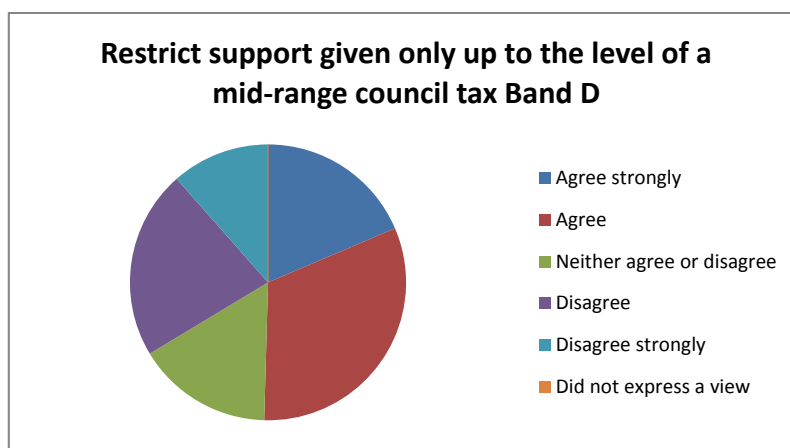


81 out of 113 or 72% of residents who responded agreed or strongly agreed with the option to withdraw support for those claimants whose home is in the highest Valuation Bands of G and H.

3.8 The Local Council Tax Support Scheme also contained a proposal to restrict the maximum level of support for those claimants in Valuation

Bands E, F G and H to Valuation Band D, the mid-point in the eight bands. Responses on this proposal were:

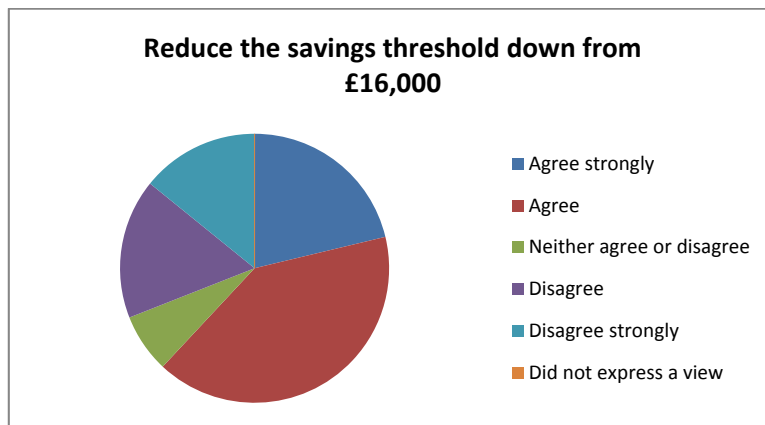
Restrict support given only up to the level of a mid-range council tax Band D	Number	Percentage
Agree strongly	21	18.6
Agree	36	31.8
Neither agree or disagree	18	15.9
Disagree	25	22.1
Disagree strongly	13	11.5
Did not express a view	0	0



57 out of 113 or 50% of residents who responded agreed or strongly agreed with the option to restrict maximum support to the level of a mid-range council tax charge in Valuation Band D

- 3.8 The current means tested national Council Tax Benefit scheme has a maximum capital threshold of £16,000. This threshold means that any claimant with capital equal to or in excess of £16,000 is not entitled to any benefit, regardless of their other income. The local support scheme allows Surrey Heath to lower this upper capital threshold.

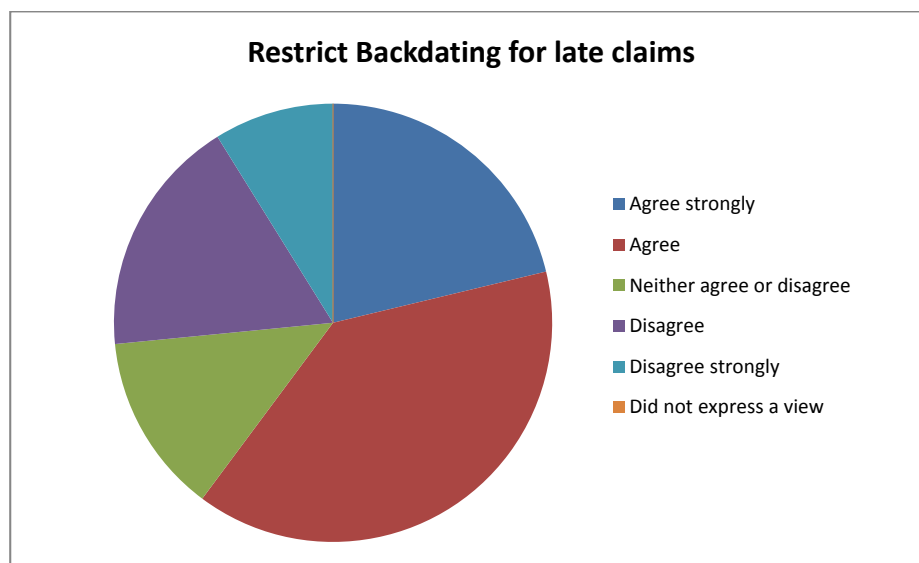
Reduce the savings threshold down from £16,000	Number	Percentage
Agree strongly	24	21.2
Agree	46	40.7
Neither agree or disagree	8	7.1
Disagree	19	16.8
Disagree strongly	16	14.2
Did not express a view	0	0



70 out of 113 or 62% of residents who responded agreed or strongly agreed with the option to reduce the upper capital threshold down from the current level of £16,000.

- 3.9 The current Council Tax Benefit scheme has provision to award entitlement to benefit for up to 26 weeks prior to an actual claim being made. This is called backdating. Backdated awards can only be made if the claimant can show that there are extenuating reasons that exist throughout the period, for not having made a claim from an earlier date. Residents were asked if this current provision should form part of the Local Council Tax Support scheme. The responses to this question were:

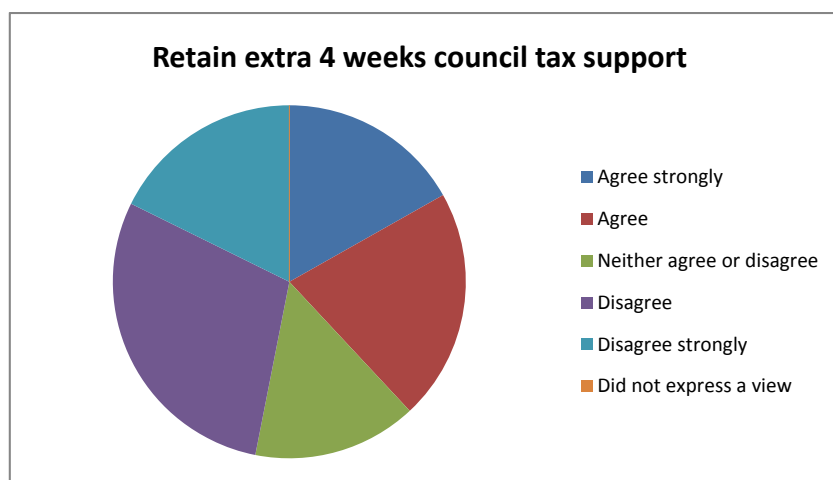
Restrict Backdating for late claims	Number	Percentage
Agree strongly	24	21.2
Agree	44	38.9
Neither agree or disagree	15	13.3
Disagree	20	17.7
Disagree strongly	10	8.8
Did not express a view	0	0



68 out of 113 or 60% of residents who responded agreed or strongly agreed with the option to reduce the upper capital threshold down from the current level of £16,000.

- 3.10 Currently long-term unemployed people (26 weeks+) are given an extra 4 weeks payment of Council Tax Benefit (an Extended Payment) when they start work, paid at the level prior to starting work. Residents were asked if this provision should form part of the Local Support Scheme or be abolished.

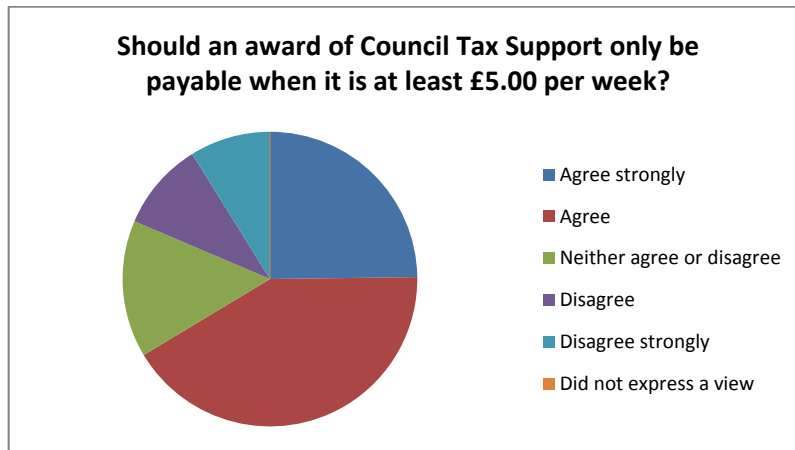
Retain Extended Payments	Number	Percentage
Agree strongly	19	16.8
Agree	24	21.2
Neither agree or disagree	17	15
Disagree	33	29.2
Disagree strongly	20	17.7
Did not express a view	0	0



53 out of 113 or 47% of residents who responded disagreed or strongly disagreed with the option to abolish the 4 week Extended Payment. 43 of the 113 respondents or 38% agreed or strongly agreed with the retention of an Extended Payment scheme in the new support scheme.

- 3.11 The current minimum award of council Tax Benefit is £0.01 per week. Residents were asked to comment on the proposal to increase this weekly £0.01 minimum to £5.00.

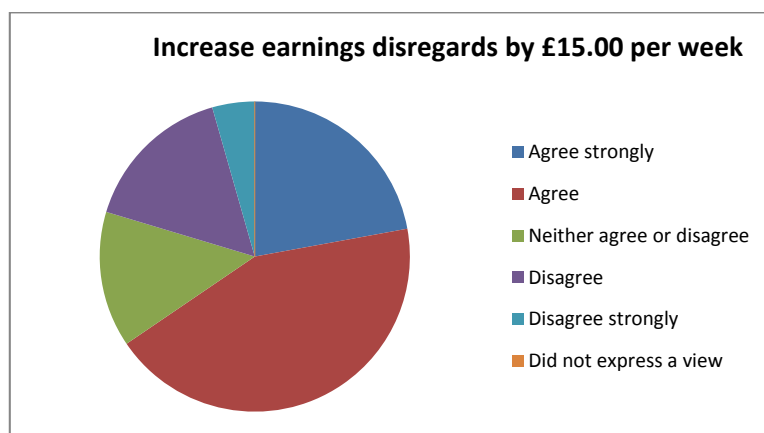
Should an award of Council Tax Support only be payable when it is at least £5.00 per week?	Number	Percentage
Agree strongly	28	24.8
Agree	47	41.6
Neither agree or disagree	17	15
Disagree	11	9.7
Disagree strongly	10	8.8
Did not express a view	0	0



75 out of 113 or 66% of residents who responded agreed or strongly agreed with the option to award council tax support only when the claimant would be entitled to at least £5.00 per week in support.

3.11 The current national means tested Council Tax Benefit scheme specifies specific disregards to be made from a claimants earned income when calculating entitlement. In introducing a Local Council Tax Support Scheme that incentivises work residents were asked if these disregards should be increased by £15.00 per week. This would disregard £20.00 per week for single claimants, £25.00 for couples and £40.00 in respect of a single parent's earnings.

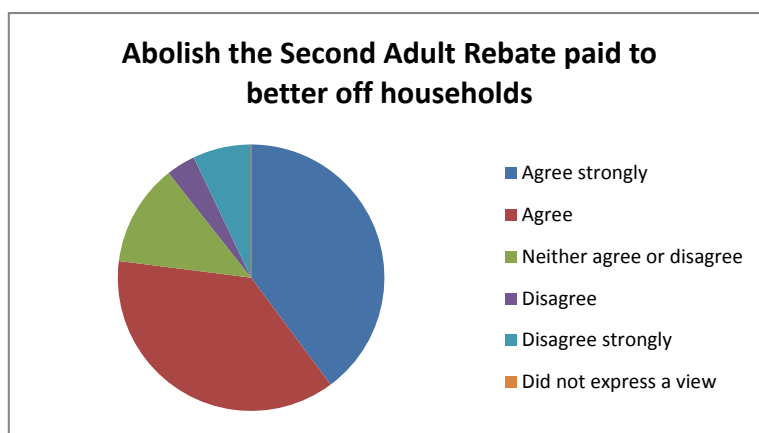
Increase earnings disregards by £15.00 per week	Number	Percentage
Agree strongly	25	22.1
Agree	49	43.4
Neither agree or disagree	16	14.2
Disagree	18	15.9
Disagree strongly	5	4.4
Did not express a view	0	0



74 out of 113 or 65% of residents who responded agreed or strongly agreed with the option to increase the earnings disregards by £15.00 per week to incentivise employment.

3.12 Second Adult Rebate is a feature of the current Council Tax Benefit scheme. Second Adult Rebate is paid where the claimant is not entitled to benefit under the main scheme due to the level of their income but has another adult resident in the property, who has no liability to council tax. If this second adult is on a low income a reduction of up to 25% can be awarded. In an attempt to simplify a Local Council Tax Support Scheme it is suggested that the Second Adult Scheme should be abolished.

Abolish the Second Adult Rebate paid to better off households	Number	Percentage
Agree strongly	45	39.8
Agree	42	37.2
Neither agree or disagree	14	12.4
Disagree	4	3.5
Disagree strongly	8	7.1
Did not express a view	0	0

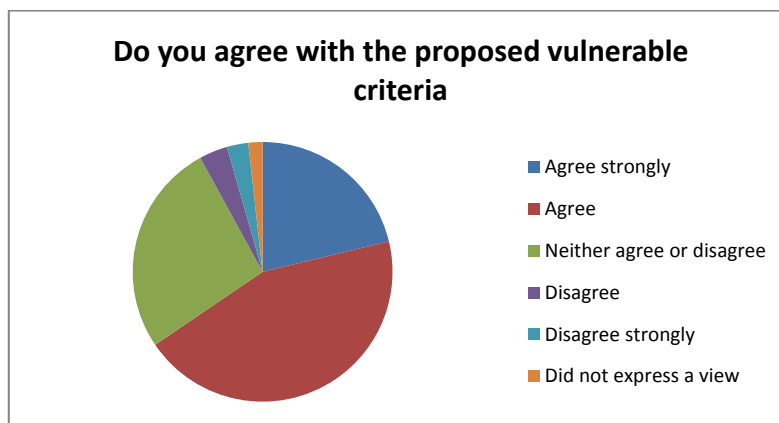


87 out of 113 or 77% of residents who responded agreed or strongly agreed with the option to abolish Second Adult Rebate.

4.0 Vulnerability definitions

4.1 One of the broad principles of the new scheme is to consider if the vulnerable should be protected from changes proposed in the Local Support Scheme. It is for Surrey Heath borough council to define vulnerable for the purposes of the Local Support Scheme. It is proposed that the qualifying criteria should be that the claimant, partner or dependent child is in receipt of a prescribed disability related benefit that currently give rise to a disability related premium and prevent people in this group from being able to work.

Do you agree with the proposed vulnerable criteria	Number	Percentage
Agree strongly	24	21.2%
Agree	50	44.2%
Neither agree or disagree	30	26.5%
Disagree	4	3.5%
Disagree strongly	3	2.7%
Did not express a view	2	1.8%



74 out of 113 or 65% of residents who responded agreed or strongly agreed with the option that the qualifying criteria should be that the claimant, partner or dependent child is in receipt of a prescribed disability related benefit that currently give rise to a disability related premium and prevent people in this group from being able to work.

- 4.2 Finally the consultation asked if those responding considered that any other groups that should be considered for inclusion as a vulnerable group. Listed below verbatim are the responses received. Members may want to note that pensioners are not affected by changes arising from the change to the Local Council Tax Support scheme.

<i>People with depression</i>	<i>Parents with young children</i>
<i>State Pension age people</i>	<i>Army Personnel suffering with stress relating illness</i>
<i>Recently unemployed who may still have assets and investments</i>	<i>Under 25's who are fleeing from an abusive home</i>
<i>People made homeless through drug/drink addiction</i>	<i>Any family where a member if the family is found guilty of a serious crime or other unlawful behaviour should not be given any relief</i>
<i>Pensioners and single parent household</i>	<i>Widowed parents</i>
<i>People that act as carers for a family member and as such can't take paid employment</i>	<i>People dealing with domestic violence</i>

People seeking asylum

War pensioners

5.0 Additional comments on any of the scheme elements

5.1 As part of the Council Tax Reduction Scheme consultation customers were asked to make any additional comments in respect of all aspects of the proposals and these are shown below categorised according to the question they refer to:-

5.2 Do you agree with the principles of the scheme?

As a single mother of a disabled child it concerns me that by including his maintenance money from his dad I am going to be much worse off with all the cuts. I strongly believe we all need to help with the savings, I just have concerns that renting a home will be too expensive for me with all the austerity changes.

I support the general aim of the proposed scheme but am not qualified to comment in detail on any particular aspect of it.

All households should pay an amount in council tax even if it's a small reduced amount so that they contribute to the services provided.

People on benefits do not get that much in the first place, so will struggle to pay c/tax on top of household bills etc

If you do choose to make everyone pay, I hope you either reduce the amount until at least the economy is a lot stronger in a few years time or you set up a direct debit system where you can pay it off a little bit at a time spread over the whole of the year and don't expect it to be paid off in one lump sum.

I think it is highly unreasonable to include child benefit and child maintenance as income as this money goes towards the children's upbringing.

Child benefit and child tax credit should not be included as income when calculating a person's eligibility for c/tax benefit.

This seems to be a pragmatic approach to a tricky problem. However, most of the people adversely affected will be those more vulnerable in our community.

Crackdown on families where there are 2nd and 3rd generations that have never worked and still drawing benefits.

Disagree that child benefit and allowances should be regarded as income for the means test calculation.

*Flat carte blanche increase also makes those who always pay, pay more!
Surely it should be looking at cutting the claims from those who should not really be claiming.*

Single claimants living alone rely on benefits or part time work and may have any other help so any monies would be paid from their JSA or other benefit

which is difficult with costs of fuels, home insurance, telephone, running a car which may be essential to obtain a job.

Are we going back to the past where we punish the lower classes as well as those that have worked hard all of their lives? They need help but are just over the threshold by a pound or two. Try making it + or – by £15.

It is a complete joke and you are driving people into poverty.

Disagree strongly that child maintenance and child benefit should be included in income. That money is specifically to be spent on the children and not the household.

I have no objection to people who are employed contributing something towards their c/tax but deducting £5 p/wk from people who have an adult on pension credit living in their home seems arbitrary and unfair when other pensioners qualify for full support. Also, counting child benefit and child maintenance in the income calculation you will be taking money that is meant to support children by paying for food, clothes, uniforms, shoes etc. It seems very unfair that you will be counting money that is specifically for children.

I would like to comment that I have benefited from the scheme previously and without its help would not have been able to live.

I found it difficult to answer some of these questions particularly the first one because although I may agree with some/all of the principles I don't agree that the methods suggested would lead to the achievement of the principles.

5.3 Most working age claimants pay an element of their council tax

This is an excellent amendment. There are too many people whose sole aim in life is to live off benefits and believe that it is their 'right'. The pensioners can do nothing about their situation in life and it is correct that they should be protected. All others, unless seriously handicapped, should have to pay something. This will encourage them to find a job. There are jobs out there; you only have to be flexible and willing to take them.

5.4 Withdraw support from households in highest council tax band G and H

Previously hard working people who have paid taxes etc. who find themselves unemployed and in higher band c/tax houses should not be penalised. They deserve the same level of support as those who live in social housing and have either never contributed to the economy or have contributed less. Vulnerable people should include the recently unemployed who may still have assets and investments.

5.5 Reduce the savings threshold down from £16,000

I have disagreed with the principle that the savings threshold should be reduced. I consider it to be a principle that those who have sought to be self reliant by thrift or self denial should be encouraged not penalised.

By reducing the asset base to £6,000 is there any likelihood of claimants with a higher asset base will spend same on luxury items that they cannot really afford eg newer/bigger/better motor cars.

The lowering of the saving limit will only effect those people who have saved, the majority of claims are made by people who do not save as a result of 'not knowing the limit' so do not save. The lower amount will cause less saving and increase later liabilities.

I think you should lower the amount of savings people can have from £16,000 to £10,000 as this is a much more reasonable amount than £6,000.

Do not base payment on people's savings; base it on what they earn. Two people can earn the same amount of money but one may go without sky tv and save and one won't yet the person saving gets penalised.

I disagree with reducing the savings limit to £6,000 as this penalises those who have made sensible provision for their future.

Single parents on low income should not be affected much by the changes. If they've always received some help towards their c/tax and all of a sudden they'll be given less support that could mean that they will struggle. Even £10 p/wk can make a huge difference to them. Also reducing the savings threshold so drastically is really not appropriate. You could lower it to £10,000 in the worst case but not more than by half. You could bring it down gradually to give people chance to adjust etc. It is really a huge injustice if someone cannot get a benefit whilst having £7,000 savings along with someone who never even had to claim a benefit because they have got £70,000 in savings.

Are you really telling me that £6000 is classed as significant savings? In my view significant saving should be if you are saving more than you require for the deposit on a house eg 10% of £250,000 ie £25,000.

People who own their own property but are on low incomes need to have enough savings to maintain their properties. Having savings lower than £6,000 is not enough to do this.

5.6 Restrict Backdating for Late Claims

Backdating rules should have discretion where there is a genuine lack of knowledge of the assistance available and to prevent unnecessary hardship.

5.7 Should an award of Council Tax Support only be payable when it is at least £5 per week

It seems perverse to have a system that has a cut of i.e. you are entitled to no help or a small amount of help then to say that even though you are entitled to a little bit of help we're not going to assist you because we are imposing another cut of (at £5).

I suspect the scheme will cost more than £5 p/week to implement and administer so maybe the threshold for payments should be nearer £10 p/week

to cover the cost of the scheme. Alternatively only increase the amount of earned income which isn't counted by £10 rather than £15 p/wk.