



# **Helping you cope with the changes to Council Tax Benefit**

## **Consultation Feedback**

**October 2012**

Survey Results (pages 2 – 22)

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# Helping you cope with the changes to Council Tax Benefit

## Survey Results

October 2012

This consultation was open between 6 August and 5 October 2012

Method	Number of questionnaires returned	Percent of questionnaires returned
Paper	325	52.3
Online	297	47.7
<b>Total</b>	<b>622</b>	<b>100.0%</b>

- 16.8% of questionnaires distributed via Libraries and Connections were returned.
- 8.7% of questionnaires distributed by post to Council Tax payers and claimants were returned.

# 1. Introduction

As part of the Government's welfare reforms, Council Tax Benefit is being removed and Torbay Council like all councils will have to design a local scheme called Council Tax Support. This will affect all people of working age who currently receive Council Tax Benefit. Pensioners will have a Council Tax Support Scheme set nationally and so will not be affected by changes to the local scheme.

At the same time as this, the Government will be reducing the amount of money it provides councils to support local Council Tax Support schemes. As a result there will be a smaller pot of money to support customers who have been receiving this benefit. Torbay Council has to consider how we can design a local scheme that is as fair as possible to those people who are affected. This means we have to make some difficult decisions about who gets financial support and how much we can afford to give them. All working age customers who currently receive Council Tax Benefit will be affected by these proposals. However, there will be a small fund available to assist customers who are experiencing exceptional financial hardship.

The questionnaire was designed to ask the views of those people in receipt of Council Tax Benefit as well as those who are not on the Council's draft proposals for a Council Tax Scheme.

## 2. Methodology

Questionnaires were made available online and were distributed through libraries and Connections offices. Over 9,000 council tax benefit claimants were notified of the consultation by post and an additional 1,068 copies of the questionnaire were sent to claimants and Council Tax payers by post.

Members of the Council's ViewPoint Panel and the Stakeholder database were emailed to notify them of the consultation. During the final two weeks Customer Service Advisors actively approached members of the public in Connections offices to complete the questionnaire.

The profile of respondents to this survey is as follows:

- Most respondents are aged between 35 and 64 (69%)
- Nearly half of respondents are employed (43.8%)
- A tenth are unemployed (11.5%)
- Just under a third of respondents said they have a disability (29.8%)
- Nearly all the respondents were responding as a resident of Torbay (96.5%)
- Just over half of respondents were currently in receipt of Council Tax Benefit at the time of completing the questionnaire (52.4%).

### 3. Summary of results

#### **Proposal One: Everyone should pay something towards their Council Tax**

- 56.1% agree with the proposal that everyone should pay something towards Council Tax
- 44.7% agreed that everyone of working age should pay at least 25% of their Council Tax bill, while 43.2% disagreed.
- Nearly half (46.1%) of respondents said they would be affected by the proposal.

#### **Proposal Two: Limiting the amount of Council Tax Support for working age people to a Band D charge**

- 59.8% of respondents agreed that people who live in higher band properties and claim Council Tax Benefit should pay more.
- 54.5% of respondents agreed that Council Tax Support should be capped to the level of Band D.
- Most respondents (85.2%) said they would not be affected by the proposal.

#### **Proposal Three: Reduce the savings limit from £16,000 to £6,000 for working-age people**

- 47.5% of respondents agreed with the proposal that Council Tax Support should not be paid to people with savings.
- 44.8% of respondents agreed with reducing the savings limit to £6,000 from £16,000, while 42.1% disagreed.
- Nearly all respondents (93.9%) said they would not be affected by this proposal.

#### **Proposal Four: Removing the Second Adult Rebate**

- 44% of respondents agreed with removing the Second Adult Rebate, while 32.9% disagreed with this proposal.
- Nearly all respondents (92.1%) would not be affected by this proposal.

## 4. Results

### 4.1 Proposal One: Everyone should pay something towards their Council Tax

Under the new scheme everyone of working age who gets Council Tax Benefit would have to pay at least 25% towards their Council Tax bill. This means that the maximum amount of Council Tax Benefit that can be claimed is reduced from 100% to 75%.

#### Q1a) How strongly do you agree or disagree that all working age people should pay something towards their Council Tax?

	Number	Percent
Strongly agree	168	27.3
Agree	177	28.8
<b>Total Strongly agree or agree</b>	<b>345</b>	<b>56.1</b>
Neither agree nor disagree	61	9.9
Disagree	80	13.0
Strongly disagree	129	21.0
<b>Total Disagree or strongly disagree</b>	<b>209</b>	<b>34.0</b>
<b>Total</b>	<b>615</b>	<b>100.0%</b>

#### Q1b) How strongly do you agree or disagree that all working age people should pay at least 25% of their Council Tax bill?

	Number	Percent
Strongly agree	130	21.2
Agree	144	23.5
<b>Total strongly agree or agree</b>	<b>274</b>	<b>44.7</b>
Neither agree nor disagree	74	12.1
Disagree	113	18.4
Strongly disagree	152	24.8
<b>Total disagree or strongly disagree</b>	<b>265</b>	<b>43.2</b>
<b>Total</b>	<b>613</b>	<b>100.0%</b>

Percent of respondents who agree or disagree that all working age people should pay at least 25% of their Council Tax bill split by Council Tax Benefit claimants.

	Currently receive Council Tax Benefit					
	Yes		No		Don't know	
	Number	Percent	Number	Percent	Number	Percent
Strongly agree	22	7.0	99	37.9	6	26.1
Agree	58	18.5	76	29.1	5	21.7
Neither agree nor disagree	51	16.2	15	5.7	5	21.7
Disagree	71	22.6	34	13.0	6	26.1
Strongly disagree	112	35.7	37	14.2	1	4.3

Total	314	100.0%	261	100.0%	23	100.0%
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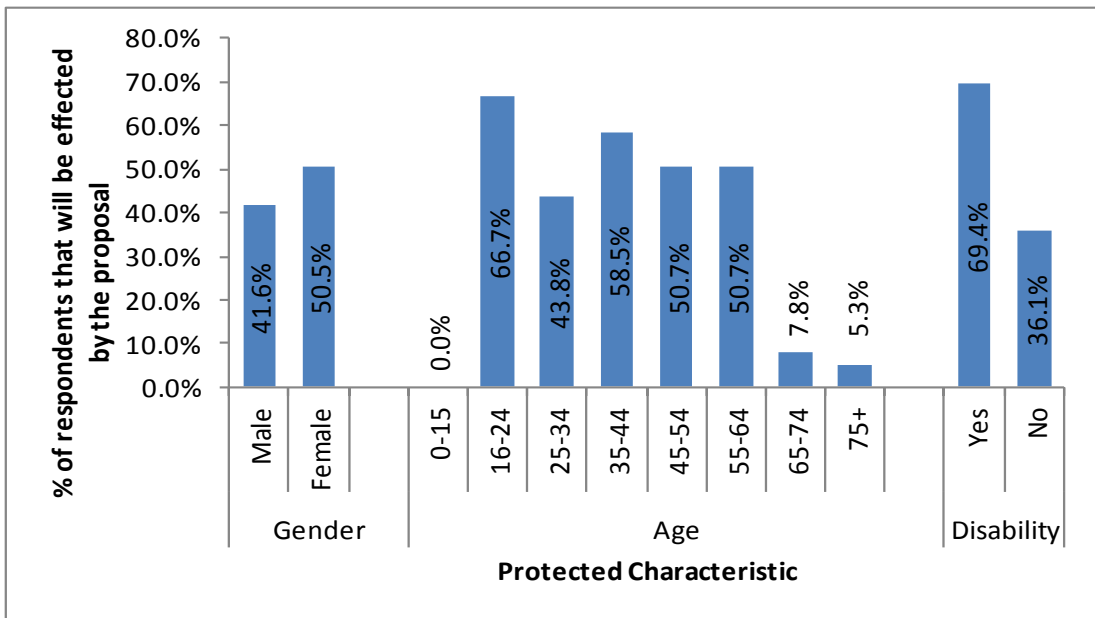
**Q1c) Would this proposal have an effect on your household?**

	Number	Percent
Yes	277	46.1%
No	324	53.9%
<b>Total</b>	<b>569</b>	<b>100.0%</b>

Figure 1 below shows the percent of respondents with protected characteristics who will be affected by the proposal:

- 69.4% of people with disabilities said they will be affected by the proposal
- Two thirds of people aged 16-24 say they will be affected by this proposal

**Figure 1: Percent of respondents with protected characteristics who will be affected if everyone paid something towards their Council Tax**



Those respondents who said this proposal would have an effect on their household were asked to say what they felt this would be. Most respondents said that under this proposal they would have to **pay something or more towards** their council tax. For many of these they outlined they would be **worse off** because of this specific proposal as they were currently on **low incomes / wages**. Most significant was the concern raised by respondents who have a **disability** or are **carers** and their ability to pay the increase as they are unable to work.

While the majority of respondents outlined a negative impact on their household, a very small number appreciated that all people should contribute, although this should be means tested:

*“However, I do feel a contribution should be made but I think an assessment of whether people can pay the 25% is achievable!”*

*“Pay something is OK but Council Tax is too high”*

*“Maybe a lesser contribution – 10 – 15% could be considered”*

Key issues with examples of comments regarding proposal one are outlined in the table below:

	Comments made by respondents
<b>Disability and concern about affording more</b>	<p><i>"Being disabled and on a fixed income this would reduce the amount available for food and heating and lighting. Which being unable to add income through work would possibly put mine and other disabled people's health even more at risk"</i></p> <p><i>"I am a disabled person under 65 and am unable to work and my partner can only work part time as she has to care for me, we only just exist as it is"</i></p> <p><i>"I am disabled and unable to work, in receipt of DLA and Employment Support Allowance support group. With a limited income how am I expected to suddenly be able to afford 25% of my Council Tax bill..."</i></p> <p><i>"I am disabled on benefits not by my choice, having to pay my Council Tax would cause me a lot of problems with my finances"</i></p>
<b>Struggle to pay</b>	<p><i>"With the increase of all other utility bills ... to add yet another bill to this most certainly have a negative impact on the already stretched household budget"</i></p> <p><i>"I am on income support ... the reduction on Housing Benefit has made money tight, I do not think I could find the money to pay"</i></p> <p><i>"I am on a very limited budget I'm not going to be able to afford to pay more at this rate with cuts to Housing Benefit..."</i></p>
<b>Current benefits only cover cost of living</b>	<p><i>"As far as I was aware the money we receive is the correct amount we need to live on, so how would we have enough to pay for anymore expense."</i></p> <p><i>"Currently receive full Council Tax Benefit worried about the effect it will have on minimal income (also on income support) as this is the bare minimum the government says we can live on but struggle in these economic times to keep on top of bills and feed my children. However I do feel a contribution should be made but I think an assessment of whether people can pay the 25% is achievable"</i></p>
<b>Need to make choices about bills</b>	<p><i>"Finding the money would be difficult probably having to reduce food, electric and heating."</i></p> <p><i>"I would not be able to pay all the bills coming in, I would have to see which ones I will pay each month"</i></p> <p><i>"...I would not be able to pay anything towards this without going without food or utilities"</i></p> <p><i>"If I had to pay towards Council Tax I would find it hard to pay my other bills and buy food"</i></p>
<b>Financial hardship and debt</b>	<p><i>"We currently receive Council Tax Benefit and feel that paying 25% on top of the amount we already pay would leave us struggling financially."</i></p> <p><i>"Not enough money coming in. Food costs more. Utilities cost more paying towards council tax in my situation will mean being more into overdraft and debt"</i></p>
<b>Caring responsibilities</b>	<p><i>"I am a carer for my disabled son...I would have to use my child's DLA to make ends meet rather than on him which I think is wrong"</i></p> <p><i>"I am a full time carer for my daughter with disability and unable to work, life is a struggle coping with her needs as well as finances this would make"</i></p>

*life even more difficult and care needs for her would be affected”*

**Q1d) Do you have any comments about Proposal One?**

There were a wide variety of comments in relation to this proposal and divided opinion. Some views which were put forward in answer to 1c were replicated especially in relation to the **struggle** for people on **low incomes** and their **ability to find this money** and pay. However, there was also some **agreement** for this proposal and scheme with a common view that **everyone should contribute**.

The table below highlights the key issues / themes identified in the responses to this question:

	<b>Comments made by respondents</b>
<b>25% is high – consider another amount / based on ability to pay</b>	<p><i>“25% is quite a lot, surely a starting point of say 10% would be better”</i></p> <p><i>“Council tax should be based on the ability to pay. All working should pay something but it should be related to income”</i></p> <p><i>“Everybody’s case should be assessed on an individual basis”</i></p> <p><i>“It should be means tested for those on a low income”</i></p> <p><i>“It should be dependent on personal / household circumstances. Not just across the board for everyone”</i></p> <p><i>“If it had to be this proposal, would be OK with 10%-15%, but not 25%”</i></p> <p><i>“I agree in principle everybody should pay something towards their Council Tax bill but 25% is an unrealistic amount for working age people in receipt of benefits”</i></p> <p><i>“I feel that the level of contribution should be based on circumstance between 10% and 25% and not a flat rate for all.”</i></p>
<b>Everyone should pay something</b>	<p><i>“Everybody should pay something towards council tax. They use the services provided by council so they should pay”</i></p> <p><i>“Everyone-including pensioners, should make some contribution”</i></p> <p><i>“Pay at least 25% agree!”</i></p> <p><i>“Everybody benefits from the services so why should they not contribute a small amount”</i></p> <p><i>“Everyone should contribute something – these people are usually using more services than most”</i></p> <p><i>“I work and pay 100% of my bill, so should everyone else who works”</i></p> <p><i>“The pain should be borne by all so pensioners should be included”</i></p> <p><i>“Most people on benefits seem to be better off than working people! They could contribute a little at least.”</i></p>
<b>People will struggle to pay / can’t afford</b>	<p><i>“I possibly do think that everyone should pay something towards their council tax, but I just don’t see where people will find the extra money”</i></p> <p><i>“It would be impossible for families to find the money”</i></p> <p><i>“Maybe not for people on JSA as it is hard enough for them to make ends meet let alone having to find money for Council Tax”</i></p> <p><i>“Not everyone can afford this”</i></p> <p><i>“Means tested benefits are set at the minimum necessary to survive and will not allow for such a dramatic increase in living expenses”</i></p> <p><i>“This is going to cause an awful lot more stress and financial hardship to</i></p>



	<i>those of us who already struggle to make ends meet.”</i>
<b>Protection for most vulnerable</b>	<p><i>“Only those with severe physical or mental problems should be totally exempt”</i></p> <p><i>“Along with pensioners, I wonder if vulnerable adults and their carers are to be protected?”</i></p> <p><i>“Disabled and carers should be exempt if unable to get any other income than state benefits”</i></p> <p><i>“People of working age with disabilities should not have to pay any Council Tax”</i></p> <p><i>“I agree that working age should pay Council Tax. But not those who, through no fault of their own, cannot either get a job or are on the sick. Those are the poorest people in the country and it’s not right to further hit them with extra charges.”</i></p>
<b>Proposal hitting those on low incomes</b>	<p><i>“Cuts will only affect the poor”</i></p> <p><i>“This would make the poorest even poor”</i></p> <p><i>“How are people on very low incomes going to pay for this?”</i></p> <p><i>“I think this proposal is unfair on the unemployed and low incomes.”</i></p>

## 4.2 Proposal Two: Limiting the amount of Council Tax Support for working age people to a Band D charge

Currently there are no restrictions on the amount of Council Tax Benefit that can be paid. This means that a person on a low income could get all their Council Tax paid even if they live in a large house with a high Council Tax band. The lowest band is A, with the highest being H. Proposal Two would limit this to the Band D charge, which is the average band. So, if you live in a Band E, F, G or H property, we would reduce your Council Tax Support to that of a Band D householder.

**Q2a) How strongly do you agree or disagree that working age people living in properties with a higher Council Tax charge who currently receive Council Tax Benefit should pay more?**

	Number	Percent
Strongly agree	175	28.8
Agree	188	31.0
<b>Total strongly agree or agree</b>	<b>363</b>	<b>59.8</b>
Neither agree nor disagree	88	14.5
Disagree	88	14.5
Strongly disagree	68	11.2
<b>Total disagree or strongly disagree</b>	<b>156</b>	<b>25.7</b>
<b>Total</b>	<b>607</b>	<b>100.0%</b>

**Q2b) How strongly do you agree or disagree with us limiting the amount of Council Tax Support to a Band D charge for working age people?**

	Number	Percent
Strongly agree	150	24.9
Agree	178	29.6
<b>Total strongly agree or agree</b>	<b>328</b>	<b>54.5</b>
Neither agree nor disagree	117	19.4
Disagree	80	13.3
Strongly disagree	77	12.8
<b>Total disagree or strongly disagree</b>	<b>157</b>	<b>26.1</b>
<b>Total</b>	<b>602</b>	<b>100.0%</b>

**Percent of respondents who agree or disagree with limiting the amount of Council Tax Support to a Band D charge for working age people by Council Tax Benefit claimants.**

	Currently receive Council Tax Benefit					
	Yes		No		Don't know	
	Number	Percent	Number	Percent	Number	Percent
Strongly agree	48	15.6	98	38.0	2	8.7
Agree	89	29.0	82	31.8	4	17.4
Neither agree nor disagree	71	23.1	30	11.6	10	43.5
Disagree	42	13.7	32	12.4	5	21.7
Strongly disagree	57	18.6	16	6.2	2	8.7
<b>Total</b>	<b>307</b>	<b>100.0%</b>	<b>258</b>	<b>100.0%</b>	<b>23</b>	<b>100.0%</b>

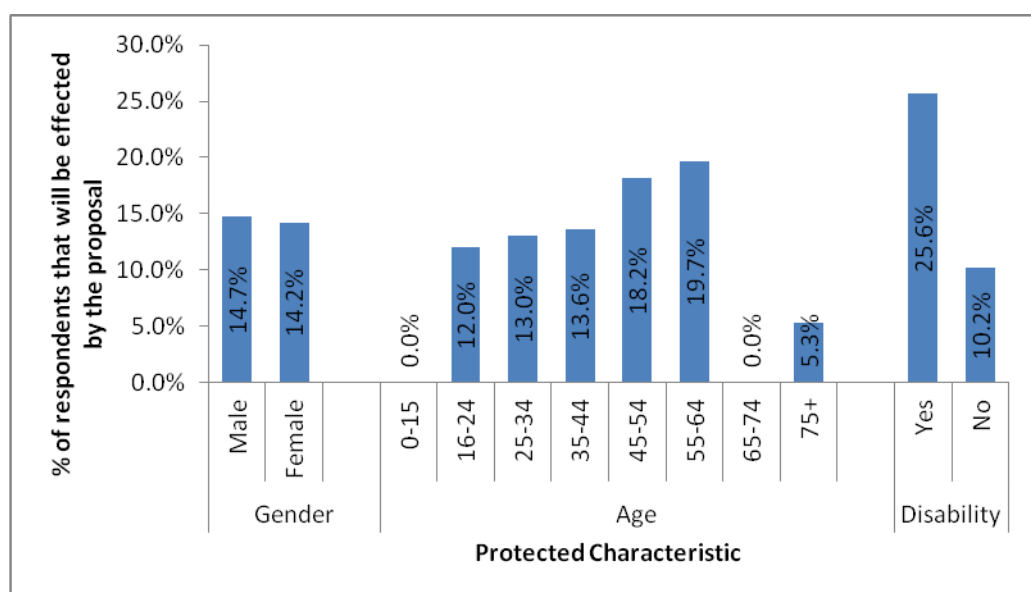
**Q2c) Would this proposal have an effect on your household?**

	Number	Percent
Yes	84	14.8
No	485	85.2
<b>Total</b>	<b>569</b>	<b>100.0%</b>

Figure 2 below shows the percent of respondents with protected groups who will be affected by the proposal:

- 25% of people with disabilities said they are likely to be affected by this proposal
- People aged 45 and above were more likely to say they will be affected by this proposal

**Figure 2: Percent of respondents with protected characteristics who would be affected if the amount of Council Tax Support for working age people was limited to a Band D charge.**



Those respondents who said this proposal would have an effect on their household were asked to say what they felt this would be. The main themes identified from respondents in relation to this proposal were **higher costs** to pay and concern this proposal would cause them **greater hardship** and **may have to move**.

Key issues with examples of comments regarding proposal one are outlined in the below:

	Comments made by respondents
<b>Find it difficult to pay / cannot afford</b>	<p><i>"Do not know if we would be able to afford it"</i></p> <p><i>"I would suffer greater hardship"</i></p> <p><i>"I do not have any spare money to now pay council tax!"</i></p> <p><i>"I'm struggling to pay my normal household bills already this is going to put pressure on our family now"</i></p> <p><i>"Less money to pay for everyday essentials and bills"</i></p>
<b>Would have to move</b>	<p><i>"I own my house ...and unable to work and in receipt of disability. My home and garden act as my therapy so I need to keep it but this could mean I have to sell"</i></p> <p><i>"I am disabled and already cannot afford to live...I own my own house so get no housing benefit so this rise would cripple me putting me into rented accommodation"</i></p>

#### Q2d) Do you have any comments about Proposal Two?

Similar to question 1d, there were a wide variety of comments in relation to this proposal and divided opinion. Many respondents felt that this was a **fair** proposal and that people who would be affected **should make choices** about their ability to afford a home with a higher council tax banding.

Some respondents however, highlighted their concern that some families and people with a disability **need larger properties**, they may be on **low incomes** and not able to afford a contribution towards their Council Tax, potentially creating financial hardship for that household. Within the responses to this question, some respondents felt that the council needed to offer support to those affected.

There was an acknowledgement within the responses that people's **circumstances change** i.e. people get made redundant and that support should be available to these households.

The table below highlights the key issues / themes identified in the responses to this question:

	Comments made by respondents
<b>Should depend on circumstances</b>	<p><i>"This proposal does not take into account individual circumstances"</i></p> <p><i>"It really depends on the amount of money coming into the higher band home. If the occupier can afford to pay something towards their council tax then they should"</i></p> <p><i>"I think consideration should be given to each individual's situation. Just because you live in an expensive property does not mean you have lots of money."</i></p>
<b>Based on income not</b>	<p><i>"Ability to pay has to be related to income not the value of the property"</i></p>

<p><b>property</b></p>	<p><i>“Accurate and fair means testing would give a result which was based on disposable income irrespective of house size”</i></p> <p><i>“it cannot be assumed that because someone is living in a higher banded property they have higher disposable incomes”</i></p> <p><i>“to expect a low income household to pay more because they’re living in a higher banded property is not fair. It is not a true reflection of their circumstances, and will only make their hardship much worse”</i></p>
<p><b>Find it difficult to pay</b></p>	<p><i>“How are people on minimum wage supposed to find this money?”</i></p> <p><i>“For some larger families living in larger accommodation and in receipt of benefits this will be unmanageable”</i></p> <p><i>“How do you expect anyone to suddenly find an extra £1400 a year when there is no work and no chance of getting any”</i></p> <p><i>“If you are on a low income it simply doesn’t matter where you live. You simply have no spare money”</i></p> <p><i>“More people will be pushed into debt”</i></p> <p><i>“Non-working people on benefits would be badly affected and so would disabled people who might through no fault of their own be living in higher banded properties. The band of property does not mean that a person has more income with which to pay”</i></p>
<p><b>If people live in a larger property, they can afford their Council Tax bill</b></p>	<p><i>“Someone who lives in a larger property also should make the choice to live only in housing they can afford”</i></p> <p><i>“Bigger the house the more you pay, seems fair”</i></p> <p><i>“Don’t live in a house if you can’t afford the overheads”</i></p> <p><i>“If they can live in these expensive properties then they should be able to pay council tax”</i></p>
<p><b>People could move</b></p>	<p><i>“People could be encouraged to move into cheaper properties”</i></p> <p><i>“I would prefer those people in the higher band houses pay the full Council Tax, if they can’t afford it get a smaller house”</i></p> <p><i>“People in larger houses should downsize if they cannot afford to pay the rated the house requires”</i></p>
<p><b>Alternative options</b></p>	<p><i>“Perhaps a reducing amount should be introduced over a period of time to enable people to find work or move”</i></p> <p><i>“You should consider paying full Council Tax Benefit, but for a limited period, to give occupiers a chance to either sell the property and downsize or to find another job”</i></p> <p><i>“I think the full amount should be paid for the first 6 months and then it gets reduced by a percentage or in accordance with the band d”</i></p>
<p><b>Support Council should offer</b></p>	<p><i>“If you are going to do this you should offer to support people by re-housing them into suitable council tax banded house”</i></p> <p><i>“This would be potentially acceptable if there is an active scheme in operation by the council to help persons in genuine need move to a lower taxed property”</i></p> <p><i>“The council or housing associations should help them find properties if they have too much space”</i></p>

### 4.3 Proposal Three: Reduce the savings limit from £16,000 to £6,000 for working-age people

At present, a person is not entitled to Council Tax Benefit when their savings and investments are more than £16,000. This would include savings of a partner who lives in the same household. Under this proposal working age people with savings and investments worth more than £6,000 would not be entitled to any Council Tax Support.

**Q3a) How strongly do you agree or disagree that Council Tax Support should not be paid to people with some savings or investments?**

	Number	Percent
Strongly agree	125	20.9
Agree	159	26.6
<b>Total Strongly agree or agree</b>	<b>284</b>	<b>47.5</b>
Neither agree nor disagree	99	16.6
Disagree	129	21.6
Strongly disagree	86	14.4
<b>Total Disagree or strongly disagree</b>	<b>215</b>	<b>36.0</b>
<b>Total</b>	<b>598</b>	<b>100.0%</b>

**Q3b) How strongly do you agree or disagree with reducing the savings limit from £16,000 to £6,000?**

	Number	Percent
Strongly agree	125	21.0
Agree	142	23.8
<b>Total Strongly agree or agree</b>	<b>267</b>	<b>44.8</b>
Neither agree nor disagree	78	13.1
Disagree	132	22.1
Strongly disagree	119	20.0
<b>Total Disagree or strongly disagree</b>	<b>251</b>	<b>42.1</b>
<b>Total</b>	<b>596</b>	<b>100.0%</b>

**Percent of respondents who agree or disagree with reducing the savings limit from £16,000 to £6,000 by Council Tax Benefit claimants.**

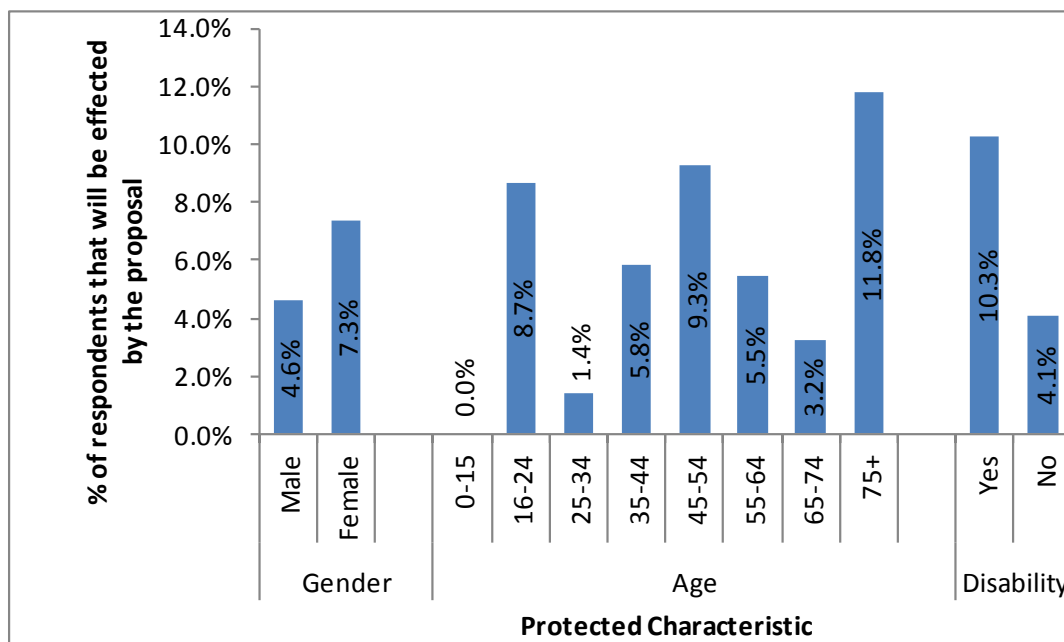
	Currently receive Council Tax Benefit					
	Yes		No		Don't know	
	Number	Percent	Number	Percent	Number	Percent
Strongly agree	56	18.3	62	23.9	3	13.0
Agree	75	24.5	62	23.9	4	17.4
Neither agree nor disagree	47	15.4	24	9.3	6	26.1
Disagree	64	20.9	61	23.6	5	21.7
Strongly disagree	64	20.9	50	19.3	5	21.7

Total	306	100.0%	259	100.0%	23	100.0%
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**Q3c) Would this proposal have an effect on your household?**

	Number	Percent
Yes	35	6.1
No	538	93.9
<b>Total</b>	<b>573</b>	<b>100.0%</b>

**Figure 3: Percent of respondents with protected characteristics who will be affected the savings limit is reduced from £16,000 to £6,000 for working-age people**



Those respondents who said this proposal would have an effect on their household were asked to say what they felt this would be. There were only 41 comments made in relation to the affect this proposal would have and many were general comments about the scheme. However, for those who did outline an affect this was again focussed on their **ability to afford** the bill as they would be expected to make a contribution under this proposal. Examples of this are outlined by the quotes below:

*“I would no longer be able to receive council tax benefit...it’s the one thing that keeps me going”*

*“Cannot afford to pay. Would not leave enough money each month”*

*“It would confine us to the house as I wouldn’t be able to afford to run my car”*

**Q3d) Do you have any comments about Proposal Three?**

There were a wide variety of comments in relation to this proposal and divided opinion. Some respondents felt that the proposal was **unfair, penalising** those that had made the efforts to save, while others felt that claimants could **afford** their council tax if they had money in savings. There



were also many comments relating to the savings threshold and that the drop to £6,000 was **drastic**, suggesting **alternative amounts, particularly £10,000**.

The table below highlights the key issues / themes identified in the responses to this question:

	<b>Comments made by respondents</b>
<b>Unfair / penalising</b>	<p><i>“£16,000 is about right (£6,000 is too low) why punish people for being careful and building up something for a rainy day”</i></p> <p><i>“I feel this should not change, when you consider the high price of food, utility bills...”</i></p> <p><i>“People should be able to have a reasonable amount of savings which should not be penalised. £16,000 should be the limit”</i></p> <p><i>“Savings should not be taken into account”</i></p> <p><i>“Why should people who have managed to save hard be penalised?”</i></p> <p><i>“Just because people have taken the time to save, they shouldn’t be penalised”</i></p>
<b>Agree / reasonable proposal</b>	<p><i>“I agree 100% with proposal three, and can see no reasonable argument against it”</i></p> <p><i>“I think that if people have savings or investments they should make a proportional contribution”</i></p> <p><i>“If they have over £6,000 they should be able to afford their bill anyway”</i></p> <p><i>“Council tax benefit should support those in financial difficulties. If they have savings of any amount they should use these before resorting to taxpayers money”</i></p> <p><i>“People that have savings can plainly afford to have the savings limit reduced”</i></p>
<b>Alternative savings limit</b>	<p><i>“Drop it down from £16,000 to £10,000”</i></p> <p><i>“I think the savings limit should be around £10,000”</i></p> <p><i>“A level of £10,000 rather than £6,000 would be better”</i></p> <p><i>“A reduction to £6,000 is too drastic. A reduction to say £12,000 would be more reasonable”</i></p> <p><i>“Reduce the limit to £10,000 not £6,000”</i></p>
<b>Reduces the incentive to save</b>	<p><i>“Higher outgoings on costs reduce incentive to save”</i></p> <p><i>“This reduces the incentive for people to save money or improve their situation”</i></p> <p><i>“There would be less incentive to save if people thought their savings could be taken from them”</i></p> <p><i>“At a time when there is huge emphasis on saving for the future – this scheme would discourage saving and erode savings”</i></p>
<b>Should relate to income / circumstances</b>	<p><i>“Council tax should be related to a person’s earnings or if the person is retired, to their pension after tax”</i></p> <p><i>“Council tax should be based on ability to pay”</i></p> <p><i>“This ‘blanket policy’ is unfair. I feel it should depend on the individuals circumstances and take those into account”</i></p> <p><i>“Council tax should be based on ability to pay”</i></p>



#### 4.4 Proposal Four: Removing the Second Adult Rebate

Currently, Second Adult Rebate can be given when there is one person in a property who is liable to pay council tax but lives with someone over the age of 18 (not a partner, boarder or tenant) who is on a low income. Council Tax Benefit of up to 25% can be given but no account is taken of the main person's income. Under this proposal, Second Adult Rebate would be abolished and Council Tax Support would only be considered by taking account of both incomes.

**Q4a) How strongly do you agree or disagree with removing the Second Adult Rebate for working-age people?**

	Number	Percent
Strongly agree	128	21.6
Agree	133	22.4
<b>Total Strongly agree or agree</b>	<b>261</b>	<b>44.0</b>
Neither agree nor disagree	137	23.1
Disagree	115	19.4
Strongly disagree	80	13.5
<b>Total Disagree or strongly disagree</b>	<b>195</b>	<b>32.9</b>
<b>Total</b>	<b>593</b>	<b>100.0%</b>

**Percent of respondents who agree or disagree with removing the Second Adult Rebate for working-age people by Council Tax Benefit claimants.**

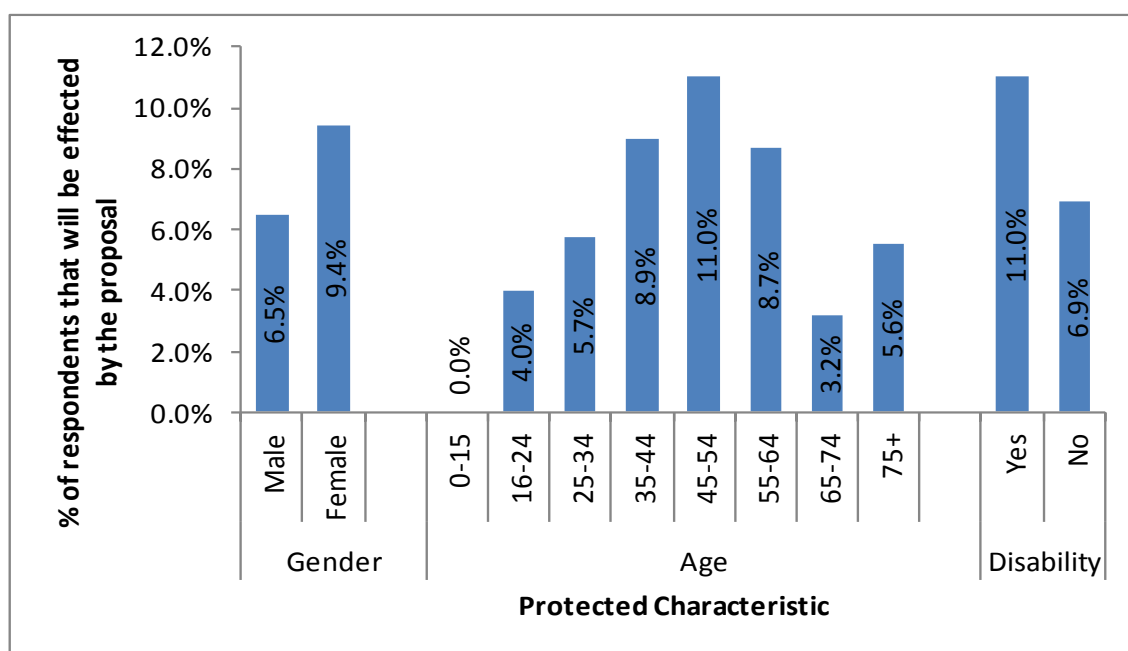
	Currently receive Council Tax Benefit					
	Yes		No		Don't know	
	Number	Percent	Number	Percent	Number	Percent
Strongly agree	42	13.7	86	33.2	0	0.0
Agree	61	19.9	66	25.5	5	22.7
Neither agree nor disagree	78	25.5	44	17.0	11	50.0
Disagree	66	21.6	43	16.6	5	22.7
Strongly disagree	59	19.3	20	7.7	1	4.5
<b>Total</b>	<b>306</b>	<b>100.0%</b>	<b>259</b>	<b>100.0%</b>	<b>22</b>	<b>100.0%</b>

**Q4b) Would this proposal have an effect on your household?**

	Number	Percent
Yes	45	7.9
No	525	92.1
<b>Total</b>	<b>570</b>	<b>100.0%</b>

Figure 4 below shows no major differences between protected characteristics.

**Figure 4: Percent of respondents with protected characteristics who will be affected by removing the Second Adult Rebate for working-age people**



Those respondents who said this proposal would have an effect on their household were asked to say what they felt this would be. The main themes identified from respondents in relation to this proposal were **higher costs** to pay and concern this proposal would cause them **greater hardship**.

Key issues with examples of comments regarding proposal one are outlined in the below:

	Comments made by respondents
<b>Financial hardship</b>	<p><i>"I feel this proposal would put more stress on my mother while is currently supporting me, due to circumstances"</i></p> <p><i>"It would mean if my son was still at home I would have to get a fourth job or find the money to pay the council tax in other ways. Such as going without food or and heating in the winter"</i></p> <p><i>"It is difficult to cover all bills in this economic time"</i></p>
<b>Adverse affect on second adult</b>	<p><i>"My daughter is studying at the moment. I get the relief because she isn't earning. If this changed she might have to leave further education to help pay the increased cost"</i></p> <p><i>"When my son is 18 I would have to pay 100% charge and if I was the only person working I am being penalised for giving my son a home rather than having to evict him as financially this situation would not be viable, ergo, he would have to approach housing services which would cost the council more than the 25% second adult rebate I would have received in the first place"</i></p>
<b>Agree with proposal</b>	<p><i>"We would be likely to pay more. But it's fair."</i></p>

#### Q4c) Do you have any comments about Proposal Four?

There were a wide variety of comments in relation to this proposal and divided opinion. Some respondents **agreed** with the proposal, feeling that everyone should contribute. However, key themes also identified included benefit being **means tested** and concerns regarding **financial hardship** and what the consequences of this might be for some claimants.

The table below highlights the key issues / themes identified in the responses to this question:

	Comments made by respondents
<b>Agree with proposal</b>	<p><i>"If a household as a whole is able to pay then they should"</i></p> <p><i>"If an adult of working age is employed and earning enough to pay the full council tax charge they should pay the full amount regardless of who lives with them. "</i></p> <p><i>"The second adult should contribute to their upkeep from whatever income they receive"</i></p> <p><i>"Why should the first adult be responsible for the second adult?"</i></p>
<b>Disagree / unfair scheme</b>	<p><i>"I am lucky enough to be in a position to pay for my son, who is out of work. I know people who would find it hard without the rebate"</i></p> <p><i>"I feel this would penalise parents with young unemployed people who are struggling to get jobs"</i></p> <p><i>"Not a solution in my opinion"</i></p> <p><i>"Disadvantages people with young adults in the family finding it impossible to find work."</i></p>
<b>Means tested / individual circumstances</b>	<p><i>"Assessments should always be based on household income"</i></p> <p><i>"Every case should be dealt with separately. It is unlikely that two cases would be identical. Means testing would be the fairest way of dealing with this proposal"</i></p> <p><i>"It seems sensible that the available income in the household should be the ruling factor. If this is high enough the full amount should be paid. If one of the occupants is not working the council tax should be reduced"</i></p> <p><i>"A way of testing income against expenditure should be adopted to help those who can prove most deserving need"</i></p> <p><i>"Ability to pay e.g. means tested should be the only criteria."</i></p>
<b>Could lead to homelessness</b>	<p><i>"I would worry that under this proposal could lead to homeless youngsters"</i></p> <p><i>"This is a cruel and would result in 'young people' becoming homeless"</i></p> <p><i>"The cost of adult children leaving home would be far greater than the relief currently given"</i></p> <p><i>"This will mean more young people are homeless"</i></p>
<b>Cause financial strain</b>	<p><i>"These proposals would affect the poorest section of residents and would produce problems elsewhere."</i></p> <p><i>"This is yet another way to get people on lower incomes with responsibilities to pay more. If we don't have the money what happens?"</i></p> <p><i>"You cannot penalise parents trying to support their children who are struggling to find work in this climate"</i></p> <p><i>"I think this is a good idea but it may cause some household severe"</i></p>

*hardship*"

## 5. Respondent Profile

Q5) Are you completing this questionnaire as:

	Number	Percent
A resident of Torbay	581	96.5
An organisation	4	0.7
A voluntary / community group	1	0.2
A business	3	0.5
A landlord	2	0.3
Other (please write in below)	11	1.8
<b>Total</b>	<b>602</b>	<b>100.0%</b>

Respondents who answered 'other' described themselves as:

- Hoping to move here
- Residents of neighbouring areas
- Visitors to the area
- Church of England Minister

Respondents who answered on behalf of organisations or voluntary groups did so on behalf of:

- Cool recovery
- MS Society
- JobCentrePlus
- Magna Housing Association
- Torbay Citizens Advice Bureau

Q6) Do you pay your council tax to Torbay Council?

	Number	Percent
Yes	474	80.7
No	113	19.3
<b>Total</b>	<b>587</b>	<b>100.0%</b>

(Please note: It became apparent that there was some confusion as to whether respondents whose council tax is paid directly by Council Tax Benefit but who live in Torbay should answer yes or no)

Q7) Does your household currently receive Council Tax Benefit from Torbay Council?

	Number	Percent
Yes	317	52.4
No	265	43.8
Don't know	23	3.8
<b>Total</b>	<b>605</b>	<b>100.0%</b>

(Please note: this may not identify respondents who live outside Torbay and whom are in receipt of Council Tax Benefit from their local authority)

**Q8) Are you male or female?**

	Number	Percent
Male	275	46.9
Female	311	53.1
<b>Total</b>	<b>586</b>	<b>100.0</b>

**Q9) Which age group do you belong to?**

	Number	Percent
0-15	0	0.0
16-24	26	4.3
25-34	74	12.3
35-44	127	21.1
45-54	149	24.8
55-64	139	23.1
65-74	66	11.0
75+	20	3.3
<b>Total</b>	<b>601</b>	<b>100.0%</b>

**Q10) Which of the following best describes your working status?**

	Number	Percent
Employed (full or part time)	260	43.8
Full time education at school, college or university	3	0.5
Unemployed	68	11.5
Permanently sick / disabled	125	21.1
Wholly retired from work	97	16.4
Doing something else	40	6.7
<b>Total</b>	<b>593</b>	<b>100.0%</b>

**Q11) Do you consider yourself to be disabled in any way?**

	Number	Percent
Yes	177	29.8
No	417	70.2
<b>Total</b>	<b>594</b>	<b>100.0%</b>

The 176 respondents who described their disability did so as:

	Number	Percent
Mobility	122	69.3
Hearing	24	13.6
Vision	29	16.5
Mental health	30	17.0

Other	68	38.6
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(Please note respondents may have more than one disability)

**Q12) What is your ethnic origin?**

	Number	Percent
British	556	97.0
Irish	1	0.2
White other	10	1.7
White & Black Caribbean	0	0.0
White & Black African	0	0.0
White & Asian	2	0.3
Indian	1	0.2
Pakistani	0	0.0
Bangladeshi	0	0.0
Caribbean	0	0.0
African	0	0.0
Chinese	0	0.0
Other (please state below)	3	0.5
<b>Total</b>	<b>573</b>	<b>100.0%</b>

**Q13) What is your home postcode?**

We have classified respondents by their postcode into towns.

	Number	Percent
Torquay	320	56.9
Paignton	158	28.1
Brixham	73	13.0
Outside Torbay	11	2.0
<b>Total</b>	<b>562</b>	<b>100.0%</b>



# **Stakeholder Event: Feedback**

**23<sup>rd</sup> October 2012**



# 1. Introduction

As part of the Government's welfare reforms, Council Tax Benefit is being removed and Torbay Council like all councils will have to design a local scheme called Council Tax Support. This will affect all people of working age who currently receive Council Tax Benefit. Pensioners will have a Council Tax Support Scheme set nationally and so will not be affected by changes to the local scheme.

In designing a local scheme, the council has consulted with residents by way of a questionnaire. This questionnaire was designed to ask the views of the general public (including, but not exclusive to, those in receipt of Council Tax Benefit at the time of the consultation) on the Council's draft proposals for a Council Tax Scheme.

However, as a result of a gap identified during development of the impact assessment it was also decided to hold a stakeholder consultation event targeted at local interest groups, voluntary sector organisations and those precepting authorities (including Brixham Town Council, Police, Fire). The event took place on the 23 October 2012 and outlined what the proposals are and what the impact could be on their services.

## 2. Methodology

A variety of organisations were invited to the event and attendance was good with over 30 people attending representing 13 organizations, including Action for Children, Coalition for the Disabled, Children's Centre's and the Torbay and Southern Devon Health and Care Trust. A full list of organisations who attended the event can be found in Appendix One.

At the event attendees were given more information about the proposals and were asked to participate in a round table discussion on each proposal on the following:

- How will this proposal affect your clients?
- How will this proposal affect your organisation / department?
- How will your organisation / department support your clients?

This report outlines feedback from the event by each proposal.

### 3. Results

#### 3.1 Proposal One: Everyone should pay something towards their Council Tax

##### How will this proposal affect your clients?

The key issues identified by agencies in relation to Proposal One were:

- Greater expenditure and inability to pay the bill, given existing outgoings i.e. food utility bills

*“The people I work for will not be able to pay for it; they cannot make ends meet as it stands”*

*“For many families the 25% change will have a great effect on how they budget and many families will struggle to budget an extra payment”*

*“Client base already a huge amount of debt where they cannot afford to even eat properly – pressure on families to pay additional bill”*

- Further changes to other benefits i.e. housing benefits which will place greater pressure on people

*“Some of these will also become liable for bedroom tax – recipe for disaster”*

*“This will have a severe impact for 2 years as benefits changes kick in ...e.g. ESA sanctions ...introduction of PIP”*

- Concern regarding mental health issues and stress this will place on families.

*“We work with parents who have mental health and drugs issues this will increase their stress levels”*

*“This will make my clients more stressed due to difficulty of making ends meet...”*

- Concern that clients may not understand the information in the bills

*“They would need to have an understanding on where and why they have to pay this tax”*

*“Vulnerable adults will not manage to find or understand the new scheme”*

Other key issues included:

- Clients may hide / ignore their bills
- Demands placed on the hardship fund
- Clients with disabilities who are not able to work and cannot afford the payments.

##### How will this proposal affect your organisation/department?

Responses to this question focussed mainly on the increased demand for service, particularly those services which support families. It was felt that the proposals had the potential to create

more vulnerable families would need to be supported in budgeting and would need greater levels of family support:

*“It will cause extra pressure on family support”*

*“Families will result in a greater vulnerable position, therefore may require more support. More families may also come forward for support”*

*“Increased load of difficult cases with no increase in resources”*

*“Work with families around budgeting their income”.*

### **How will your organisation / department support your clients?**

Although responses to this question were somewhat limited, attendees mentioned that they would support their clients by referring them to the relevant departments and help them in finding out information regarding the hardship fund and how they can access this. One organisation said they would review all of their working age clients to *“ensure their financial assessments are accurate in line with the new changes.”* Examples of support which will be provided include:

*“Support with budgeting and signposting to services and also making sure we have the relevant information”*

*“Once criteria have been identified we will signpost families to the hardship fund, look at their budgeting to see if they have a way of funding the bill”*

*“By advocacy, befriending, counselling training in benefit / debt advice.”*

## **3.2 Proposal Two: Limiting the amount of Council Tax Support for working age people to a Band D charge**

### **How will this proposal affect your clients?**

The key issues identified by agencies in relation to proposal two were:

- Affect their weekly outgoings / greater expenditure:

*“Added pressure on already tight budgets”*

*“This will affect their weekly income/outgoings affecting whether they can afford etc therefore putting them into more debt ”*

- Affect on larger families:

*“This proposal will affect a small number of clients with bigger houses due to large families”*

*“Families may then try to stay in smaller houses or the lower bands to prevent this”*

*“Families living in overcrowded homes”*

## **How will this proposal affect your organisation / department?**

Similar to proposal one, responses to this question focussed mainly on the increased demand for service:

*“We will have more families attending our centres with concerns over money and normal daily outgoings”*

*“Housing already difficult in the bay will this put more pressure on housing in certain bands to prevent paying more council tax – pressure to help clients housed will become harder”*

## **How will your organisation / department support your clients?**

Organisation will support their clients by continuing to provide outreach support to share information and advice.

### **3.3 Proposal Three: Reduce the savings limit from £16,000 to £6,000 for working-age people**

#### **How will this proposal affect your clients?**

The key issues identified by agencies in relation to proposal one were:

- Clients have little or no savings:

*“The families we work with do not in general have huge amounts of savings therefore this proposal would be the one that least affects our clients”*

*“Don’t come across many working age people who even have savings of £6,000”*

*“Not sure we have many people (or working age) who this will affect”*

Other issues identified:

- Affect on the ill / disabled who many have been left money, which they will have to use.
- Penalising those who have saved.

#### **How will this proposal affect your organisation / department?**

Although the responses to this question in relation to this proposal were limited they included:

*“Major impact on budget for Torbay Care Trust and will result in many changes or circumstances needing to be completed”*

*“There could be a reduction in contributions towards service, however...(not) many of our clients will fall into this proposal”*

#### **How will your organisation / department support your clients?**

Organisation will support their clients by continuing to provide outreach support to share information and advice:

*“A signpost to services”*

*“Have correct up to date information for clients”*

*“Will be financially re-assessing if needed.”*

### **3.4 Proposal Four: Removing the Second Adult Rebate**

#### **How will this proposal affect your clients?**

The key issues identified by agencies in relation to proposal one were:

- Proposal is not likely to affect many clients:

*“Not likely to impact on our families”*

*“Very small percentage of our clients eligible for Second Adult Rebate”*

- Financial strain:

*“They will have more expenditure. Thus having an effect on our charging system – we will then have to allow extra council tax and the client will then end up possibly not paying for their care”*

*“Many older carers have family who live with them, this would put a strain on relationships due to changes in finances. Could put people off having their family in with them.”*

#### **How will this proposal affect your organisation / department?**

Although the responses to this question in relation to this proposal were limited they included:

*“Very low impact on our work but it would be looking at household income with family rather than individuals”*

*“We won’t need to complete the forms! But if needed, financial re-assessment, this reducing contribution towards services and reduction in income for Torbay Care Trust”*

*“This could reduce the charge for services thus reducing the revenue from charging ... could this lead to more requests for long term residential care?”*

#### **How will your organisation / department support your clients?**

Organisation will support their clients by continuing to provide outreach support to share information and advice:

*“Support with budgeting and signposting to services and also making sure we have all the relevant information”*

*“We would financially re-assess if needed”*

*“Offer an outreach and family support with money and budgeting issues, signposting to other agencies for advice with money”*

*“Help to find suitable, affordable housing for clients.”*

## Appendix One: Organisations Attendee List

Organisation	Number of Attendees
Action for Children	6
Age UK	1
Coalition of Disabled People South Devon	1
Community & Voluntary Action Torbay/Coalition of Disabled People	1
Devon and Cornwall Housing Group	1
Leonard Stocks Centre	2
SPOT (Speaking Out Torbay)	4
Torbay and District Deaf Society	2
Torbay and Southern Devon Health and Care - NHS Trust	2
Torbay Carers Forum, Torbay Healthwatch, & Torbay Inter Faith & Belief Forum	1
Torbay Council	2
Tor Homes and West Devon Homes	1
TSDHC - Financial Assessments & Benefits Team	7
Total	31