

Report to	-	Overview and Scrutiny Committee
Date	-	26 November 2018
Report of the	-	Executive Director
Subject	-	Council Tax Reduction Scheme Consultation Report

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**Recommendation:** It be **RESOLVED:** That the Overview and Scrutiny Committee recommend to Cabinet that

- 1) the proposals set out in this report for the Council Tax Reduction Scheme for 2019/20 financial year be recommended to Council for approval; and
  - 2) the proposed change to the Uninhabitable Property Class D Discount from Council Tax as outlined in this report be recommended to Council for approval.
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**Head of Service: Robin Vennard Assistant Director, Resources**

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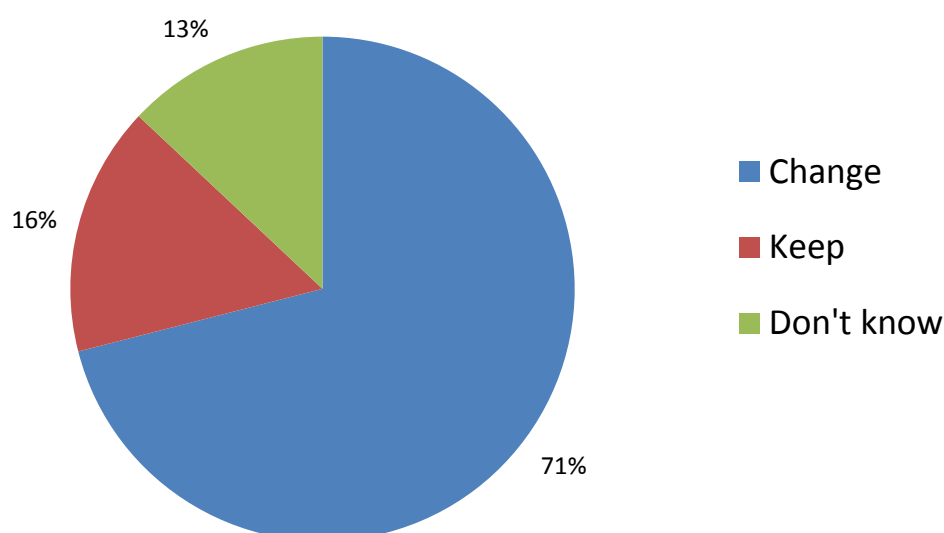
### **Introduction and Background**

1. Members considered the proposed changes to the Council Tax Reduction Scheme (CTRS) for the financial year 2019/20 at their meeting on 11 June 2018. These proposals formed the basis of the consultation that was undertaken from the 27 July to the 24 September 2018. This report updates Members on the outcome of the consultation and makes the final recommendations for the scheme design. In addition this report updates Members on the progress of the discussions across the County regarding the new scheme.
2. To remind Members as to the reasons for change, the roll out of Full Service Universal Credit (UC) within the East Sussex area has, as experienced in all other areas, brought a number of challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. Councils within areas where the full-service has already rolled out have experienced the following:
  - a. The reluctance of UC claimants to make a prompt claim for Council Tax Reduction leading to loss of entitlement;
  - b. The number of changes to UC cases received through the Department for Work and Pensions (DWP) data hub requiring a change to Council Tax Reduction entitlement. On average 40% of UC claimants have between eight and twelve changes per annum. These changes result in changes to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
  - c. The increased costs of administration through multiple changes with significant additional staff and staff time being needed.

3. The existing CTR schemes within East Sussex are based on a means-test. As a result, the schemes are highly reactive to changes in an individuals' circumstances. Continuing to operate on such a basis is not considered viable and a move to a new, more efficient approach from April 2019 is imperative.
4. Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme. The proposals for changes to the scheme for 2019/20 will not affect the scheme for pensioners.

## Consultation

5. As indicated above the consultation was carried out between July and September based on ten proposals/questions, the major one being the move to an income banded scheme. Some 159 responses were received which is lower than expected. It is believed that the complexity of the proposals may have affected the response rate. There was an overall support from respondents for the changes to the scheme:



6. Further analysis of the responses is shown at Appendix A. Details of specific comments regarding each proposal are shown at Appendix F. Having considered the feedback, it is proposed that no material changes are made to the consulted scheme for 2019/20. However the modelling described below has highlighted the need for some intervention in the scheme design to ensure vulnerable groups such as the disabled are not adversely affected. These changes do not change the intended outcome of the scheme as described in the consultation. A full report detailing the consultation including comments from respondents has been placed in the Members Room.

## The New Scheme Framework

7. Taking into account the above changes the new scheme framework is proposed to be as follows:
  - a. **The scheme framework will require a simplified claiming process**

In the case of UC applicants *any* UC data received from the DWP will be treated as a claim for Council Tax Reduction. Where information is received from the DWP, the entitlement to Council Tax Reduction will be processed without the need to request further information from the taxpayer. This will have the following distinct advantages:

- i. **Speed of processing** - claims will be able to be calculated promptly without the need to request further information which inevitably leads to delays;
- ii. **Maximising entitlement to every applicant** - as there will no requirement for Universal Credit applicants to apply, entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
- iii. **Maintenance of collection rates** - the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved.

b. **The income bands are wide avoiding constant changes in discount**

The current CTRS is very reactive and will alter even if the overall change to the person's liability is small (down to a single penny). With the impact of UC, this leads to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands – up to 12 in 12 months. A knock-on consequence, as experienced by those areas where Full Service UC has been introduced, is a reduction in Council Tax collection, which in some areas has been as low as 70%. The new scheme, with its simplified income banding approach will have the following advantages:

- i. Only significant changes in income will affect the level of discount awarded; and
- ii. Council Tax payers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments.

c. **A modern approach to changes in entitlement**

The current CTRS is based on an old-fashioned benefit approach which alters entitlement on a weekly basis. The new scheme framework is designed to reflect a more modern approach: not only will the number of changes be reduced, where entitlement changes, it will be effective from the day of the change, rather than the Monday of the following week.

d. **A simpler scheme**

The current Council Tax Scheme documents are large, benefits based and unduly complex. The intention is to make the new scheme document simpler, reducing the level of complexity and more understandable to applicants.

8. Further details of the proposed scheme framework is shown at Appendix B. In addition the detailed regulations supporting the scheme have been drafted based on these proposals. Copies of these will be provided in the Members room and copies will be available at this meeting.

## Modelling the proposed scheme

9. The following matrix shows the final modelling on the proposed income bands for Rother's scheme. The overall estimated costs of the new scheme are also shown with a comparison to the estimated expenditure of the current scheme. Officers have undertaken extensive modelling to arrive at these proposals:

<b>Band</b>	<b>Discount %</b>	<b>Single (Income level)</b>	<b>Couple (Income level)</b>	<b>+1 Child (Income level)</b>	<b>+2 (or more) Children (Income level)</b>
1	80	£0 - £94.99	£0 - £134.99	£0 - £184.99	£0 - £234.99
2	60	£95 - £144.99	£135 - £184.99	£185 - £234.99	£235 - £284.99
3	40	£145 - £194.99	£185 - £234.99	£235 - £284.99	£285 - £334.99
4	20	£195 - £245.00	£235 - £285.00	£285 - £335.00	£335 - £385.00

Existing scheme costs (Working Age & Pension Age)	£6,334,390
New scheme estimated costs (Working Age & Pension Age)	£6,351,260
Existing scheme – Number of claimants	5,912
New scheme – Number of claimants	5,865

10. The modelling shows that the overall costs of the scheme can be largely maintained thus meeting one of the key principles. The modelling shows that families that have greater than two children would see a reduction in their awards. This is to be expected as the scheme limits the award in such cases. This is in line with Central Government benefits for working age claimants including Housing Benefit, Universal Credit and Tax Credits, all of which were changed in 2016. It is also in line with changes made by Central Government to the Council Tax Reduction scheme for Pension Age claimants which restricted entitlement to those pensioner families who have more than two children residing with them. This was effective from April 2018. As this would bring the Council Tax Reduction scheme into line with Central Government benefits, it is recommended that this should remain part of the proposed scheme.
11. It should be recognised that the proposals will result in winners and losers compared to the current scheme. It is believed that the proposals minimise any reduction in award for the most vulnerable claimants whilst maintaining overall scheme costs to near the current level. Comparing the current scheme to the proposed scheme, 47 households will no longer receive any support due to the level of their income. An analysis of the total value of the discount on council tax per household type and the average gain or loss is shown at Appendix C. Examples of the financial effects on specific household types are shown at Appendix D.

## Equality Impact Assessment

12. A detailed equality impact assessment is shown at Appendix E.

## **Exceptional Hardship Policy**

13. The current scheme makes provision for taxpayers to make an application for additional discounts where they experience exceptional hardship. It is proposed that the new scheme framework will contain the same provisions to protect individuals who experience exceptional hardship. Where any group of person is likely to experience hardship, this will be addressed as part of the overall scheme design. It is expected that the Exceptional Hardship Policy will continue to be an integral part of the all East Sussex schemes for the foreseeable future.

## **Cross County Proposals**

14. Work commenced in January 2018 to develop a new scheme framework that can be applied across all of the East Sussex District and Borough Councils. As the joint working progressed it became clear that a consistent scheme across the County was unlikely to be achieved. In the event only Wealden District Council will be implementing a scheme that is aligned with the Rother proposed scheme. Hastings Borough Council's scheme largely maintains the original 2013/14 scheme design and allows up to 100% relief from Council Tax. Eastbourne and Lewes have decided to retain their 2018/19 schemes which maintain the principal that the maximum relief is capped at 80% of the Council Tax charge.

## **Uninhabitable Property Class D Discount from Council Tax**

15. As part of the CTR review, work has also been undertaken to review those discounts and exemptions applied to Council Tax, where from 2013 the government provided local authorities with discretion to change them. One of these is the Class D uninhabitable property discount. From 1 April 2013, Rother decided to reduce this discount from 100% to 50%. Therefore council taxpayers in Rother receive a 50% discount for up to 12 months if their property is uninhabitable or undergoing structural repair, or for 6 months after works are completed (whichever is sooner).
16. It is proposed that the council withdraws this discount altogether with effect from 1 April 2019 leaving the full Council tax charge payable when a property is uninhabitable or undergoing structural repair. Neighbouring Councils that do not offer a discount for uninhabitable properties are Hastings, Brighton and Hove, Chichester and Crawley. The withdrawal of this discount will increase income (2017/18 315 taxpayers benefitted from a total reduction of £113,230) and create capacity within the Revenues Team to focus on more income-generating activities. The current arrangements require the following tasks to be carried out:
  - Corresponding with council taxpayers regarding the uninhabitable discount criteria. A comprehensive criterion is not defined in legislation therefore; cases can be ambiguous and time consuming.
  - Reviewing discount evidence for current or retrospective claims.
  - Planning, booking and carrying out inspections to determine discount eligibility.
  - Applying the discount, issuing refunds and updating notes on the system.
  - Printing and postage of two sets of revised council tax bills when the uninhabitable is awarded and ceases.

- Inspections carried out every 3 months to establish continued eligibility for awarded uninhabitable discounts - 340 inspections of this nature were raised in 2017/18.
  - Reviewing and responding to uninhabitable discount appeals.
17. Stopping these tasks will enable greater focus on income generating activities including identifying properties that are not listed for NNDR or Council Tax, reviewing properties that are in receipt of 100% Small Business Rate Relief and monitoring new builds more thoroughly to ensure that they are banded or rated in a timely fashion.
18. There are other discounts and exemptions that will remain in force. For example if a property is unoccupied because occupation is forbidden by law (for example, it is declared unfit for human habitation by our environmental health service) a Class G 100% council tax exemption is available. In addition if the Valuation Office Agency deem a property to be in such a state of dereliction and disrepair or undergoing substantial works, which render it to be incapable of beneficial occupation, then they may remove the property from the Council Tax list meaning no charge can be made.

## **Conclusion**

19. These proposals will be reported to Cabinet at their meeting on the 3rd December 2018. The comments and any proposed amendments arising from this meeting will also be reported to Cabinet for their consideration in making final recommendations for full Council to consider at its meeting on the 17 December 2018.

Malcolm Johnston  
Executive Director

## **Risk Assessment Statement**

There are no risks arising from this report for the Council. Whilst the proposals are intended to be broadly cost neutral when compared to the current scheme depending on changes to the caseload and type of household the cost of the scheme could increase.

**Consultation results****Introduction**

1. This following contains an analysis of the public consultation on 10 proposed changes to the current Council Tax reduction scheme for working age, Rother residents. A separate document provides a summary of comments received from respondents. The consultation was carried out between 27 July and 24 September 2018. The current scheme was adopted by the Council in December 2015, with effect from April 2016. During 2015 there was a public consultation on the main principles of the scheme. The 2018 proposed changes might affect low income, working age residents who are eligible to apply for a reduction of their Council Tax under this scheme. The principle behind the proposed changes was that, in combination, they will be broadly cost neutral overall in terms of the financial support it provides households.

**Communicating the Opportunity to Consult**

2. The Council sent a letter to every individual on the current CTR scheme and invited them to take part in the consultation along with a leaflet about the 10 proposed changes. Applicants were signposted to the website for more information and how to take part. At the same time, invitations to take part were sent to 31 identified stakeholder groups and organisations that operate in Rother. These were:
  - local housing associations/registered social housing providers,
  - organisations supporting carers and people with disabilities,
  - organisations supporting residents on very low incomes,
  - organisations supporting those in debt
  - local groups representing ethnic minorities, as an identified part of the population that are always difficult to engage with consultations.
3. In addition, the Council invited over 16,200 members of the public to take part in the consultation through their My Alerts email service (6 August 2018). A reminder on My Alerts was sent three weeks before the closing date. Invitations and encouragement to participate were made through the Council's social media accounts (Twitter and Facebook).

**Respondents**

4. Participants could respond by using the Council's electronic and printed questionnaire or by email or posted letter. Respondents were also offered to print a questionnaire and post it to participants, for which we had two requests. A small number of printed questionnaires and reply envelopes were available at the Community Help Points. Large print versions, language translations and other formats were offered but we had no requests. Printed questionnaires were supplied with a business reply envelope in order to reduce costs for participants because we were targeting low income households.
5. Most participants used the online questionnaire. Three emailed responses were received from the public, one emailed response from a local group plus one e-mailed question and a posted letter making enquiries about individual cases.

6. 157 respondents were recorded on the electronic response questionnaire and two longer responses that could not be added to the questionnaire because their length and content did not fit the questions. This gives a total of 158 individuals and one response from the local Homeless Unity Group or 159 responses. There was one question to Ask the Leader through the Council's website but as it was an enquiry it is not included.
7. The breakdown of responses is in the table below. For some groups there were not enough respondents to give a meaningful analysis. No analysis is possible by ethnic heritage. There was insufficient numbers of responses in most of the age groups to give a robust analysis by age. There was a low response rate from residents over retirement age but they were not a key target group because they are not directly affected by changes to the scheme. More women responded in line with the gender split from current claimants. The following analyses summarises the above:

<b>Group</b>	<b>Number</b>	<b>Percentage</b>
Receiving CTRS	65	46
Not receiving CTRS	73	51%
Male	51	37%
Female	78	57%
Age under 45	33*	23%
45 – 54	37*	26%
55 - 64	45	32%
Working age	81	82%
Over retirement age*	19*	13%
Disabled	48	35%
Not disabled	73	53%
White British	126	95.5%
Other white backgrounds: Irish, Gypsy/Traveller, Any other*	5*	4%
Non-white group*	1*	0.8%
* Too small for analysis purposes		

## Summary of Results

8. Participants were asked if they had read the information provided either on our consultation leaflet or on our website. Ninety nine percent of respondents said they had read some form of briefing information about the 10 proposals.
9. There was a high level agreement for the following proposals:
  - Proposal four: automate a Council Tax reduction for successful Universal Credit applicants
  - Proposal six: not including Carer's Allowance as income in the calculations for the reduction.
  - Proposal nine: counting the calculation from the day of the change of circumstances and not the week and



- Proposal ten: discounting some income by disabled people to ensure the changes don't adversely affect them.
10. There was majority support but not a strong level of agreement for the following proposals:
    - Proposal one: introducing income bands or grid
    - Proposal two: no additional discounts for families with three or more children
    - Proposal five: not counting the first £25 a week of income by applicants who work more than 16 hours a week and
    - Proposal seven: allowing more low income students who pay Council Tax to be eligible for a reduction
  11. There was no strong support and opinion was divided equally between agreement and disagreement for:
    - Proposal three: not taking into account the income of other adults in the household and
    - Proposal eight: stopping the four week extension of Council Tax reduction after applicants had returned to work.

## **Further Analysis**

### **Proposal One: Introducing Income Bands**

12. This proposal was to bring in a grid or table showing levels of discount that applied between bands of an upper and lower income level. Income thresholds were applied in columns for single people, and the income amounts rose in subsequent columns for couples, families with one child and families with two children. This change allows for small fluctuations in weekly income without having to apply for changes in their entitlement. Families with more than three children would be adversely affected. Respondents were asked if they agreed or disagreed with introducing this proposal. In total, two thirds (66%) of all respondents supported introducing a system of bands or ranges of income against a given percentage reduction. One in five people (22%) did not support this option. One in ten people (12%) did not know if they supported it or not.
13. People who get the Council Tax reduction are less likely to agree with income bands than the general population. Only half of those on the scheme (54%) agreed with the change. However, eight out of ten (81%) respondents who do not get a reduction agreed with the change.

### **Proposal Two: No Additional Discounts to Families with More Than Two Children**

14. Families with one child are allowed more income for reductions from their Council Tax compared to couples and single people. Families with two children are allowed more income allowance for a reduction compared to families with one child. However, the proposal is that, unlike now, families with three or more children would get no further reduction no matter how many children they had. Therefore, larger families might be adversely affected.

15. Respondents were asked if they agreed or disagreed with the proposal and, from all responses, two thirds or 66% agreed with the proposal and more than one in four (28%) disagreed with the proposal. One in ten, 10%, didn't know if they agreed or disagreed.

### **Proposal Three: Not Counting Income of Other Adults**

16. This proposal was about removing the current requirement to take into account the income of adults, other than the Council Tax payer and their partner, who live in the household. This mainly is about adult children still living with parents. The current scheme assumes that other adults, even those on benefits, are paying their keep and should contribute to household bills. However, this requires the Council Tax payer to report changes in circumstances and gather evidence of income from those other adults.
17. Respondents were asked if they agreed or disagreed with the proposal and the result was quite evenly split. Just over four out of ten (43%) of respondents agreed and just under five out of ten (46%) disagreed. The remaining one in ten (11%) did not know if they agreed or disagreed.
18. Only four in ten (39%) of men agreed with the proposal compared to half of the women (51%).
19. Respondents who are not getting a Council Tax reduction under the scheme were more likely to disagree with the proposal. Nearly six out of ten non-applicant respondents (57%) said they disagreed with the proposal. This is compared to nearly four out of ten current applicants who said they disagreed with the proposal (37%).

### **Proposal Four: Automating Universal Credit**

20. This proposal was that, considering the Council is told about successful Universal Credit claimants, the Council should automatically put the working age claimants into this scheme for a reduction on their Council Tax. Universal Credit claimants would not have to remember to make a separate application.
21. Overall, there was strong support for this proposal. Nearly eight out of ten (79%) respondents agreed with this proposal. Less than one out of ten disagreed (8%). The remaining one in ten (13%) didn't know if they agreed or disagreed. There were no significant variances between different groups.

### **Proposal Five: Not Counting First £25 for Working 16+ Hours**

22. This proposal was to remove from income calculations the first £25 a week made by applicants and their partners who work more than 16 hours a week.
23. There is not strong support for this proposal and the proposal caused some confusion in one in four respondents. Half of respondents (53%) agreed with it. A further quarter (24%) disagreed and the remaining quarter (23%) of respondents didn't know if they agreed or disagreed.
24. One in three disabled respondents didn't know if they agreed or disagreed (33%) compared to one in five respondents who were not disabled (19%).

### **Proposal Six: Disregarding Carer's Allowance as Income**

25. Carer's Allowance is a non-means tested benefit for anyone regularly caring for a disabled member of their household. The current scheme counts Carer's Allowance as income to the applicant or partner. The proposal is in future this allowance should no longer be counted as income for the calculated reduction.
26. There was strong overall support and widespread agreement from all respondents. Eight out of ten respondents (78%) agreed with the proposal. Just over one in ten (13%) respondents did not agree with the proposal. The remaining one in ten (9%) didn't know if they agreed or disagreed.
27. There were no significant variances between different sections of the population. This includes respondents with a disability.

### **Proposal Seven: More Students Can Apply**

28. This proposal suggested allowing more full students with their own household and currently having to pay Council Tax to be able to apply for a reduction.
29. This was another proposal that didn't have strong overall support and it seems a significant number of respondents did not feel they understood the proposal enough to support it. This conclusion isn't drawn just from analysis results but also the number of comments suggesting the respondents were not clear about the proposal (paragraph 52). Firstly, there was confusion whether or not this proposal applied to students living with a parent or parents who were the Council Tax payer (and not the student). It did not. Secondly, this proposal was confused with the proposal around counting or not counting the income of other non-dependent adults living in the household (mostly adult children). Just over half of respondents (56%) agreed with this proposal. One in five disagreed (22%) and another one in five (21%) didn't know if they agreed or disagreed.
30. One third of men disagreed (33%) with the proposal compared to 15% of women. Three in ten women said that they didn't know if they agree or disagree (27%) compared to one in ten men (12%).
31. Three in ten respondents who are on the reduction scheme didn't know if they agreed or disagreed (29%) compared to 15% who were not on the scheme.
32. Over six out of ten able bodied (not disabled) respondents agreed with this proposal (64%) compared to four out ten respondents who are disabled (44%).

### **Proposal Eight: Stopping the Four Week Extension**

33. This proposal was to stop the current four week extension of a reduction in Council Tax that is given when an applicant has been unemployed and has gone back into work. This is in line with Universal Credit rules; those on UC do not get a four week extension now. It is only given to those on other benefits.
34. There is no significant support for this proposal. The result are evenly split between four out of 10 who agree with this proposal (41%) and four out of 10

who disagree with this proposal (41%). The remaining 17% did not know whether they agreed or disagreed.

35. Half of men agreed with this proposal (49%) compared with just over a third of women (36%). Only a third of men disagreed with this proposal (33%) compared with nearly half of women respondents (47%).
36. Only a third of disabled respondents (33%) agreed with the proposal compared to nearly half of those who are not disabled (46%).

#### **Proposal Nine: Changes Worked Out from Day not Week**

37. This is a proposed minor change in the calculation of changes of circumstances, where the change had been applied to the week it took place and would now be applied from the day it took place. The change is proposed because Council Tax is charged on a daily basis, e.g. from the day someone goes into or owns a property. At the current time, the reduction scheme operates on a weekly basis (related to people being paid their benefits on a weekly basis).
38. Three quarters of respondents supported this proposal (76%). Less than one in ten disagreed (7%). The remaining 16% didn't know if they agreed or disagreed.
39. Eight out of ten men agreed with this proposal (84%) compared to seven out of ten women (68%). Less than one in ten men (8%) didn't know if they agree or disagreed compared to a quarter of women (23%).
40. Seven out of 10 respondents (69%) who were scheme applicants agreed with the proposal compared to eight out of 10 respondents (82%) who were not on the scheme.

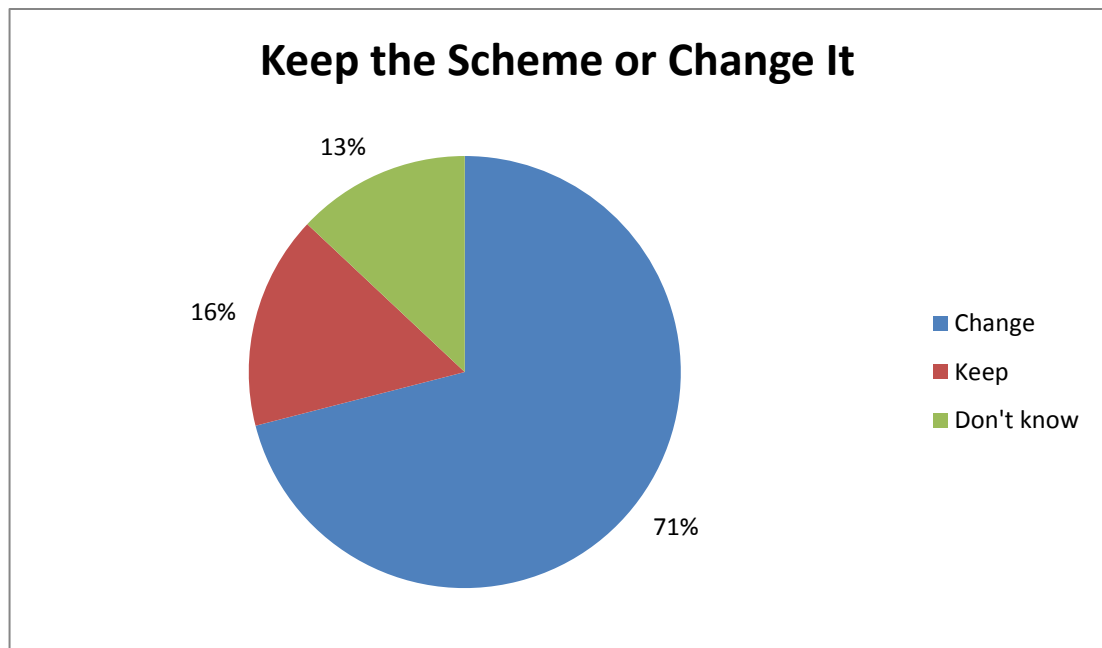
#### **Proposal Ten: Discounting Income for Disabled Applicants**

41. This proposal was to discount some of the income received by disabled applicants to make sure that none of the previous nine proposals would affect them adversely. This would make sure that disabled applicants would continue to get the level of reduction on their Council Tax bill that they received now.
42. Seven out of 10 respondents agreed with this proposal (73%). Just over one in 10 people disagreed (13%) and just over one in ten people didn't know if they agreed or disagreed (14%). There were no variations between the different groups of respondents.

#### **Should the Council Keep Current Scheme or Change It?**

43. Respondents were asked whether or not the Council should keep the current scheme as it is or change the current Council Tax reduction scheme. This was an opportunity for those who wanted a 'no change' option to express their preference. The majority agreed that the scheme should be changed.
44. Seven out of 10 respondents felt the Council should change the Council Tax reduction scheme (71%). Less than two in 10 respondents said the Council

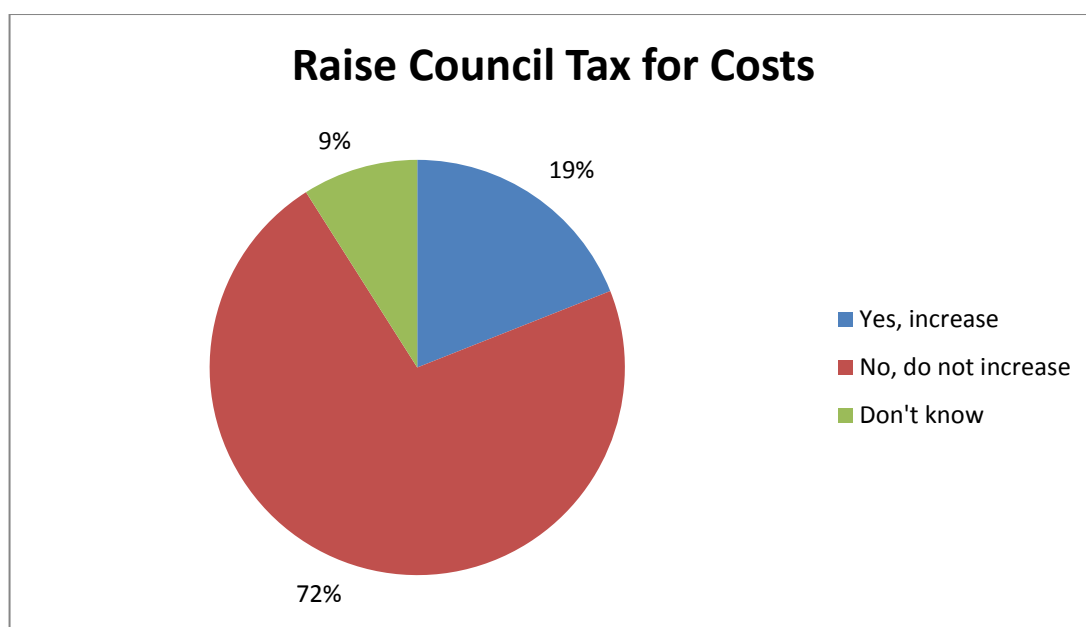
should keep the current scheme (16%). One in 10 respondents didn't know if they agreed or not.



45. Two out of 10 people who are on the Scheme (23%) said the current scheme should be kept as it is compared with one in 10 people who are not on the scheme and wanted it kept as it is (9.6%). Less than six out of 10 people (56.9%) on the scheme wanted it changed compared to more than eight out of 10 people (84.9%) who are not on the scheme.
46. Eight out of 10 respondents (80%) who were not disabled agreed the scheme should be changed compared to less than seven out of 10 respondents (65%) who are disabled.

#### **Should the Council Increase Council Tax to Cover Costs?**

47. Respondents were asked whether or not the Council should increase the level of Council Tax to cover the additional administration costs on the Council Tax reduction scheme. The majority said that Council Tax should not be raised to cover the additional administration costs. It should be noted that seven out of 10 respondents had already agreed to the scheme being changed so it would be unlikely they would look to other funding sources to keep the scheme unchanged.
48. Two out of 10 respondents thought the Council should increase Council Tax (19%). Seven out of 10 (72%) said the Council should not increase Council Tax and one in 10 said they didn't know the answer (9%).

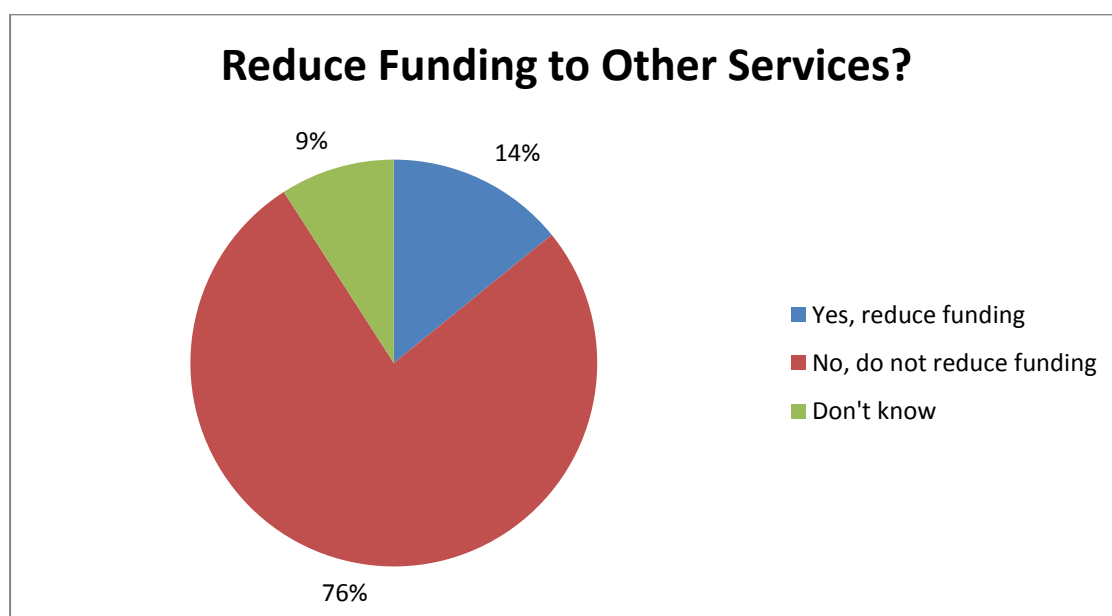


49. There were no significant variances between population groups.

### Reduce Funding to Other Services to Cover Additional Costs

50. Respondents were asked if the Council should reduce funding for other services to cover the additional administration costs of the Council Tax reduction scheme. Most respondents did not want services to be cut.

51. Three in four respondents (76%) said that funding should not be reduced for other services. Just over one in ten (14%) said money could be found from other services. One in ten (9%) said they didn't know the answer.



52. Disabled people were less likely than those without a disability to not agree with reducing funding to other services. Two thirds of disabled people (66.7%) said they would not like to see funding cut. However, four out of five able bodied people (81.4%) said they would not want funding cut to other services.

### **Use Council Reserves to Pay for Additional Costs**

- 53. Respondents were asked if the Council should use its reserves to pay for the additional administration costs of the Council Tax reduction scheme. Just over half of respondents agreed with this proposal.
- 54. Over half of respondents (56%) said 'yes', one in three said 'no' and one in 10 (11%) said that they don't know the answer.
- 55. The only significant variance was that one in five disabled respondents (19%) said they didn't know the answer compared to less than one in 10 able bodied respondents (7%).

### **Preferences on the Three Funding Options**

- 56. Respondents were asked to put the three alternative funding options in order of preference: raising Council Tax, reducing other services or using reserves. On average using reserves was in first place, followed by raising Council Tax and then reducing funding to other services. Sixty two percent of respondents put using reserves in first place.

**The New Scheme Framework - Principles of the Framework**

- a. The overall expenditure of the schemes will remain as at present;
- b. The changes can only be made to the working age schemes as the current schemes for pensioners is prescribed by Central Government;
- c. The current means tested schemes will be replaced by a simple income grid model as shown below:

Band		Single (Income level)	Couple (Income level)	+1 Child (Income level)	+2 (or more) Children
A	%	£0 -	£0 -	£0 -	£0 -
B	%				
C	%				
D	%				

- d. The levels in the grid are based on:
  - i. Maintaining the overall expenditure of scheme;
  - ii. Ensuring the maximum number of applicants are protected; and
  - iii. Ensuring that any losses to individual applicants are minimised.
- e. The highest level of discount will be set at 80% of liability and that all current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum available discount;
- f. The scheme framework allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- g. Where an applicant has non-dependants living with them, no deduction shall be made from any entitlement. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where, for example, adult sons or daughters remain at home;
- h. To promote work incentives the existing earnings disregards (£5 for single claimants, £10 for couples and disabled claimants) will be increased to a standard £25 per week disregard across all applicant types.
- i. Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded. In addition, the Support Component of Employment and Support Allowance and Carer's Allowance will also be disregarded, again providing additional protection to vulnerable groups within the scheme;
- j. Child Benefit and Child maintenance will continue to be disregarded within the schemes;



- k. The total disregard on war pensions and war disablement pensions will continue;
- l. It is proposed that the capital limit will remain at £16,000; and
- m. Extended payments and the complicated Student provisions will be removed;
- n. Self-employment – the provisions of the current Rother scheme will continue into the new scheme, namely that Council Tax Reductions for claimants who have been self-employed for more than 12 months is calculated using a Minimum Income Floor (MIF). The Minimum Income Floor is an assumed level of earnings and is based on the National Minimum/Living Wage, multiplied by 35 hours less a notional deduction for tax and national insurance.

**Breakdown of Council Tax discount over the different household groups**

Existing Criteria	Existing Scheme		New Scheme		Average <b>loss</b> / Gain £ per week
	Households	Expenditure	Households	Expenditure	
Single	3683	£3,784,758.03	3681	£3,813,330.26	£0.16
Couple	1010	£1,371,081.37	1010	£1,384,043.70	£0.25
Lone Parent +1	405	£362,523.10	405	£386,823.51	£1.15
Lone Parent +2	299	£261,967.47	298	£276,016.62	£0.96
Lone Parent +>2	191	£180,020.65	183	£159,375.66	<b>-£1.38</b>
Couple +1	96	£114,176.64	96	£117,956.67	£0.76
Couple +2	100	£110,373.43	99	£111,160.34	£0.37
Couple >2	126	£147,504.25	91	£100,567.28	<b>-£1.26</b>
Applicant Gender – Male	2152	£2,371,245.67	2141	£2,381,165.98	£0.20
Applicant Gender - Female	3760	£3,963,143.89	3724	£3,970,092.68	£0.23

Existing Criteria	Existing Scheme		New Scheme		Average <b>loss</b> / Gain £ per week
	Households	Expenditure	Households	Expenditure	
Disability (existing disability premium)	641	£694,601.04	629	£699,432.10	£0.55
Disabled Child(existing disabled child premium)	203	£205,823.81	193	£202,115.45	£0.64
Enhanced Disability (Existing enhanced disability premium)	n/a	n/a	n/a	n/a	
Severe Disability(Existing severe disability premium)	966	£1,069,478.53	966	£1,072,449.31	£0.06
ESA ( existing work related activity component)	204	£199,089.54	204	£200,406.70	£0.12
ESA ( existing Support component)	672	£649,698.97	672	£661,064.89	£0.33
Carer (existing Carers premium)	734	£894,839.92	725	£907,834.65	£0.64
<b>Total Working Age Scheme</b>	<b>2,609</b>	<b>£2,443,727.51</b>	<b>2,562</b>	<b>£2,458,055.79</b>	£0.44
<b>Total Pension Age Scheme</b>	<b>3,303</b>	<b>£3,890,662.06</b>	<b>3,303</b>	<b>£3,893,202.88</b>	£0.01
<b>Total Scheme Costs</b>	<b>5,912</b>	<b>£6,334,389.56</b>	<b>5,865</b>	<b>£6,351,258.66</b>	£0.22

**Examples of financial effect on households**

**Example 1**

**Household make up**

Couple

5 Children between 15 – 2 years old

**Income**

£584.12 per week made up of Earnings, Tax Credits and Child Benefit.

**Council Tax Reduction**

Current award £1004.64 max 80%

**New CTR award £0.00 no longer qualifies**

**Reason:**

The new scheme restricts to 2 children, maximum income for a couple with 2+ children is £385.00 per week.

**Example 2**

**Household make up**

Couple

2 Children 15 & 12

1 Non Dependant

**Income**

Total Income £551.64 per week made of Universal Credit, Carers Allowance, Child Benefit and DLA.

**Council Tax Reduction**

Current award £825.24

**New CTR award £1464.78 Max 80%**

**Reason:**

The new scheme removes non-dependent deductions and fully disregards Carers Allowance.

**Example 3**

**Household make up**

Lone Parent

2 Children 17 & 16

**Income**

Total Income £313.21 per week made up of Earnings, Child Benefit, Tax Credits and Widowed Parents Allowance

**Council Tax Reduction**

Current award £1911.96 (band G) Max 80%

**New CTR award £1433.97 60%**

**Reason:**

Due to the amount of weekly Income, the case falls into the 60% band of the new scheme.

**Example 4****Household make up**

Couple

1 Child age 7

**Income**

Total Income £268.90 per week made up of Earnings, Child Benefit, and Universal Credit.

**Council Tax Reduction**

Current award £377.52

**New CTR award £744.24 60%**

**Reason:**

Due to the amount of weekly Income, the case moves into the 60% band of the new scheme.

**Council Tax Reduction Scheme - Further Analysis – Respondent comments**

**Proposal One: Introducing Income Bands**

1. This proposal was to bring in a grid or table showing levels of discount that applied between bands of an upper and lower income level. Income thresholds were applied in columns for single people, and the income amounts rose in subsequent columns for couples, families with one child and families with two children. This change allows for small fluctuations in weekly income without having to apply for changes in their entitlement. Families with more than three children would be adversely affected. Respondents were asked if they agreed or disagreed with introducing this proposal. In total, two thirds (66%) of all respondents supported introducing a system of bands or ranges of income against a given percentage reduction. One in five people (22%) did not support this option. One in ten people (12%) did not know if they supported it or not.
2. People who get the Council Tax reduction are less likely to agree with income bands than the general population. Only half of those on the scheme (54%) agreed with the change. However, eight out of ten (81%) respondents who do not get a reduction agreed with the change.
3. The reasons for supporting the proposal are listed below. Most respondents agreed it was clearer for them and would stop applicants going through a number of assessments for small changes in circumstances. What is supplied in the list below are extracts of real comments except with some editing, spelling and typing error corrections and additions provided in brackets in order to make them clearer. However, where several people have made the same or a very similar point, only one of the comments is supplied to represent that argument. A folder with all responses has been provided in the Members' Room.
  - a. Easier to predict what you will be given [in a Council Tax reduction] and avoid running up debt
  - b. It seems a fair proposal.
  - c. Could well make it easier for those on low income.
  - d. It would work best for me.
  - e. May make it easier for everyone to see whether they can get a discount or not.
  - f. Simple to administer. Transparent to claimants.
  - g. It allows for small changes in circumstances.
  - h. This will reduce the amount of work that the Council Tax [reduction scheme] department has, you should be able to reduce the waiting times for CTR change of circumstances.
  - i. The constant assessing and reassessing is stressful for the claimant, especially as in most cases money awarded is stopped while a claim is reassessed. Or in the case of overpaying the claimant accrues a fairly large amount that is then demanded back in one large, unmanageable payment.
  - j. Because I'm self-employed, my income varies and it would keep things simpler.
  - k. Not all low income families are on benefits, you can work full time [and] still struggle.

- l. I'm with step change debt management and concerned about council tax going up. As long as [it is an] admin change only it's not too bad.
  - m. It is an incentive to work.
  - n. Any measure that reduced the administration issues is to be welcomed.
  - o. Less admin e.g. I did 4 days [of] work and was long process to deal with all changes and also cost me a lot more for just 4 days work. [Current scheme] isn't encouraging for people to get back to work.
4. The arguments made by respondents for disagreeing with the proposed change are listed below. Most of the reasons were connected to concerns the proposal would increase bills for themselves or others, with frequent reference to poverty levels. Some respondents opposed the current principle for the scheme that requires all working age households to pay a minimum of 20% of their Council Tax bill. This opposition includes the response from the Homeless Unity Group. The Council is not proposing to change this principle and it was not the subject of the consultation. Not included in the reasons below are comments where it was clear from the content that the respondent believed their reduction would be affected but it was not the case. These were comments from applicants on 'passported' benefits and those over retirement age. All responses are available in a folder in the Members' Room.
- a. People on CTRS are struggling financially, don't make it harder than it is already.
  - b. Feels like you are charging the most vulnerable part of this community as other councils do not charge people on these benefits\* and was shocked and upset when this charge was introduced, as if I could work I would [followed by details of this person's disabilities] ....
    - \* Reference to the 80% maximum reduction of the Council Tax bill for low income working age applicants compared to a 100% reduction available in other districts.
  - c. Think there should be a 100% discount for the very poorest members of our community.
  - d. I live and work in Bexhill and am just within the 'higher' earning bracket as a lone parent of one. I can't afford to buy; my rent is extortionate and as a teacher I haven't seen my salary increase beyond 1% per year. Proposal One would see me paying an additional 5% on my council tax with no pay increase to support it.
  - e. I for one would [have to] pay £200 a year more. I have no way of affording this.
  - f. I disagree because an individual with a benefits income between £845 - £1061 (band 4) is actually NOT very well off, and introducing a payment of 80% of Council Tax would result in REAL hardship.
  - g. People's income can massively fluctuate throughout the year, so banding income will not help those people.
  - h. Does not take account of Low Income, VERY high value property combination - I occupier, 4 -5 bedrooms!!
  - i. These proposals will further impact negatively on our (and others) financial situation which has already put us, as a couple, I myself now disabled and my husband as carer, on an income of £16,380 into the considered poverty bracket. This is as set out by the Government, as being 60 percent of the UK's median income, which the government's office of national statistics has set at £27,300.00. Thus, the new banding proposal, will increase our payment of 20% (£38.00 a month), to 80% (£125.00 a month). We cannot afford this.

- j. On the face of it, it seems a good idea that claimants can earn a little extra money without having to inform you that their income has increased slightly. However, for the claimant that is only just over the band limit and who has no opportunity to earn extra (through disability or illness say) this is going to mean an increase in their expenditure. DOUBLING their Council Tax contribution if they are currently paying 20% and they will have to pay 40% under the new scheme. I can't see how that is fair.
  - k. Because in the council's own words 'households with more than two children may get less support'. More children = more expense, not less. And believe it or not children once born cannot be retrospectively aborted to save money.
  - l. Fed up with the poorer members of the area being forced to pay for things that taxation of richer members should be paying i.e. stop taxing the poorest.
  - m. Although you will take into account the amount of income coming into the household. You do not take into account the fact that supporting 5 children as a single parent on universal credit is already impossible. Due to the benefits cap we receive no help with rent as it is. Allowances meant to support the children have to cover this, so any increase is unworkable for families already pushed into destitution.
  - n. I currently receive ESA and have to pay Council tax (£19.00 a month, which I thought was wrong to do to people struggling on benefits anyway) but If you bring in 'Proposal One: Income bands', I am going [to] struggle even more. A 5% loss of discount will cripple me as I live off my dwindling savings as it is (which have been fully declared, and are pretty much depleted now).
  - o. I do realise something needs to be done. I am fed up with having to send in every monthly payslip, and get a new (and different) CTR calculation every single month. It causes me stress, and costs you money. I get it. But I cannot say how strongly I object to being penalised if I agree to a new system that costs me more, whilst reducing your bill. That was the same argument given for delaying my state pension!
5. The following bullet points are the reasons that of respondents gave on why they didn't know or could not decide whether or not they agreed or disagreed with proposal one (12% didn't know). Most of the reasons are about being unclear of the impact to their own reduction and on needing more information.
- a. Until further details are released it would be unreasonable for a tax payer to make judgement
  - b. As a disabled pensioner living on my own on a limited income I would like to know if this would help or hinder my situation. [As stated elsewhere, this person would not be affected as they would be on a different scheme.]
  - c. The grid [on the website] could not be found.
  - d. Still going to be a struggle to pay when on benefit.
  - e. Not sure
  - f. So is 80% of relief what you currently pay for us lowest income people? If this is less, it does not help those of us in most need, although being advantageous for others.
  - g. As long as the income bands doesn't mean I have to pay even more Council Tax?



## **Proposal Two: No Additional Discounts to Families with More Than Two Children**

6. The reasons respondents gave to support this proposal are listed below. The great majority of comments are applicants made a choice to have children while they were on benefits and if applicants can't afford more children they shouldn't have them. There are also comments that more children equates to more use of local services, paid by Council Tax, by that household. There is a widespread assumption those on benefits were on benefits at the time of children being conceived and born. There are assumptions that all children in the family are the offspring of both partners. No mention is made of stepchildren and half siblings as part of second marriages, for example. It is also clear that many respondents are not aware of the benefits cap.
- a. People make a lifestyle decision and they should not expect additional support.
  - b. It is consistent with other benefits and does not reward benefit seekers having multiple children
  - c. The likelihood is that the families affected are already getting substantial child benefits therefore giving them additional benefits would benefit them unfairly.
  - d. Larger families create more cost e.g. refuse and other services covered under the Council Tax.
  - e. I agree with it but it's not the best option.
  - f. To maintain alignment with other benefits.
  - g. If you cannot afford children you shouldn't have them!
  - h. I do not believe that smaller families should subsidise those who choose to have more children.
  - i. Subject to all third plus children born before 6 April 2017 still receiving full benefit as per [Universal Credit regulations].
  - j. I never had this [support] when I had 5 children to bring up alone.
  - k. Just feel that this is fairest for the largest proportion of families.
  - l. Could be seen as unfair for smaller families or people with no children.
  - m. I think there should be only 1 discount for people with children irrespective of how many children
  - n. Population explosion is driving everything bad in the world
  - o. It will be less administration and cost.
  - p. It should be phased in over ten years
  - q. But still I am not entirely happy with this as it applies retrospectively to choices made at the time of conception , before benefit changes were known about.
7. Comments about why respondents disagreed with the proposal are listed below. There are more comments here from people who are on benefits themselves and scheme applicants. Most comments are about increasing child poverty and that larger families need more income, larger homes and need more support.
- a. Universal credit in fact takes account of more than two children if they were born before a certain date. As a single parent of 5 children and using the example you have given, the amount of council tax I will be expected to pay will increase by 60%. We cannot afford to buy essentials like food and clothing, let alone try to find such an increase in council tax. I have also been a victim of sexual assault, resulting in the birth of my twins. It is

also the benefit cap that makes it impossible to get by now without the increased amount. My family will be severely penalised if this goes ahead. Although you estimate approximately 300 families will be affected, the changes being considered are discriminate to those who already have larger families and, in my case the fact 2 of my children resulted from a serious incident.

- b. It's hard for families with more than two children and so more expensive. Families are struggling. Having to pay more on their Council Tax is putting more families on the bread line. It is so wrong, no, no, no.
- c. Because in the council's own words 'residents with three children or more may have to pay more of their council tax bill'. Again more children = more expense not less. And 300 families which logically at minimum have 4 members each = well over 1,200 people and over 1% of Rother's population who the council propose to impoverish further for the crime of having borne too many children.
- d. I disagree ... council tax reduction is payable because these families are in poverty! The new banding system is based on total income for a family! Every one of those bandings ... reflects a family living in poverty! Why would you push them further into poverty, by expecting them to pay more? Furthermore, what impact will this have on the children in these families? Families that are already struggling!! This is a disgraceful proposal, has the council reflected on the long term impact of pushing families into deeper poverty? Will it in fact save money? Or just cause extra administration cost when these families apply for money from the hardship fund? Could it lead to increases in crime costing the council more in policing? Statistics and evidence point to children growing up in poverty turn to crime, as an example  
<http://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780199914050.001.0001/oxfordhb-9780199914050-e-28>
- e. On the information available here, and in the notes, to make a considered judgment the proposal is disagreeable. Penalizing poorer families for having three or more children would serve to push these poorer families further into debt, and the cycle of payday loans. Furthermore, impacting the welfare of the children, and perhaps ultimately costing the council more as maybe these poorer families would be in need of help from the exceptional hardship fund. Moreover, there is the potential for the children growing up in poverty to be driven toward delinquency, a process expressed by government statistics, thus equally impacting on local society and costs to the council, think vandalism, street crime, police involvement.
- f. Penalising households with large families who will require more income to live and increase child poverty
- g. It is not the children's fault they are part of a large family and child poverty is increasing to the detriment of their education and wellbeing.
- h. Larger families need more help not less.
- i. Discriminating against low income families is abhorrent.
- j. The proposal will impact adversely on those children most in need of support.
- k. This has the potential to put more children into poverty. There are clearly more expenses the more children there are in a household. This proposal sounds like an appeasement to the knee-jerk right wingers who want to punish families for having more than two children.
- l. I believe it is unfair, especially as Council Tax arrears may involve criminal proceedings

- m. Child poverty is on the increase. The families affected will already have had their Universal Credit or Housing Benefit claims restricted and this will deepen existing hardship.
  - n. To completely diminish the existence of child 3, 4, 5, 6 etc. 300 families - minimum adults 300, minimum children 900. Conclusion. Proposal Two: unacceptable, whereby a Government scheme adds further financial burden to the people that live around me. The children will suffer again. This makes me cry. I will not condone this.
  - o. Should be based on income rather than the amount of children.
  - p. My sister in law depends on this as she has 5 children. They are working household struggling to make ends meet
  - q. This will cause severe hardship for families that already have a limited income, I think the cost of collecting the additional amounts will outweigh the savings to you as an organisation. You will be pushing more people in your area into poverty.
  - r. I think that a lot of thought and consideration needs to go into the help and reductions that families with young children, especially those with more than 2, often require. Even the slightest help each week can make a huge difference to a family and take off a lot of stress and pressure when it comes to trying to afford other bills, as well as the council tax. It is usually the bigger families who require the help because they usually live in bigger properties, therefore receive higher council tax bills and often require more help towards paying it.
8. One in ten respondents didn't know if they agreed or disagreed with the proposal. Most of those people didn't comment. The points made are similar to those who agreed or disagreed.
- a. If people want a bigger family is wouldn't be fair
  - b. If you choose to have a larger family then you can't expect the council to pay for this as It was your choice to extend your family and before the decision was made we as responsible adults should take into account our own income first. But the council need to make clear of the income needed for help. Sometimes a parent is thrown into a situation [like] a break up that is not their fault and forced to rely on social security but can't work due to the expense of nursery charges in our area or the child is disabled or a lack of support. The other parent is either not paying or avoiding regular. This happened to my sister and myself. My sister was on a low income and the council could have informed her that if she dropped one hour in her wages she could claim full rent, instead she was paying the full rent and did not have this information to help her. She has always worked part time with four children after her break up and it wasn't until she was made unemployed that she found this out.
  - c. It depends if it also has [been] born before exemption that other benefits do.
  - d. In line with other benefits, but what about families of triplets or above?
  - e. I find this too hard to judge as there are always individual differences.

### **Proposal Three: Not Counting Income of Other Adults**

9. The reasons that respondents agreed with the proposal are listed below. The main reasons in support were how it made it easier or simpler and it helped parents continue to support their adult children during a period when those

children were either students, starting their careers in low paid jobs or otherwise unable to afford to leave home.

- a. It should also reflect earners. Adult student offspring should be exempt.
- b. As children should not be counted as additional person even if they are 19/20.
- c. Unfair to take into account adult children's wages.
- d. They don't really need to know who lives there as long as the council tax is paid.
- e. Difficult for teenagers to get jobs and other lodgings.
- f. This is an excellent idea, a lot of non deps refuse to pay or residents feel they cannot ask them to pay for this.
- g. Because other adults should be allowed privacy on their salaries and it may be difficult to enforce payment from them to me.
- h. I think that's fair, how can you charge someone for stopping with friends and family on a short term basis.
- i. If they are paying rent then the householders income should reflect this, as well as being taxed on it.
- j. I agree but you still get your extra money by reducing the amount of discount so it all seems a bit of a con.
- k. Possible in principal. Want to know what is overall increase in cost of the scheme.
- l. You claim this will result in less administration - although less net CT will be collected and you do not know the trade-off for sure. I would gamble on it being beneficial to residents. Does not affect me at all. I also feel that anything that requires less intervention in between cohabiting residents about their private finances can only be a greater benefit to everyone.
- m. More representative of the current situation, including children living at home longer and even people sofa surfing.
- n. Having daughter at Uni on full loan, this is a worry, as is Housing Benefit gap between rent and permitted H. Ben.
- o. I have a daughter working minimum wage, every week her wage slips are different, and some weeks her boss doesn't give her a wage slip and then she's behind in getting her wage. My son is at university, came back for summer hols, got a job. Firstly, that [employer] does electronic, once a month only pay slip, so we have to get it printed somewhere, and lastly it's hard for me to get all the paperwork sorted out in one go. Which means it comes in drips and drabs, confusing and time consuming.
- p. It is hard to ask every person in the household to contribute.
- q. As our offspring will struggle to save anything and are often in low paid work, if any.
- r. Easier for the applicants.
- s. Administration cost.
- t. Seems actually progressive but will obviously affect only a very few people.
- u. I agree; why should children be responsible for their parent's Council Tax. If the place of residence is not in the children's name why should they pay? I am all for this.

10. The reasons why respondents disagreed are listed below. The most popular reasons were non-dependent adults should pay their way in their household or because they benefited from services paid for by Council Tax. There were concerns how much a non-dependent adult might earn and still not contribute

to this household expense. This suggests some respondents had an income threshold below which it was an acceptable proposal and above which it was not an acceptable proposal. Other reasons were that this proposal seems contrary or in opposition to other proposals or is unfair to other applicants. Some respondents were concerned that they didn't have figures for the cost to the service.

- a) All incomes should be taken into account if they contribute to the household.
- b) As another party living in and bringing income into the household, are other adult residents not also liable to contribute to the Council Tax too?
- c) And then you've got people who are currently contributing to Council Tax and you don't want them to pay anymore? This just beggars belief.
- d) Council Tax, by its nature, is regressive. This is recognised by giving the opportunity for appropriate cases to receive Council Tax reductions. Ignoring additional income from other members of the household potentially increases the unfairness of the system. In the proposal the documentation says the Council does not know the amount of Council Tax reduction given to be caused by this change. So we have the potential scenario. Mr/Mrs X have earnings £10 above the threshold so do not receive Council Tax Reduction. Their neighbours Mr/Mrs Y have an income which qualifies for (say) a reduction of £100 a year. But their adult child lives with them and earns £30,000 a year. If the adult child was the eligible householder no Council Tax Reduction would apply but under this new proposal Mr/Mrs X will effectively subsidise Mr/Mrs Y AND the additional adult. No taxation system should be DELIBERATELY unfair. UNLESS, the cost to the Tax Receiving Authority is substantially greater than the revenue received
- e) I disagree because these 'other adults', should be paying their way, as their income has the potential to boost the household's total income. Equally, it does not reflect fairly on those couples without 'other adults' income burgeoning their financial situation.
- f) I disagree with this proposal because we all need to learn that living in a society where taxes pay for our infrastructure is how we keep this country running. I understand that some families may have difficulty in obtaining money from their children. However, ultimately these families have more income and it is fair that they and their children contribute together. Furthermore, ease of administration should not, in my opinion, be a driver in this case, all earned income in a household needs to be taken into account.
- g) Unless other adults in the house are in education or unable to work, they could contribute to finances. Seems unnecessary for the council to award larger reductions on the basis that an adult may not wish to discuss their finances/contribute.
- h) More adult children now live in the family home. Adult children more often than not contribute towards the family income.
- i) If there are additional adults in the house, then more resources that the council provides are being used
- j) Adult children still living at home need to understand the cost of running a home.
- k) This proposed change has not been costed. Other adults living in properties should make a contribution towards council tax as a matter of principal. Given that you also want to make large families pay more towards their council tax and subsequently increase child poverty [it is]

quite outrageous that in the same breath you want to let non-dependents pay nothing.

- l) Any adult sharing accommodation is a source of income to the household. This would just allow a loophole for exploitation of the rules to other parties - partners & lodgers which the council may need to prove as such.
- m) All adults in a house will either be earning or receiving some form of benefits - all use local services and all should contribute towards the costs of local services

11. There were no explanatory comments from respondents who didn't know if they agreed or disagreed with this proposal.

#### **Proposal Four: Automating Universal Credit**

12. The arguments in support of this proposal are listed below. Most respondents agreed that this seemed to reduce administration and associated costs and helped claimants themselves.

- a) It will save time and complications with applications
- b) yes, if it reduces the administrative process
- c) Universal Credit is a nightmare for claimants at the best of times. Anything to make things easier for them is a positive thing.
- d) Universal credit means you need help so it should be automatically given and if a mistake has been made it would be quicker for you to solve it.
- e) Brilliant. really forward thinking. even if this isn't included in the scheme I would request you look at reducing the application to 1 double sided A4 page.
- f) Provided UC is working correctly.
- g) It will make everything easier, I am on u overall credit and simply haven't got round to claiming CTR as yet because it's too complicated for me and I keep putting it off even though I am sure I would qualify.
- h) Definitely as it just causes more stress for those already struggling with rising bills and general cost of food etc.
- i) Absolutely agree and this is how ALL benefits should work. There is no reason why people on benefits should jump through hoops and fill out endless forms to receive what they are entitled too. Presumably there is also a cost saving.
- j) However, sanctions imposed on UC should not mean that CTR/Housing Benefit should be stopped immediately as these claimants will then have less income than before.
- k) Saves time, money and confusing hassle for applicants and the Council. To not do so has no benefit and incurs more costs

13. The points made by those who do not agree with the proposal are listed below. There were few comments from those who disagreed.

- a) I disagree with this proposal as there will be a significant reduction in income to the council and to pay for the essential services like police etc.
- b) It comes across when you don't work you get loads of help, I know it's not all .but when you work you don't get help when you're self-employed.
- c) Universal credit takes four weeks and you have to pay one week's full rent. So abolish universal credit. (pay back the money x2)

- d) Computers still make mistakes, especially when technology has been rushed to produce the target results. When government websites crash they cause untold turmoil for poorer families.
  - e) People on universal credit should not have to pay council tax.
  - f) Given that the national opposition party which may well be in government in a few months have promised to freeze universal credit this is a premature move.
14. Those who didn't know if they agreed or disagreed made the following comments. There were not many comment. Not surprisingly, most of these respondents either felt they needed more information or were not clear on how this would work in practice.
- a) I am unsure, it appears to reflect an ease of application for both the council and the applicant. However to make a sound judgment, I feel I need more information.
  - b) I understand in principle this proposal could result in positive outcomes for both the Council and the applicant. However, I have read that the first £5.00 of any Universal Credit allowance will not be taken into account by the Council. Thus, this in my opinion is unfair, as any calculated benefit should result in council tax reduction. Hence, I would suggest that perhaps the council stay with the current scheme, and look towards ways of informing those who are unaware of their benefit potential.
  - c) Not enough information to make a judgement, however, we believe that those people who receive income related benefits and are on a low income, should receive help.
  - d) Doesn't this already happen? It certainly does for tax credits in my experience.
  - e) It would appear a good idea to automate the link between UC and CTR. My concern is that in a later proposal you are suggesting that CTR should be a "daily award" while UC is a monthly award. All changes occurring within an assessment period are taken into account at the end of the AP before the UC award is calculated. What happens if someone would have been entitled to CTR for 3 weeks of the month but then goes into work in week 4 (and receives wages) that change their band for CTR within the month? Will then still get CTR for the 3 weeks? Or will CTR in effect be based on the UC income monthly?
  - f) I don't know how this works so cannot comment.

#### **Proposal Five: Not Counting First £25 for Working 16+ Hours**

15. Those who agreed with the proposal made the following arguments in support:
- a) it must be more effective and simpler to operate if there is not a threshold
  - b) This could encourage applicants to work over 16 hours and increase their income.
  - c) It's about time single people and couples were helped more.
  - d) Single people and childless couples will be on a fairer footing.
  - e) Everything is geared around children which seems unfair. If childcare costs are too high, one parent should reduce their hours to take care of their own children.
  - f) It is a small sum of money.
  - g) As I am single it sounds as if it would benefit me

- h) Since the reduction will be banded, it could make a huge difference for an individual if the first £25 was not counted. You should be rewarded for working, not punished financially. Needless to say, this should apply to self-employed people as well, of whom there are many in Rother.
- i) This is fair as it is extremely difficult to get out of the poverty trap.
- j) Why penalise people showing initiative, more efficient and positive.
- k) It is good to redress the financial imbalance between people with children and those without, especially because of the free childcare the government provides. It is also good as it reduces the frequency with which people have to notify you of changes.

16. Those who disagreed with the proposal made the following points:

- a) If you want to disregard the first £25 of earnings why don't you just increase the band width? While this does not positively discriminate for income from earnings - is a £25 disregard on CTR enough to incentive work? The administration costs may outweigh any social gain. This money could possibly be better used.
- b) I see this as an unnecessary proposal. It is simpler to count all income over 16 hours. This would either raise more money or reduce the Council tax rate.
- c) Why do you have to disregard higher earnings? They could pay an additional 10% and still have extra money in hand.
- d) It complicates the process and therefore is likely to add to administration costs.
- e) Again why help people with small families what about large families who both work? Where is our help?
- f) A lot of people, single or childless couples don't qualify for council tax, therefore, again, larger families are being penalised, with this and your income band proposal you are making it very difficult for people to afford a reasonable standard of living in an area that is already expensive. Please rethink this.
- g) In effect this just raises the earnings limit by £25 to give a slightly higher cut off. Why bother with disregarding measure at all? Just raise cut off.
- h) £25 Big deal. Larger families will suffer more. I cannot condone this: unacceptable.
- i) Just keep it simple and stop introducing levels of complexity.
- j) I strongly disagree - particularly as, for me, you won't be doing this. The first £5 earnings rule (about earnings for single people) means I won't have the first £25 disregarded as you suggest by your headline: "Proposal Five: Not count first £25 of earnings over 16 hours". This is deliberately misleading. It implies that everyone will be subject to this disregard. I won't. I will only have £5 disregarded, which is quite different, even to what UC disregards. UC allows me to keep 1/3 of what I earn after I earn a set amount (64 years old, working 18 hrs a week). With your proposed rule, I won't even be eligible for a 20% discount on my Council Tax bill because you will be operating under a different rule!
- k) It sounds good in principle but the effect on childcare is going to make things harder for people with more children, and increases the risk of putting children into poverty.
- l) devise a system that does not require larger ha kids to go through more bureaucratic hoops to gain the support they currently receive
- m) Introducing a 'step' of any kind will act as a barrier. It gets in the way of having a fair system



- n) The only reason is that the 16 hours cap is a nonsense. I have had colleagues in the care industry who want to work more but are unable to, as they get paid more in benefits than they do for working. What logic is there in that?
  - o) Larger families are already under more stress. Let's make life easier for them.
  - p) I disagree, because it appears no real ease of administration would ultimately occur. As those families who have the potential to get less of a reduction are those perhaps with most need, the large families. They would equally need to apply for help from the hardship fund. Thus, it appears to me the administration is being pushed from one section only to arrive in another. Moreover, completion of the hardship application form could put extra pressure on families already struggling. As you will be aware putting more pressure on those in society already under pressure can lead to more social unrest. Ultimately costing us more money, and a change in the current party that leads government.
  - q) In the councils own words: 'larger families with high child care may get less of a reduction'. What part of an 'extra' child requires more [not] less money to support do you not understand?
17. The respondents who didn't know if they agreed or disagreed were mostly asking for more information or clarification:
- a) Not 100% clear as to the ins and outs of this one. Sorry.
  - b) No stance, don't fully understand.
  - c) Larger families may get less reduction
  - d) Not sure if this will make this hard for families.
  - e) I do not know why this may incur greater costs to people with children - it does not seem clearly explained. In theory it sounds great.
  - f) It seems a small amount. I'm not sure of the current status quo or how disregarding such a small amount will affect final bill calculation. It's not possible for me to give an informed answer.

### **Proposal Six: Disregarding Carer's Allowance as Income**

18. Those who agreed with the proposal made the following supporting arguments:
- a) Carer's allowance [is] designed to provide support to those in need, agree to not include.
  - b) Definitely as these people are the back bone of the area and without them you would have to find additional staff to support people.
  - c) Carer's Allowance is a payment for caring not for Council Tax
  - d) Needing to be cared for is enough of a burden.
  - e) Current system penalises carers.
  - f) Carer's allowance is not large and as far as I am aware is only paid if the Carer is caring for 35 hours per week. That means that the Carer is already helping out society and the local community and saving money that the council may have to otherwise pay. It is fair that the allowance is not included.
  - g) Completely agree as carers should be 'rewarded' for looking after someone.
  - h) This is so helpful for people who are unable to work if they are caring for someone full time.

- i) If it wasn't for carers then council tax bills would be higher. Carers do take some costs away from local councils who would otherwise have to fund more caring for people as well.
- j) Yes, because having been a carer. We got £65 a week. When I stopped caring and my daughter moved into [supplemental] living at 18. Her costs were £1k care for 40hrs/pw. Paid to Mencap by the LA. How does this equate to the care a parent/ loved one gives? Carers save society thousands a week, they should not have Carers Allowance taken into account as income. It equates to a carers wage of £0.38 pence per hour!!! It's criminal to count it as income and a false economy. Once the carer breaks, entire families tumble down and 3 or 4 or more can become dependent on the state.
- k) Carers already do a lot of care which government should pay for. Because of the cuts government are expecting carers to do more. Helping with more council tax benefit would help them.
- l) Fortunately, carer's allowance is not means tested. I know people who receive it and who do not need it. And others who are pathetically grateful for it. It should never be included in CT discount. It must remain as a stand-alone allowance.
- m) Cheaper to administer, even if more cost in payouts or discounts for the tax payer.
- n) Being part of a couple, my husband is my carer, who receives this payment, £62.00 a week for the 24/7 care I receive from my husband is extremely good value for money, I naturally would agree with any small extra income. As I have stated we already live in what the UK government considers to be poverty.
- o) You've been including Carer's Allowance in your calculations? How mean and unfair!
- p) This seems progressive but hardly outbalances the victimisation of families made by other proposals.
- q) The rigorous checks that go into an award of Carer's Allowance and the associated hardships of a Carer's responsibilities deserve all the help possible.

19. The arguments made in support of disagreeing with the proposal are:

- a) They get the most benefits
- b) Those who receive a carers allowance live with someone who usually is on benefits and receiving disability benefit so receive the full range of benefits already.
- c) Carer's allowance is paid to a carer and in many cases is a family member and is treated as income and not spent directly on the individual (s) for whom the allowance is paid.
- d) All income should be counted.
- e) Increased cost
- f) The council should not take on more financial responsibilities

20. Those that didn't know if they agree or disagree with the proposal said:

- a) Proposal one indicates that the new 'income bandings' require 'total income', thus are you telling us that carers allowance will ultimately be disregarded if the new banding system comes into service? I would suggest, all of those living in poverty with a joint income of £16,380, which, as I have said, is a sum of income set by central government that reflect

poverty in the UK understanding of the word, should only be requested to pay the 20% of their council tax bill. However, my true feelings are that those living in poverty, through no fault of their own, should not be requested to pay any of their bill.

- b) I don't know how much carer's allowance is, I don't know if it's enough to live on, I couldn't comment on whether they need more reduction.
- c) Not sure. How is the cost going to be met, by putting up council tax?
- d) Not sure about this, can see that being problems on both sides.

### **Proposal Seven: More Students Can Apply**

21. The reasons respondents supported the proposal are listed below. Most comments are around how respondents would like more support for young people studying and improving themselves. Some of the comments included demonstrate where some respondents were merging together this proposal and previous proposals.

- a. Most students do not work or work part time and earn very little. I think landlords should pay the annual council tax for their property and uni students renting rooms in a house during term time shouldn't have to pay council tax at all
- b. But again it should be done on income. A student who works and earns ie £40k is going to find it easier to pay than a student on £8k. Student loans should NOT be classed as income!
- c. It's hard enough coping financially as a student due to ridiculous tuition fees
- d. Why should they be classed differently to everyone else?
- e. My daughter that lives with my ex-wife is 19 and starting an access course and she is not sure if her council Tax will rise again.
- f. Many students live away from home and fund their own living costs so should be treated equally.
- g. Anyone who is on a low income and is genuine should be able to receive help.
- h. Full time students should get a reduction as they are unlikely to earn meaningful amounts and need to repay student loans in any event.
- i. People should be allowed to better themselves and society.
- j. Agree because of the cost to the council. I actually think students should make a contribution, after all they are adults and need to understand that services cost money.
- k. Students struggle more so now than ever before with government cuts and taking out loans to pay ever increasing charges.
- l. Agree but with a huge caveat - Students are likely to get jobs where they are paid cash in hand, so an extra effort must be made to determine exactly how much money they have coming in and wherefrom.
- m. Agree, as long as costs are not too substantial.
- n. Students are very low income and this will allow more money to be put towards education, skill shortage is then hopefully lessened as a broad hope.
- o. Paper work will not be easy to get from university etc. it will be pointless to do if costs of scheme goes up if it's supposed to help students not cost them more.
- p. Simplifies the system.
- q. It's tough for young people to get on their feet financially. They need any help they can get.

- r. Not many people but for mature students, likely to be on minimal income, they should be able to apply. Nurses in training would be seen as good examples.
22. Those that disagreed gave the listed reasons below. Again, some of these comments suggest confusion with proposal four on disregarding the income of other adults.
- a. Additional cost to average taxpayer.
  - b. Students and those on the lowest incomes should receive £100 reduction.
  - c. Why would a student get Income Support? That is wrong. All students, by their very nature have a "low income". The individuals chose to go on to higher education, as opposed to an apprenticeship, therefore they have to accept that there are allied costs. Why should the working taxpayer subsidise them?
  - d. If they chose to study then they should get a part time job along with bursary to help pay costs for council tax.
  - e. If their income band is low then this will be accounted for in the bandings anyway. They should apply like anyone else. Don't add exceptions, which will then complicate the system, e.g. mature students, or where do mums who are studying again whilst looking after their kids fit in etc etc. i.e. define student without being ageist or sexist
  - f. Assume a student pays council tax if they have additional income, in which case they shouldn't get a discount.
  - g. My daughter is on full student loan. It barely covers rail fare and other expenses and needs to be repaid. She has NO other income. It would UTTERLY be WRONG to include students grants and I would raise this with MP, should it go ahead.
  - h. Too many lazy people clinging onto student status until older age so they don't really work. A lot of them never pay back those grants paid for by poor people on low full time wages.
  - i. All benefits should be means tested. Working students should not expect support.
  - j. Why add to the cost of the scheme, when most students do not pay anyway?
  - k. Students should pay some council tax, even a token amount. They use the services and must learn they have to be paid for. Removing some rules may help administration.
  - l. I don't see why students should get a reduction any more than a lot of sections of society.
  - m. Many students have jobs as well as studying. I'm sure many of them work "cash in hand" i.e. waitressing, bar person etc. therefore it is difficult to assess their income. There are students that do not work. It would make sense to create a flat rate for all students.
23. The respondents that didn't know if they agreed or disagreed had the following concerns about their choice.
- a. Most students will be living at their parental home unless they are in housing whereas the landlords should pick up the shortfall
  - b. I don't really understand the circumstances whereby a student would not be already exempt and also not in receipt of a pass ported benefit but still be in a situation where they are responsible for the council tax bill -

- particularly if you introduce the proposal to disregard other adults living in a household
- c. Not sure again on this one as I feel council tax will increase.
  - d. Students seem to leave college/uni in great debt already, not sure how the regular household can cope. It seems the Students with well-off parents are the only ones who will be able to get on in life while the poorer family with children that leave with thousands in debt will never get out of debt. Again it's only the rich have any chance of a good life no matter how hard you work.
  - e. There is not enough information to make a decisive informed judgement. Yet, we believe that students, living independently from their families, should, if on a low income, be entitled to council tax reduction. However students, full or part time, should be judged on their individual circumstance and not grouped together, as individual circumstances can be complex, which would suggest an individual approach. Thus, perhaps the current system where most students do not pay is the best option.
  - f. Full time students, do not have to pay council tax. It would appear that the council is trying to suggest all students now pay council tax? Part time students on low income should, like the rest of those on low income, be entitled to council tax reduction. However, I am unsure whether full time students should be pursued for payment of council tax. I understand they use the facilities within our community. Perhaps a small levy payable by landlords whose dwelling may be exempt from council tax due to full time student occupancy could be considered, after all it is a business.
  - g. I would like to agree that those in need of help get the help. Does this proposal suggest that now all students will have to contribute towards council tax? I feel I need more information in order to pass a sound judgement.

### **Proposal Eight: Stopping the Four Week Extension**

24. Respondents who agreed with stopping the four week extension had these reasons:
- a. To enable those to address their personal circumstance
  - b. I agree as long as the people going into work are given the opportunity to pay council tax off in installments and not just landed with a bill to pay off in full
  - c. I agree to enable everyone to be treated fairly.
  - d. It is simple, fair, and they do not need it as they are now working.
  - e. Simplification, and bringing the scheme into alignment with Universal Credit rules.
  - f. Agree as long as they are not penalised in first month or two of they get behind due to working month on hand etc.
  - g. I do agree but one thing worries me that if you get job you normally have to work a month without pay. What happens, how [are] you going to pay council tax. But if people on universal credit don't get this why should others.
  - h. Agree with stopping extension, it is more equitable overall. Consideration may need to be given though to allowing slight leniency in timing of the first increased payment, given that some may not have been paid at that point (but an increased amount on the council tax account of the individual should be able to be clearer within a month or so).
  - i. As costs need cutting, this seems like a fair proposal.

- j. I do agree with this... BUT... it is a major jump.. There is still a poverty trap when increasing your hours and coming out of UC. Maybe a graded increased approach would be better. As don't forget there are other costs that suddenly kick in as well when off benefits, not just CTR.

25. Respondents who disagreed with this proposal made the following arguments.

- a. That is not fair a four weeks extension is going to help so many people who are probably already in debt from being unemployed into further debt, by giving them the extension for four weeks will help them out so much,
- b. As I know from personal experience, moving from unemployment to employment can be very difficult as you may have no savings and may not be paid for a month while your benefits stop immediately. So this makes the transition from unemployment to employment harder and costlier not easier and deliberately impoverishes people who are already impoverished.
- c. Unless the Tax Collecting Authority can show SUBSTANTIAL savings by implementing the measure, a short breathing space for people making the effort to get off benefits must be worthwhile, not as a deterrent to getting a job but as a motivator to make the leap from unemployment to employment. Work needs to be seen to be worthwhile from day one. For too long the gap between benefits and wages has been too compressed. Starting work actually COSTS money in the first 4/6 weeks. Unless the cost to the receiving authority is substantial this motivator should stay in place.
- d. I disagree, and I equally disagree with the universal credit process that does not include an extension. As we have seen in the news, universal credit can take a long time to payment, and equally receiving your first pay can take up to four weeks. These issues could instigate families seeking payday loans, going overdrawn and induce debt. Thus, in the long term they have the potential to cost the council more in administration when these families have to apply for the hardship fund.
- e. While UC is such a shambles it seems wrong to tip people immediately into debt with their council tax.
- f. We disagree, if the recipient is in need of universal credit (or any of the above mentioned benefits), some of these payments do not reach them in time, long lead times of 6 weeks or more have been witnessed, thus stopping extensions could negatively impact these families. Leading to financial hardship, and worse still payday loans, pushing those in need of financial help further into debt. Which, once again, has the potential to impact the long term financial help via the hardship fund supplied by the council [that] these people may need.
- g. This is a change too far. People who have managed to get into work and off Universal Credit deserve a reward rather than to be penalised.
- h. It was only way i managed first month when i started work without starting in debt
- i. Council tax is a very large bill and I think that a four week grace period would be welcome by people returning to work as they will have additional expense of clothing, travel etc. However, this has to be considered on the economics. If it is not overly burdensome on others that pay then it would be good to give the extension but if this means a cut in services or a large increase for others then I would change my opinion and agree that it should be stopped.

- j. This extension period for the people that are not claiming UC and returning to work is pivotal, removing this protection is unfair. just because it's been removed under UC doesn't mean it is morally correct.
  - k. The extension was introduced to stop people from not telling the council when they started work, then being tempted to carry on claiming what they shouldn't. Also, what are they supposed to do for the first month before they get paid?
  - l. Seems rather out of step with the other recent changes - such as housing benefit roll on when moving to UC.
  - m. They won't go to work.
26. Respondents who didn't know if they agreed or disagreed had the following questions or concerns:
- a. Not sure again i can see problems with this on both sides
  - b. While it seems an obvious move to gain a little money I do feel that anyone that has got themselves off benefits ought to continue receiving a little sweetener as a welcome to work. I do not know how much we are talking here.
  - c. Universal credit is not working well so the proposal if introduced now is likely to result in unintended hardship.
  - d. This could be appropriate so long as Universal Credit is paid on time.
  - e. How do people cope during that four weeks without benefits, before they get paid?
  - f. I'm not sure, but only because I'm not absolutely clear as to the conditions of this extension under Universal Credit. Does it mean there is a blanket (ie. nationwide) rule that no extension occurs if they are on Universal Credit? If yes, then you may as well start (or rather stop) now. But if you might get an extension under Universal Credit when beginning work I would not agree with removal of the extension because those first few weeks may be probational, and emergency tax when beginning work make for BIG cuts in initial income.

### **Proposal Nine: Changes Worked Out from Day not Week**

27. There wasn't a great deal of variation in comments. Respondents who agreed with the suggestion had these reasons:
- a. Pedantic but sensible from an accounting point of view.
  - b. Common sense surely? Any changes should coincide with when someone's circumstances change.
  - c. It is more accurate and, therefore, fairer.
  - d. Yes once changes start then full payment of council tax should start from that date and only from that date broken down accordingly.
  - e. Agree as there could be a cost saving to the council AND as it could make a huge difference for someone whose income goes down.
  - f. Most other organisations in the country do changes in circumstance on a daily basis - why should the council be any difference?
  - g. Not having to find the extra amount if taken from the week.
  - h. Little difference I suspect.
  - i. This seems innocuous.
28. There were not many comments made by those that disagreed but the following reasons were given:

- a. The week seems sufficient.
  - b. This seems a daft proposal and the costs in setting it up , will it really save that much?
  - c. Give people a chance!!!!
  - d. RDC staff seem to have enough problems calculating from a Monday, let alone complicating things further dealing with daily rates!
29. Respondents that didn't know if they agreed or disagreed had the following issues or questions:
- a. Agree but this may complicate link to UC
  - b. Again, I thought this was already the case
  - c. Do whatever is cost effective for the council.
  - d. Really you sit there doing all that? So, Council Tax is worked out daily anyway, then you recalculate Council Tax Reduction daily, weekly - complicated - boring.
  - e. There is not enough information here to make an informed choice. However, if you are proposing to link an automated service with universal credit, we believe that this has the potential to work. Yet, as stated to make an informed decision we would need more information.
  - f. This depends on other factors ie what the potential impact would be on those claiming. If it is going to cause financial hardship, then I disagree with it.

### **Proposal Ten: Discounting Income for Disabled Applicants**

30. Those that agreed with this proposal made the following arguments or reasons for their support.
- a. This seems progressive.
  - b. Disabled people need to spend more on heating (Just for a start). It's bad enough coping with a disability, struggling to pay bills is just too stressful.
  - c. I agree that some income remains disregarded for those who are disabled. As I have already pointed out, those households, such as ours, on a joint income of £16,380, or thereabouts, is considered by the government to be in poverty! Why would you want to make living, for those like myself, even more difficult? I have to buy extra items and pay extra costs that families living without disability perhaps do not. As an example, nappies, nappy bags, baby wipes, special food, premiums on services such as bigger taxes to fit my electric wheelchair in excetera. I'm not asking to have a lifestyle that matches the one I had when I was working, no financial worries, holidays, eating out, gym membership, presents bought for birthdays and Christmas, hobbies, and buying new clothes when needed. However, I am asking for a little less pressure on a system, my/our financial system, that is already under extreme pressure. Thank you.
  - d. Switch from DLA to PIP has adversely affected many disabled people so it would be good to protect them with this.
  - e. Disabled people have already carried far too much of the burden in overhauling the benefit system. This is the only fair thing to do.
  - f. As already said, penalising the disabled is not right, the majority of disabilities are not their fault



- g. Ignore those "disabilities" that have an open diagnosis - such as "too much stress" or "back trouble" or whatever. GENUINE disabled people want to work.
  - h. It is important to protect the most vulnerable.
  - i. Disabled people who want to work should be encouraged and receive some benefit.
  - j. I need to not pay more as with debt management.
  - k. They cannot top up their income from work, ie £25 per week.
  - l. It is not normally realised that disabled people have extra needs to be considered, from maintaining walking aids, charging scooters or wheelchairs, heat, light and electricity as they are at home more. Simple adaptations all add up when cost is considered.
  - m. Aside from the fact this benefits me personally I am not actually looking to gain money out of this process as I feel I am catered for, we know that there are many people: on benefits and disabled and really struggling. We need to help them as much as is possible, obvs.
  - n. I'm hoping this will counter balance proposal one.
  - o. Since going into PIP, my benefit has been reduced by £100 per 4 weeks, so now I am that amount of money short and have to pay council tax.
  - p. Disabled people are often not in a position to change their circumstances, and earning anything can be difficult, so it seems sensible to help those households get by with whatever income they can manage to earn.
  - q. It is just a way of maintaining the current level of support.
  - r. Sensible modification.
31. Respondents who disagreed with the proposal had the following arguments against the proposal:
- a. The disability should be banded as it may not have a major [affect] on a claimant.
  - b. Would it not be simpler to either have a band for households who would meet these criteria or to use discretionary hardship awards. It seems unfortunate to move to a banded system but then hang onto disregards for one group of people. If this is the case why not also maintain disregards for larger families or working parents paying childcare?
  - c. I am not sure why disabled residents should get additional discount, it should as with everyone else depend upon their income.
  - d. All income needs to be counted and benefits administered as per all households.
  - e. I have read this six times. Nope, probably means less Council Tax Reduction for the disabled. I'm guessing! This adds money to your scheme. Disabled people already suffer and if to further make them poor and miserable it's a no no! If that's what it says? Then I cannot condone this scheme.
  - f. Defining 'disabled' is an absolute minefield, and sometimes, although not necessarily their fault, they have greater use of local council services anyway. At the rate of diagnosis of ADHD in the area then, if this is included as 'disabled' (because these people will be getting PIP), then the chances are that in 15 years' time a large % of the local adult population will qualify for a discount!
  - g. Disabled people already receive disability benefits.
32. Respondents who didn't know if they agreed or disagreed had the following concerns or questions:

- a. I am very confused over this proposal, in the notes on this proposal the council indicates the following; 'if we adopt an income banded scheme (proposal one) then premiums like this one will not continue. We propose that if we adopt an income band scheme then we will include an additional income disregard equivalent to the premium received under the existing scheme. This will apply where the resident or their partner is disabled, they have a disabled child or they get the Support component of Employment and Support Allowance.' Thus I am unsure of what is actually being proposed? However, naturally when one lives on an income that is considered living in poverty any saving to me as taxpayer is appreciated, if indeed this is what this proposal is proposing? Thank you.
- b. Many disabled people receive an inflated benefit. Again, I have witnessed this. They buy for England and certainly have more disposable income than I do (working a 37 - 42 hour week). Probably those with disabled children need the exemption, as long as they are not working. However, if the parents do work, then there should be no discount.
- c. Why do all these kinds of things set up a dichotomy between various groups with needs? Disabled needs v single adults, single people v those with children, etc, etc. I have already been cheated out of my state pension for an additional extra two years. Now I'm getting penalised again for getting work, rather than just signing on..... I despair.
- d. As I do not understand how this works.

### **Further Evidence to Take Into Account**

- 33. We gave respondents an opportunity to comment on the scheme and add anything further that they wished the Members including any other options that they wished the Council to consider. Any information or comments relating to the 10 proposed changes have been placed under those proposals. The suggestions below do not include those for services delivered by East Sussex County Council (Social Services and Highways).
- 34. These are the suggestions for other changes to the scheme or administration of the scheme:
  - a. Current system needs amending. But please invest in better training for your benefits staff. Sick of pointing out errors or being hit with overpayments due to their incompetence.
  - b. Minimum council tax payable should be increased to 30% like some authorities.
  - c. I find it hugely disturbing the way self-employed people have been discriminated against in regard to council tax reduction in the current format. How can it be right that the self-employed person who work hard but may not even take home minimum wage, is financially worse off than someone on benefits? The vast majority of small businesses in Rother are run by sole traders trying to keep our High Streets alive, and many of those are doing it more for the love (or because they otherwise would be unable to work) than for the money. It surely is not in the spirit of the 'nation of shopkeepers' to be treated so unfairly!
  - d. It may well be more prudent to separate the District into areas to take into account the location of the claimant. For example, if a claimant lives in a small village and needs transport for shopping/business matters (dealing with the council etc.) then this should be taken into account.

- e. All options to simply/reduce costs should be explored, as should increasing recovery of debts. Do not agree with bringing more people into the reduction scheme.
- f. Bexhill has some very big expensive homes occupied by 1, or 2 people, sometimes on lower incomes. They should not be supported until they move!
- g. I was frustrated recently when I wondered if I would qualify for council tax benefit and could not get a rough idea of the level of income which qualifies. I appreciate it is complicated but at least if people knew if the answer was maybe or definitely not that would be helpful. At least this consultation has informed me of income bands so I know I have just a bit too much money.
- h. Cut waste, make forms straight forward, stop doubling up on the same type of questions. Less paper work and encourage and listen to locals.
- i. Introduce online applications and reporting of changes for CTR so it will be similar to UC, where all applications are made on line and changes made from within the account.
- j. Reduce the capital/savings limit to £6000 for eligibility.

35. Alternative options respondents wanted the Council to consider were:

- a. There needs to be a review in how and what the council tax pays for and to propose a fair system to all.
- b. Various suggestions for a pay freeze, pay reduction for Council staff and Members' allowances, cutting number of Council staff, cutting number of managers, recruitment freeze.
- c. More efficiency savings.
- d. As many of the financial pressures faced by local councils are a direct result of central government cuts, it makes sense to ensure that funding comes at a cost to other services so that residents can see the effects of austerity, and ultimately make their votes with consideration to those effects. To spend reserves or increase Council Tax puts a bit of a buffer between the effects of those cuts and the residents. Spending reserves just puts a crisis a bit further forward in time without necessarily addressing the inevitability of a crisis sooner or later.
- e. Rother are paying hundreds of thousands of pounds on temporary accommodation in X [Name deleted] (run by Tory activists) for local homeless. When Rother insist on using a local contractor Y [name deleted], who consistently brags about the amount of money he rips off the council. My council tax for a two bed flat in Rother, is the same as a four bed detached house in Wealden, do you not think you are doing something really wrong?
- f. Offer discount to residents who commit to beneficial civic volunteering e.g. cutting hedges, picking up litter.
- g. People living alone in high Council Tax Bands [properties] should not receive the single person discount as they have an option to move to smaller/lower council tax bands.
- h. I would rather pay more Council Tax than increase pressure on vulnerable people, especially those with children or a disability.
- i. Various suggestions on review of Council Tax banding on properties, addition of a new higher band, change of Council Tax system to poll tax.
- j. Cap maximum percentage of increase over a period to ensure those paying can budget accordingly over a period of say 5 year business plans.

- k. Look at alternative technologies to reduce admin and running costs of council buildings by using renewable energy.
- l. Perhaps delay any large projects for a few years until everything settles down. I know there is talk of updating the East Parade in Bexhill, this is not needed most people are happy with how it is. Even the toilet for the disabled at the end of the East Parade is easily accessed by the disabled and updating could be left for a few years.
- m. Better contract tendering, more services contracted out, review tendering process
- n. Let residents cut verges or volunteers or community service etc.
- o. Lobby central Government.