

Council Tax Reduction Public Consultation for April 2019

The proposal to change Brighton and Hove City Council's Council Tax Reduction scheme from 1 April 2019 was subject to a public consultation which ran from 6 September 2018 until 4 November 2018. This report summarises the outcome of that consultation.

The proposal

Under the new proposal, minor changes to a person's income will be ignored, for the purposes of calculating their Council Tax Reduction. This is different to the current rules, where any change of income triggers a new calculation, and if there is a change to entitlement, a new bill.

The response

The consultation was held through the council website's Consultation Portal. We focussed on sending the consultation link to all current Council Tax Reduction customers. Where we had email addresses, we emailed. For the remainder we sent letters. We also sent the link to a sample of Council Tax payers who do not currently claim CTR, for whom we had email addresses.

In the consultation, the following introduction explained the proposal in more detail:

For the coming year, we are looking at options to:

- make the Council Tax Reduction (CTR) scheme simpler
- Avoid lots of recalculations and amended Council Tax bills
- Prevent the cost of the scheme from increasing

In addition to the above, £216,000 of savings are required. If not for the uncertainty around Universal Credit, we would have been able to make these savings without changing any CTR rules, because the overall number of people claiming CTR is reducing.

However, there is a risk that staff and admin costs around CTR will increase because of Universal Credit. We are still analysing the impact but would like to consult about the different ways we could make sure that CTR costs do not increase.

Timescale

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If we make changes, they would be implemented in April 2019.

Options will be finalised in December 2018's full council meeting, where a decision will be made by councillors, taking into account views from the consultation.

Fewer changes to bills

We are proposing to introduce a way to make things simpler and avoid us sending amended bills every month.

For some people, the amount of Universal Credit they get changes each month, to reflect changes to their household income. At the moment, our rules say that we must recalculate CTR every time Universal Credit changes and send new Council Tax bills, even if the change is for a few pence only. The same applies to other changes of income.

To make this process smoother, we can introduce a new rule, where we only change somebody's CTR calculation if their income or circumstances cause a big enough change in their CTR entitlement.

We have not yet chosen the amount that would trigger a recalculation of CTR, as the final amount will depend on the outcome of this consultation and further analysis of Council Tax Reduction cases. But a realistic estimate would be to set the minimum amount at £2 per week.

If somebody's change of circumstances causes their entitlement to go up or down by £2 or less per week, then we would ignore the change. They would still have the same CTR as before, and so they would pay the same amount of Council Tax as before. This would mean that if a person's income only goes up or down by a small amount per week, their CTR would not change.

Some people would be slightly better off and some slightly worse off. If your income goes up slightly, your CTR would stay the same (under current rules, it would be reduced). On the other hand, if your income goes down slightly, your CTR would also stay the same – you wouldn't lose CTR, but you would not receive any extra either, as it would be too small a change. As soon as your entitlement changes by more than the threshold (in this example £2), the CTR would be recalculated.

If your CTR was not recalculated because the change was too small, the impact would vary in each case. It would depend how many weeks passed before you had a further change that was big enough to cause a recalculation of your CTR. But in the example of £2, if 12 weeks went by without a further change, that could be up to £24 difference compared to how the rules work at the moment. Over six months, the difference could be up to £52. We would eventually recalculate your CTR when we send the annual council tax bill. This means that any increase or decrease in the annual Council Tax bill would be taken into account.

We asked respondents if they agreed or disagreed with the proposals outlined above, to introduce a minimum change of entitlement for CTR calculations. The responses were as follows:

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Response	Number of responses	Percentage
Strongly agree	244	34.5
Tend to agree	279	39.4
Neither agree nor disagree	69	9.8
Tend to disagree	32	4.5
Strongly disagree	37	5.2
Don't know / not sure	44	6.2
Sub Total	705	99.6
No response	3	0.4
TOTAL	708	100

This shows that there was widespread support for the principle of simplifying the CTR calculation process.

The following table breaks these responses down into those receiving CTR now or during the last two years, and those who have not.

		Have you or someone in your household received Council Tax Reduction in the last two years?			Total
		Yes	No	Don't know / not sure	
	Strongly agree	78	157	8	243
		27.6%	40.3%	28.6%	34.7%
	Tend to agree	109	156	12	277
		38.5%	40.0%	42.9%	39.5%
	Neither agree nor disagree	33	32	3	68
		11.7%	8.2%	10.7%	9.7%
	Tend to disagree	17	13	2	32
		6.0%	3.3%	7.1%	4.6%
	Strongly disagree	21	16	0	37
		7.4%	4.1%	0.0%	5.3%
	Don't know / not sure	25	16	3	44
		8.8%	4.1%	10.7%	6.3%

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Total	283	390	28	701
	100.0%	100.0%	100.0%	100.0%

The following table breaks down the response into those who have supported or worked with others who have claimed CTR:

		Do you support or work with someone/people who claim Council Tax Reduction?			Total
		Yes	No	Don't know / not sure	
	Strongly agree	16	199	25	240
		26.2%	36.2%	28.7%	34.4%
	Tend to agree	29	212	37	278
		47.5%	38.5%	42.5%	39.8%
	Neither agree nor disagree	9	49	10	68
		14.8%	8.9%	11.5%	9.7%
	Tend to disagree	1	24	7	32
	1.6%	4.4%	8.0%	4.6%	
	Strongly disagree	4	29	3	36
		6.6%	5.3%	3.4%	5.2%
	Don't know / not sure	2	37	5	44
		3.3%	6.7%	5.7%	6.3%
Total		61	550	87	698
		100.0%	100.0%	100.0%	100.0%

Where respondents said they had been involved in supporting people with CTR claims, they included:

- Advice workers
- Colleagues or friends
- Council officers (for example Housing Benefit and Council Tax Reduction officers)
- Tenancy sustainment officer
- Social workers
- People with power of attorney for others
- A manager of a community mental health team
- Carers

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Additional comments

The only other question in the consultation was to ask if there were additional comments. There was a broad range of responses, but the most common themes were as follows:

Theme	Number of mentions
Increase the minimum change amount	22
Make CTR more generous	16
Will the delayed CTR change be added retrospectively to next year's bill?	15
Reduces admin - good	12
Concerned about impact on the most vulnerable	12
Universal Credit issues	9
Comments about Single Person Discounts	6
have regular reviews (quarterly or 6 monthly)	5
Will make it easier for customer	4
Recalculate on request, if the claimant needs it	4

Some of the overall themes were not in the scope of the consultation, for example comments about Universal Credit overall, or requests to change other aspects of the Council Tax Reduction Scheme. We can infer strong concern for low income households and vulnerable people by looking at the combination of a) potential impact on vulnerable people and b) requests to make the scheme more generous and c) concerns about the negative impact of Universal Credit. The most common suggestion was to increase the Minimum Change threshold – usually £5 was the suggested amount. However, it is not clear whether this meant that respondents were intending this to be a generous measure, eg allowing people to keep more CTR. In one or two cases, the respondent clarified that they did intend this as a generous measure.

The other common remark was to ask whether the changes eventually caught up with the claimant in the new financial year. For

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example, if there should have been a reduction of CTR in August but this was not applied, would the council apply it retrospectively with next year's bill, leaving the person in debt at the start of the year? The answer is that no, the changes would not be applied retrospectively, and the new entitlement would apply only from the start of the financial year (unless of course another change happened before then).

Conclusion

There was broad support for the proposal, and this support seemed to be based on the idea of making Council Tax Reduction simpler, and the administration more effective. As a counter-balance, respondents were keen that the proposals did not impact negatively on those with the lowest income, or those who were vulnerable.