

## **ADDENDUM REPORT**

### **TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2016/2017**

REPORT OF THE HEAD OF REVENUES, BENEFITS & INFORMATION TECHNOLOGY  
EXECUTIVE MEMBER: COUNCILLOR T. W. HONE

#### **1. SUMMARY**

- 1.1 To advise Cabinet of the outcomes of the public consultation held on proposals for the Council Tax Reduction Scheme for 2016/2017.

#### **2. RECOMMENDATIONS**

- 2.1 That Cabinet notes the outcomes of the consultation and takes these into consideration when reaching its conclusions on the main report.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To assist Cabinet in making its decisions on the main report.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 There are no alternative options available.

#### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 This report is considering the outcomes from public consultation.

#### **6. FORWARD PLAN**

- 6.1 This report does not contain any recommendations on key decisions but does assist with key decisions to be made from the main report that was first notified to the public in the Forward Plan on the 22 July 2015.

#### **7. BACKGROUND**

- 7.1 As part of the consideration of any proposed changes to the Council Tax Reduction Scheme for 2016/2017, the Council is required to consult with the public.
- 7.2 The Council commissioned BMG Research to carry out this consultation and due to time constraints, the final outcomes were not known until after the main report for Cabinet had to be published.
- 7.3 Cabinet is not considering any structural changes to its Council Tax Reduction Scheme for 2016/2017; however the public's views were sought on four specific points relating to the Scheme, for Cabinet to consider.

7.4 These were:

- Whether to continue to protect families where there is at least one member with a disability
- Whether the projected surplus funding for the Scheme should be used to increase awards for working age claimants, who are not protected
- If so, how much should that be
- Should the Council retain Family Premium for new claimants from 1 April 2016. (The Government is proposing to remove this Premium from the calculation of Housing Benefit from that date)

7.5 The consultation questionnaire was sent to 2,431 Council Tax Reduction Scheme recipients and 2,430 non-recipients chosen at random. Numbers were chosen from each of Letchworth, Hitchin, Baldock, Royston and the Rural Areas proportionate to the number of properties.

7.6 There was a 24% response rate from those in receipt of Council Tax Reduction and 32% from non-recipients, giving an overall return of 28%. This was a significant improvement on the 17% return the last time public consultation was carried out.

7.7 The full report from BMG Research is at Appendix A.

## **8. ISSUES**

8.1 On the question of whether the Council should continue to protect families where a member has a disability, there was considerable support for this. 95% of recipients and 90% of non-recipients endorsed the Council's decision to protect families where a member has a disability, giving an overall response of 92% in favour.

8.2 The question of whether surplus funding should be used to increase awards for working age claimants who are not protected was less clear cut. Surprisingly, only 49% of recipients supported a proposal, which would mean that they would be better off whereas 53% of non-recipients supported this proposal giving an overall support of 51%.

8.3 This response is very surprising and in hindsight could be distorted by customers not fully understanding the question put. BMG Research has confirmed that they did receive a number of queries asking for clarification on this question and better wording may have been *"Do you agree that the available £514,000 should be used to increase the support to working age recipients"* rather than the actual wording which was *"Use the available £514,000 to increase the support for working age recipients by lowering the 25% reduction applied to their awards"*.

8.4 Responses to the third question on possible options on the percentage reduction to awards to be applied may also be distorted as again the response is surprising. 39% of recipients favoured a reduction to 20% whereas only 30% favoured 17.4%, which would mean that they would be better off. 36% of non-recipients favoured 20% and 39% favoured 17.4%.

8.5 Members will see that these values are not considered in the main report. The reason for this is that since the consultation was prepared, there has been a further reduction in the projected expenditure of the Scheme, which now gives the Council further scope to reduce the percentage reduction and thereby increase the value of awards whilst broadly retaining the same balance of funding.

- 8.6 To provide some comparison, Members should note that the 20% reduction figure at the time the consultation was prepared resulted in a balance of funding of £259K being retained and a reduction of 17.4% resulted in a balance of £183K.
- 8.7 In the main report, a reduction of 12.44% gives a balance of £266K and 9.07% gives a balance of £196K.
- 8.8 The final question related to whether the Council should retain Family Premium in its calculation of Council Tax Reduction as the Government is proposing to remove this for new recipients of Housing Benefit from 1 April 2016. Removal of Family Premium would reduce the amount of Council Tax Support by up to £4.44 per week for a lone parent and up to £3.49 for a couple.
- 8.9 There was overwhelming support for retaining Family Premium with 88% of recipients and 83% of non-recipients supporting retention.
- 8.10 This consultation shows that two of the four questions where a simple yes or no was required did result in a very clear response, whereas the other two questions, which were more complicated brought back less clear results. It is difficult to understand why significant numbers of recipients of Council Tax Reduction should not support proposals designed to increase the level of their awards other than a misunderstanding of the question and this will clearly need to be a lesson learned for any further consultation.

## **9. LEGAL IMPLICATIONS**

- 9.1 These are covered in the main report.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 These are covered in the main report.

## **11. RISK IMPLICATIONS**

- 11.1 These are covered in the main report.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 These are covered in the main report.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 These are covered in the main report.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 These are covered in the main report.

## **15. APPENDICES**

- 15.1 Appendix A – BMG Research Report.

**16. CONTACT OFFICERS**

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**17. BACKGROUND PAPERS**

17.1 Cabinet Report 15 December 2015 - Council Tax Reduction Scheme 2016/2017.