



# Consultation Report: The Sefton Council Local Council Tax Reduction Scheme 2016-17



## **Consultation Report**

### **The Sefton Council Local Council Tax Reduction Scheme 2016/17**

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As it is required to do by law, the Council is reviewing the Council Tax Reduction Scheme which supports residents with low incomes in paying their Council Tax. The Scheme has been running since April 2013, and has successfully supported pensioner and working age households.

As part of the Council's consideration of its 2016/17 and future years' budgets it must consider a range of service reductions and pressures upon our local communities. One of the options that Council considered as part of the scheme review is whether to change the level of support provided to those working-age households in our community on the lowest of incomes:-

#### **Pensioners**

The Council does not propose to make any changes to the scheme for pensioner claimants. This is because scheme for pensioners is prescribed by the Government at a national level. So pensioner claimants will continue to receive the same level of support as in 2015/16, except where their circumstances change or there are changes in Government legislation.

#### **Non-Pensioners**

The Council Tax Reduction Scheme in Sefton currently requires all working-age claimants to pay at least 20% of their Council Tax bill irrespective of their financial circumstances.

The Council could choose to maintain the level of support it currently provides or consider alternative options which would be more generous to working-age claimants. For example, this could be done by reducing the minimum percentage payable by working age claimants under the Council Tax Reduction Scheme in 2016/17:-

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### Option 1 - No Change to Existing Council Tax Reduction Scheme

We will work out Council Tax in the same way as we do now. This means that people of working age will continue to pay a minimum contribution of 20%.

### Option 2 - Provide more Council Tax support to working-age claimants.

This could be done by reducing the minimum payment that is currently being charged from 20% to a lower percentage, say 18% or 16%.

## **The Consultation**

The Council has been consulting with the public on the proposed Local Council Tax Reduction Scheme 2016-2017.

Consultation commenced on 23<sup>rd</sup> November 2015 and ended on 20<sup>th</sup> December 2015. Members of the public were able to view a copy of the proposed scheme on the Council's website and then complete an on-line questionnaire giving their views. Members of the public could also send their comments by email.

Information on the proposed changes has also been sent to the Major Precepting Bodies asking for their comments.

## **Consultation Responses**

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### **Responses from Preceptors**

#### Police & Crime Commissioner for Merseyside

The Police and Crime Commissioner has responded to say that she supports Option 1 (e.g. no change to the existing scheme). She has also indicated that she could not support any change that would increase the costs of the existing scheme, which would ultimately have a negative impact on the tax base and the level of Police precept which she could potentially raise.

#### Aintree Village Parish Council

The Parish Council has no comments to make.

## **Other Responses from Members of the Public**

The following anonymous comments have been received from members of the public

*It is my opinion that the present Status Quo on Cancel tax reduction should be maintained not reduced.*

## **Questionnaire Results**

53 responses were received by the closing date on 20<sup>th</sup> December 2015.

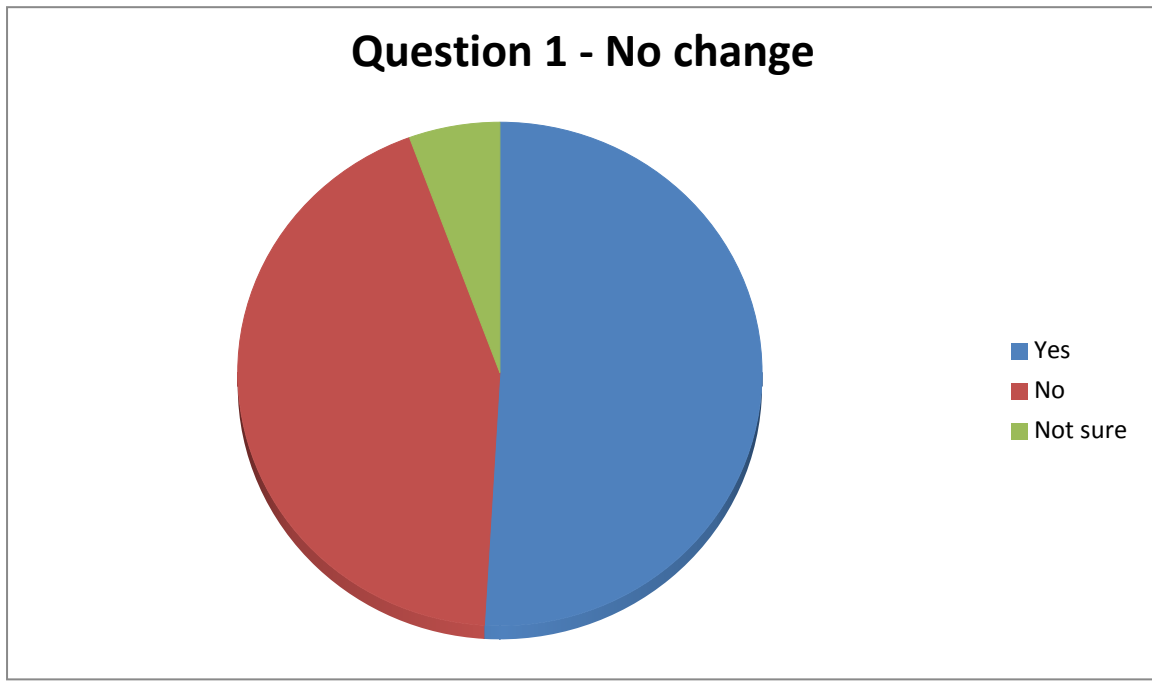
The following paragraphs give details of the questions asked and responses.

### Question 1

Do you agree that the Council should adopt Option 1 - that the current Council Tax Reduction scheme should remain unchanged and that people of working age should pay a minimum contribution of 20%.

Response	No of responses	%
Yes	27	51
No	23	43
Not sure	3	6
Total	53	100

A



Please tell us why:

The following comments were received from those who **Agreed** with option 1 (no change):-

- As the reductions per individual for option 2 (as shown by the examples) are so small as to be insignificant it would be better for any surplus income from option 1 to reduce the budget gap
- I believe it should remain the same too many harsh cut backs are being made to vital services
- this is fair and expected now
- They receive the same service as people who pay the full amount
- I have been out of work for nine years, I have applied for thousands of jobs. I worked as a design engineer at the same company for 33 years. We do not get help the young get too much
- an 80% reduction is more than enough, I'm sure people can make savings elsewhere such as doing without an expensive mobile phone for example.
- If they can afford Sky TV they can afford to pay Council Tax

A

- All residents use services in some way and they all should contribute
- 20% is already very low. I am not entitled to any reduction. I am on a very low already. But I am not entitled to any help. Who will carry the burden of the shortfall? I cannot afford to pay more.
- 80% is a significant discount already. Economy is picking up, should result in more jobs and hours available to those working
- Times are hard for everyone and as we are supposed to be living in the Big Society and all in it together, keeping the minimum contribution should remain unchanged. I am almost certain that any reduction is only likely to get passed on to others who are already struggling so is this fair?
- I note that there is no option to increase the minimum contribution. When local services are being cut, it is disgraceful that the council is considering reducing the minimum payment. Presumably council tax payments will increase for those of us who do not benefit from the reduction scheme. Utterly disgusting.
- Sefton Council repeatedly write off £ millions each financial year in unpaid Council Tax receipts. This in turn lowers what the Council can spend on all services . In addition there is also the unrecoverable on costs the Council incurs each year pursuing these debts.
- All working people should pay something towards their Council Tax. Let's face it where will you find the short fall to pay for the Services that are provided.
- People of working age should pay the full rate of Council Tax as they get the same Services as the retired person who pays the full amount if required. Every year you wipe out 12 million pounds in unpaid Council tax and Business Rates surely you have a system after all these years to go out and retrieve this outstanding money. It's the same old story we haven't the staff to do this. So if you reduce the amount that people pay how will you get back the lost revenue. Oh I suppose you will hike up everyone else's rate bill.
- They are already receiving enough benefits, they need to budget better to pay their bills, like the rest of us who have had to pay full council tax even when on low wages

A

- Because many people are on low wage who don't qualify.... we don't want to have to subsidise this scheme.... it's a community charge everyone should pay it.

The following comments were received from those who **Disagreed** with option 1 (no change):-

- My family finds it hard enough paying our council take as we only earn £13,000 per year. So I think low income families should pay less.
- 20% is far too high and causes severe hardship.
- Whilst desirable that all should pay a fixed contribution the council should have the discretionary power to reduce the burden in cases of extreme hardship
- because those who only get £73.00 per week to live off (JSA & Some ESA) claimants They simply do not have enough money to be able to pay this 20% short fall because of the government cuts, It is also unfair to expect this group of people to be able to pay
- It should rise to 25% at least
- They get peanuts for benefits so 20% is a fortune for them
- people on low income have to pay for increase costs in other areas such as utility bills. If there is an opportunity to lower this cost it should be explored
- needs to be related to ability to pay a number of your examples failed to identify weekly /annual income which makes it difficult to make an informed decision. I have assumed it is on a sliding income scale but not sure. Percentage should taper down re income, therefore have three levels of reduction.
- With the government cutbacks on people, we are worse off and so even a small reduction in Council Tax would be welcomed.
- I think that everyone should pay the same amount - working people pay tax, why should they be penalised by offering other people a discount.

A

- it's not fair or reasonable to expect low income council tax payers to pay more than the law says you can deduct from their benefits so I am fully in favour of bringing the reduction scheme in line with the law
- I am currently receiving ESA, HB and CTB. I have also been affected by the bedroom tax. The current arrangement has placed a great deal of pressure upon myself.
- Please see below. For many people, these are days of financial hardship not seen for many years, because of sanctions, 'bedroom tax', etc. It still seems to be extremely hard, if not virtually impossible, for some people to get a job in north Merseyside - particularly the long term unemployed, people with certain disabilities, a criminal record, etc.
- The current 20% minimum payment is too high particularly for those families being squeezed by the Government's benefit cuts and freezes.
- Not for those on the basic levels of income for ESA/JSA/ as from my experience they do not have sufficient to cover basic living cost, any under occupation charges and this is leading to high rent arrears , fuel poverty etc. Also collection is more difficult and debt to the council increases
- I've always believed it to be totally unfair that anyone without the means should be forced to make any amount of contribution towards the tax.
- Because the long term benefits in your consultation info suggest option 2 is better.
- this is due to zero hour contracts, not guaranteed set hours. plus I work but my wages just about cover my household bills and I have had to take on a second job in order to pay travel costs to and from work as well as pay for food. plus my daughter has idiopathic juvenile arthritis and I receive no additional help for this as we have never claimed or asked for help.
- Many of those involved will be suffering from cuts to other benefits and so need all the help they can get.

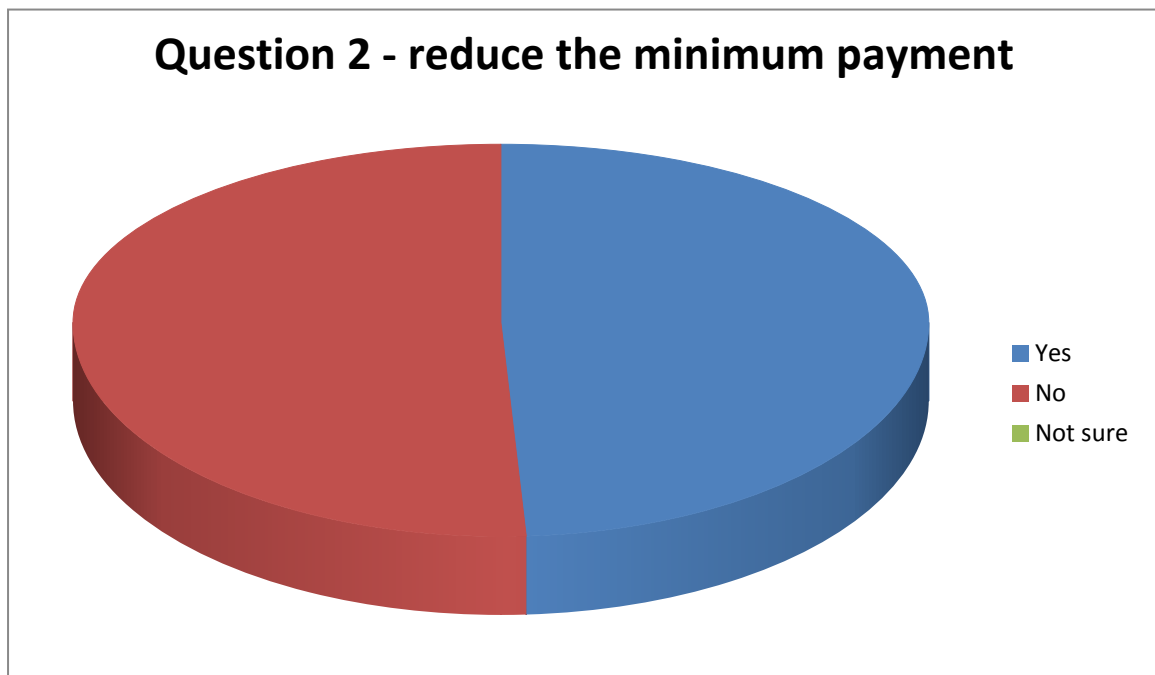


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## Question 2

Do you think that the Council should adopt Option 2 – that the minimum payment for working age claimants should be reduced?

Response	No of responses	%
Yes	26	49
No	27	51
Not sure	0	0
Total	53	100



Please put any comments on Option 2 in this box

The following comments were received from those who **Agreed** with Option 2:

- I think the council should be enabled to reduce the burden to any percentage a reviewing officer deems appropriate given the case.
- Working families are finding it difficult in these times. To reduce their part of council tax will show that the council understands their difficulty.

A

- Any reduction can only help people to not live in poverty
- other benefits are being cut or not increased as cost of living is increasing. reducing the minimum payment may alleviate pressures on their budget
- comment as above re ability to pay and income level.
- People are worse off under the current government, so any savings would be great.
- it's not fair or reasonable to expect low income council tax payers to pay more than the law says you can deduct from their benefits so I am fully in favour of bringing the reduction scheme in line with the law as even though it's only a few pounds pw difference that few pounds can be spent on other essentials
- Yes as long as services for those who require them are unaffected. Council tax should be in proportion with services used
- If council tax is easier to collect from the onset, then the cost of administrating the service should also fall in tandem and so a rational reduction may not have any significant impact on council budgets.
- I believe as much help as possible should be given to those in dire financial need, for instance those sanctioned by the Employment Service. I personally would not mind paying more in order to achieve this.
- This proposal would make the minimum payment more affordable for low income families. You only have to look at the number of people using food banks to realise how badly poorer families have been affected by the Government's welfare cuts. I agree that Sefton should do something to help them.
- Should be reduced as far as possible
- I think Sefton should certainly make the Council Tax more affordable for those 15,000 or so working-age residents on low incomes.
- Because I think the reasons you have given in your information make sense. to have less pressure on recourses.

A

- All residents regardless of income and occupying a house or flat should pay for services provided from council tax collections It makes for "grown up" responsibility.
- It should be a calculation based on their ability to pay. If you are of working age AND you have an income of some kind, then you should be paying SOMETHING. Quantity however should differ for circumstances.
- This would help counteract cuts to other benefits for those with the lowest incomes

The following comments were received from those who ***did not agree*** with the proposals:

- The reductions in payments per individual are so small as to be insignificant.
- I don't believe it should be reduced they use all the same services as everyone else.
- All treated the same
- I think that everyone should pay the same amount - working people pay tax, why should they be penalised by offering other people a discount.
- They get too much help, they will never work because of the help they get
- See comment for question one
- All residents use services in some way and they all should contribute
- working age claimants should be encouraged to get out and WORK!
- See comments from previous question.

A

- In an ideal world with unlimited resources maybe. But are we not all in this together trying to manage on limited resources and incomes. What is the point in marginalising this emotive subject further. What about OAP's were do they figure in this. As indeed single parents widows etc who equally may fall just outside your threshold. What are Sefton going to do for them ?
- There is no reduction for early payment of Council Tax or Business rates ie if payed in full. Every year you wipe out at least 12 million pounds in unpaid Council tax and Business Rates surely you should be going after these people. It's the same people all the time paying up and getting nothing back.
- There is no reduction for people who want to pay off their bills in full, so why should a working claimant get the bonus of getting a reduction. My husband and I live on our small pensions and I bet someone working would be on more than us if two people in the household and working and we would not qualify.
- I do not want to pay more or lose any more services
- Everyone should pay the charge there should be no reductions. If reductions are made they should be banded across all low wage earners.

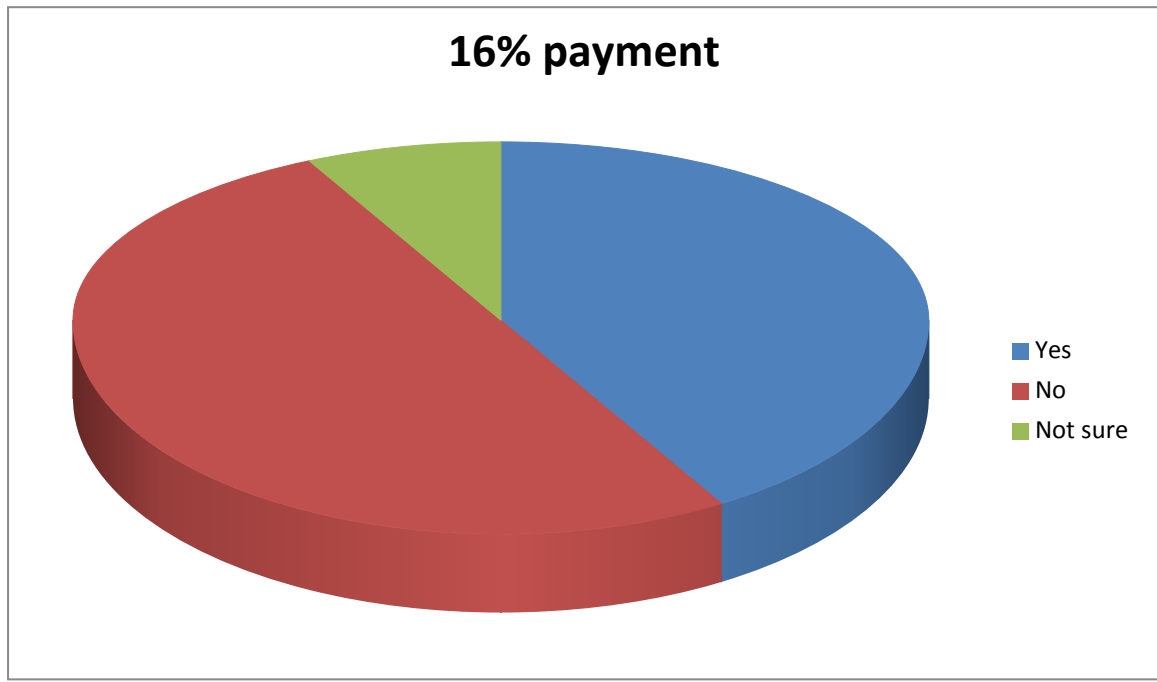
### Question 3

If the Council does reduce the minimum payment for working age claimants, what percentage of the Council Tax Bill should be paid?

16%

Response	No of responses	%
Yes	24	45
No	29	55
Total	53	100

A



Please tell us why:

The following comments were received from those who **Agreed** that the percentage should be 16%

- Would help a lot of families out.
- If you do go with option 2 then the smallest % will be of greater help
- Because any reduction made would mean that there would be a shortfall which would need to be added to other payees.
- The lowest reduction possible to assist people
- If the percentage is to be reduced it needs to be the most the LA can afford whilst making an actual difference to the people concerned
- relate to income
- Savings are savings, it all helps those who are worse off.
- same answer as question 1&2

A

- This will provide a better reduction for the people living on the smallest amount of money.
- I personally would like to see it at zero % for those who (even temporarily) have zero income.
- As a Sefton tax payer I support the lowest minimum payment option proposed. In fact I would go further and reduce the percentage to 15% as used by many other Council's. I think this strikes a better balance. The council tax benefit system was not very generous. The local system of support is now even worse for non-pensioners. I would be happy to pay slightly more Council Tax in order to help those who are suffering most from the cuts imposed by the current Government.
- reduce to 16/% if not more
- Still too much really. As close to 0% as is possible would be my preferred option.
- It needs to be scrapped or as little as possible as living on benefits is already tough for most families and it's often the children who have to go without.
- But only for band B
- This should be affordable to most people, even those who are heavily dependent on benefits.
- again due to zero hour contracts

The following comments were received from those who **Disagreed** that the percentage should be 16%

- Too high.
- Our Councils are struggling as it is making harsh cut backs to vital services.
- 20 or 16% it would still be too much to those on JSA /ESA to be able to afford, or is it acceptable that they go hungry or freeze in the cold in order to pay their council tax?
- 25%

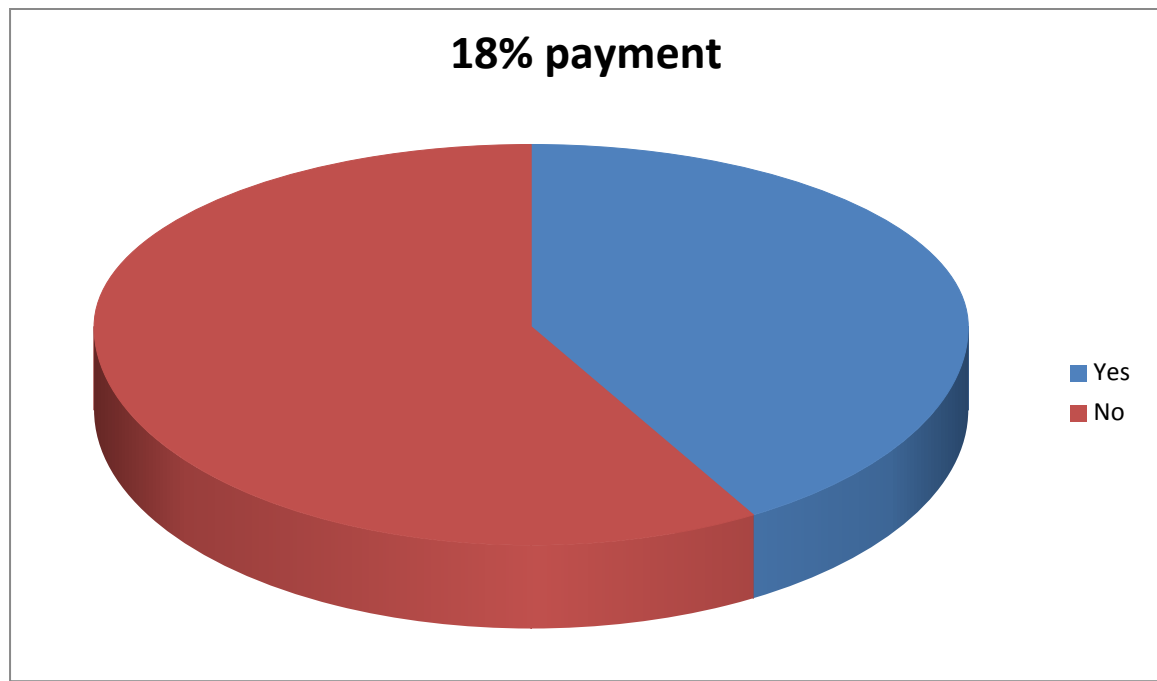
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- 25%
- I think that everyone should pay the same amount - working people pay tax, why should they be penalised by offering other people a discount.
- Leave it as it is. Save the cost of changes.
- All residents use services in some way and they all should contribute
- 20% down to 16% is too great a drop considering that huge amount of workers in Sefton are public sector workers and therefore have only had a maximum 1% (if lucky) rise and these people are likely the ones to be targeted to make up the difference or reduction as they are in full time employment. Again, not fair!!
- SHOULD NOT REDUCE . Why does the Council not offer a discount to all those people and business's in the Borough who pay on time and in full. Other more forward thinking Authorities try to maximise income and prompt payment by offering a % discount on full and early payment. Why can't Sefton show some initiative instead of sitting on its hands.
- If you lower the amount they pay, the people who pay full council tax will have to pay more or more cuts will be implemented
- Although on low incomes there is also a need to consider other Council Tax payers and the overall need to deal with the problem of cuts to the budget.

18%

Response	No of responses	%
Yes	22	42
No	31	58
Total	53	100

A



Please tell us why:

The following comments were received from those who **Agreed** that the percentage should be 18%

- A 2% cut is better than nothing am sorry but if I had my way council tax would go up for everyone then we wouldn't have to suffer all these harsh cuts
- relate to income
- I think that everyone should pay the same amount - working people pay tax, why should they be penalised by offering other people a discount.
- same answer as question 1&2
- Only a marginal decrease so it becomes affordable but direct services provided have minimal impact
- They should pay as much as possible, we're all in this together.
- But only for band A
- See comments from previous question.



A

- This seems fair and especially to households paying full council tax. claimants will still be getting a reduction. without affecting services provided by Sefton.
- This would help to increase the amount available to low paid residents whilst keeping the overall cost to a lower amount

The following comments were received from those who **Disagreed** that the percentage should be 18%

- Too high.
- Too much for other council tax payers to make up.
- 25%
- This percentage does not make enough of a difference to alleviate the pressures people on low income are facing at the moment
- let's go for 16% and help as many people as possible.
- Please see above. I think it's a good general principle that everybody pays something, but not when you've got nothing to pay with! The effect of sanctions can be ongoing as people have to pay back payday lenders, etc., so even if the reduction took effect weeks afterwards it could still be helpful.
- Would make little difference
- All residents use services in some way and they all should contribute
- The historical problem with Sefton under all party leaderships is that there has always been a perception that it is north south divide in the Borough. Little has been done to make the Borough more inclusive to all residents. This scheme is even more evidence of such a policy. I would suggest that all THE MEMBERS AND OFFICERS TAKE A TRIP TO KNOWSLEY AND HAVE A LOOK AT HOW A PROACTIVE AUTHORITY WORKS FOR EVERYONE.
- If you lower the amount they pay, the people who pay full council tax will have to pay more or more cuts will be implemented

A

## **About Yourself**

### Gender

Response	No of responses	%
Female	19	36
Male	28	53
Prefer not to say	6	11
Total	53	100

### Age

Response	No of responses	%
18-24	0	0
25-39	7	13
40-59	27	51
60-74	12	23
75-84	2	4
Prefer not to say	5	9
Total	53	100

A

Do you have a long term illness, health problem or disability which limits your daily activities?

Response	No of responses	%
Yes	12	23
No	35	66
Prefer not to say	6	11
Total	53	100

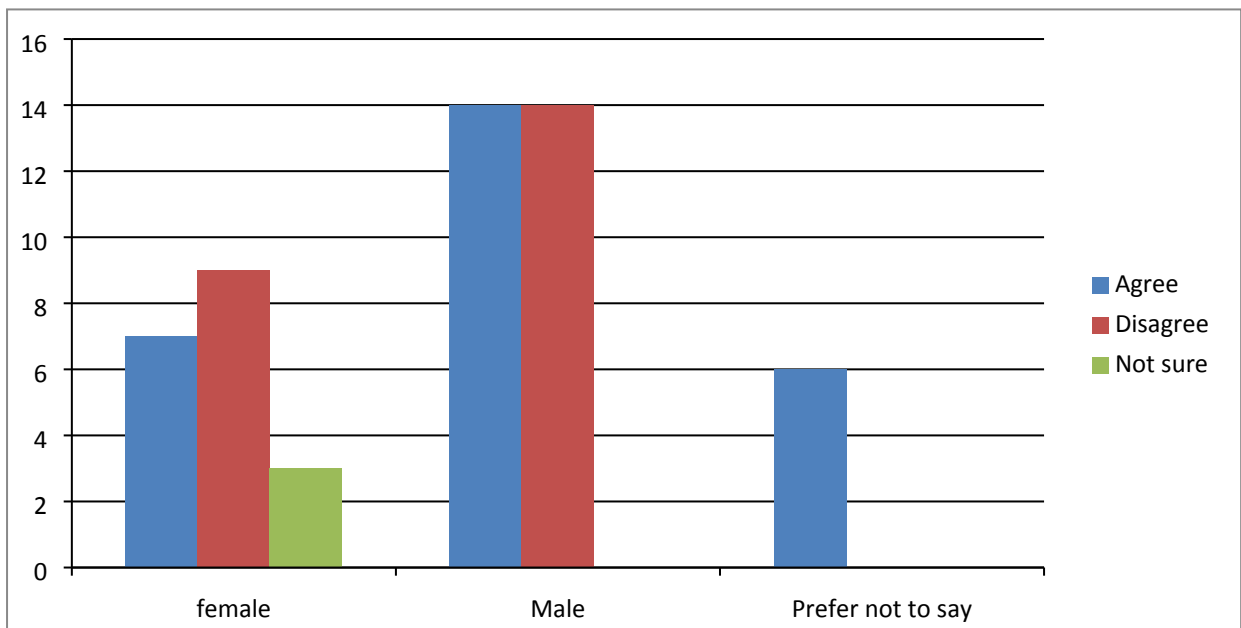
Which of these describes your ethnic group?

Response	No of responses	%
White	44	83
Black	1	2
Asian	0	0
Mixed	0	0
Other	0	0
Prefer not to say	8	15
Total	53	100

A

The following statistics for **Option 1 (no change)** have been obtained:-

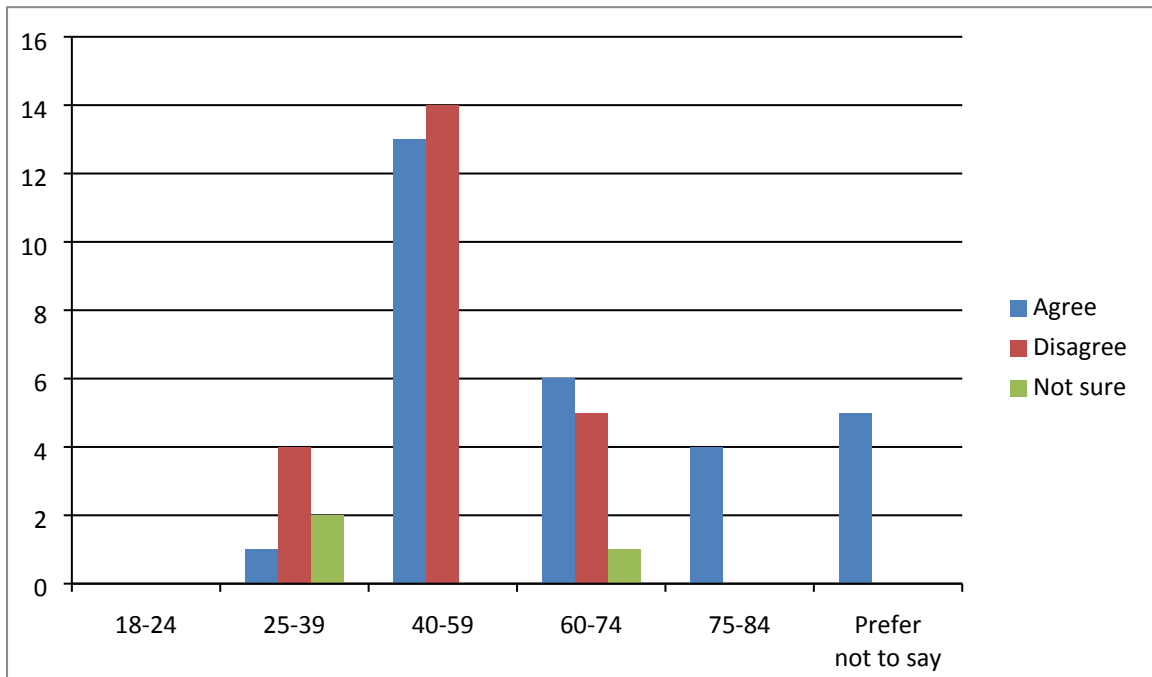
Gender	Agree	Disagree	Not Sure
Female	7	9	3
Male	14	14	0
Prefer not to say	6	0	0
Total	27	23	3



#### Option 1 - Gender

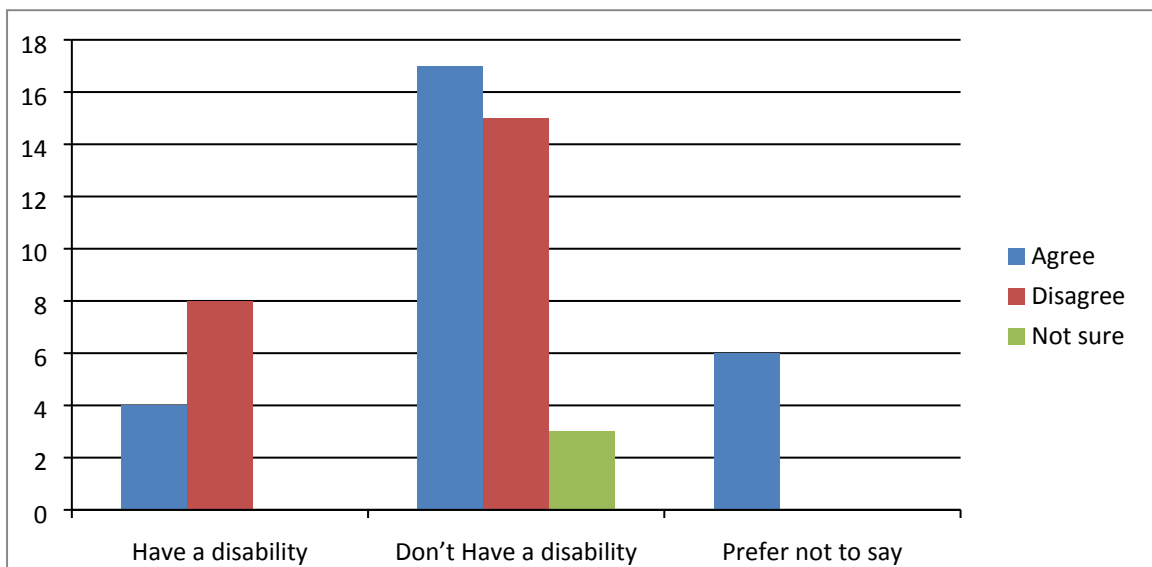
Age	Agree	Disagree	Not Sure
18-24	0	0	0
25-39	1	4	2
40-59	13	14	0
60-74	6	5	1
75-84	2	0	0
Prefer not to say	5	0	0
Total	27	23	0

A



Option 1 - Age

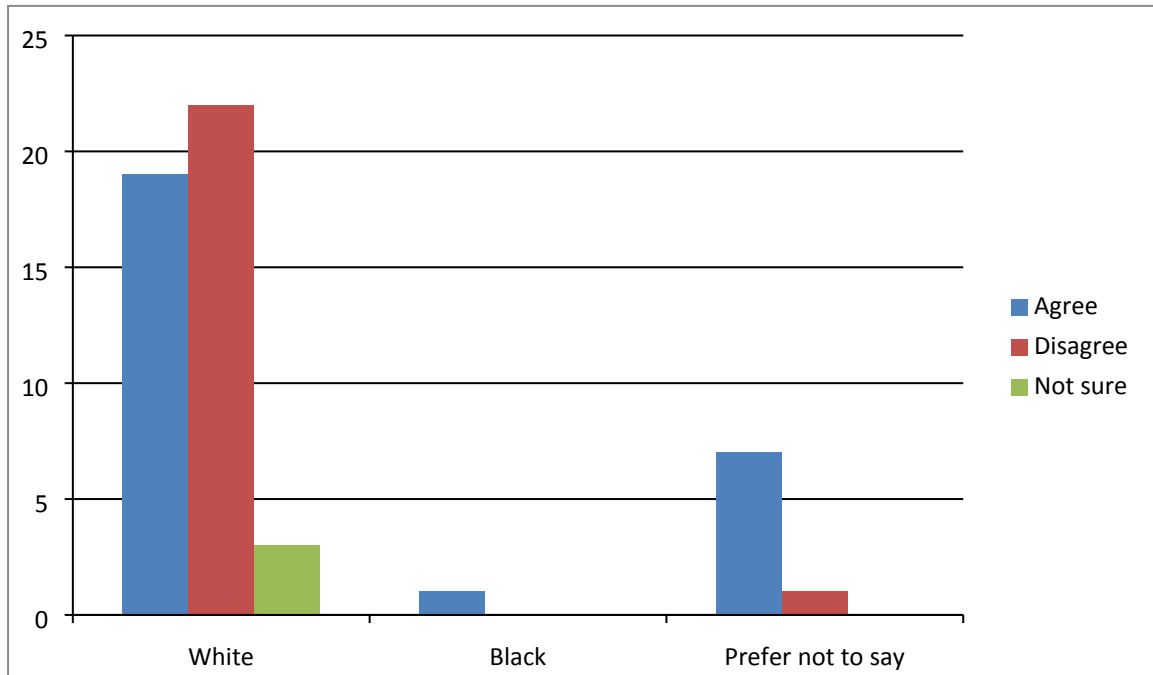
Disability	Agree	Disagree	Not Sure
Have a disability	4	8	0
Don't have a disability	17	15	3
Prefer not to say	6	0	0
Total	27	23	0



Option 1 - Disability

A

<b>Ethnicity</b>	<b>Agree</b>	<b>Disagree</b>	<b>Not Sure</b>
White	19	22	3
Black	1	0	0
Prefer not to say	7	1	0
<b>Total</b>	<b>27</b>	<b>23</b>	<b>0</b>

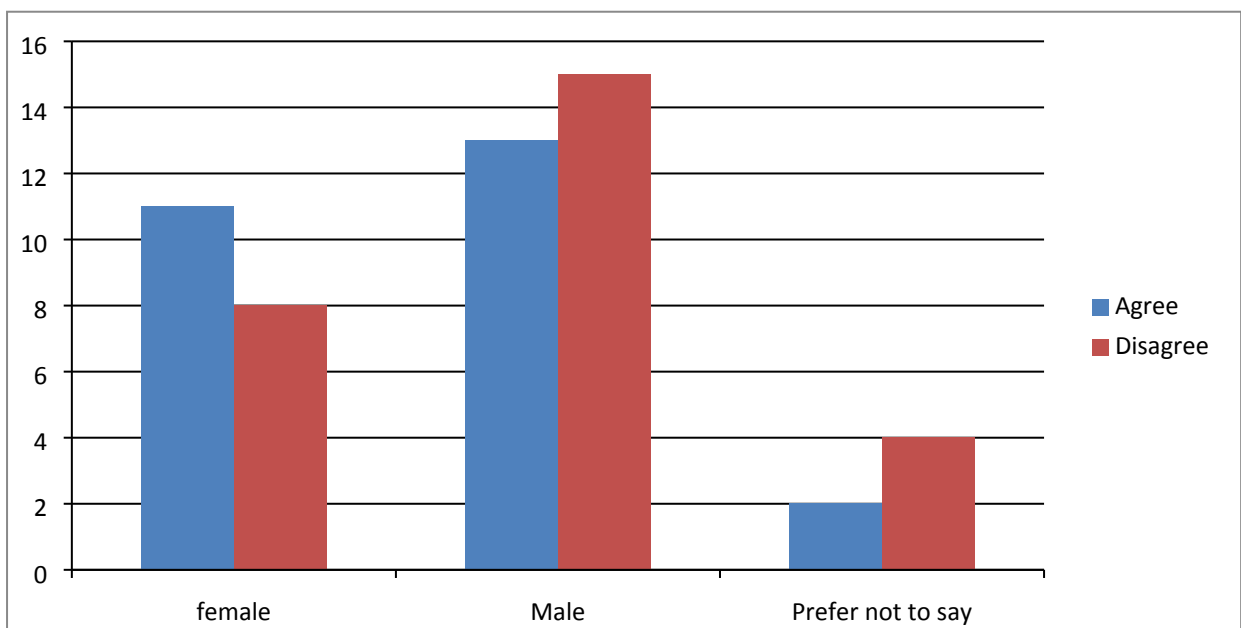


**Option 1 - Ethnicity**

A

The following statistics for **Option 2 (provide more Council Tax Support)** have been obtained:-

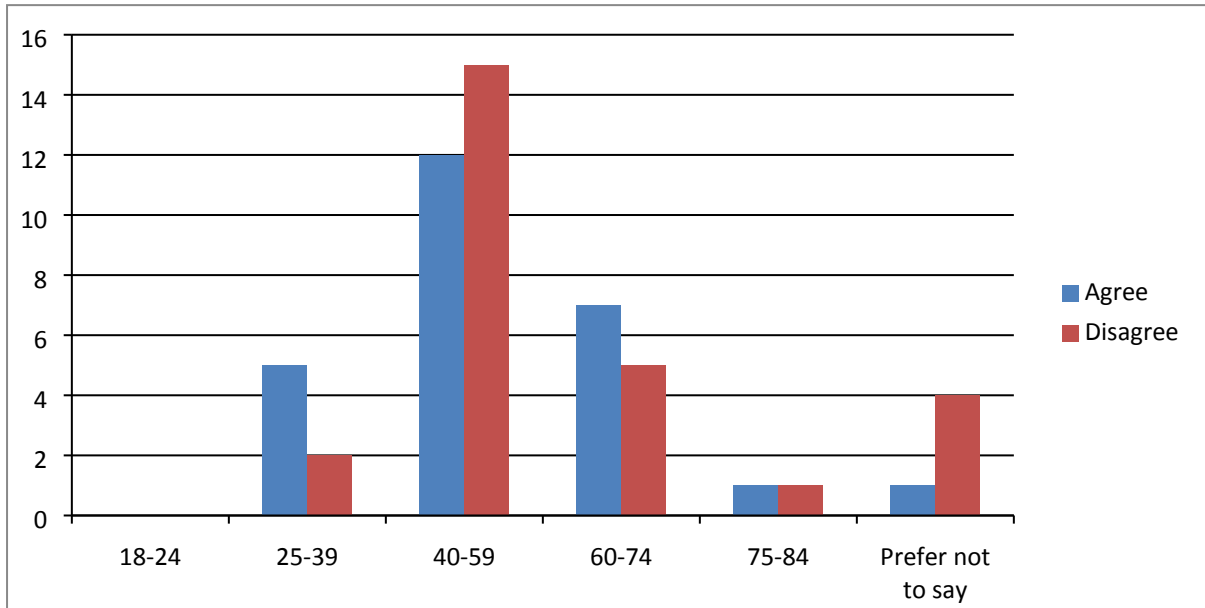
Gender	Agree	Disagree
Female	11	8
Male	13	15
Prefer not to say	2	4
Total	26	27



#### Option 2 - Gender

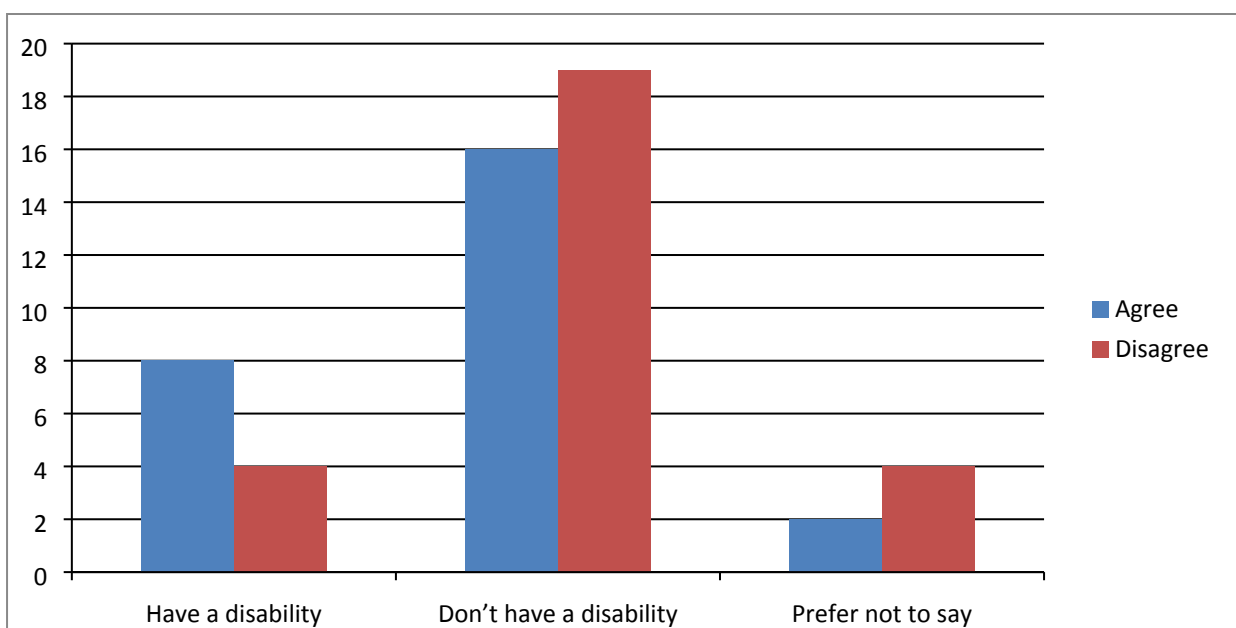
Age	Agree	Disagree
18-24	0	0
25-39	5	2
40-59	12	15
60-74	7	5
75-84	1	1
Prefer not to say	1	4
Total	26	27

A



Option 2 - Age

Disability	Agree	Disagree
Have a disability	8	4
Don't have a disability	16	19
Prefer not to say	2	4
Total	26	27

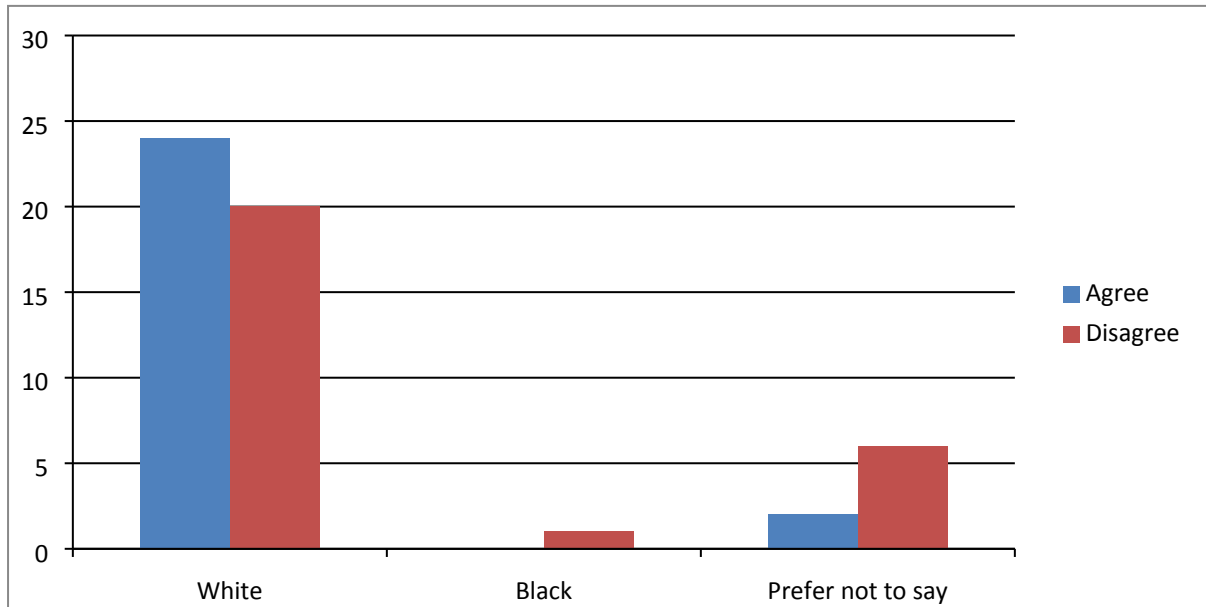


Option 2 - disability



A

<b>Ethnicity</b>	<b>Agree</b>	<b>Disagree</b>
White	24	20
Black	0	1
Prefer not to say	2	6
<b>Total</b>	<b>26</b>	<b>27</b>



A

With regard to the changes to the percentage payable to **16% or 18%** the following statistics have been obtained:-

Gender	16%		18%	
	Agree	Disagree	Agree	Disagree
Female	10	9	14	5
Male	12	16	5	23
Prefer not to say	2	4	3	3
Total	24	29	22	31

Age	16%		18%	
	Agree	Disagree	Agree	Disagree
18-24	0	0	0	0
25-39	5	2	3	4
40-59	13	14	10	17
60-75	4	8	6	6
75-84	1	1	1	1
Prefer not to say	1	4	2	3
Total	24	29	22	31

Disability	16%		18%	
	Agree	Disagree	Agree	Disagree
Have a disability	8	4	5	7
Don't have a disability	14	21	15	20
Prefer not to say	2	4	2	4
Total	24	29	22	31

A

Ethnicity	16%		18%	
	Agree	Disagree	Agree	Disagree
White	21	23	20	24
Black	0	1	0	1
Prefer not to say	3	5	2	6
Total	24	29	22	31

Other Responses