

# **Proposed changes to 2019/20 Council Tax Reduction Scheme – Consultation Report**

## **Context**

The Council Tax Reduction Scheme is a way of helping people on low or no income pay their Council Tax bill.

Currently, Haringey's Council Tax Reduction Scheme provides up to 100% support for pensioners and working age claimants in receipt of disability-related benefits. For all other working age claimants, the scheme provides up to 80.2% support.

In Haringey, over 26,000 residents currently receive some level of support under the Council Tax Reduction Scheme.

On 14 August 2018, the Cabinet agreed to go out to consultation on proposed changes to the 2019/20 Council Tax Reduction Scheme. The Council's preferred option was a combination of changes to prioritise additional support:

- a) Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age residents with children; and
- b) Updating the scheme to align with some national welfare changes, some of which would affect the level of Council Tax Reduction for working-age claimants and some of which would not.

The findings of the consultation, summarised in this report, will inform the final decision at Full Council on 31 January 2019.

## Consultation Activities

The consultation ran for ten weeks, from 3 September to 12 November 2018.

A number of consultation methods were used:

- Online questionnaire – promoted on the Council’s website and social media platforms.
- Hard copy Consultation booklet with questionnaire – the booklet outlined the proposed changes, details of how to respond and referenced the dedicated CTRS webpages on the Council's website. The booklets were available on request and available in the borough’s two combined customer service and library centres and all of the branch libraries.

The Council publicised the consultation through a number of channels:

- Press release – accompanied the launch of the consultation which was picked up by the Ham & High, Tottenham Independent and Tottenham Community Press. It was shared on the Council's website and social media platforms.
- The Council’s social media accounts (Facebook and Twitter) – regular updates to inform residents about the drop-in sessions and to encourage residents to share and participate in the consultation.
- The Council’s website homepage – as a homepage feature.
- Local library posters – Displayed prominently at reception desks and notice boards.
- *Haringey People* magazine – Main news piece in the October/November edition. This is distributed to every household in the borough, including every household in receipt of Council Tax Reduction.
- *Haringey People Extra* newsletter – Several news items to signpost people to the consultation web pages and to encourage them to respond to the consultation
- *Tottenham News* – News item in the October edition of bi-monthly newsletter
- *Homes for Haringey* notice boards (Homes for Haringey is an Arms Length Management Organisation responsible for the day to day management of Haringey’s council homes).
- *In-Haringey* – a bulletin for council staff.
- Wider circulation – the consultation was communicated to frontline officers and a number of independent organisations, including Haringey Citizens Advice and the local DWP, to expand the reach of the consultation and equip relevant front-line professionals with the relevant information if they engaged with affected residents.

- Six drop-in sessions – held at various locations throughout the consultation period, enabling residents to ask specific questions and address any issues. Officers regularly monitored the levels of participation in the consultation and re-supplied consultation booklets where there was high demand. Officers were able to engage with more than 20 people who presented with queries during the consultation and was able to give out consultation booklets to additional people passing the desk for the drop-in sessions.

**Table 1.1 – Drop-in sessions held during the consultation**

Date / Time	Location
Thursday 13 September, 4pm-7pm	Marcus Garvey Library, 1 Philip Lane, Tottenham, N15 4JA
Saturday 29 September, 10am-1pm	Wood Green Library, 187-197A High Road, Wood Green, N22 6XD
Tuesday 9 October, 3.30pm-6.30pm	Selby Centre, Selby Road, Tottenham, N17 8JL
Friday 19 October, 4pm-7pm	St Ann's Library, Cissbury Road, Tottenham, N15 5PU
Wednesday 24 October, 4pm-7pm	Hornsey Library, Haringey Park, Crouch End, N8 9JA
Monday 5 November, 3pm- 5pm	Marcus Garvey Library, Tottenham Green, 1 Philip Lane, Tottenham, N15 4JA

## **Analysis of respondents**

### Consultation activities

The preferred method of responding to the consultation was through the Council's online questionnaire, which tallies with a majority of the Council's recent borough-wide consultations. Of the 342 responses to the consultation, only 4 responses were received as hard copies, delivered to library receptions.

### Equality Monitoring

The Council included an equality monitoring questionnaire in the consultation. Of the 342 respondents, all 342 respondents chose to complete this section.

The findings of this section of the consultation questionnaire will be included in the Council's final Equality Impact Assessment.

### Volume

The Council received 342 responses to the consultation, with the vast majority of respondents opting to take part via the online survey (338 responses online and 4 hard copy responses received at libraries).

In addition, the Council received 4 email representations through the dedicated CTRS inbox.

The vast majority of respondents were Haringey residents (96%). The remaining 4% were Ward Councillors.

### Complexity

Some respondents (just under 10% of the total number of respondents) used the free text boxes to highlight the complex nature of the consultation and the difficulty with which they completed it. This may reflect the fact that the proposal to align with some national welfare changes is technical by nature. It was necessary to strike a balance between ensuring that the consultation materials were as accessible and user-friendly as possible and the need to ensure they were accurate

A number of efforts were made to ensure the consultation was inclusive and maximised participation, for example holding several face-to-face drop-in sessions across the borough and at different times of the day, where questions could be answered. Statutory and non-statutory agencies were also contacted to expand the reach of the consultation and equip relevant front-line professionals with the information if they engaged with affected residents.

The margins between the results and the quality of some of the free text responses did not suggest that the outcome of the consultation would have been materially affected had it not referred to some technical information which it was considered right to include.

## Consultation Responses

### Summary of findings

The majority of respondents were in favour of both elements of the Council's preferred option, with 52% in favour of Option 1a and 56% in favour of Option 1b. The full breakdown of results can be found below.

### Quantitative questions

**Question 1: To what extent do you agree with the following aspects of the Council's preferred option?**

- a) Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age residents with children

**Table 1.1 – Summary of responses to Question 1a**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total answered
<b>Number of respondents</b>	123	53	29	32	105	342
<b>Percentage</b>	36%	16%	8%	9%	31%	100%

**Graph 1.1 – Summary of responses to Question 1a**

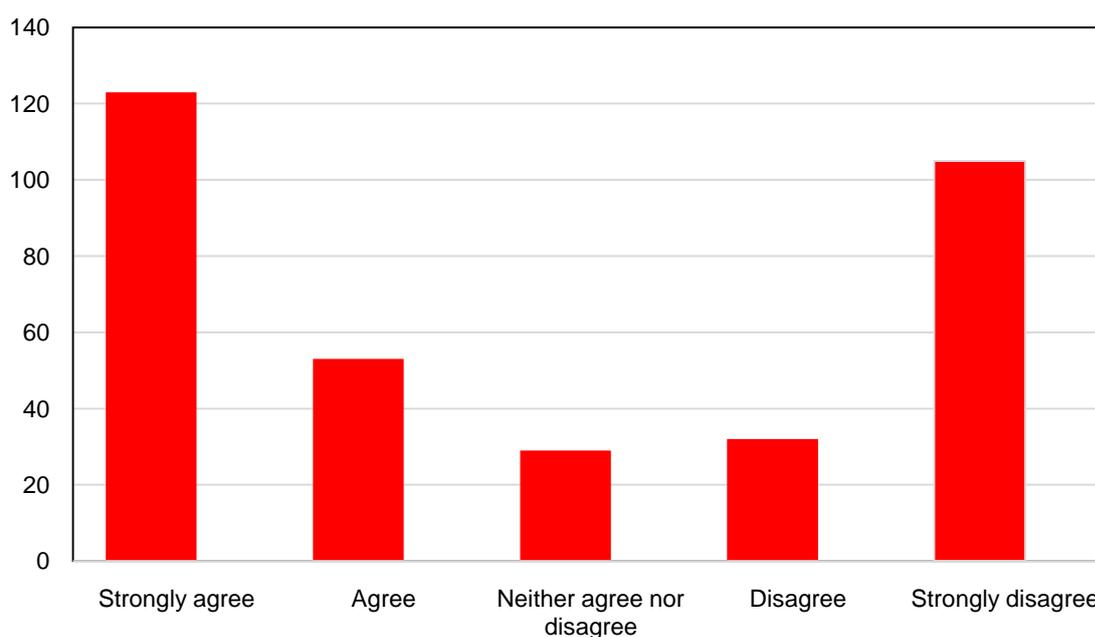


Table 1.1 highlights that 52% of respondents said they agreed or strongly agreed with the proposal, as opposed to 40% who disagreed or strongly disagreed. The remaining 8% neither agreed nor disagreed with the proposal.

**b) Updating the scheme to align with some national welfare changes**

**Table 1.2 – Summary of responses to Question 1b**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Total answered</b>
<b>Number of respondents</b>	97	100	77	17	51	342
<b>Percentage</b>	28%	29%	23%	5%	15%	100%

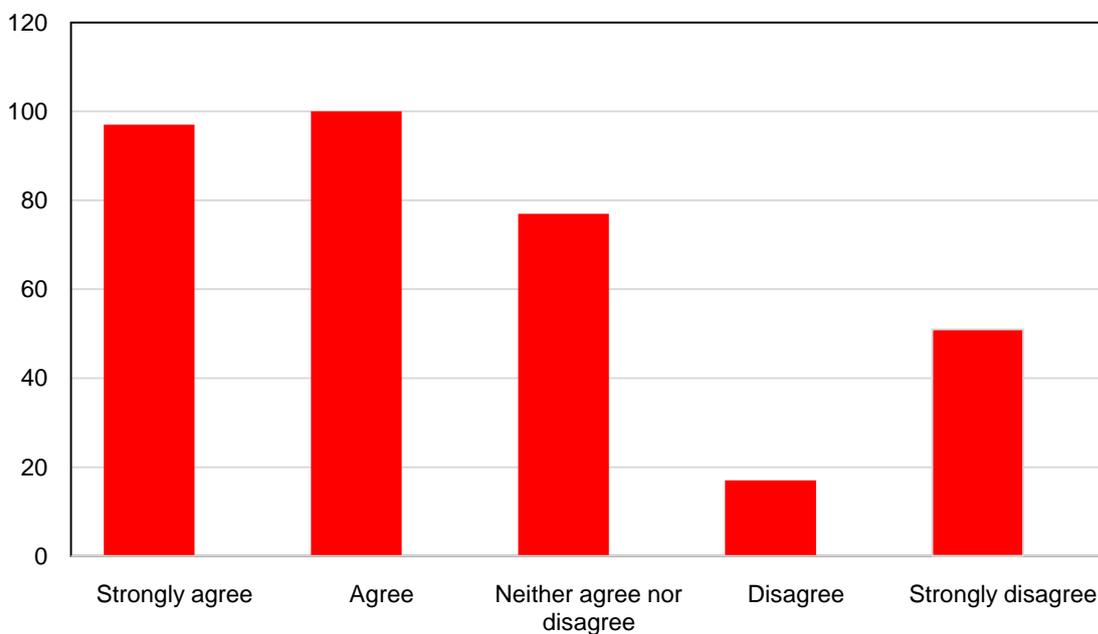


Table 1.2 highlights that 57% of respondents said they agreed or strongly agreed with the proposal, as opposed to 20% who disagreed or strongly disagreed. 23% of respondents neither agreed nor disagreed with the proposal, which is higher than in response to Question 1a. There are a number of potential reasons for this, for example it could be that the proposal to align with some national welfare changes:

- Was not perceived as making as much financial difference as and so did not elicit as strong a response; or
- Was difficult to understand, due its technical nature.

**Question 2: Do you think the Council should consider one of the alternative options mentioned on page 5?**

**Table 1.3 – Summary of responses to Question 2**

<b>Yes</b>	<b>No</b>	<b>No Opinion</b>	<b>Total</b>
189	87	66	342
55%	26%	19%	100%

Table 1.3 identifies that a majority of the respondents thought the Council should consider one of the alternative options. This may appear to contradict the responses to questions 1a and 1b, which suggest that 52% and 57% of respondents agreed or strongly agreed with the relevant parts of the preferred option. However, there are multiple possible reasons for this, for example:

- Respondents may have agreed with the nature of the preferred option (i.e. to make the CTRS more generous) but wanted the Council to go even further. Notably, as below, the most popular alternative option was to increase the maximum level of CTRS from 80.2% to 100% for all working age claimants.
- Respondents may have wanted the Council to combine the preferred option with an alternative option. For example, to adopt the preferred option but also alter the capital savings limit.
- Respondents may have wanted the Council to seriously *consider* an alternative but not necessarily chose it if, on reflection, there were good reasons for not doing so.

**Question 3: If your answer is yes, please let us know which alternative you would prefer.**

**Table 1.4 – Summary of responses to Question 3**

<b>Alternative Option</b>	<b>Number of votes</b>	<b>Percentage of overall votes</b>
<b>No change to the Council Tax Reduction Scheme</b>	81	24%
<b>Increase the maximum level of Council Tax Reduction from 80.2% to 100% for all Working Age Claimants</b>	100	29%
<b>Limit the amount of Council Tax Reduction received in higher value properties to the amount provided in a designated band</b>	41	12%
<b>Alter the capital savings limit</b>	4	1%
<b>No Reply</b>	116	34%
<b>Total</b>	342	100%

Table 1.4 summarises the breakdown of votes from the 224 respondents who indicated their preference for one of the alternative options mentioned in the consultation document.

Comparing tables 1.3 and 1.4, more respondents went on to indicate a preference for an alternative option than initially said “yes” to Question 2 “**Do you think the Council should consider one of the alternative options mentioned on page 5?**”. This might suggest that respondents simply indicated which alternative they wanted the Council to consider if the Council *had* to consider one of the alternative options mentioned in the consultation document. It is notable that consultation questions can be interpreted in different ways, which creates results which contradict each other.

Of the four alternative options, the most popular (selected by 99 respondents, representing 24% of the total number of respondents and 44% of the respondents who answered question 3) chose “**Increase the maximum level of Council Tax Reduction from 80.2% to 100% for all Working Age Claimants**”. This indicates support for making the CTRS more generous, which is also true of the preferred option. It could be the case that, of these respondents, some would still indicate support for the Council’s preferred option, even if they do not believe it goes far enough towards making the CTRS more generous.

The second most popular option was “*No change to the Council Tax Reduction Scheme*”, with 80 respondents choosing this option, representing 36% of the vote share.

However, the largest number of respondents (116) to Question 3 opted for “No Reply”, representing 34% of all respondents. This may reflect the fact that, in response to Question 2 “**Do you think the Council should consider one of the alternative options mentioned on page 5?**”, 87 respondents indicated that they did not think the Council should consider one of the alternative options mentioned on the consultation document and 65 said they had no opinion.

## Qualitative Questions

### **Question 4: If you would prefer one of the above alternatives, please tell us why.**

Most of the respondents who used this free text space did so to express their criticism of the proposed changes.

The key themes include:

- **Funding** – the Council cannot afford to pay for the proposed increase to the maximum level of reduction;
- **Impact on wider services** – Council services will take the biggest impact if the Council went ahead with the proposed changes;
- **Minimum contribution** – all residents need to make some form of contribution to the Council services they receive;
- **Council Tax increase** – Council Tax will have to increase in order to support this scheme, meaning everyone else will suffer too;
- **Unfair on households without children** – the scheme is not fair and discriminates against those who do not have children;
- **Go further** – the Council should extend its support beyond the proposed changes;
- **Other options** – there should be other options in the consultation;
- **Working with agencies** – the Council should be working more closely with other agencies to support households on CTR; and
- **Property valuation band redistribution** – people in higher property bands should pay more.

Some respondents used the free text box to reiterate their support for the Council's preferred option.

**Question 5: Do you think there are alternatives (other than those above) that would better provide support to those in need?**

A significant number of the respondents did not provide an answer or stated that they did not know of an alternative option.

Of those respondents who did provide a substantive answer, the key themes included:

- **Means testing** – the CTRS’s means test should be sufficiently robust
- **Wider support for unemployed residents** – the Council should provide training, voluntary opportunities, adult and youth apprenticeships and wider courses to up-skill residents who are struggling to secure employment;
- **Removing barriers to employment** – the Council subsidise the cost of childcare and nursery to enable parents to re-enter the labour market;
- **Financial education** – the Council should teach residents about how to manage their finances;
- **Housing costs** – the Council should subsidise rent levels;
- **Increase taxes** – the Council should target tax increases on landlords, developers, and households in properties in higher valuation bands;
- **Raising Council Tax** – to support the funding of any changes;
- **Lowering Council Tax** – to support people in need; and
- **Reduce Council expenditure in other areas** – to reduce “unnecessary” Council expenditure free up funds to pay for any changes.

This demonstrates that most respondents commented on other action they wanted the Council to take in relation to wider services, or ways of increasing revenue and reducing expenditure, rather than providing alternative options for the CTRS.

The main themes of alternative options put forward were amending the means test for the CTRS and linking the CTRS to the valuation band of a property, for example limiting CTR for people in large properties.

**Question 6: The Council is proposing that if an increase in Council Tax Reduction support was put in place in 2019/20, the additional costs would be met by its services making further savings. Do you have any comments on how you think the Council Tax Reduction Scheme should be paid for?**

Overall, respondents suggested ways the Council should increase its revenue and reduce expenditure, and put forward some practical ideas. There was also a high number of respondents who felt strongly that, if the changes were to go ahead, then there should be no impact on Council services or existing tax-payers.

Of those respondents who made suggestions as to how the Council should fund the scheme, the key themes included:

- **Not at the expense of Council Tax payers** – Council Tax in Haringey is already amongst the highest in London so should not be increased.
- **No cuts to services** – The proposed changes should not have an impact on council services as they have already been reduced enough.
- **Generate income** – The Council should raise revenue, for example through Parking charges, and increasing tariffs on the use of Alexandra Palace grounds and other open spaces for concerts.
- **Increase Council Tax for the wealthy** - Some said Council Tax should only be increased for those who can afford it.
- **Higher Council Tax for those in higher value properties** – The Council should increase Council Tax for those in the highest valuation bands (F-H) to redistribute wealth within the borough (with means tests to subsidise the asset rich and cash poor). Consider creating new bands above Band H.
- **Tax on Landlords** – there should be a tax on second homes, owners of AirBnBs, landlords, developers, and owners of houses in multiple occupation.
- **Higher business rates** – to encourage businesses such as Tottenham Hotspur FC to support their local community.
- **Stop private contracts** – the Council should bring council services back in house, to improve services at a lower cost.
- **Residents contribution** - Residents should be given the opportunity to make additional voluntary payments into investment funds for services they value, such as adult social care, children's social care, recreation etc.
- **Reduction in central staffing** – the Council should reduce internal spending within the Council, and reduce the pay for senior managers and Council staff, either generally or for all staff above a certain threshold.
- **Higher government grants** – the Council should pressure central government to allocate funding to Haringey as an inner London Borough.

**Question 7: Do you have any general comments about the overall consultation proposals (whether the preferred option, the identified options, or any other options)?**

Many of the respondents to this question expressed their objection to the proposed changes.

The key themes of the responses included:

- **Funding** – the Council does not have the funds to support the proposed changes to scheme. It is not sustainable in the long-term; this will have a knock-on impact on wider Council services;
- **No cuts to services** – Council services are already stretched to breaking point.
- **Not at the expense of Council Tax payers** - Council Tax in Haringey is already a huge burden on most ordinary working people whether below or over the threshold for the proposed reductions, and so it should not be increased to pay for the proposals.
- **Fairness** – This was frequently mentioned from different perspectives. The different views were along the following lines:
  - In order for Council Tax to be fair to everyone, those who can afford to pay more should, while those on low incomes should be supported.
  - Those on lower incomes should be supported, whether or not they have children.
  - The proposed changes would be unfair on middle-income earners.
  - Everyone should pay a minimum contribution to Council Tax.
  - Council Tax support should not be more generous for residents in higher banded properties.
- **Support for the preferred option** – some respondents said the changes would help those on a lower income who are currently struggling to pay the 20% Council Tax imposed on them.

## **Conclusion and Next Steps**

The Council will use the consultation findings to inform a final decision on the proposed changes to the 2019/20 Council Tax Reduction Scheme.

The full responses to the consultation will be available for members to review.