

**Consultation on proposed changes to
Council Tax Support (CTS) - end of
consultation report**

Consultation Report

October 2021

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1. Introduction

1.1 Background

In 2013 the government abolished Council Tax Benefit and asked local councils to introduce their own scheme for working age residents who need help paying their Council Tax. This became known as Council Tax Support.

The government passed on the funding but with a significant cut. The current Lambeth scheme protects and supports 24,000 households each year however the Council recognises the financial challenges faced by Lambeth residents due to Covid-19 and the rises in Council Tax costs and wishes to offer a more generous Council Tax Support scheme for 2022-23 to support residents financially.

1.2 Our proposals

Work was undertaken to review the levers within the CTS scheme which can be used to increase support for recipients and to understand the cost, number of households impacted, and the benefits of potential changes.

Five potential options were approved for consultation with residents and stakeholders. Any, all or none of these options could be taken forward into any new scheme for 2022-2023.

The options we consulted upon were:

- **Option 1 - removing the 20% liability reduction.**

Anyone not in a protected group, must pay a certain amount of Council Tax. The maximum Council Tax Support someone can receive is 80% of the Council Tax liability. This is called a liability reduction.

This option would remove the liability reduction, making it possible to pay Council Tax Support of up to 100% of the liability for **all** residents, not just those in protected groups. This option would support **all** residents, particularly those on means-tested welfare benefits.

- **Option 2 - removing the £5 minimum weekly payment.**

At the moment the minimum weekly Council Tax Support payment is £5. This means that if an income assessment shows someone is entitled to less than £5 per week, they will not receive any Council Tax Support.

This option would remove the minimum weekly payment so people currently not receiving any Council Tax Support could receive some help to pay their Council Tax. This option will support those often referred to as 'just about managing'.

- **Option 3 - removing mandatory minimum non-dependant deductions based on the circumstance of the householder.**

The amount of Council Tax Support someone can receive is less if you have a non-dependant living with you. At present, all non-dependants are expected to make a contribution to a household.

With this option, non-dependants living in households where the claimant or their partner receive disability benefits or are blind, would no longer be expected to make a contribution.

This recognises that the householder is likely to require additional support, provided by the non-dependant. This change would bring our scheme in line with housing benefit regulations.

- **Option 4 - removing mandatory minimum non-dependant deductions based on the circumstance of the non-dependant.**

If someone has a non-dependant living with them, the amount of Council Tax Support you receive will be less, because all non-dependants are expected to make a contribution to a household.

With this option, some non-dependants, such as students or those under 25 on welfare benefits would **not** be expected to make a contribution. The currently expected contribution is up to 10% of their income - income that has not been calculated to be spent on Council Tax, so could cause hardship. This change would bring our scheme in line with housing benefit regulations.

- **Option 5 - reducing the excess income taper to 20% from 25%.**

Council Tax Support is a means tested benefit. This means we compare someone's income with the amount the government says a person in their circumstances needs to live on. If their income is higher than this, they are expected to use some of the extra (also known as 'excess income') to pay towards Council Tax. This is called a 'taper'. Currently, residents are expected to pay 25% of the money they have over the government figure towards their Council Tax.

In Option 5 this would change to 20%, increasing the amount of income someone get to keep. This option supports those termed as 'just about managing' and supports making work pay.

2. The consultation

2.1 Consultation objectives

Our objectives were to consult people on the options as outlined above. With a view to determining public opinion on the Lambeth Council Tax Support Scheme so a new scheme for 2022-23 can be developed by Members based on consultation results.

2.2 Who we consulted with

The consultation was open to:

- All residents
- current recipients of Council Tax Support
- all voluntary and community sector organisations that provide support to people receiving council tax support or have an interest in the level of council tax support provided by the council
- all landlords
- everyone who lives, works or studies in Lambeth and wants to tell us what they think about these options
- Greater London Authority

2.3 When we consulted

We consulted from 30 June 2021 to 30 September 2021.

2.4 How we consulted

The consultation survey was available via Lambeth Council's website and promoted via its social media accounts, including Twitter and Facebook.

Consultation was predominantly online, with hard copies available on request. The consultation documentation was checked for accessibility and available for translation, and for use with adaptability software. Hard copies were available for translation on request.

We wrote to all Council Tax Support recipients, signposting them to the consultation and engaged with VCS organisations to signpost them to the consultation.

We held two online drop-in events via Microsoft Teams open to anyone interested in the consultation, one in the working day and one in the evening where any questions could be raised, and feedback provided to feedback into the consultation responses.

We wrote specifically to the GLA, with whom we are required to consult if changing our scheme. Their response is attached as Appendix a.

3. Responses from members of the public and other stakeholders

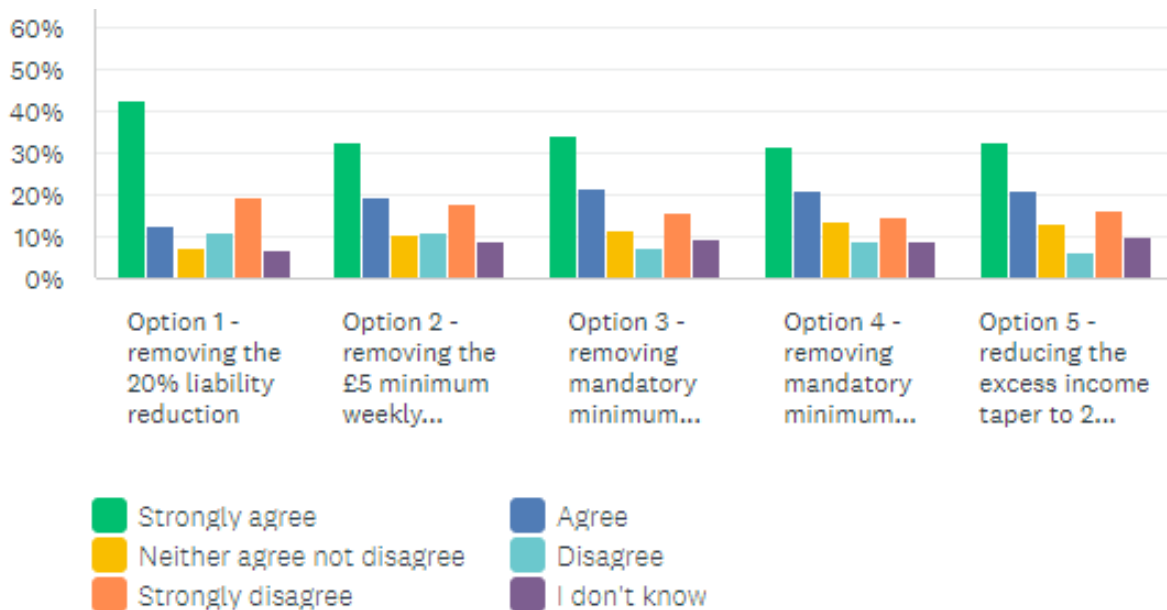
3.1 Summary of results

280 responses to the consultation were received, amalgamating online and hard copy responses. Although not high, this is comparable to previous CTS consultations and consultations in general.

Appendix B demonstrates an expected spread of responses across demographic areas, similar to that experienced in other consultations, such as the Customer Centre consultation.

The consultation asked one main question: 'To what extent would you agree or disagree to us implementing these measures?'

Respondents were then asked how they felt about each option, being asked to score this; strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know. The graph below shows how respondents replied for each option consulted upon.



There was support for all options, receiving positive support of 50-55% of respondents, increasing to 60-65% if the neutral responses are included. All options received 24-29% negative response and 5-10% of respondents did not know.

The results from the consultation demonstrate support for all of the options, with option 1 (removal of the 20% liability reduction), which this year is being offset by Discretionary Council Tax Support Hardship Payments and option 3 (removing non-dependant deductions for disabled and blind residents), receiving the highest level of support, albeit by a small margin when compared to Options 2, 4 and 5 which also saw marked support.

Respondents were asked for their reasoning for their opinion in question 2: 'Please tell us why you think this.' This was a voluntary question. 194 people provided responses to this question

Broadly, the answers provided suggested that those who responded were in favour of the proposals. A significant number of people felt that anything that could be done to improve the situation of people on low incomes was a positive step. Some comments are included below to demonstrate the themes of responses.

In support of the options:

- 'I think this because these will help people on benefits and on low income to better cope with their financial circumstances'
- 'Due to Covid, Brexit, cut to Universal Credit and a huge raise in energy bills a lot of families will need as much support as they can get to make it through without cutting their food bills'
- 'People on low income are already struggling so need all the help they can get'
- 'The Covid crisis has been tough on a lot of people'
- 'A lot of households are struggling to get by normally and on top of this the pandemic did not help'

Expressing concern about resourcing such a generous scheme:

- *'All people should contribute fairly to society and we should not support or encourage people to bypass this'*
- *'I do not believe Lambeth should be being more generous in this regard than other parts of the UK'*

4. Responses from statutory bodies

There is a legal requirement for us to consult with the GLA. Their full response is available in Appendix A however their specific response to the options consulted upon is below:

'GLA Response to Proposals

The GLA welcomes the Council's commitment to recognising the financial challenges faced by residents, as a result of the pandemic and the general increases in council tax in recent years. Consequently, the GLA is supportive of the proposed changes, which improve the level of support paid to residents in certain circumstances and is therefore content for the Council to determine the option it wishes to take forward, taking into account responses to the current consultation from residents and others.'

All other stakeholder responses are included within the data shown at 3.1.

5. Next steps

Recommendations will be made to the following bodies for decisions to be made based on the consultation. No change to CTS for 2022-23 can be made without full council approval.

Financial requirements of any change will be presented as part of the MTFS due for approval by Cabinet in December 2021.

Approval body	Date
Resident Services DMT	04/11/21
Informal Cabinet	11/11/21
Cabinet	January 2022
Full Council	February 2022

Appendix A – GLA response to consultation



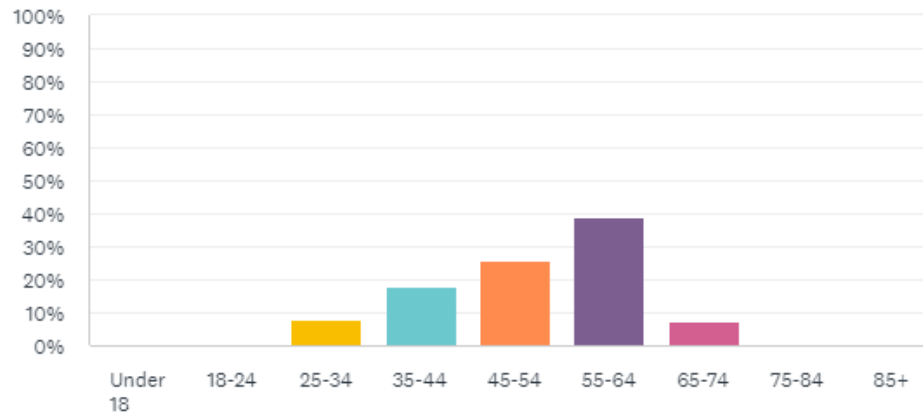
LambethCTSConsultationresponse2022

Appendix B – demographic break down of responses.

The following graphs show responses based on demographics.

Which age group applies to you?

Answered: 259 Skipped: 21

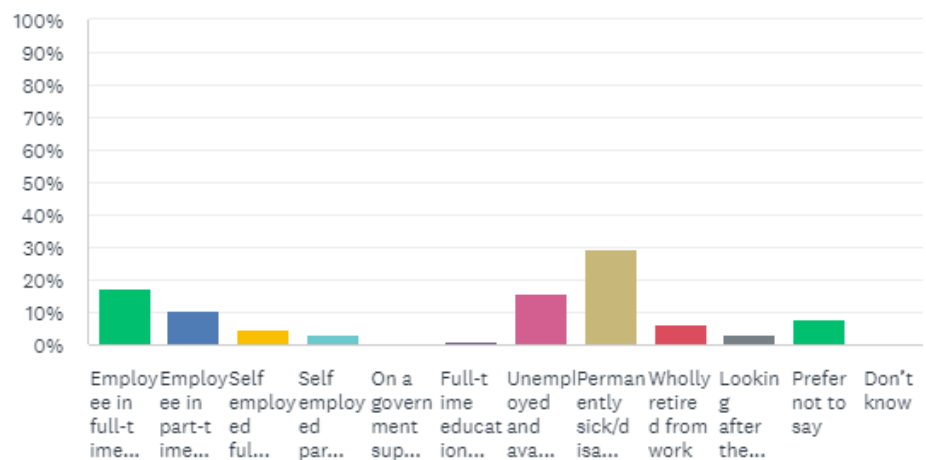


No one under 18 is liable for council tax and the number of CTS recipients under 25 is small so having no responses in this area is unsurprising.

Pensioners are protected from any change made to the Lambeth CTS scheme as they are still supported by a national scheme, so again having no responses from people ages 50+ is unsurprising.

Which of these activities best describes what you are doing at present?

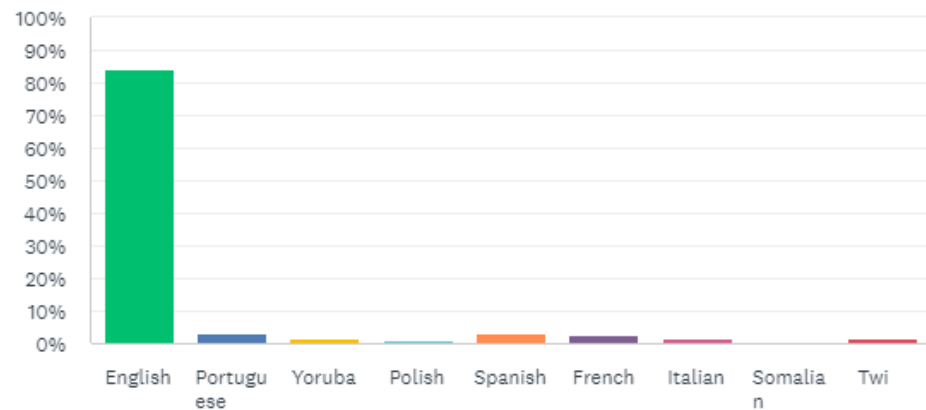
Answered: 243 Skipped: 37



This demonstrates a good spread of household types, both those economically active and those not, including a higher proportion of permanently sick of disabled residents who will be reliant on CTS and could be particularly affected by option 3.

What is your main language?

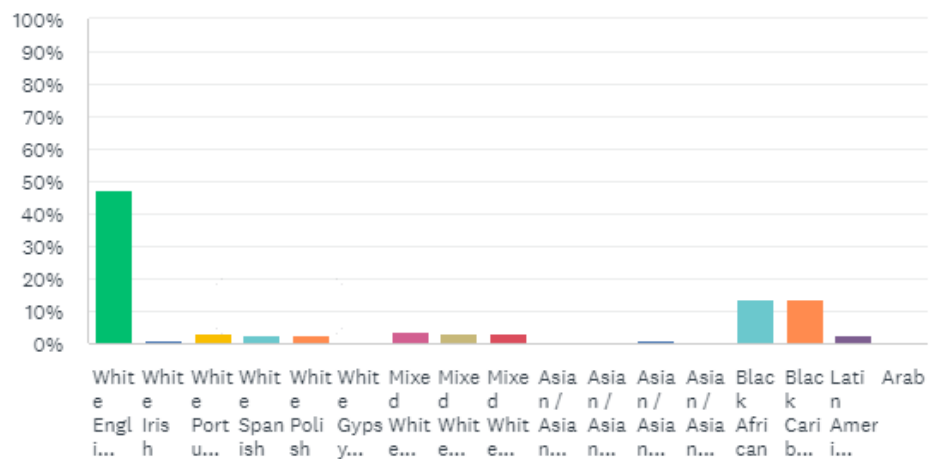
Answered: 244 Skipped: 36



Although small percentages, this demonstrates the consultation reached harder to reach communities.

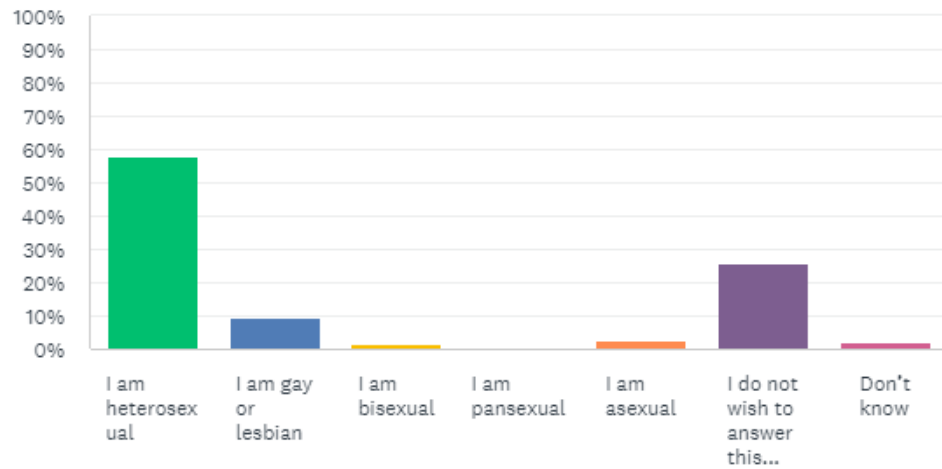
What is your ethnic group?

Answered: 210 Skipped: 70



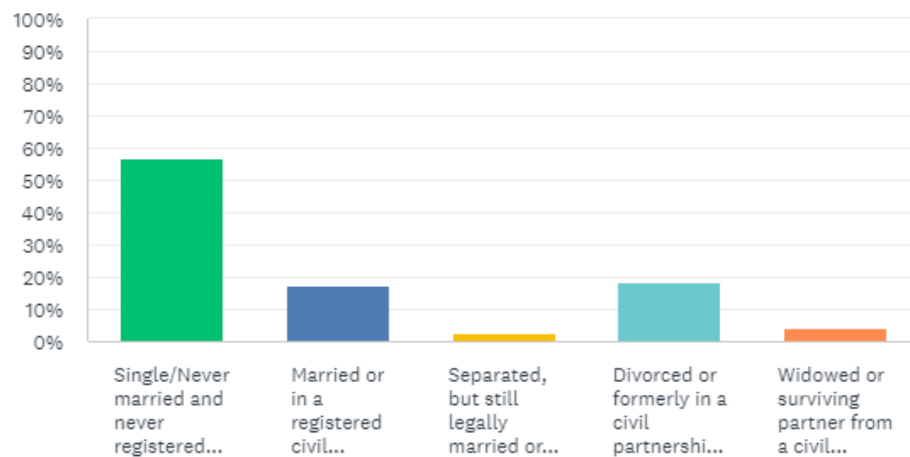
Which best describes your sexual orientation?

Answered: 246 Skipped: 34



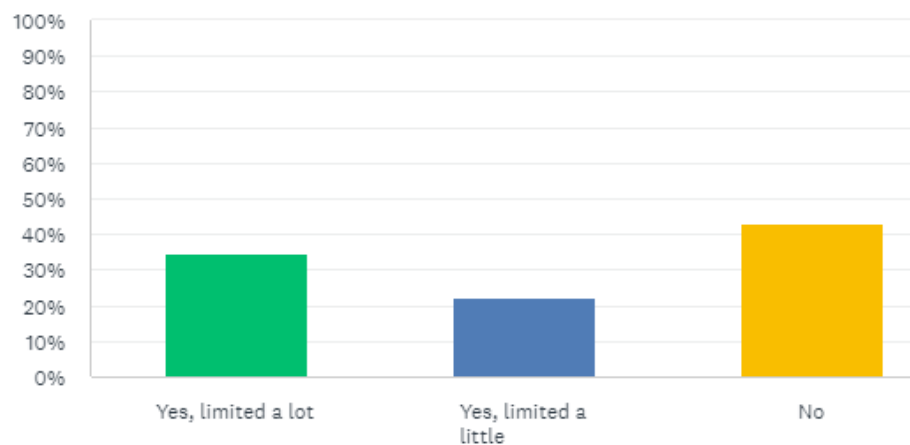
What is your legal marital or civil partnership status?

Answered: 247 Skipped: 33



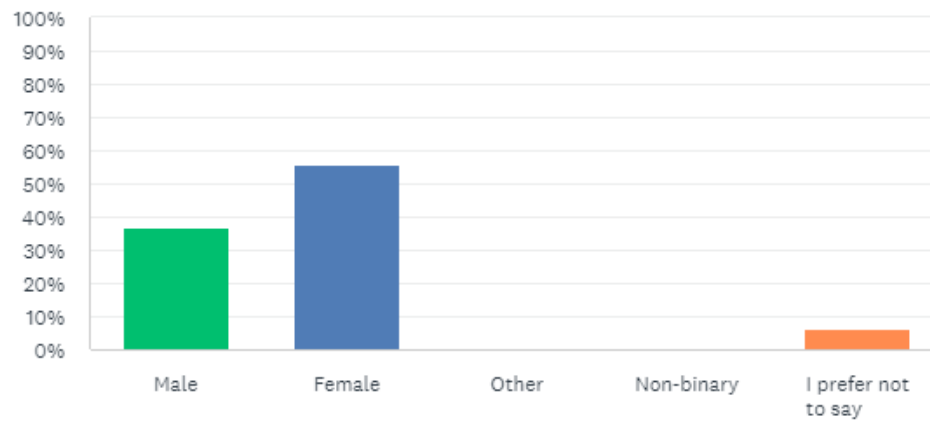
Are your day-to-day activities limited because of a health problem or disability that has lasted, or is expected to last, at least 12 months? Please include problems relating to old age.

Answered: 261 Skipped: 19



What is your sex or gender identity?

Answered: 261 Skipped: 19



Which of the following best describes how you occupy your home?

Answered: 255 Skipped: 25

