

SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 8
8 NOVEMBER 2012	Public Report

Report of the Executive Director of Strategic Resources

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COUNCIL TAX SUPPORT SCHEME

1. PURPOSE

- 1.1 Further to the Cabinet report dated 24th September 2012 this report seeks comments from Scrutiny on the proposed Council Tax Support Scheme that will replace Council Tax Benefit from 1st April 2013.

2. RECOMMENDATIONS

- 2.1 It is recommended that Scrutiny provides any comments to Cabinet before they consider the final options and make a recommendation for Full Council to consider by 31st January 2013.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 The Council's budget and Medium Term Financial Strategy (MTFS) is aligned with the Sustainable Community Strategy. The MTFS approved by Council in February 2012 included a requirement that the new council tax support scheme must be cost neutral i.e. any reduction in grant should be covered by a reduction in the costs of the scheme.

4. BACKGROUND

- 4.1 The Cabinet Report from 24th September 2012 is attached. This includes full details of the Governments proposals, and the options being considered by the Council.
- 4.2 Cabinet recommended that consultation was undertaken on a scheme that would see a 35% reduction for all working age claimants. Full details of the public consultation approach, and feedback to date, is outlined below.

5. CONSULTATION - APPROACH

- 5.1 There has been an intensive period of consultation on these proposals from 25th September 2012 to 5th November 2012.
- 5.2 The homepage of the Council's website homepage has included a link to the new 'council tax support' page which also includes details of the scheme, a frequently asked questions sheet and the questionnaire.
- 5.2 The following groups identified through the Equalities Impact Assessment have been engaged with directly:
- CAB Peterborough
 - Registered Social Landlords & Private Landlords who attend our forums
 - DIAL (services to people with disabilities)
 - Age UK Peterborough
 - Tackling Poverty group
 - Welfare Reform Action Group

- Children & Families Commissioning Partnership
- Tackling Worklessness in Peterborough
- PCVS – Peterborough Council for Voluntary Service

5.3 Consultation has also taken place with the Community Cohesion Manager, although the Equalities Impact Assessment did not identify that black or minority ethnic groups would be adversely affected by these changes.

5.4 We have also engaged with Job Centre Plus where their relationship manager has informed front line staff of the proposed changes and consultation.

5.5 We have held ‘drop-in sessions’ at each of the 10 libraries where residents could ask questions and were encouraged to complete the survey. Details are outlined below:

- Central Library – Monday 1 October (12:00 to 14:00)
- Hampton Library – Tuesday 2 October (09:30 to 11:30)
- Stanground Library – Tuesday 2 October (12:00 to 14:00)
- Werrington Library – Monday 8 October (11:00 to 13:00)
- Bretton Library – Monday 8 October (14:00 to 16:00)
- Dogsthorpe Library – Tuesday 9 October (10:00 to 12:00)
- Eye Library – Wednesday 17 October (13:00 to 15:00)
- Thorney Library – Wednesday 17 October (16:00 to 18:00)
- Woodston Library – Thursday 18 October (09:30 to 11:30)
- Orton Library – Thursday 18 October (12:00 to 14:00)

5.6 The benefit notification letters have also been amended during the period of consultation to include an additional sheet advising customers of the changes and how they can have their say; as at 23 October 2012 4,432 separate notifications have been issued to benefit customers.

6. CONSULTATION - FEEDBACK

6.1 Groups:

Feedback from the consultation with the various groups has consistently featured the following themes:

- 35% is too high, is there no other way of funding this?
- The impact is the ‘tip of the iceberg’ given the wider Welfare Reform and introduction of Universal Credit/Benefit Cap later in 2013

6.2 Library drop-in sessions:

The sessions at the Libraries proved useful with around 50 people turning up to understand more. Of this 25 people completed the survey, with others taking the form away.

Feedback has differed from the public with whom we have engaged with directly:

- Some have said that too many people get benefits and there should be cuts
- Some have questioned how the Council can take money from those who need it most

6.3 Survey Results:

Residents have been encouraged to ‘have their say’ by completing an on-line survey, copies of which were made available in hard format from The Town Hall, Bayard Place and the Libraries.

The results of the surveys as at 25th October 2012 in both formats together with comments can be found in the appendix and are summarised below: (An update once the consultation period has ended will be tabled at the meeting)

1. Do you think that Peterborough City Council should continue to help people on low income by reducing their council tax bill?

Yes – 80.0% (48)

No – 20.0% (12)

(1 did not answer)

2. Do you think that the fairest way to achieve the savings required is an across the board 35% reduction in the new council tax support scheme?

Yes – 47.5% (29)

No – 52.5% (32)

3. Do you think certain classes of persons should be protected from the reduction outlined and should include claimants where:

Yes, Severe Disability premium – 23.6% (29)

Yes, Enhanced Disability premium – 16.3% (20)

Yes, Disabled Child premium – 19.5% (24)

Yes, Disability premium – 18.7% (23)

No – 22.0% (27)

4. Do you think that the maximum amount of council tax support should be limited to £23.15 per week (Band C):

Yes – 45.0% (27)

No – 55.0% (33)

(1 did not answer)

5. Do you think that the minimum amount of council tax support should be limited to £2.00 per week:

Yes – 51.7% (30)

No – 48.3% (28)

(3 did not answer)

6. Do you think that the capital limit for claiming council tax support should be reduced from £16,000 to £6,000:

Yes – 65.6% (40)

No – 34.4% (21)

7. Do you think second adult rebate should still be part of council tax support:

Yes – 40.4% (23)

No – 59.6% (34)

(4 did not answer)

8. Do you have any comments about the new council tax support scheme:

Yes – 43.1% (25)

No – 56.9% (33)

(3 did not answer)

9. Are you are any partner a pensioner:

Yes – 23.0% (14)

No – 72.1% (44)

N/a – 4.9% (3)

10. Do you currently claim council tax benefit:

Yes – 27.1% (16)

No – 67.8% (40)

N/a – 5.1% (3)

(2 did not answer)

6.4 The proportion of responses from pensioners (23.0%) is generally representative of Peterborough as a whole.

6.5 The number and nature of the comments suggest that the figure of 27.1% responding who said they currently claim benefit may be understated. (People not wanting to say that they claim benefit)

- 6.6 The only conclusive (70%+) response was to question 1; 80% think that Peterborough City Council should continue to support people on low income by reducing their council tax bill.
- 6.7 The responses to the other questions are inconclusive and there is no clear indication of any preference either way.

7. OTHER EMERGING ISSUES

- 7.1 On 18th October 2012 the Government announced that there will be a transitional grant scheme with an additional £100m of funding made available to Councils. The criteria for applying for this additional funding is:
- (i) The overall reduction for those claimants currently receiving 100% council tax benefit must not exceed 8.5% of their net council tax liability
 - (ii) The benefit taper used for calculating entitlement must not exceed 25%
 - (iii) There is no sharp reduction in support for those entering work
- 7.2 Over 70% of Peterborough's claimants receive 100% council tax benefit, accounting for 92% of the overall expenditure.
- 7.3 To limit the reduction for these claimants to 8.5% would cost the City Council £1,962,924. Peterborough's allocation of the transitional grant scheme is just £247,083, leaving a shortfall in funding of £1,715,841. It is clear that the grant does not meet the costs of lowering the reduction from 35% to 8.5%
- 7.4 This additional funding has only been made available for year 1 which means there would be £1.7m to find in 2013/14 and £2m ongoing.
- 7.5 This may require cuts in other areas of our service and must be considered alongside the existing budget challenges and Central Government's desire for a council tax freeze which would cost a further £3m.
- 7.6 Cabinet will need to consider this proposal alongside all other feedback and issues.

8. IMPLICATIONS

- 8.1 As outlined in the Cabinet report

9. NEXT STEPS

- 9.1 Further to this Scrutiny meeting, then all feedback will be presented to Cabinet for them to make a recommendation to Full Council. Full Council must approve a scheme by 31st January 2013.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Cabinet report dated 24th September 2012
On line and hard copy survey results and comments

11. APPENDICES

- 11.1 Cabinet report dated 24th September 2012
On line and hard copy survey results and comments