



Proposed replacement Council Tax Support Scheme 2024/25

Public Consultation Report

Author

James Johnston

Welfare Service

Support & Collections

Contents

Introduction and background	3
Methodology	4
Summary of results	4
Survey Demographics.....	6
Survey results and analysis.....	13
Part 1: The introduction of an income-based banded discount scheme (the income bands).....	15
Survey response.....	16
Free text comments	17
Part 2: Disregarding certain benefits, incomes and elements of Universal Credit.....	17
Survey response.....	19
Free text comments	20
Part 3: The household size will be limited to a maximum of two dependent children allowances for all applicants within the scheme when calculating the CTS award.....	20
Survey response.....	21
Free text comments	22
Part 4: Introducing one deduction amount of £7.50 per week for all adults in the household removing different levels of deductions.....	22
Survey response.....	23
Free text comments	24
Part 5: Reducing the capital and savings limit to £6,000 and removing the assumed income from capital (tariff income) from the calculation of CTS.....	24
Survey response.....	25
Free text comments	26
Part 6: Sending notification letters.....	26
Survey response.....	27
Free text comments	28
Part 7: Making the Council Tax Discretionary Relief fund available for residents to apply for additional financial support if they are affected by the change in the scheme	28
Survey response.....	29
Free text comments	30
Part 8: Alternative options to changing the CTS scheme	30
Survey response.....	31
Free text comments	32

Part 9: Your final comments and suggestions on the proposed CTS scheme	33
Free text comments	33
Survey responses from internal teams.....	35
Homes and Money HUB.....	35
Survey responses from voluntary sector organisations.....	37
DABD	37
Citizens Advice Bureau (CAB)	38
Royal British Legion.....	38
Consultation statistics and social media promotion	39
Final conclusions.....	40

Introduction and background

The Welfare Reform Act in 2012 abolished Council Tax Benefit (CTB) from April 2013 and, in its place, support took the form of a local Council Tax Support Scheme (CTS).

Council Tax Support is currently a means tested discounts for Council Tax. The amount of the discount awarded is based on the income and size of the household. A means test is applied, and an award granted for those eligible. This discount is applied directly to the Council Tax account to reduce the amount to be paid.

The Local Government Finance Act 2012 contains provisions for the setting up of local support schemes. The current scheme in Barking & Dagenham has been based around the Default Council Tax Support Scheme

The Council has a statutory duty to consider annually whether to revise its Local Council Tax Support scheme for working age recipients, replace it with another scheme or retain the current scheme. This excludes the scheme that exists for pension age recipients which is a nationally prescribed scheme and cannot be varied locally.

The final scheme must be approved by Assembly.

The Council is proposing to replace the existing CTS scheme with a new simplified scheme for working age residents by introducing income bands rather than looking at precise household income to calculate the CTS award (the means test).

The scheme operates by offering a reduction in the payable Council Tax based on the income level of the applicant (and partner) and its household size. There is no complex means testing calculation applied.

Income can increase within an income band and have no effect on the amount of discount awarded, unless the change means household income is now in a different income band. This limits the number of changes that are required to be made.

Residents can use their total household income and household size to easily calculate the level of discount that will be awarded against their Council Tax bill based on the Council Tax band.

The simplicity of the proposed new scheme approach will help to address some of the problems associated with the current scheme.

The purpose of this report is to set out the Council Tax Support scheme 2024/25 consultation process and key consultation findings.

The results of this consultation will help to determine the final Council Tax Support Scheme for 2024/25 with full details of the new scheme to be published in February/March 2024.

The proposed changed scheme would come into effect from the 1 April 2024.

Methodology

Barking & Dagenham Council undertook a consultation on proposed changes to the Council Tax Support scheme 2024/25 between the 23 October 2023 and 23 November 2023.

The consultation questionnaire and survey along with consultation policy documents was published online and was available through the Citizens Alliance Network website.

Residents were also able to email their views on the consultation to the Benefits department directly.

The survey was available and open to all Barking & Dagenham residents and stakeholders with an interest in the operation of the Council Tax Support scheme.

The consultation was promoted on the Citizens Alliance Network website alongside the main Council website. The BD collective was also used for promotion. Social media was used to promote and advertise the consultation on Council Facebook and Twitter pages. Results from social media promotion are available later in the report. Press releases were also issued.

Internal newsletters were also issued to promote the survey to staff within the wider Council.

The consultation was also directly promoted with key voluntary organisations.

All residents in receipt of CTS (15,000) were written to individually to advise of the proposed change to the CTS scheme and the potential impact on their CTS award with current/proposed award details to show the possible impact of the scheme change. This included pension age claimants who are not directly affected by the scheme change.

Workshops were held on site at both Barking & Dagenham Learning centres to support residents with any questions or comments on the scheme, and to support the completion of the survey. These were promoted in all available comms. Paper forms were also available on request.

Notification letters for all current Housing Benefit and Council Tax Support claims were also inserted with paragraphs promoting the consultation.

Results for the consultation will be made available through the Council website.

Summary of results

A total of 368 residents/voluntary organisations responded to the consultation survey.

This is a significant increase on the consultation survey from the 2022/23 scheme change (86 completed surveys).

Historically Council Tax Support consultations have had low engagement from residents.

Respondents did not have to answer every question so the total number of responses for each question may vary.

Every effort was made to promote and ensure visibility of the survey for residents/stakeholders to engage with the proposals.

No direct emails were received from residents regarding the consultation.

2 enquiries were received via Councillors directly in response to consultation letters issued to confirm the possible impact on a current CTS award.

Completed paper forms were converted to the online survey to ensure consistency in the results.

43 residents attended BLC and 14 residents attended DLC as part of the onsite workshops. Various sets of circumstances (higher/lower/unchanged awards under the proposed scheme) were seen from residents with advice and guidance provided. Both working age and pensioners were consulted with. 13 paper forms were issued to residents with 4 returned.

Survey summary outcomes:

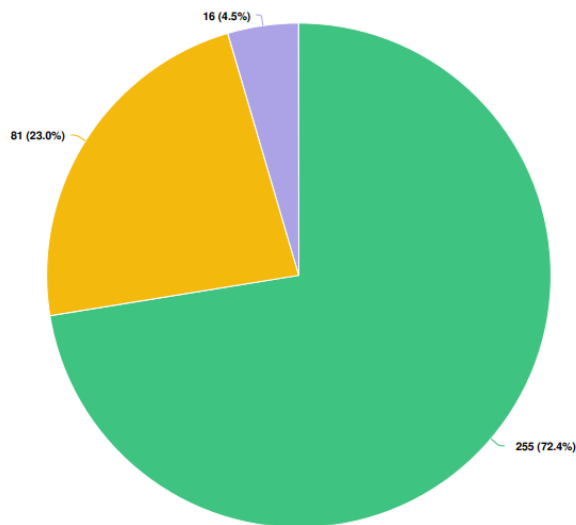
- 72% of completed survey respondents were in receipt of CTS
- 44% agreed with the proposed income band thresholds
- 51% ultimately agreed with the implementation of the proposed scheme

The proposed scheme had higher positive responses on average for all the survey questions asked with a majority of residents supporting the proposals.

Survey Demographics

Respondents were asked a range of demographic questions about themselves to help us understand the characteristics of the people who took part in the consultation.

Q3 Do you currently receive Council Tax support?



Question options
 ● Yes ● No ● Don't know

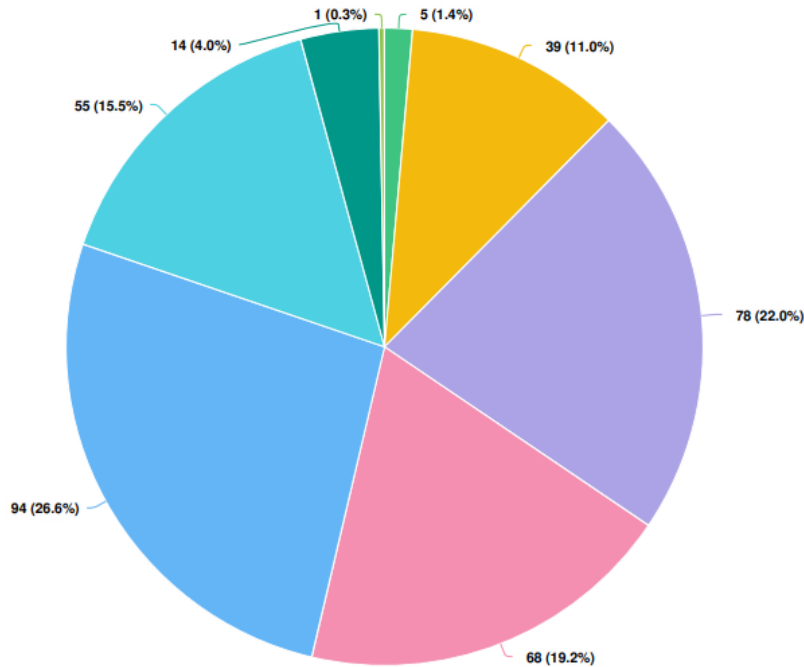
Optional question (352 response(s), 16 skipped)

In receipt of CTS	Number of residents	Percentage
Yes	255	72.4%
No	81	23%
Don't know	16	4.5%

A significant majority of respondents were in receipt of CTS and therefore had an active interest in the administration of the scheme.

Despite this 23% of respondents were not in receipt of CTS which provides some balance to the outcome of the responses received.

Q4 Which age band are you in?



Question options

- Aged 18 to 24
- Aged 25 to 34
- Aged 35 to 44
- Aged 45 to 54
- Aged 55 to 64
- Aged 65 to 74
- Aged 75 to 84
- Aged 85 or over

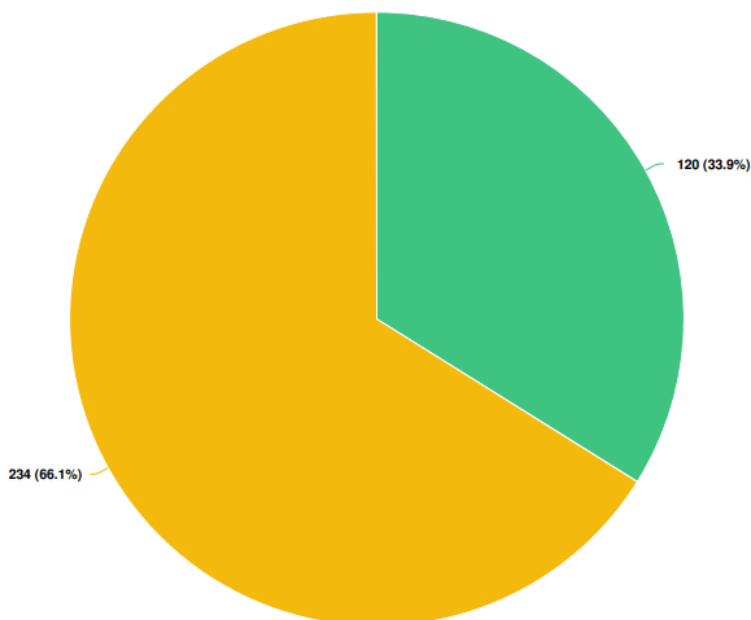
Age	Number of residents	Percentage
18-24	5	1.4%
25-34	39	11%
35-44	78	22%
45-54	68	19.2%
55-64	94	26.6%
65-74	55	15.5%
75-84	14	4%
85+	1	0.3%
Prefer not to say	0	0%

The largest demographical group to be represented in the survey was aged between 55-64. This is the second largest demographical group for the working age CTS scheme. The largest age demographical group in the CTS scheme is 35-44 and this had the second highest response rate.

The largest borough age demographic is 30-39.

Pension age claimants (65+) still contributed to the survey despite not being directly impacted by the change.

Q5 What is your sex?



Question options
 ● Male ● Female

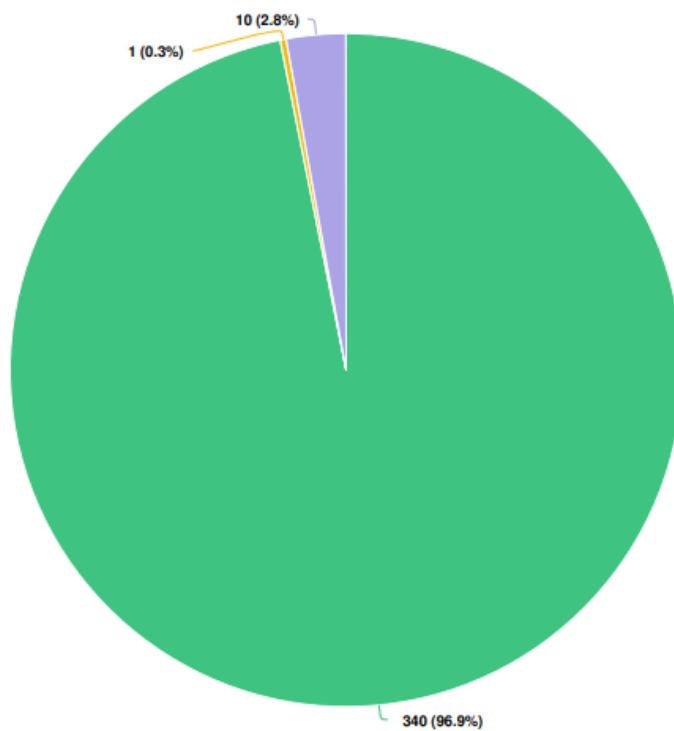
Gender	Number of residents	Percentage
<i>Male</i>	<i>120</i>	<i>33.9%</i>
<i>Female</i>	<i>234</i>	<i>66.1%</i>

A significant majority of the respondents were from female residents with 66.10% coming from this demographic.

This is comparable to the CTS case load as a whole which is 66.88% female.

This is comparably higher than the borough demographics of 51.5% of residents identifying as female.

Q6 Is the gender you identify with the same as your sex registered at birth?

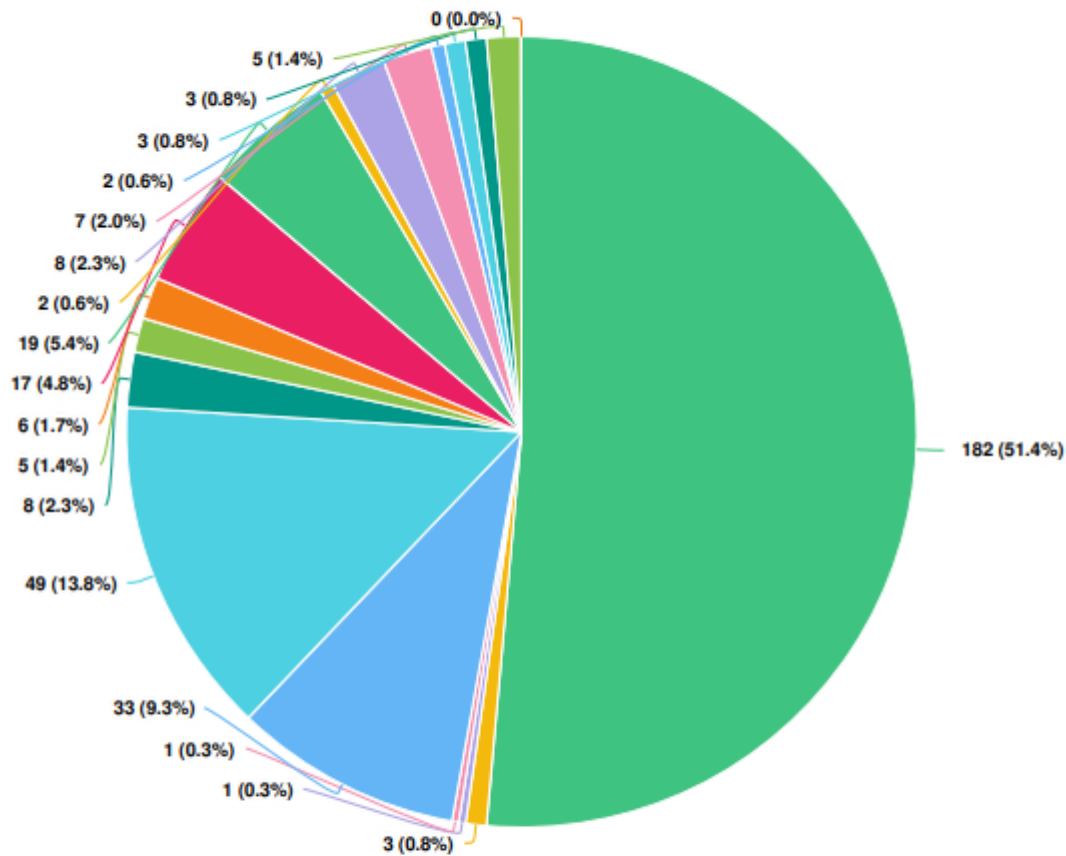


Question options

● Yes ● No ● Prefer not to say

Gender identification	Number of residents	Percentage
Yes	340	96.9%
No	1	0.3%
Prefer not to say	10	2.8%

Q7 | What is your ethnic group?



Question options

- White - English / Welsh / Scottish / Northern Irish / British
 ● White - Irish
 ● White - Gypsy or Irish Traveller
- White - Roma
 ● Any other White background
 ● Black / African / Caribbean / Black British - African
- Black / African / Caribbean / Black British - Caribbean
 ● Any other Black / African / Caribbean background
- Asian / Asian British - Indian
 ● Asian / Asian British - Pakistani
 ● Asian / Asian British - Bangladeshi
- Any other Asian background
 ● Mixed / Multiple Ethnic background - White and Black Caribbean
- Mixed / Multiple Ethnic background - White and Black African
 ● Mixed / Multiple Ethnic background - White and Asian
- Any other Mixed / Multiple Ethnic background
 ● Other ethnic group - Arab
 ● Any other ethnic group
- Asian / Asian British - Chinese

Ethnic group	Number of residents	Percentage
<i>White – English</i>	<i>182</i>	<i>51.4%</i>
<i>White - Irish</i>	<i>3</i>	<i>0.8%</i>
<i>White – Gypsy or Irish traveller</i>	<i>0</i>	<i>0%</i>
<i>White - Roma</i>	<i>0</i>	<i>0%</i>
<i>Any other white background</i>	<i>33</i>	<i>9.3%</i>
<i>Black / Black British - African</i>	<i>49</i>	<i>13.8%</i>
<i>Black / Black British Caribbean</i>	<i>8</i>	<i>2.3%</i>
<i>Asian / Asian British - Indian</i>	<i>6</i>	<i>1.7%</i>
<i>Asian / Asian British - Pakistani</i>	<i>17</i>	<i>4.8%</i>
<i>Asian / Asian British - Bangladeshi</i>	<i>19</i>	<i>5.4%</i>
<i>Any other Asian background</i>	<i>3</i>	<i>0.8%</i>
<i>Mixed / Multiple ethnic background – white and black Caribbean</i>	<i>8</i>	<i>2.3%</i>
<i>Mixed / Multiple ethnic background – white and black African</i>	<i>8</i>	<i>2.3%</i>
<i>Mixed / Multiple ethnic background – white and black Asian</i>	<i>7</i>	<i>2.0%</i>
<i>Any other mixed background</i>	<i>3</i>	<i>0.8%</i>
<i>Other ethnic group – Arab</i>	<i>3</i>	<i>0.8%</i>
<i>Any other ethnic group</i>	<i>5</i>	<i>1.4%</i>
<i>Asian / Asian British - Chinese</i>	<i>0</i>	<i>0%</i>

A majority of residents identified themselves as being from a white background with 60.7% identifying. This is significantly higher than the current borough wide demographics confirming 44.9% of residents identifying as coming from white backgrounds.

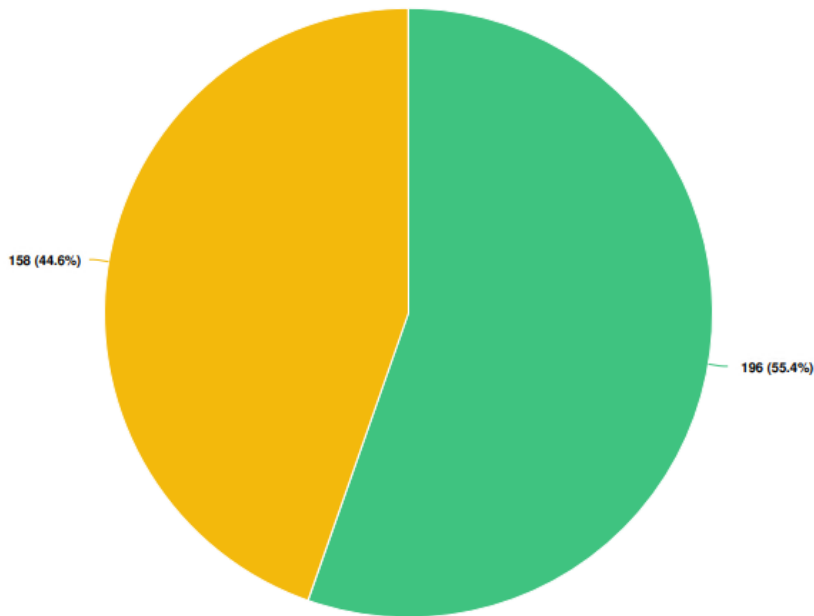
The next highest ethnic group was Black / Black British – African with 13.8% identifying.

This is lower than the current borough wide demographics confirming 21.4% (this includes Black British Caribbean).

Ethnic minorities are significantly under represented against current borough wide demographics from the 2021 census which shows 69.1% of the borough now identifies as coming from black and ethnic minority backgrounds.

There is no data on the ethnic make up of the CTS scheme as this information is not required for the administration of the scheme and therefore cannot be accurately collected under the current/proposed schemes.

Q8 Do you have a health problem or disability that limits your day to day activities?



Question options

- Yes
- No

Illness/Disability	Number of residents	Percentage
No	196	55.4%
Yes	158	44.6%

A majority of residents identified themselves as having a health problem or disability.

13.2% of the population is registered as disabled under the Equality Act and 29.8% of households have at least one person in the household who identifies as disabled in the borough.

Currently 6.6% of residents in the borough are claiming disability benefits.

6,436 current CTS claims have either a disabled benefit or a limited capacity to work element of Universal Credit.

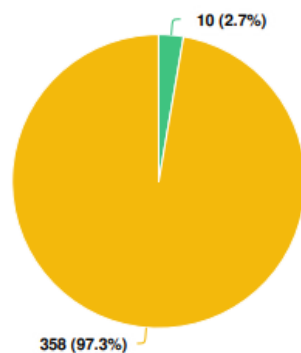
A response of 55.4% of those surveyed with a health problem or disability is over represented against borough demographics suggesting an interest in the proposals from this cohort of residents.

Residents with ill health and disability are often vulnerable with low income who require more financial support.

Survey results and analysis

The following analysis provides a breakdown of the survey results.

Q1 Are you responding on behalf of an organisation?



Question options

● Yes ● No

Mandatory Question (368 response(s))
Question type: Radio Button Question

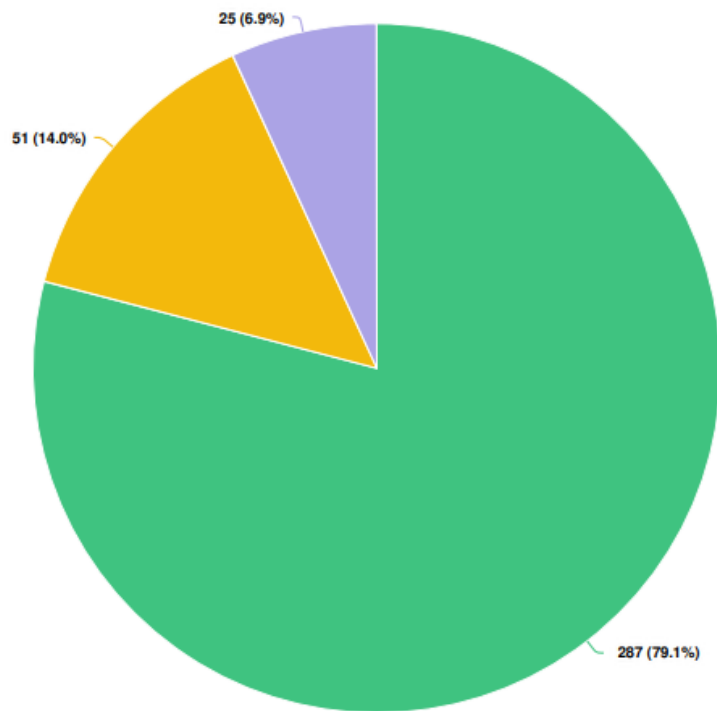
	Number of residents	Percentage
<i>Resident of the borough</i>	358	97.3%
<i>Other organisation</i>	10	2.7%

Other organisations
LBBD
LBBD – Homes & Money HUB
DABD
CAB
Royal British Legion

The majority of responses received were from residents in the borough.

Responses were received from our key voluntary sector partners CAB & DABD.

Q9 Have you read the background information about the Council Tax Support (CTS) scheme?



Question options

● Yes ● No ● Don't know

Background information	Number of residents	Percentage
<i>Yes</i>	<i>287</i>	<i>79.1%</i>
<i>No</i>	<i>51</i>	<i>14%</i>
<i>Don't know</i>	<i>25</i>	<i>6.9%</i>

A majority of the responses received confirmed they had read the background information policy document. This is important to ensure that residents were provided with basic information on how the proposed scheme will work and why the Council is proposing to make this change.

Part 1: The introduction of an income-based banded discount scheme (the income bands)

The introduction of an Income banded discount CTS scheme to replace the current scheme for all working age applicants from 01 April 2024.

It is proposed that a simple income banded CTS scheme based on household income will replace the existing scheme.

The Council is not looking to reduce the overall cost of the scheme. However, the change will mean some people may get more support, and some may get less support. Most residents will receive the same support next year.

What are we proposing?

We are proposing a simplified income banded scheme.

Table 1 shows the level of discount that will be available.

Table 1:

Band	Discount	Single (Weekly net income)	Couple (Weekly net income)	Single 1 children addition	Single 2+ children addition	Couple 1 children addition	Couple 2+ children addition
1	85%	£0-£96	£0-£164	£0 - £164	£0 - £284	£0 - £252	£0 - £352
2	70%	£96 - £140	£164 - £208	£164 - £228	£284 - £338	£252 - £296	£352 - £406
3	55%	£140 - £168	£208 - £238	£228 - £262	£382 - £426	£334 - £370	£406 - £456
4	40%	£168 - £188	£238 - £260	£262 - £296	£426 - £460	£370 - £396	£456 - £506
5	25%	£188 - £208	£260 - £282	£296 - £320	£460 - £506	£370 - £396	£506 - £542
6	15%	£208 - £240	£282 - £316	£320 - £376	£460 - £506	£396 - £452	£542 - £605

The scheme for pension age (aged 66 and over) households is set by government and will continue to operate in the same way as it does currently.

Possible benefits and disadvantages

The possible benefits of introducing an income-based banded discount scheme are:

- Provide up to 85% support (the maximum award) for residents on the lowest incomes.
- Some households will receive greater support

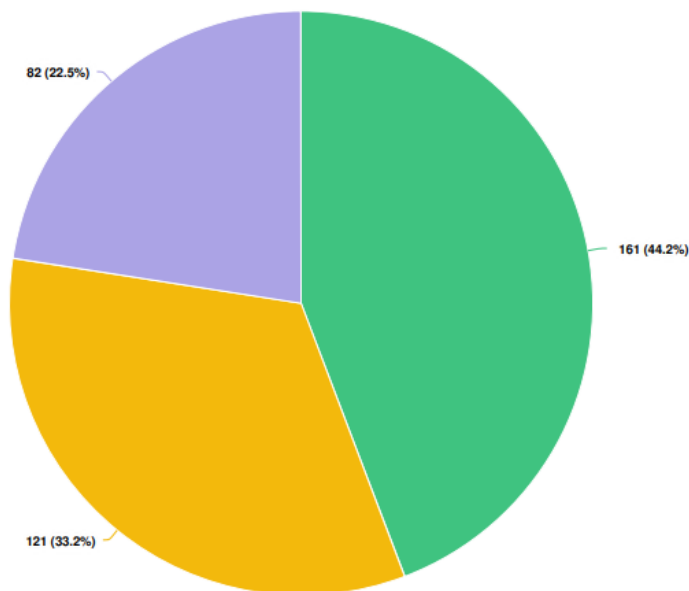
- Be easy to understand for residents.
- Provide greater stability to residents in receipt of CTS by reducing the number of Council Tax demands during the year, preventing multiple changes to monthly instalments helping residents to budget.
- Will work better with the Universal Credit system.

The possible disadvantages of introducing an income-based banded discount scheme are:

- Some households will receive less support.
- Some households with more than 2 children are likely to receive less support.

Survey response

Q10 Do you agree with introducing an income-based banded discount scheme as shown above?



Question options

Yes No Don't know

The consultation provided the proposed income banding grid where the proposed levels of income and discount (the CTS award) were confirmed.

Income banding grid	Number of residents	Percentage
<i>Yes</i>	<i>161</i>	<i>44.2%</i>
<i>No</i>	<i>121</i>	<i>33.2%</i>
<i>Don't know</i>	<i>82</i>	<i>22.5%</i>

A majority of respondents supported the proposed income bands although this was not unqualified with approximately a third disagreeing with the proposed income band thresholds. Concerns were raised that the thresholds and levels of award were too low.

Free text comments

135 individual comments were made on part 1.

“This is an unfair scheme which will further disadvantage unpaid carers leaving them with higher bills to pay when we are already struggling”

“From the table provided although I am in receipt of ESA Support Group, Child Tax Credit and Child Benefit my income from benefits would mean I would receive a 55% discount? Now I receive the maximum discount. How can I afford to pay £80- £100 per month while on benefits. Also some households will be penalised for having children How is that fair in relation to paying council tax? If I am private renting liable for council tax earning an average wage with 4 children then my new big expense will be council tax which will overtake my energy bill??”

“The income band is too narrow and doesn't reflect the cost of renting or mortgaging your home and paying for other essentials such as water and energy”.

“I am in Band 5 . i have multiple children and used to receive £23 per week and now its changed to £8 per week that doesn't not make sense at all. this is not suitable at all”

Part 2: Disregarding certain benefits, incomes and elements of Universal Credit.

By moving to an income banded discount CTS scheme some incomes and benefits will not be included in the calculation of the total household income. This helps to protect residents who need support the most including disabled households.

What are we proposing?

We are proposing that the following benefits and income are not counted when assessing the household income:

- Disability Living Allowance
- Personal Independence Payment

- War Pensions

To help to protect households with children:

- Child Benefit

For residents in receipt of Universal Credit:

- Housing costs element
- Limited capability for work element
- Disabled child element
- Carer element
- Childcare costs element

Possible benefits and disadvantages

The possible benefits of not counting these incomes are:

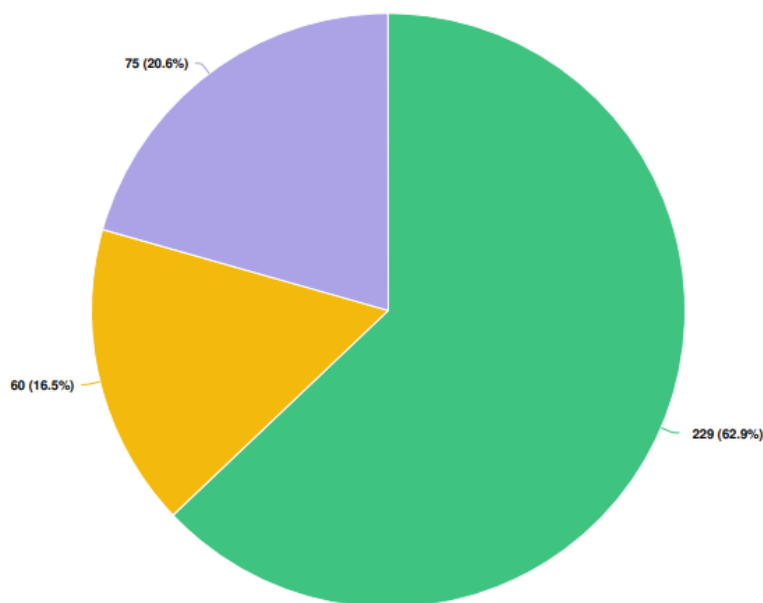
- It will help residents who need support the most.
- It will help to support families.
- It will encourage families with child care costs into work.
- It will maintain the Council's commitment to supporting members and former members of the armed forces.
- The proposed changes are easy to include within the proposed scheme.

The possible disadvantages of not counting these incomes are:

- The proposal will increase the overall cost of the scheme and has to be balanced against the final cost of the proposed scheme.
- There are no disadvantages to residents who qualify for the CTS scheme.

Survey response

Q11 Do you agree with disregarding certain benefits, income and elements of Universal Credit as shown above?



Question options

Yes No Don't know

The proposed scheme will disregard certain benefits and elements of Universal Credit to ensure that some incomes received due to disability or ill health for example are not counted as income to protect vulnerable claimants.

Disregarding incomes	Number of residents	Percentage
<i>Yes</i>	<i>229</i>	<i>62.9%</i>
<i>No</i>	<i>60</i>	<i>16.5%</i>
<i>Don't know</i>	<i>75</i>	<i>20.6%</i>

A significant majority of respondents supported this proposal and the reasons why these incomes should be disregarded.

A low proportion of respondents were opposed to this approach.

Free text comments

61 individual comments were made.

'Carers allowance should also be a disregarded income'.

'I am saying yes because it seems my benefits are dismissed from calculations. I obviously don't know how it will effect others'.

'I am VERY concerned you are going to include Carers allowance as Means tested benefit and Penalise people on this benefit'.

'It is good that the benefits above have been disregarded, but there is concern that the additional disability premiums have been lost within the calculation even though the disability benefits do have a disregard. This could mean that disabled people are adversely affected. Also there is no mention of a child maintenance disregard, this may have been overlooked, but if this is the case then it just provides an argument, as previously demonstrated with the UC, HB and CTS £20 disregard which was changed and replaced with a full disregard due to absent parents using this as an excuse to not pay child maintenance and cause other social impact on the child in respect of contact etc'.

'I think child benefit should be taken into consideration as those who work hard and try to do the right thing should not be punished by having their services reduced for those that do not consider their actions and are too busy having multiple children they cannot support'.

Part 3: The household size will be limited to a maximum of two dependent children allowances for all applicants within the scheme when calculating the CTS award.

In the current CTS scheme, applicants who have children are awarded a dependant's addition (an extra amount you can get if you have children) within the calculation of their needs allowance. There is no limit to the number of allowances currently applied within the current CTS scheme for applicants in receipt of old legacy benefits. Applicants in receipt of Universal Credit may be subject to the restriction.

From April 2017 the Government scheme limited dependants in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. Some applicants were protected where they made a claim before that date and already had more than two dependants.

What are we proposing?

The new scheme will be based on an income band which considers the number of dependent children within the household; however, it will be limited to two, for all applicants.

This will ensure all applicants are treated the same.

Child benefit continues to be paid for every dependant, and this will not count towards the applicants' household income.

Possible benefits and disadvantages

The possible benefits of restricting the child allowance to a maximum of 2 are:

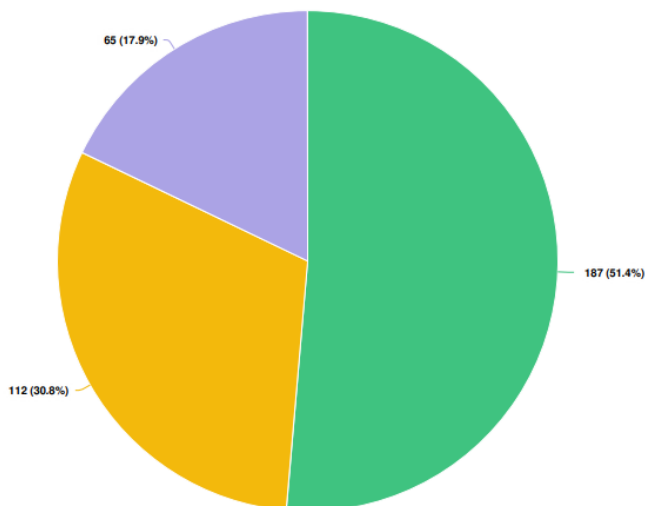
- CTS will be brought into line with all other welfare benefits.
- All applicants will now be treated the same with no difference based on the type of benefit received.
- The allowances are simple and easy to understand for applicants.
- The allowances proposed for 2 children are more generous than the current allowances.
- Child Benefit continues to not be included.

The possible disadvantages of restricting the child allowance to a maximum of 2 are:

- Applicants with three or more dependent children may now receive less CTS. This may affect larger families in the borough.

Survey response

Q12 Do you agree with limiting the household size to a maximum number of two dependent children allowances as shown above?



Question options
● Yes ● No ● Don't know

Limiting household size	Number of residents	Percentage
<i>Yes</i>	<i>187</i>	<i>51.4%</i>
<i>No</i>	<i>112</i>	<i>30.8%</i>
<i>Don't know</i>	<i>65</i>	<i>17.9%</i>

A majority of residents supported the proposal to restrict the household size (two children) in line with welfare reform with just under a third being opposed to the proposal.

Free text comments

85 individual comments were made.

'This change will leave families in hardship'.

'It concerns me with those who got more children who will struggle more'.

'Households on a low income will ultimately suffer the most with the 2 child rule. I appreciate we need a fair system but please understand that the children of those households will be affected by any change to the household purse'.

'As previously mentioned the loss to larger families will be significant and we propose an additional band for 3 or more children or some kind of transitional protection in the short term. This will alleviate the impact particularly to those who already have a sanction with the benefit cap where collection will be unlikely'.

'You should limit it to one child. Then those that have more pay. I think this proposal should be adopted, if the wider proposal is not one I agree with so that CTS is limited to include one child, but if not that then definitely two rather than unlimited as it is now'.

Part 4: Introducing one deduction amount of £7.50 per week for all adults in the household removing different levels of deductions.

The current scheme applies non-dependent deductions for other adults living in the property over the age of 18.

The current deductions range from £0 - £14.15 per week depending on the circumstances of the non-dependant adult.

The CTS award is then reduced by the amount of the deduction.

Protections for applicants who receive disability benefits such as Personal Independence Payments are in place which means no deductions are taken for any adult in the property.

Currently, to understand what the right level of deduction is, we have to ask applicants for lots of information. And we have to review this regularly.

What are we proposing?

We are proposing to remove the different levels of deductions and replace these with one deduction for all non-dependant adults.

Possible benefits and disadvantages

The possible benefits of introducing a flat rate non-dependant deduction are:

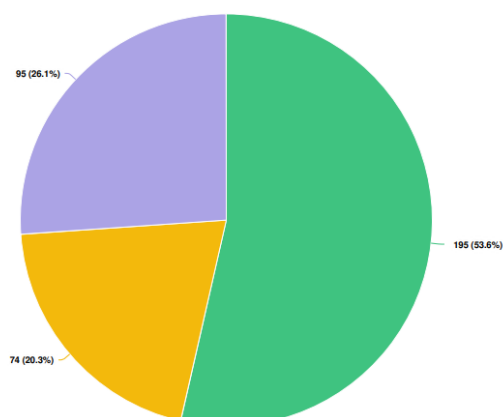
- Simplifies the scheme.
- Requires less information to be provided.
- Existing protections remain for those in receipt of disability benefits.
- Small increase for those paying the lowest deduction.
- Deductions required from those with non-dependants in receipt of income that are not currently receiving a deduction is fair.
- Some applicants will have reduced deductions.

The possible disadvantages of introducing a flat rate non-dependant deduction are:

- By not setting the level of the deduction against the income of the non-dependant adult those with higher incomes will have the same deduction as those with lower incomes.
- Some applicants will have increased deductions.

Survey response

Q13 Do you agree with introducing a flat rate non-dependant deduction of £7.50 while keeping existing protections in place?



Question options
● Yes ● No ● Don't know

Flat rate Non-Dependant charge	Number of residents	Percentage
Yes	195	53.6%
No	74	20.3%
Don't know	95	26.1%

A majority of residents supported the proposal to introduce a flat rate non-dependant deduction.

A significant number of respondents were unsure of the proposal but a low number disagreed with the proposal as a whole.

Free text comments

58 individual comments were made.

'Most younger non dependents would not be earning a decent amount of money, so just deducting £7.50 a week off the council tax would put even more financial pressure on the parent, because no doubt they would still be topping up their young adults income to some extent despite no longer getting any support for them. You don't stop supporting your children just because they have left education '.

'The mean tested method is fairer and ensure that those with higher incomes pay more and those with lower incomes pay less. This way not one person is more disadvantaged than the other'.

'It will only punish the resident who might have to pay for the non-dependant themselves, as it's not guaranteed the non-dependant will want to pay the extra to pay the resident will have in their new bill, even though it's actually the non-dependant who should pay'.

Part 5: Reducing the capital and savings limit to £6,000 and removing the assumed income from capital (tariff income) from the calculation of CTS.

The current scheme has a capital and savings limit of £10,000.

Currently for every £250 of savings over £6,000 and up to £10,000 an additional income of £1 (tariff income) is added to an applicants assessed weekly income.

What are we proposing?

We are proposing that the capital and savings limit is reduced to £6,000 and no tariff income will be calculated. Any capital and savings under £6,000 will be ignored.

Any applicants who currently have capital and savings of more than £6,000, will no longer be granted a Council Tax Support discount.

Currently, most current CTS applicants do not hold capital and savings over £6,000.

Possible benefits and disadvantages

The possible benefits of reducing the capital and savings limit to £6,000 are:

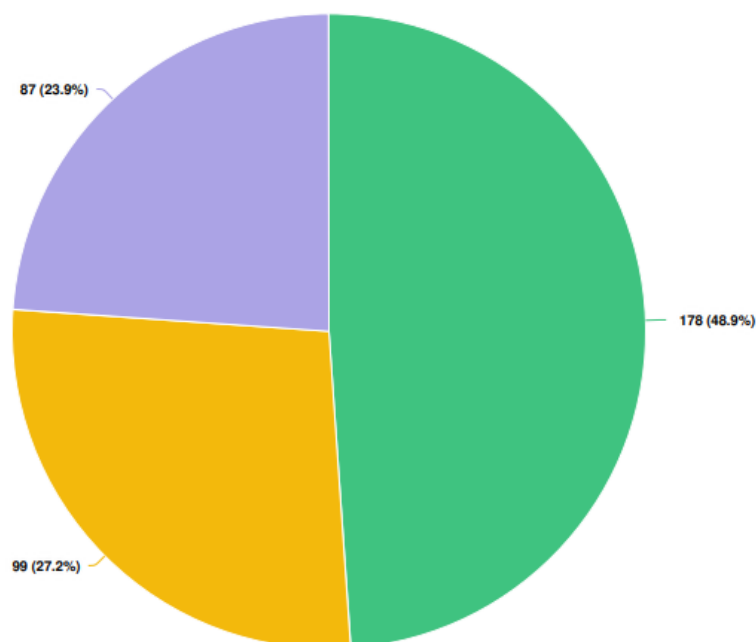
- The £6,000 limit protects those applicants with relatively low levels of capital and savings.
- Tariff income is no longer calculated.
- Most current applicants are unaffected.

The possible disadvantages of reducing the capital and savings limit to £6,000 are:

- Any applicants who currently have capital and savings of more than £6,000 will no longer be granted a CTS discount.

Survey response

Q14 Do you agree with reducing the capital and savings limit from £10,000 to £6,000 as shown above?



Question options

● Yes ● No ● Don't know

Capital threshold	Number of residents	Percentage
<i>Yes</i>	<i>178</i>	<i>48.9%</i>
<i>No</i>	<i>99</i>	<i>27.2%</i>
<i>Don't know</i>	<i>87</i>	<i>23.9%</i>

A majority of residents supported the proposal to reduce the capital threshold from £10,000 to £6,000.

A significant number of respondents were unsure of the proposal but a low number disagreed with the proposal as a whole.

Free text comments

71 individual comments were made.

'I am not in this bracket at all, but just think it may make it hard on people saving for a house deposit etc'.

'Think people need some savings for life's unexpected events'.

'This will affect people who have savings between 6k-10k. People may now not qualify if they have an amount between this'.

'Don't feel this will have a big impact although there will be some who will lose out who are just at £6k or slightly above but does add simplicity of the overall model'.

'Their savings should be used before all benefits kick in . This was my case decades ago - my savings was used'.

'People are living from their savings (who had any) and they should not be punished by holding on to their tiny little savings for emergency. They taxed that amount, they worked for it, nobody has anything to do with that money'.

Part 6: Sending notification letters

What are we proposing?

A banded income discount scheme means no changes to the CTS award are required unless a change to the household income or household size results in income falling into a different discount band.

If we have a banded scheme for CTS we don't want to send you letters unless you move band and the amount you have to pay changes,

Possible benefits and disadvantages

The possible benefits of not sending notification letters unless there is a change in the discount band are:

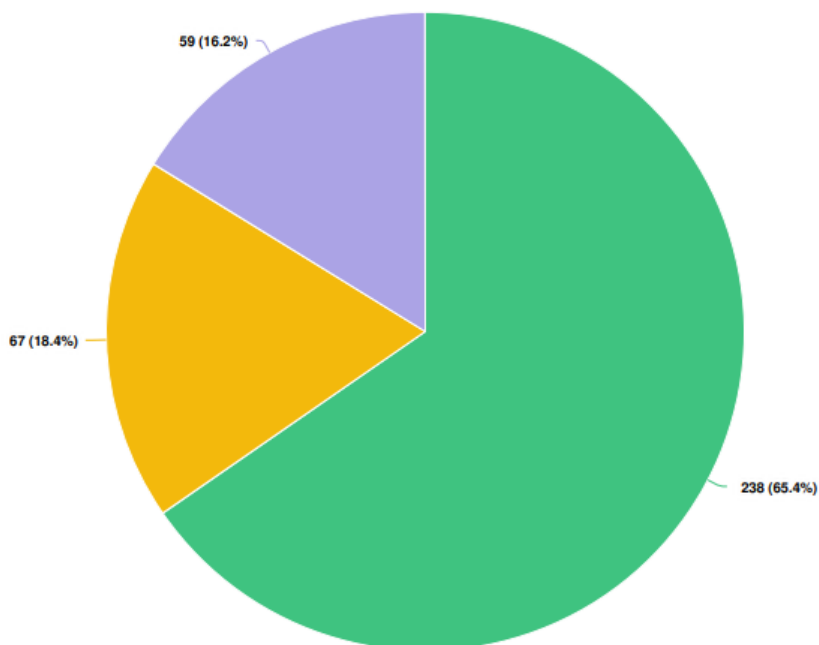
- Applicants receive less notifications and only if there is an actual change to the discount band.
- We reduce our printing and postage costs.
- We reduce our carbon footprint and protect the environment.

The possible disadvantages of not sending notifications are:

- We do not see any disadvantages from this change.

Survey response

Q15 Do you agree with not sending notifications as shown above?



Question options

● Yes ● No ● Don't know

Sending notification letters	Number of residents	Percentage
Yes	238	65.4%
No	67	18.4%
Don't know	59	16.2%

A significant majority of residents supported the proposal to reduce the number of notification letters being sent, only sending a notification when a genuine change occurs.

A low number disagreed with the proposal as a whole.

Free text comments

47 individual comments were made.

‘People need to be kept up to date on things like this’.

‘Sometimes letters get misplaced and we need them for certain proof for help with certain things. Like vet treatment. We need letters through’.

‘Every few months, I set a budget using available financial data, if I get no notification I will forget what payments need to be made. I strive on constant reminders - less reminders will result inconsistent and late payments’ .

‘If no changes happen then no need for extra letters as long as you can see your account online’.

Part 7: Making the Council Tax Discretionary Relief fund available for residents to apply for additional financial support if they are affected by the change in the scheme

The Council currently offers a Discretionary Council Tax Relief fund for residents who are suffering from financial hardship and may be struggling to pay their Council Tax costs.

Applications for support can be made and are considered on an individual basis.

We can make awards to reduce the amount of Council Tax due.

What are we proposing?

We want to continue to make this fund available for residents of the borough to make an application for further support, including for those who may lose support as part of the scheme change.

Possible advantages and disadvantages

The possible benefits of having a Discretionary Council Tax Relief fund are:

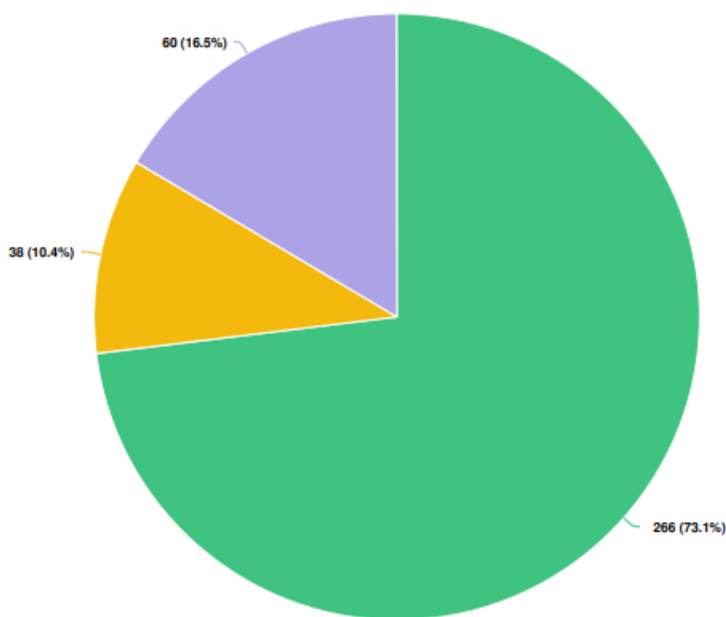
- The scheme offers residents who need support the most a way to apply for it..
- The scheme provides an option to apply for additional support for residents who are affected by the change to a new CTS scheme.

The possible disadvantages of having a Discretionary Council Tax Relief fund are:

- The Council has to use its own funds to support the scheme and this may have an effect on the Council's wider budget and financial planning. .
- There are no disadvantages for applicants who qualify for CTS.

Survey response

Q16 Do you agree with the Council making a Discretionary Council Tax Relief fund available as shown above?



Question options

● Yes ● No ● Don't know

A significant majority of respondents were very supportive of the proposal to ensure a Discretionary Council Tax Relief fund was made available. Very few respondents opposed this proposal.

Free text comments

37 individual comments were made.

'Do agree that this needs to be accessible, although the number supported will be determined by the amount in the fund. Is there any opportunity for a transitional fund to those who are the biggest losers which is automatically given so the resident does not need to rely on an application'.

'More people will be applying for the fund, because your increasing their bills. Makes no sense'.

'There are residents on my street claiming benefits and able to work. The council needs to tighten on giving out handouts and reduce the burden on the taxpayer'.

'This applications are complicated and are rejected for no reason. This discretionary funds are not easy to access even when one is struggling. It is like applying for a mortgage'.

'It will affect council other services because council may have to cut other vital services, save money to provide this extra funds'.

Part 8: Alternative options to changing the CTS scheme

The Council has considered several other options for the CTS scheme for 2024/25, including replacing the scheme and keeping the current scheme unchanged.

There are a number of issues with the current CTS scheme that need to be looked at so that the Council has a CTS scheme that continues to:

- Provide the greatest support to low-income households.
- Reduce the administrative burden allowing for the scheme to run well.
- Provide a simple system for residents.

The Council believes the proposed income banded discount scheme will meet these objectives and this is the recommended new scheme.

An alternative income banded discount scheme is not being proposed.

The Council retains the option of keeping the current CTS scheme unchanged for 2024/25.

Possible advantages and disadvantages

The possible advantages of keeping the current CTS scheme unchanged are:

- Means testing allows support to be focused on those most in need financially and continues to protect these households.
- Pension age and working age claimants are assessed under the same scheme.

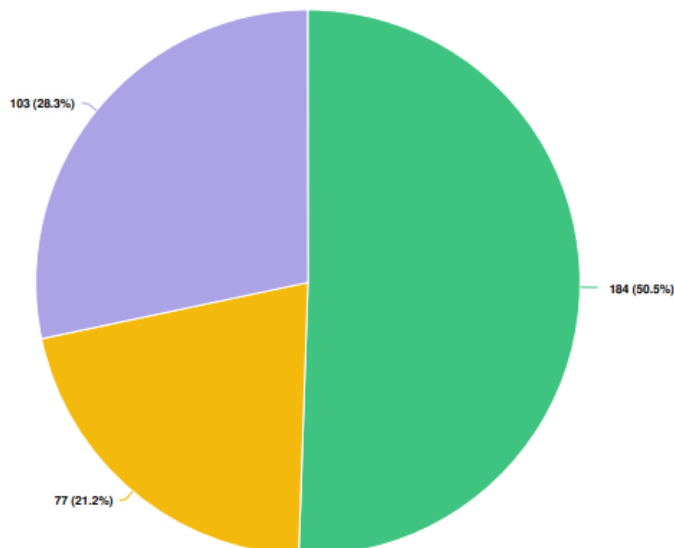
- Does not impact disproportionately on any equality group.

The possible disadvantages of keeping the current CTS scheme unchanged are:

- Highly complex calculation of awards.
- Reactive to minor changes generating higher volumes of work, adjustments to awards and multiple Council Tax bill adjustments.
- Complex administration for staff & complex for applicants to understand.
- Difficult to simplify.
- The impact of Universal Credit on administration of the scheme.
- Difficult to change the levels of support to different types of applicant.

Survey response

Q17 Do you agree that the Council should implement a replacement scheme as proposed in this consultation?



Question options

● Yes ● No ● Don't know

This survey response was important as based on the proposals above this question asked for final approval of the scheme proposals taking account all aspects consulted on.

A majority of respondents (50.5%) ultimately agreed with the proposals to change the scheme.

However a significant number of respondents remained unsure with more than a quarter (28.3%) selecting don't know. This suggests that there remains a lack of understanding of the proposals.

Only 21.2% of respondents formally disagreed with the proposals for the scheme.

The main response on alternatives was to leave the scheme unchanged and continue the means tested approach.

Free text comments

64 individual comments were made.

'Leave the scheme as it is for now until the cost of living crisis gets better. The majority of families especially unpaid carers are already struggling with food and bill costs without any further changes to support levels'.

'You are removing support from those who need it the most, deliberately placing them in further financial difficulty than they're already suffering due to the cost of living crisis'.

'To be honest I feel this is in the interest of the council and not residents'.

'It is quite obvious that no system implemented either now or before was ever ideal or perfect I take the view that if this will save from duplication of administration and by extension money and make it simpler and easier for an applicant to claim. Then it wise from time to time to review the effectiveness of any scheme and in a Morden 21st century it is right to look at modal change in accordance with central government law'.

'Because the current system is fairer and is also mean tested meaning support is targeted at the right group of people. I think the council should focus on the admin side of things, and how they can simplify and reduce cost that way instead. The alternative will cause havoc for single income households and other unidentified vulnerable people'.

'We do agree in principle for the change to happen as there are a lot of positives i.e., simplicity, cost, reduction in notifications and the bulk of people being either better off or staying the same. However, there are adverse effects that need to be borne in mind and we believe with a few tweaks i.e., additional band for 3 and over children or transitional payment and no non dependent deduction for those on basic benefits i.e., UC and legacy. We do not believe that this will lose the simplicity of the model. We do appreciate that this will increase cost, but could this be covered from Discretionary Funds'?

'Because you are making people like us carers and disabled people pay £663 a year more disgusting'.

'How is this council even considering this very unfair change forced on some people and find it remotely acceptable. As I would be worse off £284.96 without any change of circumstance obviously I'm going to vote no, just like all the other residents who will lose out big. I can understand it would be better for the council, but for me £284.96 is a lot of money I can't afford to lose. My suggestion is only working couples who are well off and not struggling financially should be made to lose out by a lot. Thank you'.

'Whilst agreeing that a more simplified system is needed I'm not sure how families that will be worse off will cope as most (including myself) are struggling in the cost of living crisis'.

'Although the current scheme is reactive to any income change, it does provide the greatest equality, as no group is bearing the burden of the proposed change'.

'More consultations required'.

'Keeping an element of means testing to focus on those most in need of financial support is vital. It provides a degree of fairness both to those receiving and to the tax payer'.

Part 9: Your final comments and suggestions on the proposed CTS scheme

The Council is proposing to move to an income banded discount CTS scheme.

The proposed replacement CTS scheme will simplify the approach and work better with the Universal Credit system.

The maximum award will be protected at 85%.

There will be some residents who receive higher awards and some who receive lower awards. Many residents will have no change to their current award.

Free text comments

128 individual comments were made.

A broad range of comments were received with concerns expressed on the financial impacts of the proposed scheme change.

The simplification of the scheme received positive comments.

'Unpaid carers need to be protected. We are already struggling with food and bill costs. Any changes to the existing scheme could impact peoples mental health and wellbeing'.

'It seems quite simple and an advantage to me'.

'I think this is a good scheme for those with low income'.

'You cannot please all of the people all of the time and some will object & some will accept - with the majority rule wins for all changes - it seems very complex and far too much to take in & understand without in depth explanations therefore i expect the changes will go ahead'.

'It will simplify the approach and work better with U.C'.

'The current scheme is extremely complicated and difficult to understand. I received over 10 15page letters in a two month period when there was a change to my PIP and it took months to rectify with the assistance of BDCAB causing a lot of stress and anxiety. A scheme that is standard across the board will be much easier for residents to understand and the council to manage'.

'Not every claimant receives Universal Credit. The current system assesses each family by their financial means and this proposed new system will detrimentally effect families on other benefits during a cost of living crisis'!

'I don't agree with any changes because people with disabilities will not be able to afford it'.

'To keep the whole process as simple and fast as possible. Disabled residents like myself are highly dependent on prompt financial help with the least complex applications /procedures'.

'Those not working, claiming full benefits will qualify for 85% discount. Those who are struggling as a single parent, who work full time, and do not get any other benefits only child benefit will get the lowest discount. Makes you not want to work full time, you feel worse off'.

'The recent change is going to affect my household as I won't be able to afford if my council tax support gets decreased, please could you kindly consider and cancel the new changes'.

'Although I agree with the new system it should be reviewed after 2 years to see how much the cost has risen, (Can we afford it) also I am concerned that if the new system is too rigid those who would receive less help than before could be too badly disadvantaged. Would this be monitored'?

'CTS should be based on individual households as people like me could be worse off especially as the cost of living has gone up massively, I only have one child living with me but for others who have 2+ kids I think would be cruel on the children to penalise the parents on having additional kids'

'People are already struggling. if the scheme makes them worse, it is not fit for purpose'.

'This changes should not be implemented at all not especially when we are going through the universal credit switch'.

'Any scheme that risks moving residents into (further) hardship is not a good scheme. How long is the discretionary fund available, as some residents may need a permanent top up'.

'Although I agree with the new system it should be reviewed after 2 years to see how much the cost has risen, (Can we afford it) also I am concerned that if the new system is too rigid those who would receive less help than before could be too badly disadvantaged. Would this be monitored'?

'People on very low income should get 100% Council tax support'

'This calculation being capped at 2 kids is not fair. If we have more than that the we are always going to be broke and begging for food as things get too expensive especially food. It should be looked at and extended. Its not easy these days as bills are going up. I could just stay home and depend on benefits but as a role model for 4 kids, a single parent and I'm a part time nurse trying hard to put food on the table and buy essentials for the home. Its really difficult!'

'In my view it's important to keep help all low income people and single mother , in Barking and Dagenham, we really need help'.

'We have already provided alternative suggestions and we do hope that these will be considered. We do feel the way the consultation has been presented is very good and has provided the opportunity to better understand the proposals'.

'We disagree that maximum award will be protected at 85%'

Survey responses from internal teams

Homes and Money HUB

Part 1: The introduction of an income-based banded discount scheme (the income bands)

'Due to significant losses for larger families who previously have received the benefit, it is too much to take away at a single time. You refer to other benefits who have adopted the 2 child rule, but this is in relation to children born after April 2017, so there is a disregard for older children. You have not made any provision for these families apart from where you point out that the allowances for the first two children are more generous. We do get the simplicity of the scheme as a benefit but is there any provision for an additional band i.e, for 3 or more children that will reduce the loss, even slightly or a transitional allowance that will cushion the change, even for a short period. Also bearing in mind a lot of larger families are already benefit capped, this just adds another penalty which is unlikely to be collected and may result in large debts, Court fees etc'.

Do you agree? No

Part 2: Disregarding certain benefits, incomes and elements of Universal Credit.

'It is good that the benefits above have been disregarded, but there is concern that the additional disability premiums have been lost within the calculation even though the disability benefits do have a disregard. This could mean that disabled people are adversely affected. Also there is no mention of a child maintenance disregard, this may have been overlooked, but if this is the case then it just provides an argument, as previously demonstrated with the UC, HB and CTS £20 disregard which was changed and replaced with a full disregard due to absent parents using this as an excuse to not pay child maintenance and cause other social impact on the child in respect of contact etc'.

Do you agree? Yes

Part 3: The household size will be limited to a maximum of two dependent children allowances for all applicants within the scheme when calculating the CTS award.

'As previously mentioned the loss to larger families will be significant and we propose an additional band for 3 or more children or some kind of transitional protection in the short term. This will alleviate the impact particularly to those who already have a sanction with the benefit cap where collection will be unlikely'.

Do you agree? No

Part 4: Introducing one deduction amount of £7.50 per week for all adults in the household removing different levels of deductions.

'This is contrary to the housing situation currently as it discourages people to remain in the family home which is required due to the current housing crisis. It doesn't seem fair to expect someone on Universal Credit to contribute the same as someone in full time employment. If someone on Universal Credit was looking to get their own property they would likely pay less, however this is not an option in the current climate due to lack of housing in the borough and beyond. This could also potentially cause conflicts within households and family members thrown out of the property and then becomes a homeless problem. We do get that again it does simplify the system so that non-dependents do not need to provide evidence etc. which in itself can cause conflict and hardship when this is not

provided. Perhaps by providing a disregard for those non-dependents on non-working Universal Credit or any other basic legacy benefit would create a fairer system’.

Do you agree? No

Part 5: Reducing the capital and savings limit to £6,000 and removing the assumed income from capital (tariff income) from the calculation of CTS.

‘Don't feel this will have a big impact although there will be some who will lose out who are just at £6k or slightly above but does add simplicity of the overall model’.

Do you agree? No

Part 6: Sending notification letters.

‘This is a good thing. We often see residents who are frustrated with the number of letters they receive when they had thought they had the situation sorted and we have to explain that this is just the system generating letters, so appreciate this change and will cut down significantly on the cost of postage’.

Do you agree? No

Part 7: Making the Council Tax Discretionary Relief fund available for residents to apply for additional financial support if they are affected by the change in the scheme.

‘Do agree that this needs to be accessible, although the number supported will be determined by the amount in the fund. Is there any opportunity for a transitional fund to those who are the biggest losers which is automatically given so the resident does not need to rely on an application’.

Do you agree? No

Part 8: Alternative options to changing the CTS scheme.

‘We do agree in principle for the change to happen as there are a lot of positives ie., simplicity, cost, reduction in notifications and the bulk of people being either better off or staying the same. However, there are adverse effects that need to be borne in mind and we believe with a few tweaks ie., additional band for 3 and over children or transitional payment and no non dependent deduction for those on basic benefits ie., UC and legacy. We do not believe that this will lose the simplicity of the model. We do appreciate that this will increase cost, but could this be covered from Discretionary Funds?’

Do you agree? No

Part 9: Your final comments and suggestions on the proposed CTS scheme

‘We have already provided alternative suggestions and we do hope that these will be considered. We do feel the way the consultation has been presented is very good and has provided the opportunity to better understand the proposals’.

Survey responses from voluntary sector organisations

DABD

Part 1: The introduction of an income-based banded discount scheme (the income bands)

No comment.

Do you agree? Yes

Part 2: Disregarding certain benefits, incomes and elements of Universal Credit.

No comment.

Do you agree? Yes

Part 3: The household size will be limited to a maximum of two dependent children allowances for all applicants within the scheme when calculating the CTS award.

'Residents with larger families may have already made long-term budgeting decisions regarding employment and childcare. Its also possible that this proposal would adversely affect some communities and ethnic groups more than others.'

Do you agree? No

Part 4: Introducing one deduction amount of £7.50 per week for all adults in the household removing different levels of deductions.

No comment.

Do you agree? Yes

Part 5: Reducing the capital and savings limit to £6,000 and removing the assumed income from capital (tariff income) from the calculation of CTS.

'Low-income families should be encouraged rather than discouraged to save. This change feels like it penalizes financially prudent residents. It could also impact those that have temporary savings (such as from the sale of a vehicle which would be used against a replacement, or money received as compensation).'

Do you agree? No

Part 6: Sending notification letters.

No comment.

Do you agree? Yes

Part 7: Making the Council Tax Discretionary Relief fund available for residents to apply for additional financial support if they are affected by the change in the scheme.

No comment.

Do you agree? Yes

Part 8: Alternative options to changing the CTS scheme.

No comment.

Do you agree? Yes

Part 9: Your final comments and suggestions on the proposed CTS scheme

‘Provided there is full communication/engagement with clients with regards to options available to improve their income and outgoings. Services available to help with benefit checks/finding work/applying for grants available etc. Offering areas like libraries to connect both online and in person with people to support clients. Staff fully trained with the IAG to give to the clients, then this will be a great scheme going forward’.

Citizens Advice Bureau (CAB)

CAB have provided an extensive response to the consultation separately which is added as Appendix 2 to the consultation.

CAB requested further information concerning analysis and the Equalities Impact Assessment which is publicly available from the October Cabinet papers for their reference.

Currently CAB have disagreed with the loss of the means tested approach (the current scheme) and they do not recognise the reasons to change the scheme as set out.

A response on behalf of the Council has been issued and is awaiting a further response from CAB.

Royal British Legion

‘The Royal British Legion (RBL) welcome that Barking and Dagenham Council's proposed new CTS is already disregarding as income all War Pensions. As detailed in Appendix 1.

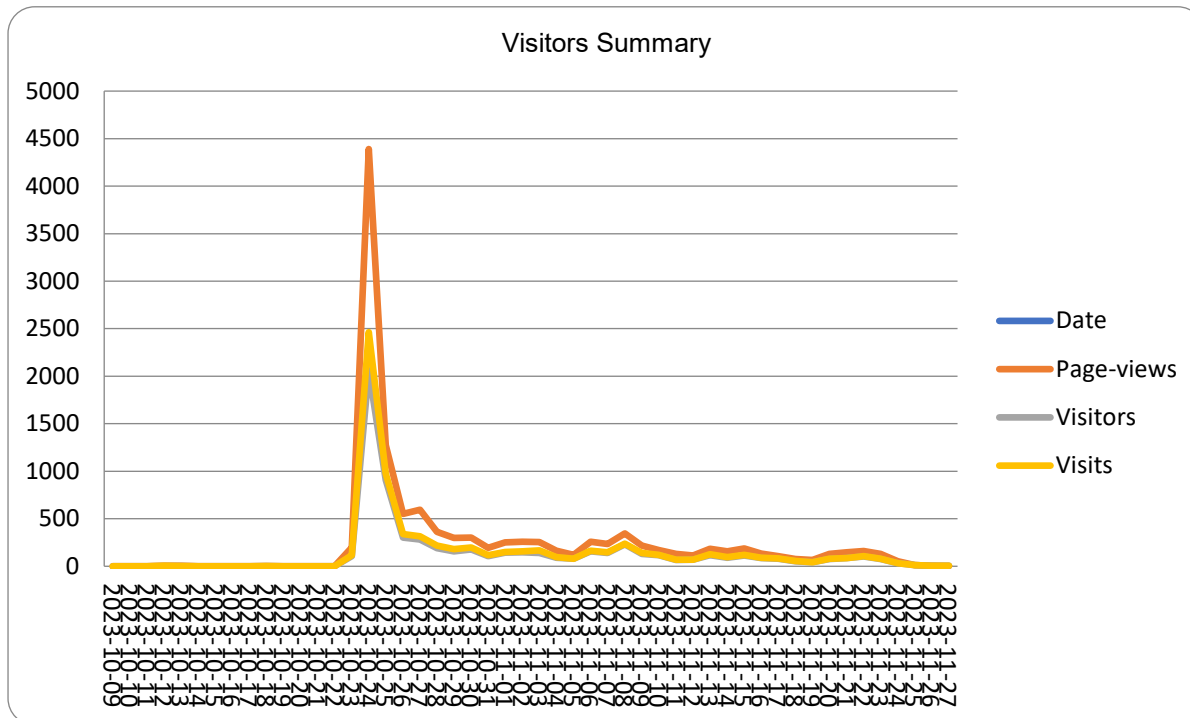
However, we note with concern that the consultation paperwork and survey only refers to one form of military compensation, War Pensions. It is essential that all forms of military compensation, including War Pensions, Armed Forces Compensation Scheme, Service Invaliding Pensions (SIPs) and Service Attributable Pensions (SAPs) are disregarded in full, and this is highlighted in relevant policy.

RBL also recommends that the Council seeks to introduce these same disregards in relation to all other locally administered benefits’.

RBL also recommend that the Council Tax Support scheme proposals should operate in line with Universal Credit guidance and consider SIPs and SAPs as compensation, and not income’.

Consultation statistics and social media promotion

The consultation had wide engagement.



A majority of views and visits were during the opening of the consultation.

The consultation had:

- 7,550 visits
- 5,772 visited at least 1 page
- 1,059 visited multiple pages
- 12,238 page views
- 305 downloaded the policy document
- 725 visited the policy section
- 368 completed surveys

These statistics demonstrate that although only 368 surveys were completed in full a significant number of residents viewed the pages and were therefore aware of the proposals to change the scheme.

CTS consultations have historically low engagement rates for all Local Authorities. The completion rate for this consultation is considered to be above expectations.

A majority of residents found out about the consultation through social media promotion.

Social media stats (posts on Facebook and Twitter):

- Posts reached – 33,528
- Had impressions (how many times it was shown on someone’s screen) – 37,589

Paid social media promotion delivered impressive results with over 30,000 posts and impressions generated.

This helped to significantly promote the consultation.

Final conclusions

The demographics of those residents surveyed was not reflective of the overall demographics of the borough. Female residents, residents with long-term illness or disability and those with a white ethnic background were all over represented within the survey. Ethnic minorities and male residents were all under represented within the survey. The age demographic also did not match the largest age brackets in the borough.

A large majority of those who completed the survey were in receipt of CTS and therefore had a direct interest in the administration of the scheme.

The approval rates for the proposed scheme was variable dependant upon which part of the proposal was consulted on and ranged from 44-71%.

Disagreement rates ranged from 10-33%.

More respondents supported each of the individual proposals than disagreed however support was not unqualified.

Those who completed the survey and agreed with the proposals tended to make less comments than those who disagreed. As a consequence a significant number of comments were received that were critical and disagreed with the proposals.

Questions were raised against the overall level of the income band thresholds with concern that these were too low and would not sufficiently support low income and vulnerable residents. This is a legitimate response in light of the context of the low-income demographics of the borough. **33% disagreed with the income bands which was the highest disagreement rate against any of the proposals and should be noted.**

The proposed scheme makes significant provision to disregard elements of Universal Credit to support vulnerable residents, including the Carer Element however no further disregards are applied for Carers Allowance and **the impact on Carers is highlighted as a concern.** The scheme makes no further provisions for Carers.

A removal of disability premiums present within the current scheme is also a legitimate issue raised and will **affect some claimants with protected characteristics which is highlighted as a concern.** This is addressed within the Equalities Impact Assessment.

30% of respondents disagreed with the 2-child limit. This reflected concern over support for larger families. Barking & Dagenham has a higher proportion of larger families than the Greater London average, however the average household size in the borough is 2.96 residents per household. Child allowances have been set higher than the child elements of Universal Credit to mitigate the restriction however **larger families may see significant losses of award and this is highlighted as a concern.**

The introduction of a flat rate non-dependant deduction, a reduction in the capital limit and sending less notifications had a positive response with 48% -53.6% agreeing with these proposals.

Making a Discretionary Council Tax Relief (DCTR) available was very popular with 73% agreeing on this proposal. This should be duly noted for consideration.

An overall majority agreed with implementing the proposed scheme (50.5%).

only 21.2% disagreed with implementing the scheme however a significant number 28.3% were unsure.

The consultation has confirmed that overall a majority of those residents/organisations who completed the survey were supportive of the Council's proposal to implement a replacement scheme as set out. Opposition to implementing the scheme was significantly less.