

## Big Changes to Council Tax Benefits – Consultation Findings

### 1. Background

From April 2013, Central Government is ending the current national Council Tax Benefit scheme as part of its welfare reform. Central Government will no longer set all the rules on who qualifies for help with their Council Tax. Instead, Central Government wants local councils to decide how to help people with their council tax bills if they are on low incomes.

Central Government is also reducing the amount of money it gives councils to help people on low incomes with their Council Tax bill. In Nottingham, this could mean up to £6 million less will be available next year to help people on low incomes with their Council Tax bills.

Nottingham City Council has carried out a 2-stage consultation exercise relating to the Government's changes to Council Tax Benefits, due to take effect in April 2013.

The **pre-consultation exercise** sought to let current Council Tax Benefit claimants know about the impending changes and to gather views to inform the Council's thinking in the development of a draft Council Tax Support scheme.

The **main consultation exercise** provided our formal consultation on subsequent draft proposals for a local Council Tax Support Scheme.

See section 3 for more detail on methodologies for each exercise.

This report analyses the data from both consultation exercises.

### 2. Executive Summary

People expressed concern about the proposal that everyone should pay something, and overall they also felt that the changes were unfair. While people felt that some households should get more support than others, there was no consensus on which groups should receive more support than others.

#### Main consultation findings

The main consultation exercise resulted in 454 responses to the survey along with a number of written responses and feedback from the information sessions. Headline results and feedback from the main consultation are:

- **25%** of respondents **agreed** with the proposal that **all** households should pay 20% of their Council tax. **66% disagreed**.
- **70%** feel that some households should get more support than others, but there is no consensus on how to fund more support for certain households or who those households are.

- **57%** of respondents **disagreed** with the proposal to remove backdating. **30% agreed**.
- **51%** of respondents **disagreed** with the proposal to cap support at the Band B rate. **31% agreed**.
- For the other elements of the proposals, (reducing the savings limit, removing second adult rebate and setting a minimum award level), opinion was more evenly split between those in favour and those against.

Key messages from the consultation were that:

- The proposed scheme is unaffordable to some people who will struggle to pay and would unfairly penalise some people.
- The Council should refuse to pass on the cuts and should campaign against Government cuts.
- The Council should save money elsewhere or use other money to make up the shortfall in funding, although this may be a short term solution.
- People would like to know how the proposed scheme will affect them personally.

Points to note about the survey sample

The survey sample for the main consultation exercise was broadly representative of the City population in terms of ethnicity, religion, and gender.

The survey sample had a higher proportion of respondents who were disabled compared to the City overall and also a higher proportion of respondents who were of working age, as opposed to pensionable age, which is to be expected since the changes to Council Tax Benefit will not impact on low income pensioners.

The sample also had a significantly higher proportion of respondents who were Council Tax Benefit recipients compared to the City overall. This is to be expected, given the subject matter of the consultation, and given that an information letter was sent directly to all current Council Tax Benefit recipients as part of the consultation exercise, since these are the households mostly likely to be directly impacted by the changes to Council Tax Benefit.

Pre-consultation findings

The pre-consultation exercise resulted in 642 responses to the survey and 73 people attended the information sessions.

A range of views and opinions were given. The key messages were:

- All groups that were represented were financially vulnerable, with their own particular personal circumstances.
- No clear single group emerged as more vulnerable than others.

- The proposals are very unfair and Nottingham City Council should lobby Central Government and not accept the reduction in funding.

### **3. Methodologies**

**Pre consultation exercise** - undertaken June/July 2012.

The following methodologies were used:

1. information letter posted to all 26,500 Council Tax Benefit claimants
2. Three information drop-in sessions held in community settings; one at St Ann's Valley Centre (18 citizens attended), one at Bulwell Riverside (26) and one at Loxley House (18). The format of these sessions was a short presentation followed by a question and answer session,
3. A self-completion online survey.

**Main consultation** – undertaken 5 September to 30 October 2012.

The following methodologies were used:

1. information letter posted to all 26,500 Council Tax Benefit claimants, directing them to dedicated Big Changes to Council Tax web pages, information booklet, information events etc
2. 5,000 information booklets printed, which included a self completion questionnaire
3. 20 information sessions at a variety of community locations across the city, using a short presentation and question and answer format.
4. As part of Local Democracy Week Council officers shared a stall with Ward Councillors and Neighbourhood Development Officers on Bulwell Market
5. A communities of interest event with British Sign Language interpreter held at Nottingham Deaf Society on 24 October 2012
6. The questionnaire was made available in alternative formats eg large print
7. A self-completion online survey was made available.
8. Letters were sent to precepting authorities i.e. Police Authority and Fire Service.
9. A dedicated telephone helpline was made available - for booklet requests, event registration and to answer specific questions about Council Tax.
10. Internal communication channels were used eg. plasma screens, Impact employee magazine and Cascade team briefings.
11. Email communications were sent to the Voluntary and Community Sector
12. A One Nottingham lunch time learning event

The format/design of the detailed information booklet and online survey within the main consultation was undertaken in partnership with Derby City Council and Leicester City Council.

During the main consultation written responses were received from:

- Joint response from Nottingham and District Citizens' Advice Bureau, Nottingham Law Centre, St Ann's advice centre, Notts Housing Advice Service, Bestwood advice centre, Clifton advice centre, and Meadows Advice Group.
- Tenant and Leaseholder Congress at Nottingham City Homes
- Nottingham City Homes
- Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign
- Nottingham City UNISON Branch Executive.

Overall, a total of 1,096 responses (642 to the pre-consultation exercise and 454 to the main consultation exercise) have been received. Please note - respondents had the opportunity to reply to both the 'pre' and 'main' consultations.

#### **4. SUMMARY OF RESULTS – PRE CONSULTATION**

**Percentage figures from online survey - Sample Size (Base): 642**

- Results are based on all respondents taking part, unless otherwise stated (Base: number).
- Figures have been rounded up/down to the nearest full percentage point.
- Where figures do not add up to 100%, this could be the result of computer rounding, multiple answers, or the exclusion of don't knows/not stated.

#### **Q1: If you have to pay more Council Tax, how would this affect you?**

##### **Headline**

- 85% would find it difficult to pay other bills
- 78% would have to reduce household expenses
- 57% may need to borrow money from friends/family/loan organisations

##### **Other: 96 comments main themes are:**

- Unable to pay, cannot pay anymore – lead to increased debt
- Health problems – increased stress, anxiety, depression, suicidal
- Unable to pay for food – already only eating once a day
- Lose/move place to live

#### **Q2: At the moment some people do not have to pay anything towards their Council Tax because of their situation. Should this continue to be the case or should every household have to pay something?**

##### **Headline**

- 89% feel that some households should be protected

**Q3: If you think that there are some households that should be protected, please indicate which types of households should NOT have to pay anything?**

**Headline**

- 88% think that low income households should be protected
- 64% think that households which include unemployed people should be protected
- 51% think that households with children should be protected

**Other: comments main themes are:**

- Disabled (53)
- Low income (14)
- Unemployed (11)
- Elderly (10)

**Q4: If you think some households should be protected, why do you think this?**

**Comments main themes are:**

- Disability (59)
- Unemployed (47)
- Single parent (25)
- Low income families unable to pay/live, lead to more debt (33)
- People with severe disabilities unable to work
- Everything is going up except wages
- We should protect the children
- Household bills (gas, electric, food etc) have all gone up
- People cannot afford the bills they already have
- More crime
- Increased starvation
- How can you get money if I haven't got it?

**Q5: Do you think that there are some households that should pay less than other households please indicate what type of households these should be?**

**Headline**

- 88% think that low income households should pay less
- 61% think households which include unemployed people should pay less
- 52% think that households with children should pay less

**Other: comments main themes are:**

- Disabled (31)
- Council tax should be means tested
- Low income (19) households should NOT have to pay AT ALL.
- Children (11)

**Q6: If you think some households should pay less than other households, why do you think this?**

**Comments main themes are:**

- Low income
- Disabled
- Impact on children
- Because of individual circumstances/situations

## **5. SUMMARY OF RESULTS – MAIN CONSULTATION**

5a) Percentage figures from online survey

5b) Key Themes – Written responses

5c) Key Themes – Consultation events

5d) Key Themes - Helpline

### **5.a) Percentage figures from online survey – Sample size (Base): 454**

- 72% (310) of respondents stated that they currently receive Council Tax Benefit, 26% (111) stated they do not.
- 62% (223) of respondents stated that they receive other benefits, 35% (125) stated they do not
- 6% (21) receive a Second Adult Rebate
- Results are based on all respondents taking part, unless otherwise stated (Base: number).
- Figures have been rounded up/down to the nearest full percentage point.
- Where figures do not add up to 100%, this could be the result of computer rounding, multiple answers, or the exclusion of don't knows/not stated.

**Q1. Putting a maximum limit on the amount of council tax support that can be paid to all working age people – where everyone would pay at least 20% towards their Council Tax bill.**

Strongly agree - 12%

Agree - 13%

Neither - 8%

Disagree – 15%

Strongly disagree – 51%

Don't know – 1%

**Level of agreement**

25% - agree

66% - disagree

**Net agree: -41%**

**Q2. Capping the Council Tax support to 80% and property band restrictions.**

Strongly agree - 13%  
Agree - 18%  
Neither - 13%  
Disagree – 16%  
Strongly disagree – 35%  
Don't know – 5%

**Level of agreement**

31% - agree  
51% - disagree

**Net agree: -20%**

*“...if a disabled person who is eligible for CTS is living in a property in a higher band than B, then the CTS should not be capped at Band B rates. The disabled person may have had to live in a property in a higher band in order for adaptations to be made to that property.”*

**Q3. Reducing the upper savings limit from £16,000 to £6,000.**

Strongly agree - 18%  
Agree - 22%  
Neither - 9%  
Disagree – 20%  
Strongly disagree – 29%  
Don't know – 2%

**Level of agreement**

40% - agree  
49% - disagree

**Net agree: -9%**

*“I really do not see why there are such things as savings allowances. It allows a presumption that the state should pay for things and leave your own money alone!”*

*“It will be particularly harsh on people nearing retirement, whose prospects for obtaining further employment before retirement are slim, and who have amassed some modest savings to help them during their retirement.”*

**Q4. Removing the Second Adult Rebate.**

Strongly agree - 17%  
Agree - 24%  
Neither - 11%  
Disagree – 18%  
Strongly disagree – 25%  
Don't know – 4%

**Level of agreement**

41% - agree

43% - disagree

**Net agree: -2%**

**Q5. Removing back-dating.**

Strongly agree - 12%

Agree - 18%

Neither - 11%

Disagree – 21%

Strongly disagree – 36%

Don't know – 2%

**Level of agreement**

30% - agree

57% - disagree

**Net agree: -27%**

*“you must retain the ability to backdate claims, in order to protect the most vulnerable in society, it is already very difficult to meet the requirements of a backdate request and yet if successful, it prevents clients getting into debt. My clients in particular suffer a great deal of mental health problems and financial insecurity is a massive reason for prolong instability. Do not take away this vital process”*

**Q6. Setting a minimum award level.**

Strongly agree - 12%

Agree - 23%

Neither - 20%

Disagree – 15%

Strongly disagree – 23%

Don't know – 7%

**Level of agreement**

35% - agree

38% - disagree

**Net agree: -3%**

*“...where people are entitled to sums of benefit, those sums should be paid in full, even if they are low amounts.”*

**Q7. Recognising the needs of particular households (no change under the proposed scheme)**

Strongly agree - 31%



Agree - 28%  
Neither - 13%  
Disagree – 10%  
Strongly disagree – 12%  
Don't know – 5%

**Level of agreement**

59% - agree  
22% - disagree

**Net agree: +37%**

**Q8. Do you think that some households should get more support than others?**

Yes – 71%  
No – 16%  
Don't know – 13%

**Net agree: +55%**

**Q9. If yes, which of these options do you think we should consider to pay for this extra support?**

***% stating an option as their first preference:***

38.8% - Capping the Council Tax support to a **band A** property  
25.1% - Putting a maximum limit on the amount of Council Tax support that can be paid to all working age people, where everyone would pay **more than 20%** towards their Council Tax bill  
35.8% - Reducing the upper savings limit to **£6,000**  
27.0% - Setting a minimum award level of **above £4**  
51.0% - Other

**Comments provided relating to the 'other' option**

- 14 comments were received to say **none of the options** should be considered
- 21 suggestions were made as to **alternatives** to the proposals – primarily that the council should find money to cover the cuts; the council should not implement the cuts and should lobby the government; the costs should be covered by reducing fraud in the benefits systems; or there should be a means tested local tax instead.
- 45 comments related to **different levels of need** in the community although there was **no consensus as to which group(s) were deserving or undeserving of support**. A number of comments suggested that either low income households, benefit households or disabled households should not have to pay council tax and others suggested that people who choose not to work should not receive support and that this would be an incentive to work. A number of respondents felt richer households or people living in higher band houses should pay a

greater share; some felt pensioners should not have to pay, others that they should not be excluded from the scheme.

*“Increase council tax for those that can afford it. Use the increased revenue to retain the current level of benefit.”*

#### **Q10. What would these changes mean for your household?**

70.5% said they would reduce household spending on essential items such as food and heating

41.4% said they would reduce household spending on non-essential items such as leisure activities

45.5% said they would need to borrow money to meet this additional cost

7.0% said they would be able to meet this additional cost

20.1% said they would not have any additional costs as result of this proposed scheme

10.2% selected the ‘other’ category

#### **Comments provided relating to the ‘other’ category**

- Over 50 comments related to the **(un)affordability** of the scheme. A number of respondents said they were already struggling or would struggle if they had to find money for council tax; others said they could not afford the additional costs, would go into debt or would have to go without essentials such as food, heating, things for their children’s education etc. Some respondents mentioned increased worry or stress about how they would pay – affecting their health. Some felt that having to pay extra would reduce their quality of life by restricting movement or removing (small) luxuries such as pets.

*“I am on a means tested benefit already which is the bare minimum the government says a person can live on. I can barely exist as it is, any extra cost I would have difficulty in meeting. I don’t drink or smoke, so it would mean cutting back on food and heating which I already have to do anyway.”*

- A few respondents felt that **they were willing to pay something**, and that they would just have to accept the increased amount, although others commented that the proposed changes are at a time of other changes and uncertainties resulting from welfare reform.
- There were some suggestions that the **council should campaign** against the cuts or should find the money elsewhere.

*“The local authority should refuse to pass on this cut to Nottingham City residents and to demand from the government the funding necessary to continue to fund the scheme based on the current system as required rather than being limited to an arbitrary ‘pot of money!’”*

#### **Q11. Do you have any other comments about the proposed scheme or how it may affect you and your household?**

- There were a number of comments relating to **(un)affordability** - 26 respondents commented that they were already struggling and 48 felt they would struggle if they had to find extra money to pay for council tax. Others felt that paying for council tax would result in increased debt, worry/stress, reduced spend on essentials and that the proposals would cause hardship. Some respondents, however, felt that everyone should pay something, with a couple of comments suggesting they would be willing to pay more for a more equal society.

*“Being disabled and totally reliant on benefits, I currently struggle to pay for essentials such as food and heating. I do not wish to consider how circumstances will be if these proposed changes are implemented.”*

- Although 15 respondents felt that the proposed scheme was **unfair** generally, there were a number of specific groups of people that respondents felt were being penalised/should not be penalised – unemployed; those on JSA; those on benefits; working people who lose jobs; younger people; older people; early retired; single people; disabled people; the poorest; people in band C properties.
- There was **no one group** that stood out as being **most deserving of support**:
  - 7 felt that the scheme should take into account individual circumstances, with several more respondents suggesting which groups should be supported – older people; disabled people; families; single parents; people on benefits; people with low incomes.
  - Conversely, a number of respondents suggested groups which **should not be supported** – older people; those that ‘choose’ worklessness; single parents; people in multiple occupancy households; migrants and asylum seekers.
  - 12 respondents felt that richer households should pay more, with a further 4 suggesting that those that can afford it should pay.

*“Do not stop full benefit for those on the absolute minimum income. You are taking food out of our mouths, clothes off of our backs & lighting & heating out of our homes. You need to get richer people to pay more.”*

- Again, there were some suggestions that the **council should protest** against the cuts with 10 comments that the council should **find the money elsewhere**.
- There were several comments about the **administration of the scheme**;
  - some suggested that there needs to be an increase in welfare advice/support to understand the changes
  - some suggested a hardship fund
  - some mentioned the need for flexibility regarding payments
  - others the costs involved in recovering debts

## 25. Equal Opportunities – how do you think Nottingham City Council can make sure that the scheme is fair to all sections of the community?

Nearly 300 respondents made a comment in this section of the survey.

- 36 respondents made comments to say that the **poorest should get support**/not pay, they should not get poorer or that people simply cannot afford or would struggle to pay.
- 8 respondents asked the council to ensure that people have enough money to pay.

*“At least ensure people have an income that they can exist on and not have to be unable to heat their property, eat properly or borrow money (if this is possible) to meet essential bills/living costs.”*

40 respondents suggested the scheme should **consider individual circumstances**, but, although 22 suggested that richer households should pay more and 12 suggested that disabled people should not have to pay, there were a number of other comments with mixed feelings about who should and should not get support. Some felt that JSA/unemployed people should not pay, others felt they should not get support – particularly if they ‘can’ work; some felt that pensioners (regardless of age) should not pay, others felt they should not be excluded from the scheme; some felt families should not pay, others that larger households/families use more facilities so should pay more; some felt lone parents should get support, others felt they shouldn’t. Other groups mentioned as deserving of support were carers, single people, and people with mental health issues.

5 respondents felt that everyone should have to contribute something.

*“...by correctly assessing individual needs and circumstances, there is no "ideal" or "tick box" one scheme fits all”*

There were a number of **alternative suggestions** put forward:

- 19 respondents suggested the level of support should be kept as it is
- 10 suggested a means test /consideration of disposable income
- 10 suggested the council should find money from elsewhere, such as cutting salaries, or projects
- 9 respondents felt the council should challenge the Government, and there was a fear that there would be further cuts in the future if the council did not fight.

There were several comments related to the **administration of the scheme** including explaining and offering support with the changes, advertising the benefits widely, regularly assessing recipients’ situations i.e. running labour checks and monitoring how the changes affect individuals.

14 respondents felt that Nottingham City Council needs to ensure that they treat everyone equally when implementing the scheme, and 5 that everyone should be treated fairly. A couple of comments related to the need to

undertake further analysis of residents and undertake an Equality Impact Assessment before implementing a scheme.

### **Additional comments**

Throughout the survey there were a number of queries about individual's situations – asking '**how will it affect me?**'

There were also **comments relating to the survey process itself** stating that the survey is flawed or leading; that there is a need to make proposals easy to understand - for example for those with learning disabilities; and that there is a need for wider consultation. A number of respondents felt that the decisions have already been made and some urged the council to listen to the results of the consultation.

### **5b) Key themes - Written responses**

Written responses were received from

- Joint response from Nottingham and District Citizens Advice Bureau, Nottingham Law Centre, St Ann's advice centre, Notts Housing Advice Service, Bestwood advice centre, Clifton advice centre, and Meadows Advice Group. (Appendix 1)
- Tenant and Leaseholder Congress at Nottingham City Homes (Appendix 2)
- Nottingham City Homes (Appendix 3)
- Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign (Appendix 4)
- Nottingham City UNISON Branch Executive (Appendix 5)

The written responses had similar themes to the survey:

Some felt that the scheme was **unaffordable** and would cause hardship to some people which may result in debt. One organisation pointed out that some people may be asked to pay more than they would have to pay following a court order for arrears.

There was a feeling that **certain elements of the proposed scheme were unfair** – removing backdating would disadvantage some people; the minimum award is unfair and people should receive what they are entitled to; the savings threshold is too low; and capping support at band B is unfair to some.

Some **groups were suggested as being important to consider** – disabled people who can't work and raise extra funds; pensioners who may be under official pension age; single people and care leavers. It was suggested an Equality Impact Assessment should be undertaken.

It was felt that the **council should refuse to pass on the cuts** and should fight the Government to protect their citizens – perhaps even using reserves to fund current levels of support while a campaign is undertaken. Other suggestions were that the council should save money elsewhere to fund a

scheme or could consider charging for empty properties. There was a concern that if the council didn't fight the cuts there would be more to come in the future which, alongside increased need to support, would mean increased hardship.

Finally there were some queries around the **administration of the scheme** with clarity sought on appeals and paying arrears; suggestions that there would need to be weekly payments, suggestion that the council consider a 'credit union account' model to help people with payments and payment priorities, and a concern that the costs of chasing payment of small amounts would be too high resulting in writing off arrears which would be unfair to those that pay.

### **5c) Key themes - Consultation events**

There were several comments relating to **un-affordability** – people saying they or others could not afford to pay council tax, they already struggle and can't work to earn more. There was a feeling that the scheme is unfair as it targets the poorest/most vulnerable in society and will cause hardship. Some felt that ultimately the proposed scheme will increase crime and homelessness. There was concern that it comes at a time of other welfare changes which may cause confusion and additional hardship.

Certain elements of the scheme were felt to be **unfair** – the minimum award was thought to be unfair and would result in some people getting nothing; the savings threshold is too low and would discourage saving; that capping support at band B is unfair to those who live in bigger houses – not always through choice, and that removing backdating is unfair to some groups and may mean that there would be less promotion of the scheme to save money.

Some people felt that **certain groups should have more or less support**, although there was **no consensus as to which groups these were** – people on low incomes, disabled people and families were mentioned as deserving of support, while some groups were mentioned as not needing automatic support, such as people in higher banded houses, war pensioners, single mothers, pensioners. There were some queries as to eligibility – of people living with pensioners, pension age, and migrants.

There were other **queries around the running of the scheme** – with people wanting clarity on the rules/who is affected; how much each element will raise; what penalties there are for non payment; how unpaid bills would be recovered; the cost of collection and savings limits. There was also concern that future schemes would be harsher, with even less funding or increased need for support.

Several people made suggestions as to **alternatives** – primarily that the council should make savings elsewhere/should use other funds to cover the cuts. There was a feeling that the council should campaign against the cuts and observations that other authorities are not passing on the cuts and it is unfair to be different to other areas.

There were other suggestions around job creation and how the council should assist with finding jobs; suggestions that empty properties should be taxed and that council tax could be increased.

## **5d) Key themes - Helpline**

Although the majority of calls to the helpline related to requests for booklets or event booking, there were 19 people concerned as to **how the scheme would affect them**, and 3 who felt they would **struggle** (or were already struggling) if they had to pay for council tax. A couple felt the proposals were **unfair** to their particular situations, and a couple of comments related to the consultation process.

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## **Appendices**

### **Appendix 1:** Written response:

A joint response from Nottingham and District Citizens Advice Bureau, Nottingham Law Centre, St Ann's advice centre, Notts Housing Advice Service, Bestwood advice centre, Clifton advice centre, and Meadows Advice Group

### **Appendix 2:** Written response:

Tenant and Leaseholder Congress at Nottingham City Homes

### **Appendix 3:** Written response:

Nottingham City Homes

### **Appendix 4:** Written response:

Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign

### **Appendix 5:** Written response

Nottingham City UNISON Branch Executive

### **Appendix 6:** Respondents Demographics

### **Appendix 7:** Ward Breakdown of Respondents

## **Appendix 1: RESPONSE BY ADVICE NOTTINGHAM TO NOTTINGHAM CITY COUNCIL'S DRAFT COUNCIL TAX SUPPORT SCHEME**

1. This response is on behalf of: Nottingham and District Citizens Advice Bureau, Nottingham Law Centre, Snt Ann's advice centre, Notts Housing Advice Service, Bestwood advice centre, Clifton advice centre, and Meadows Advice Group.
2. The background to this response is that the advice groups are aware of the cut in funding for council tax support that has been imposed on local authorities by central government and that, in the absence of cuts to other services provided by the council, Nottingham City Council will be unable to provide the same level of support as before. We understand that some people will have to pay more towards their council tax than they have before; and that some people who have not paid anything before will now have to pay something. We do not know the level of saving which is expected to result from each of the changes to support set out in the draft scheme. This means that our comments cannot take the anticipated level of savings into account. We do not know whether our suggestions are directed at something which makes relatively modest savings or at something which, if changed, would significantly upset the scheme's budget.
3. While acknowledging the apparent fairness in deciding that 'the maximum amount of council tax which may be awarded under the CTS will apply to all applicants' we have to point out that, for many people on means tested benefits, the council will be expecting them to pay more towards their council tax than a court would order them to pay towards any arrears of council tax, out of such benefits. In the past, council tax recovery has always accepted that it would be unreasonable to ask for more than a court would order to be paid. It is already extremely difficult to balance a budget for any one on means tested benefits, who does not get any additions for children or disabilities, and we fear that this (added to yet more above inflation energy costs) will make it impossible for people to pay all their priority expenses.
4. The suggestion in the scheme which we believe likely to cause the most practical problems and unfair hardship (given that it is accepted that the scheme will unavoidably cause hardship) is the complete abolition of backdating. Many people will find it difficult to make an immediate application for support; they may be ill, in hospital, have drug or alcohol problems, have learning difficulties, require the help of a support worker etc. Many people may not realise that they need to make a separate application, particularly with the move towards universal credit. At present people approaching the job centre to claim means tested benefits are directed towards claiming housing and council tax benefits and are then passported on to those benefits. We wait to see what co-operation, if any, applicants and local authorities receive from the job centre in the future with council tax support. Our



concern is that the benefits system is very complicated and even if people are in a position to make an immediate application for support, they may not realise they need to do so. We recommend that the council examines whether there is any way they can alert such people to the need to make an application at the earliest opportunity. Is there likely to be co-operation from the job centre? We are not suggesting that six month backdating be retained but would recommend backdating for at least one month and preferably two.

5. The suggestion in the scheme which we believe creates the most concern as a matter of principle is the reduction in the capital limit. This will create a scheme even harsher than anything so far envisaged by central government. It is a disincentive to prudence and to saving while in work. It will be particularly harsh on people nearing retirement, whose prospects for obtaining further employment before retirement are slim, and who have amassed some modest savings to help them during their retirement. It will penalize those who have saved in cash rather than investing in a pension scheme which might provide a cash sum on retirement, which would then be protected.
6. The proposals for introducing a minimum amount of support payable is, if it is set at the higher end of the proposed figures, going to produce a 'cliff edge' whereby somebody with an income of a few pence per week below the limit could receive around 200 pounds in support and somebody with a few pence more, nothing. It could also anger claimants who go through the claiming process to find that their income entitles them to some support but it is not going to be paid.
7. We feel that the proposals regarding appeals are unclear. The first two paragraphs refer to appeals, but the third says that the scheme shall not be subject to appeal. The first paragraph would seem to envisage a review or reconsideration rather than an appeal, which is the system presently operating under housing and council tax benefits. The second paragraph appears to envisage a review or appeal but it is unclear how this would operate. Does the council have a scheme agreed with the valuation tribunal for England? At present the website for the tribunal says that it 'cannot deal with disputes regarding any rebates or benefits to which you might be entitled because of your financial circumstances', which would seem to include a scheme as proposed by the council. We would urge the council to make its proposals clear as to the nature and process of any appeals system as, otherwise, the only remedy for applicants would be judicial review, or complaint to the ombudsman, which would not seem to be in the interests of either the applicant or the council.
8. At present one way of helping clients who find it difficult to budget, and have arrears of council tax, is by way of direct deductions from their benefits. This makes it easy for the client, and ensures that any payments go to the council rather than in bailiff fees. Will this still be possible under the new scheme?

9. We find the Protocol agreed with the council has benefits for us as advisors, our clients as debtors, and the council in recovering money. We would hope that the protocol will apply to the new scheme and look forward to any necessary amendments being discussed with us at an early stage.
10. We hope that a comprehensive guide to the new support scheme will be produced for the benefit of claimants, advisers, and council staff. We would suggest that, for clarity, it contains the relevant provisions from existing legislation and rules rather than referencing to other resources.

## **Appendix 2: Written Response from Tenant and Leaseholder Congress**

<b>Communications and Marketing (Council Tax Benefit) Nottingham City Council Loxley House Station Street Nottingham NG2 3NG</b>	Tenant and Leaseholder Congress Tenant Resource Centre 14 Hounds Gate Nottingham NG1 7BA  29 October 2012
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Dear Sir / Madam

### **Big Changes to Council Tax Benefit Consultation – Response from the Tenant and Leaseholder Congress at Nottingham City Homes**

Please accept the following comments as a response to your public consultation on the proposed new Council Tax benefit scheme being introduced by the City Council.

The Tenant and Leaseholder Congress (TLC) is the body that represents tenants and leaseholders from Nottingham City Homes. The TLC is made up of tenants and leasehold property owners from across the estates managed by Nottingham City Homes. As such TLC members are tenants and leaseholders of Nottingham City Council. The TLC discussed this matter at its meeting in September and these comments are the outcome of that discussion<sup>1</sup>.

#### **General Comments (also relating to Q1, Q7 and Q8)**

TLC members were concerned that although there would often be small sums to collect from large numbers of people under the new scheme, if every working age household is required to make a contribution, this would still cause hardship to many low income households, especially families. Moreover several TLC members had strong recollections of the Poll Tax and the efforts the Council had to make to collect small sums for that. There was a perception that ultimately significant amounts had to be written off, which was

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<sup>1</sup> Relates to response question 12. Questions 13 to 24 are not applicable for this response from a representative body.

perceived as unfair by those on low incomes who did pay. Persistent attempts to collect the money will increase the collection costs significantly, so that ultimately there is a risk of avoiding the perception of unfairness by pursuing payments at a greater cost than the sum owed.

### **Reducing the Upper Savings Limit from £16,000 to £6,000 (Q3)**

There is particular concern about proposals to reduce this savings limit. It brings the entitlement arrangements out of line with savings limits for other benefits, which is confusing, and will result in people with modest savings above £6,000 suddenly being required to pay a substantial sum compared with their existing arrangements. £16,000 is not a modest level of savings should people need funds for significant items of unusual expenditure (like replacing a car to help them search for work, or take a job they cannot access by public transport). In addition the £16,000 saving limit has itself not been updated for quite some years so has been eroded by inflation in any case.

We would request that the £16,000 savings limit is retained. If this is deemed unaffordable then perhaps a savings limit of £10,000 could be considered.

As things stand we disagree with this aspect of the proposals.

### **Removing Back Dating (Q5)**

We disagree with this part of the proposals.

There can be many reasons why people need to back date claims, these can relate to confusion, poor health, lack of awareness of eligibility, inability to complete forms without help, poor advice or rumour etc.

Since sums owed for local charges and taxes can often be back dated we see no reason why claimants should not be able to back date claims. It seems rather mean spirited to prevent this.

Since a claimant has to show 'good reason' why their claim must be back dated under the current arrangements there is already scope for the council to consider claims within that context. We would argue that the existing arrangements for backdating are retained where claimants can show 'good reason'.

### **Setting a minimum award level (Q6)**

The TLC believes that where people are entitled to sums of benefit, those sums should be paid in full, even if they are low amounts.

In considering the issue of how funds can be generated to meet the shortfall in funding provided by central government the TLC believes that local councils now have or are to be given certain freedoms to charge extra sums in Council Tax to owners who have property standing empty over the long term. The TLC would request that using funds generated from this additional power to raise income from the owners of such properties could result in funds being available to meet the costs of the areas where we think the City Council

should alter its proposals, particularly in regard to the topics covered in questions 3, 5 and 6.

We hope that you can consider these points.

Yours sincerely



**Jean England - Chair, Tenant and Leaseholder Congress**

**Appendix 3: Written response from Nottingham City Homes to the Nottingham City Council consultation on the proposed Council Tax Support Scheme for residents of the City of Nottingham**

Nottingham City Homes (NCH) recognises the difficult task that the City Council has had to undertake in devising a scheme to support working age households in receipt of Council Tax Benefit. The City seemed to have been left with extremely difficult choices to make as a result of the Government's decision to allow local authorities to create their own schemes whilst reducing the funds available. This is clearly made more difficult by virtue of the national constraints placed around the scheme, and the high numbers of low income households in the city who are currently entitled to Council Tax Benefit and will continue to need some support.

NCH's response to the consultation has been informed through discussion with staff at various levels, with experience of income collection, welfare benefits advice and tenancy and estate management. NCH has also engaged in discussions with tenant and leaseholder representatives via our Area Panels and via the Tenant and Leaseholder Congress. Those discussions have informed the comments in this response.

**Q1) Putting a maximum limit on the amount of council tax support that can be paid to all working age people – where everyone would pay at least 20% towards their Council Tax bill.**

As for many low income households in the city, NCH notes that this part of the welfare reform proposals has the potential to cause significant hardship to certain households, already facing other welfare changes (like the under occupancy "bedroom tax").

NCH also notes that the consequences of making all working age claimants pay at least 20% of their Council Tax will result in relatively small weekly sums owed for certain households. These sums will have relatively high collection costs as a proportion of the sum owed.

NCH believes that the Council will need to provide for a weekly payment option rather than a traditional 10 monthly period for Council Tax, to allow for

tenants to budget more effectively. Given that payments can be made at NCH payment counters both NCH and the council will need to work closely in partnership to avoid tensions that may emerge between NCH (collecting rent) and the City Council (collecting Council Tax) in the sense of which is the tenants' priority debt and how will payments be allocated if someone pays only a proportion of the combined charge at either organisations respective payment points.

One current consideration being considered across the East Midlands is a Credit Union Account model to be adopted by a number of housing organisations across the region where tenants can have money paid into this account and priority bills such as rent and Council Tax can be paid from this. However whilst this could potentially be an option for tenants and residents it does come at a cost of about £3-£5 per month dependant on the account type. It also costs the landlord in set up costs and the recipient in terms of transactions received. NCH would be prepared to examine options jointly with the City Council to see if this, or other methods of efficient electronic payment offered a viable option for customers to use to prevent them from going into debt on these matters.

The proposals to make all households pay at least 20% mirrors the arrangements brought into place when the Community Charge was introduced. Longer serving staff with experience of those arrangements noted that there were significant difficulties in recovering small debts from people whose ability to pay was limited. The imposition of the welfare changes overall may result in these difficulties being greater this time around. This increases the risk of write offs, and in effect insufficient funds being received to cover the costs of the shortfall in government funding outlined by the council.

## **Q2) Capping the Council Tax support to 80% and property band restrictions**

The vast majority of NCH tenancies are in homes banded at A and B, so this aspect of the proposals is unlikely to have a major impact on our tenants

## **Q3) Reducing the upper savings limit from £16,000 to £6,000**

NCH would make the following comments.

For those households with savings at the 'margins' of any proposed figure it is likely that people will find ways of 'disposing' of savings (either through expenditure or gifts) to bring them into the scope of eligibility. This might mean that the City Council anticipated savings are not as high as might be projected.

The £16,000 savings limit is currently applied across a range of social security benefits. Departing from that figure for this scheme may well cause confusion, and will be perceived as being unfair by those who receive other benefits where the government's £16,000 savings limit applies. Such households will come within the requirement to meet the Council Tax in full and this will have

a significant financial impact. For a low income householder currently entitled to full Council Tax Benefit with savings of around £10,000 there will be an immediate liability for payment of the Council Tax in full which will mean the need to find nearly £90 per month for a resident in a Band A dwelling. As the council is aware, this will rapidly deplete their savings undermining an ability to meet other large payments should the need arise (replacing a cooker or washing machine for example). This is a point made very strongly by tenants at one of our Area panels, especially in relation to those who may have been bereaved before retirement age and perhaps received a pension or other lump sum that resulted in their savings being greater than £6,000.

#### **Q4) Removing the Second Adult Rebate**

NCH has no comments to make on this proposal

#### **Q5) Removing back-dating**

All means tested social security (as well as taxation systems) are complex. The City Council has long recognised this through its provision of support for advice agencies amongst other services. Nottingham City Homes also provides financial advice designed to help tenants maximise their income where possible, and other social landlords do the same. It is our experience that many claimants fail to claim benefits to which they are entitled to through lack of knowledge or confusion about entitlement. It's often the most vulnerable who have the least knowledge, for example those who are mentally ill, and thus do not claim at the earliest opportunity.

When discussing this with tenants there was a strong feeling that preventing back dated claims was not in the spirit of natural justice and the City Council should be asked to look again at this proposed change with a view to permitting back dating.

Furthermore NCH is concerned that on some occasions members of the public may be misadvised about eligibility, and this can even happen in discussions with the authority's own staff. In such circumstances we believe that back dated claims should be considered. The difficulty here relates to proof of the discussion. This will mean that there will be pressure on staff to record all enquiries, or to retain recordings of telephone enquiries, as an evidence base, which itself pushes up the costs of administration. The alternative is likely to be an increased volume of complaints (including to Councillors and Members of Parliament), with their associated costs of investigation. It may be cheaper to permit the backdating of claims.

#### **Q6) Setting a minimum award level**

Some tenants expressed the view that if you were entitled to a benefit then you should receive it however small it was. Others felt there was an acceptable level of compromise here.

In the light of this NCH would suggest that the minimum award is set at the lower end of the sum being considered.

### **Q7) Recognising the needs of particular households**

NCH recognises that devising schemes of this nature raises the prospect of increased administrative costs the more complex the eligibility assessments that need to be carried out are.

However, the matters under consideration are primarily *income* based issues, thus entitlement should perhaps be based wholly on income. Exempting types of income affords the ability to target a degree of extra assistance on certain groups (by virtue of their entitlement to the disregarded benefits concerned) but others on low income may see this as unfair.

One particular group that NCH would advocate for greater recognition around entitlement are care leavers. The City Council has a corporate parenting responsibility for these individuals for some time (until they are 21 or in some cases longer), yet they do not have the option of living with families to minimise their Council Tax liability as many (but of course not all) other younger people do. This is a matter NCH wishes to ask the City Council to look at again.

### **Q8 & 9) Do you think that some households should get more support than others?**

This is difficult to respond to as the impact would depend on where the additional support is targeted. However, responses above indicate that there are some aspects of the proposals that could be looked at again to see if certain groups could receive different entitlements, without creating an over complex administrative system.

### **Q10) What would these changes mean for your household**

Not applicable

### **Q11) Any other comments**

- NCH is not submitting further comments on the 'Full Details of the Scheme' as set out in the relevant documentation published on the City Council's web page.
- NCH has a general concern about the financial impact these changes brought about by Government's approach to the provisions of support for Council Tax payers on low incomes will have on our customers. NCH is concerned that it will create additional financial hardship which will result in a decreased standard of living for some of the most vulnerable people of working age in the city. This is likely to create, indirectly, further work for organisations like NCH as well as a range of other public service providers

who provide services to these individuals. NCH will continue to lobby over this issue, and we are confident the City Council will do the same too.

#### **Q12) How are you responding to this survey**

- 'Other' – an Arms Length Management Organisation (ALMO) managing circa 28,000 social housing dwellings.

#### **Response submitted by:**

Nottingham City Homes  
14 Hounds Gate  
Nottingham  
NG1 7BA  
[www.nottinghamcityhomes.org.uk](http://www.nottinghamcityhomes.org.uk)

#### **Appendix 4: Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign**

Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign is writing to you regarding the proposed abolition of Council Tax Benefit Scheme and its replacement by local Council Tax Schemes and regarding your consultation.

Please note that we have written 'Don't know' to questions 7 and 8 because the questions are slanted as is the options for answers in question 9

This is dealt with more fully in our response

#### **Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign condemns the Con-Dem government's proposals.**

#### **Aim of the campaign**

To oppose the proposed abolition of Council Tax Benefit and its replacement by local Council Tax Schemes; to campaign for councils to refuse to pass on the cuts to its local community; to support those who are unable to pay their council tax due to the proposed changes; to call on councils not to pursue those who are unable to pay their Council tax due to the council's changes

Under the misnamed 'Welfare Reform Act', the government is proposing to abolish the national Council Tax Benefit scheme which is centrally funded and make all councils in England bring in their own scheme from April 2013. This is with less funding, aiming to save around £410 million in England, approximately 10% of current costs. In Nottingham and Nottinghamshire the cut is around £13.29 million. For Nottingham City Council the shortfall is closer to 15% of what Nottingham City Council currently pays out in Council Tax Benefit. According to a report by Broxtowe Borough Council (July 2012), they estimate the loss to Nottingham City Council to be £6,185,000 as the billing authority and £5,280,000 as receiving authority.



The government wants councils to cut benefits as part of the attack on the welfare state to make the 99% pay for the bankers' and the system's crisis. The government wants to make benefits so awful that people will work for as little as employers want to pay. Hardly surprising, some in the government want to get rid of the National Minimum Wage.

A recent report in the Guardian newspaper (Tuesday 16<sup>th</sup> October) based on Freedom of Information requests by "False Economy" reported that councils were resigned to seeing residents refusing to pay their council tax. Nottingham City Council's proposals mean that many people will not be able to afford to pay their council tax.

### **Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign calls on the council to commit to not pursuing people who cannot afford their council tax.**

The BBC has reported that the Tory, Patrick now Lord Jenkin, who designed what became known as the "poll tax" in the 1980s has warned that Council Tax Benefit cuts risk creating a "poll tax Mark 2".

Despite Nottingham City Council saying it will campaign for changes to the government's proposals, it is implementing them and proposing savage attack along with Derby and Leicester councils.

### **Nottingham City Council is proposing amongst other measures:**

- With some similarity to the disastrous poll tax, that all working age people would have to pay at least 20% of their Council Tax bill with some similarity to the poll tax. The councils own consultation document provides examples of the increased payments the council would expect which will be unaffordable for many Council Tax Benefit recipients and would mean a choice between paying a Council tax Bill or putting towards necessities such as food or ever rising utility bills

### **Nottingham City Council is proposing**

- a property band restriction. Council Tax Benefit would be based on a maximum of a band B property. Therefore, if one member of a couple worked and one did not and the working person lost their job – they would pay:
  - If in a band B property, £251 per year - £5 a week
  - If in a band D property £606.92 a year – £11.67 per week – a massive 37% of their council tax

This proposal is penalising people for no other reason than they live in a property banded above Band B. Whilst the council states that is 5.08% of those currently receiving Council Tax Benefit, unemployment and short time working is affecting more and more people. Illness can prevent people

working whatever their property band. In addition, once the principle is implemented of a property restriction, the local authority may well argue for a Band A restriction (as mentioned as an option in question 9) once funds are reduced even further by the government.

### **Nottingham City Council is proposing:**

- to reduce the upper savings limit to £6,000. Savings of £6,000 is not a large amount when compared to the huge salaries of the government, MPs, the private funders of the Conservative Party and the bankers with their bonuses. Nottingham City Council's proposal is even harsher than the current limits £16,000 and will cause hardship

Nottingham City Council is penalising people and denying Council Tax Benefit to people who e.g. due to bereavement receive some monies or are saving up for their retirement (which is encouraged) or who perhaps receive some redundancy pay (having suffering the loss of their job)

The Guardian newspaper has reported Councils already believe that up to half of people on low incomes will not pay their council tax and there is little the councils can do because it will not be cost effective.

### **Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign**

- opposes all changes to Council Tax Benefit that are a detriment including the proposals that all working age people would have to pay at least 20% of their Council tax; we oppose the reduction in the savings limits; we oppose the changes proposed for the Second Adult rebate and for non-dependents
- calls on the local authority to make clear that it will not pursue those on low incomes including those at work because it would not be cost effective

### **Nottingham City Council proposes wants to remove backdating.**

This will inevitably affect the vulnerable who may not be able to make a claim without help. Normal local authority practice is to commence a claim from the Monday after the claim is received. It is unreasonable to expect people to be able to guarantee that they can make their claim in advance or on the first Monday. For those who need help and support making their claim and/or whose circumstances are such that it is not realistic to expect them to make their claim on time, they would be penalised by this proposal.

**As the local authority has a duty under the regulations to protect the vulnerable, we believe removing backdating is in conflict with this duty.**

Situations arise, whereby the claimants may lose their job without much notice. Is Nottingham City Council to back date claims in these

circumstances? Will Nottingham City Council backdate acclaim if the previous person liable for the Council Tax has died or because an exemption had been removed? **Does the local authority truly believe that in these circumstances, claims will arrive 'on time'?**

### **Nottingham City Council is proposing setting a minimum award level**

The wording of this proposal can be confusing. Initially, it might appear that this proposal means that all those who are entitled to receive some Council Tax Benefit would have their entitlement made up to a minimum of £2 or £4 per week. However, this does not appear to be the case. It appears that the local authority is proposing that anyone who would receive less than the £2/week or £4 /week proposed would lose their entitlement. If this is so, it is a petty, penny pinching approach.

### **Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign opposes the end of backdating;**

#### **Protecting pensioners**

Currently, the government has exempted pensioners (approximately 1/3 of Council Tax Benefit recipients) from this latest attack but we believe that if this government is successful in abolishing the national Council Tax Benefit scheme due to a lack of fight by local authorities, they will look to make further cuts in the funding available and will consider removing the safeguard for pensioners.

### **Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign question whether the local authority has effectively considered how it will implement its scheme and prevent any detriment to pensioners.**

Will the local authority systems automatically pick up that a Council Tax Scheme recipient is not of working age and that person should not suffer a detriment by the local authority proposals?

Will the local authority systems automatically pick up that a Council Tax Scheme recipient has a birthday during the year and is no longer of working age and that person should not suffer a detriment by the local authority proposals?

What will be the situation in households where there are two adults who are jointly and severally liable if one of the adults is not of working age?

Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign would expect that the local authority takes responsibility for ensuring that those adults who are no longer of working age do not suffer a detriment.

Is the local authority attempting to place the onus on to the claimant to inform the local authority if they are no longer of working age or will the local

authority accept that it is their responsibility? The former would not only be the council trying to absolve itself of responsibility but would lead to non working age adults suffering a detriment and raise the question whether the local authority was really attempting to protect those adults not of working age.

How will the ending of backdating not be a detriment to a non working age adult who does not make their claim 'on time' - **or will the local authority retain backdating for non working age adults**

Under the government's proposals, any increased demand for Council Tax Benefit e.g. due to job losses or reduced income such as from short time working, has to come from the pot of money already allocated by the government.

- Greater need means less is available for each recipient and year on year, if Nottingham City Council does not fight, it will be re-assessing claimants income and expected need and looking how to make the savings (e.g. cuts in benefits/increased charges).
- If the Con-Dem proposals are not stopped, if Nottingham City Council does not build a campaign to prevent these attacks on its local population, there will be further cuts in the money allocated by the government each year and Nottingham City Council will be faced with making even more draconian cuts in entitlements.

**Nottingham City Council (and all other councils) should do everything in their power to refuse to pass on central government cuts on and Nottingham City Council should stand firm to pay Nottingham residents according to their benefit needs based on the existing system.**

Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign would want to campaign with the Labour Council if it was truly willing to lead a serious fight for funding to retain the current scheme and if it refuses to pass the cuts on either by increased charges and/or cuts in benefit entitlement.

Where available, councils should use reserves to cover any shortfall and to buy time to build a mass campaign for properly funded councils and the return of monies lost due to reductions in central government funding. Nottingham City Council should stop using highly paid external consultants which costs millions of pounds.

If the council does not retain the current scheme, Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign will support those unable to pay their council tax.

With regard to questions 7, 8 these are slanted questions and a Yes or No answer cannot answer them properly. The local authority links increasing support for particular households with reducing Council Tax Benefit by even more and/or making further restrictions such as a Band A property restriction.

**The local authority should be leading a campaign, fighting for proper funding from the government.**

It is clear that some households will need more support than others based on their needs and paid in accordance with the existing Council Tax Benefit system, but this should not be used to separate groups into “deserving” and “non-deserving”.

The present system provides benefit to people with a wide range of needs and different circumstances. None of these groups should be excluded, and neither should there be an “across the board” cut for any or all groups. The present system, based on the needs of the people of Nottingham, should be allowed to continue and not be cut by an arbitrary figure by central government.

**Equality Impact Assessment**

Nottingham City Council has a duty to ensure its proposals have been Equality Impact Assessed and should seek to ensure that no person affected shall suffer a detriment either directly or indirectly as a result of their ‘protected characteristics’.

Has the local authority carried out an Equality Impact Assessment of its proposals and when is it to be published and made readily available?

**Nottingham and Nottinghamshire Defend Council Tax Benefits Campaign** [defendcounciltaxbenefits@yahoo.co.uk](mailto:defendcounciltaxbenefits@yahoo.co.uk)  
**07521 569 622**

**Appendix 5: Nottingham City UNISON Branch Executive**

Please see the letter below which we sent to all Nottingham City Councillors on 30 October 2012 by Nottingham City UNISON Branch Executive

Dear Councillor

Government plans to abolish the National Council Tax Benefit Scheme. We are writing to you regarding the proposed abolition of Council Tax Benefit Scheme and replacement by local Council Tax Schemes. Nottingham City UNISON condemns the Con-Dem government’s proposals. Under the misnamed ‘Welfare Reform Act’, the government is proposing to abolish the national Council Tax Benefit (CTB) scheme which is centrally funded and make all councils in England bring in their own scheme from April 2013. This is with less funding, aiming to save around £410 million in England, approximately 10% of current costs. In Nottingham and Nottinghamshire the cut is around £13.29 million.

The government wants councils to cut benefits as part of the attack on the welfare state to make the 99% pay for the bankers’ and the system’s crisis and to make benefits so awful that people will work for as little as employers

want to pay. Hardly surprising, some in the government want to get rid of the National Minimum Wage.

Currently, the government has exempted pensioners (approximately 1/3 of CTB recipients) from this latest attack but we believe that if this government gets away with the current proposals due to a lack of fight by local authorities, they will look to make further cuts in the funding available and will consider removing the safeguard for pensioners.

Under the government's proposals, any increased demand for CTB e.g. due to job losses or reduced income such as from short time working, has to come from the pot of money already allocated by the government. Greater need means less is available for each recipient and year on year, if your council does not fight, you will be re-assessing claimants income and expected need and looking how to make the savings (e.g. cuts in benefits/increased charges).

If the Con-Dem proposals are not stopped, there will be further cuts in the money allocated by the government each year. Even councils that are not proposing to cut Council Tax benefit in 2013/14 will find that if they do not fight for a properly funded scheme, sooner or later, they will not be able to raise sufficient funds without making cuts in benefit entitlements.

Increasing charges is not an alternative to fighting – it reflects a lack of will of councils to fight for more funding and prepares the way for cuts. Where available, councils should use reserves to cover any shortfall and to buy time to build a real campaign for proper council funding.

For Nottingham City Council, the shortfall is closer to 15% of what the City Council currently pays out in Council Tax Benefit. Such a cut means the council needs to actively fight back to win the necessary money to cover the cut not just oppose the Con-Dem proposal in words.

Despite the council saying it will campaign for changes to the proposals, it is implementing them and proposing savage attacks along with Derby and Leicester councils. Our union opposes the council's attack on Council Tax Benefits. Every working age person and their partner would have to pay at least 20% of their Council Tax bill - with some similarity to the poll tax an unwaged person on their own would be paying 20% of the bill. Council Tax Benefit would be based on a maximum of a band B property. Therefore, if one member of a couple worked and one did not and the working person lost their job – they would pay:

If in a band B property, £251 per year - £5 a week If in a band D property £606.92 a year – £11.67 per week – a massive 37% of their council tax If people are able to save up for retirement or lose their job and receive some redundancy money, if a person and/or their partner has savings above £6,000, they will not be entitled to any council Tax Benefit To add insult to injury - if a claim is not in on time and there can be many reasons for that – no backdating will be allowed.

The council is also considering stopping CTB if the amount due to a recipient is less than £2/week or £4/week. This is, in effect, robbing people of money they need and are entitled to.

These proposals mean that many people will not be able to pay their council tax. We therefore ask the City Council not to pursue people who cannot afford to pay these new council tax charges. Rather than pass on Con-Dem cuts, councils should refuse to pass on the government cuts and should be building a mass campaign to fight for properly funded councils and the return of monies lost due to reductions in central government funding. Councils should stop using highly paid external consultants which in Nottingham costs millions of pounds.

Nottingham City UNISON stands in support of those who are unable to pay their increased council tax charges. Our members will be affected by this attack on benefits. Nottingham City UNISON would want to campaign with the City Council if you are willing to fight for funding to retain the current scheme and if you refuse to pass the cuts on either by increased charges and/or cuts in benefit entitlement. If the council does not retain the current scheme and passes on the proposed attacks on council tax benefit, UNISON will play our part in helping to build a campaign across the trade union movement, to try and defeat these proposals.

Yours sincerely

Jean Thorpe UNISON Branch Co-Chair

On behalf of Nottingham City UNISON Branch Executive

## Appendix 6: Respondent Demographics

Demographics		Pre	Main
<b>Gender</b>	Male	43%	50%
	Female	57%	50%
<b>Age</b>	16 – 24	7%	5%
	25 - 44	49%	47%
	45 - 64	43%	44%
	65 & over	1%	4%
<b>Disability</b>	Yes	38%	32%
	No	62%	68%
<b>Sexuality</b>	Heterosexual or straight	83%	80%
	Gay or Lesbian	4%	7%
	Bisexual	1%	2%
	Other	2%	1%
	Prefer not to say	10%	11%
<b>Ethnicity</b>	White - British	78%	77%
	White - Irish	1%	1%
	White – Gypsy Traveller	0%	0%
	White - Other	6%	5%
	Mixed - White & Black Caribbean	1%	1%
	Mixed - White & Black African	0%	1%
	Mixed - White & Asian	1%	1%
	Mixed - other	0%	1%

	Asian - Indian	1%	1%
	Asian - Pakistani	2%	3%
	Asian - Bangladeshi	0%	0%
	Asian - Chinese	1%	0%
	Asian - Other	2%	1%
	Black - Caribbean	3%	2%
	Black - African	3%	4%
	Black - Other	1%	1%
	Arab	0%	0%
	Other	N/A	2%
<b>Religion</b>	None	N/A	40%
	Christian	N/A	44%
	Buddhist	N/A	1%
	Hindu	N/A	1%
	Jewish	N/A	0%
	Muslim	N/A	5%
	Sikh	N/A	1%
	Any other religion	N/A	4%
	Prefer not to say	N/A	7%

### Appendix 7: Ward Breakdown of Respondents

355 respondents from the total sample provided valid City postcodes. The following table provides a Ward breakdown of these postcodes

<b>Ward</b>	<b>Total</b>
Arboretum	24
Aspley	22
Basford	14
Berridge	31
Bestwood	17
Bilborough	23
Bridge	24
Bulwell	15
Bulwell Forest	15
Clifton North	13
Clifton South	16
Dales	28
Dunkirk and Lenton	3
Leen Valley	7
Mapperley	14
Radford and Park	13
Sherwood	25
St. Ann's	37
Wollaton East and Lenton Abbey	3
Wollaton West	11
<b>Grand Total</b>	<b>355</b>