

Report to Council
29 January 2013
Report of Chief finance officer
Subject Council tax reduction scheme for 2013-14

Item

9

Purpose

To consider the results of the consultation and agree the council's approach to its council tax discounts and exemptions and council tax reduction scheme for 2013-14.

Recommendation

That council resolves to approve :

- 1) the proposed council tax reduction scheme for 2013-14;
- 2) the proposed revised council tax discounts and exemptions.

Corporate and service priorities

The report helps to meet the corporate priority "value for money services".

Financial implications

The overall financial implications of the report are that:

- a) Norwich City Council is likely to receive a reduced income for 2013-14 of approximately £42,000, taking into account the transitional grant, and contribution to additional collection costs.
- b) Norfolk County Council is likely to receive reduced income for 2013-14 of approximately £214,000 taking into account the transitional grant, and incur one off costs of £30,000 through a contribution to Norwich City Council's additional collection costs.
- c) Norfolk Police is likely to receive reduced income for 2013-14 of approximately £37,000 taking into account the transitional grant.

Ward/s: All

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Caroline Ryba, chief finance officer

01223 699292

Russell O'Keefe, executive head of strategy, people and democracy	01603 212908
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Anton Bull, executive head of business relationship management	01603 212326
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Background documents

None

Report

Background

1. In April 2013 the government will abolish the current national Council Tax Benefit Scheme which helps those people with no or low income to pay their council tax. The government sets the rules regarding who can claim and how much benefit they would receive. At present the government funds 100% of the current Council Tax Benefit Scheme.
2. To replace council tax benefit the government told local councils to come up with their own locally run scheme called the Council Tax Reduction Scheme. As part of this the government is reducing the amount of funding it provides to councils for this by 10%. In Norwich this will be equivalent to a reduction of about £1.5 million per year. However, the government has also said that pensioner households cannot lose any of their council tax benefit.
3. The government's national policy statement on council tax reduction also stated that council's must carry out consultation on the development of a scheme in the following order:
 - a) with any major precepting authority (who should have been able to influence the shape of the draft scheme);
 - b) publish a draft scheme;
 - c) consult such other persons as considered likely.
4. The council has followed this approach in the way it has developed and consulted on a council tax reduction scheme.
5. Under the legislation a council tax reduction scheme has to be approved each year by Council. The proposed council tax reduction scheme within this report is, therefore, a scheme for 2013-14.

Options for a council tax reduction scheme

6. There are a number of different ways the shortfall of £1.5 million per year could be addressed when developing a council tax reduction scheme including:
 - a) **Raising additional income from other council tax payers by changing council tax exemptions/ discounts** – other changes mean the exemptions and discounts from paying council tax for other council tax payers with second homes, empty properties or who have had to move out because of structural problems in their property can be reduced or removed by the council. The latest assessment suggests that this would raise approximately £850,000 per annum in additional revenue in Norwich during 2013-14 (see point 22 of the report). Most local authorities are planning to take forward this option.

- b) **Reducing the council tax support to those on low or no incomes** – there are a number of ways the council could design a scheme that would reduce the level of financial support provided to people on low or no incomes in paying their council tax. Inevitably as the groups affected are all on low or no incomes then the impacts on them are likely to be significant and the ability of the council to actually collect the council tax from them will be reduced. When considered alongside other changes and socio economic effects there is also the potential for a range of wider impacts such as increased deprivation, higher levels of child poverty (Norwich already has the highest levels in the eastern region), increased demand on other services e.g. debt and money advice, support for troubled families etc.
- c) **Subsidising the shortfall** – the shortfall could be met by subsidising it from the council tax collection fund which would reduce the amount of money the three statutory authorities receive. Any shortfall in the council tax collection fund would be shared out on the same basis as the overall fund is distributed with Norfolk County Council receiving 73%, Norwich City Council 14.4% and Norfolk Police 12.6%.
7. On the 13 June 2012 cabinet agreed to establish a cross party working group to consider the different options and make a recommendation to Cabinet on the proposed approach.
8. The cross party working group met over the summer period and assessed the options resulting in the two following possible options for draft schemes:
- **Option 1:** Raise additional income from other council tax payers by changing council tax exemptions/ discounts and the collection fund to subsidise the remaining shortfall from the council tax collection fund which would reduce the amount of money the three statutory authorities receive.
 - **Option 2:** Raise additional income from other council tax payers by changing council tax exemptions/ discounts and cut the council tax support to people who currently pay low or no council tax through a number of methods.
9. As part of this process, in line with the government's national policy statement, consultation was carried out with the two precepting authorities, Norfolk Police Authority and Norfolk County Council on the options to help shape the development of the draft proposed scheme.
10. The views put forward by Norfolk County Council and Norfolk Police authority were reported to cabinet to inform their decision on the shape of the draft proposed scheme for wider consultation.
11. Informed by these views and the information and impact assessments included with the report on the 12 September the cabinet agreed to carry out wider consultation on the following proposed draft scheme:

- **Option 1:** To raise additional income from other council tax payers by changing council tax exemptions/ discounts and the collection fund to subsidise the remaining shortfall from the council tax collection fund which would reduce the amount of money the three statutory authorities receive.

Consultation process

12. The consultation on the proposed draft council tax reduction scheme was carried out simultaneously with wider consultation on the development of the council's budget for 2013-14 as part of an integrated consultation process.
13. In line with the successful approach used for last years consultation on the future priorities and shape of the council the following principles were applied in designing the overall consultation process:
 - **proportional** – the time, resources and methods used for the consultation should be in line with the purpose, impact and legislative requirements.
 - **inclusive** – the consultation should be fully inclusive and provide different methods of access to ensure those people who want to take part are able to.
 - **genuine** – the results of the consultation should be statistically valid and used to fully inform the decision making process
 - **consistent** – given that different methods of consultation will be employed, it will be important to ensure consistency in approach.
14. To ensure that a consistent approach was taken throughout the process a core consultation document was developed which acted as the basis for all the different consultation methods.
15. This core consultation document was then delivered through the following methods:
 - **Web survey** – promoted to the public, statutory, business and voluntary partners, Unison and employees.
 - **Your Voice citizens panel** – which is broadly representative of the demographic makeup of the local community
 - **Paper copies** available for people who specifically request them and at existing community events during the period.
 - **An equalities forum.**
16. This was considered an appropriate mix of consultation methods that fully meet the principles of good consultation outlined at point 13 of the report.

Consultation results and recommended council tax reduction scheme

17. The full results from the council tax reduction scheme element of the consultation are set out in detail in Annex A of this report. The results of the consultation on the development of the council's budget for 2013-14 will be

reported to cabinet and council separately as part of the budget setting process.

18. Overall of the people who completed the consultation and answered the question:
- 58% supported the council's proposed council tax reduction scheme namely option 1: To raise additional income from other council tax payers by changing council tax exemptions/ discounts and the collection fund to subsidise the remaining shortfall from the council tax collection fund which would reduce the amount of money the three statutory authorities receive.
 - 42% supported option 2: To raise additional income from other council tax payers by changing council tax exemptions/ discounts and cut the council tax support to people who currently pay low or no council tax through a number of methods.
19. In line with the overall results of the consultation it is proposed cabinet agree that option 1 forms the proposed council tax reduction scheme for 2013-14 that is recommended to council for approval.

Council tax discounts and exemptions

20. In line with the approach of raising additional income from other council tax payers by changing council tax exemptions and discounts, a range of work has been carried to finalise what those changes should be. This has included work amongst all the councils in Norfolk to try and agree as similar a set of changes to council tax discounts and exemptions as possible.
21. Following the completion of that work it is now proposed that council approve the following set of changes to council tax discounts and exemptions:
- To increase the amount of council tax payable by second home owners from 90% to 95% and that the additional income generated is utilised in accordance with the existing second homes council tax agreement.
 - To allow a 50% discount for up to 12 months for empty dwellings undergoing major repairs (Class A).
 - To grant a 100% discount for vacant dwellings (Class C) for the first month and that the discount is then reduced to zero up to 6 months.
 - To charge 100% council tax for long term empty properties (vacant between 6 months and 24 months) and allow no discount.
- and;
- After 2 years to levy an empty homes premium of an additional 50% in council tax.

22. In total it is estimated that these changes will raise approximately £850,000 in additional revenue per annum for the Norfolk council tax collection fund during 2013-14. This is shown in more detail in Annex B.
23. In addition, as part of discussions with Norfolk County Council, the major precepting authority, it has been agreed that they will provide the city council with a one off payment of £30,000 for 2013-14 to contribute to the additional costs of collecting this extra council tax revenue.

Council tax transitional grant

24. In October 2012 the government announced that it was making available to local authorities a council tax transitional grant. This one off grant for 2013-14 could be claimed by local authorities if the council tax reduction scheme for the area met the following criteria:
 - a) Those who would be entitled to 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their net council tax liability;
 - b) The taper rate does not increase above 25%;
 - c) There is no sharp reduction in support for those entering work.
25. The proposed council tax reduction scheme for 2013-14 that is recommended following consultation meets these criteria and, as such, it was recommended that cabinet agree to accept the government transitional grant for council tax reduction and delegate authority to the chief finance officer to apply for the grant.
26. This will result in the following grants being received for 2013-14:
 - **Norwich City Council** would receive £51,377
 - **Norfolk County Council** would receive £260,458
 - **Norfolk Police** would receive £44,792

Preparation for implementation

27. While the consultation was being carried out, work has commenced to prepare for the implementation of a council tax reduction scheme in Norwich. This has included drafting of a new scheme of regulations, changes to business processes, the purchase of new ICT software, plans for staff training and a number of other activities. The council received a one off 'new burdens' grant of £84,000 from the government to support the development of a council tax reduction scheme and this money is being used to fund these activities.

Overall timescales

28. The overall timescales for the approval and implementation of the council tax discounts and exemptions and council tax reduction scheme for 2013-14 are set out in the table below.

Action	Timescale
Scrutiny meeting to pre-scrutinise report to cabinet following consultation on council tax reduction scheme	20 December 2012
Cabinet considers proposed council tax discounts and exemptions and council tax reduction scheme for 2013-14	14 January 2013
Council agrees council tax discounts and exemptions and council tax reduction scheme for 2013-14	29 January 2013
Implementation of council tax discounts and exemptions and council tax reduction scheme for 2013-14	1 April 2013

Review by scrutiny committee

29. On the 20 December 2012 scrutiny committee carried out pre-scrutiny on the report to cabinet. They made the following recommendations:
- (a) to commend the work carried out by the working party
 - (b) agree the proposed council tax reduction scheme for 2013-14 is recommended to council for approval;
 - (c) agree the proposed revised council tax discounts and exemptions are recommended to council for approval;
 - (d) set up a working party at a suitable time to look at the options for the 2014/15 scheme and in doing so examine other local authorities approaches
 - (e) include a 'frequently asked questions' section in future consultations.

Review by cabinet

30. On 14 January 2013 cabinet reviewed the report and resolved to recommend council to:

- (1) approve :
 - (a) the proposed council tax reduction scheme for 2013-14
 - (b) the proposed revised council tax discounts and exemptions
- (2) to accept the government transitional grant for council tax reduction for 2013-14 and delegate authority to the chief finance officer to apply for the grant;
- (3) accept the scrutiny committee recommendations to:
 - (a) set up a working party at a suitable time to look at the options for the 2014/15 scheme and in doing so examine other local authorities approaches; and,
 - (b) include a 'frequently asked questions' section in future consultations.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Council
Committee date:	29 January 2013
Head of service:	Caroline Ryba
Report subject:	Development of council tax discounts and exemptions and the council tax reduction scheme for 2013-14
Date assessed:	December 2012
Description:	To consider the approach to the development of the council tax discounts and exemptions and the council tax reduction scheme for 2013-14

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> Norwich City Council is likely to receive a reduced income for 2013-14 of approximately £42,000, taking into account the transitional grant, and contribution to additional collection costs. Norfolk County Council is likely to receive reduced income for 2013-14 of approximately £214,000 taking into account the transitional grant, and incur one off costs of £30,000 through a contribution to Norwich City Council's additional collection costs. Norfolk Police is likely to receive reduced income for 2013-14 of approximately £37,000 taking into account the transitional grant. The costs of implementing a new council tax reduction scheme will be offset by the 'new burdens' grant of £84,000 the council has received from the government for this work.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	To implement a new council tax reduction scheme is requiring the drafting of a new scheme of regulations, a range of changes to business processes, the purchase of new ICT software, staff training and a number of other activities. This is requiring work from a range of different services.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The implementation of a council tax reduction scheme will require new software to be put in place.

	Impact			
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The risks of implementing a council tax reduction scheme are managed in line with the council's risk management strategy.

Recommendations from impact assessment
Positive
Negative

Neutral

A final version of the equality impact assessment for the council tax reduction scheme is included below.

Issues

Neutral
A final version of the equality impact assessment for the council tax reduction scheme is included below.
Issues

Equality impact assessment template



NORWICH
City Council

1. Title of proposed policy, function or project:

Council tax reduction scheme

2. What are the aims and objectives?

The Welfare Reform Act 2012 abolished council tax benefit with effect from April 2013. Council tax benefit is provided to help people on low incomes pay their council tax bills. It is paid as a rebate or credit on the bill reducing the amount left to pay. For people with incomes at or below the safety-net income support level they will generally have no council tax left to pay.

The Local Government Finance Act 2012 gives councils the duty to implement their own local council tax reduction schemes in place of council tax benefit.

At present the government reimburses billing authorities fully for paying council tax benefit. The new legislation will reduce this support for councils by 10%. This will save £500m nationally as part of the government's deficit reduction strategy. For Norwich City Council, we pay approximately £15m, a year in council tax benefit and the support we receive from government will be cut by approximately £1.5m.

Councils are free to design local council tax reduction schemes which either pass on the 10% cut to customers, by reducing the level of help they give towards council tax bills, or funding the cut in grant from their own resources, by increasing council tax or increasing income from other areas.

Norwich City Council has considered two overall potential schemes and formally consulted on a draft scheme which does not cut benefit to any customers whether they are protected by the intended legislation or not.

3. Who are the key stakeholders?

The key stakeholders are:-

Existing council tax benefit customers and people who would become entitled to help in the future Council tax payers.

Preceptors - Norwich City Council, Norfolk County Council, Norfolk Police Authority.

4. What evidence has been used for this assessment?

The council's processing system for administering council tax and modelling software to show the impact of potential changes derived from the council tax system.

5. Have any concerns been raised about the proposed policy? (Please check the relevant boxes below)

	Yes	No	Not known
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Racial group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5a. What have people from these equalities groups told you about their concerns?

6. Do different groups have different needs in relation to this policy?
(Please check the relevant boxes below)

	Yes	No	Not known
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Racial group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

6a. Please explain what the potential outcomes are for these equalities groups:

The Local Government Finance Act 2012 and regulations which flow from it require councils to protect the level of help with council tax bills received by existing and future pensioners and vulnerable people. How vulnerable people are defined is a matter for councils to decide within the overall framework of legislation. For the option proposed, the impact will be neutral as the reduction would not be passed on to customers.

7. Is there a chance to: a. promote equality of opportunity, and b. promote good relations in the community? (Please check the relevant boxes below)

	Yes	No	Not known
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Racial group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

7a. Please explain whether the potential is for a positive or neutral outcome:

The option proposed has a neutral outcome as the proposed scheme will replicate the current entitlement to help received by existing council tax benefit customers.

8. Is there evidence to suggest that the policy may have a disproportionate adverse impact on an equalities group? (Please check the relevant boxes below)

	Yes	No	Not known
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Racial group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

8a. Please explain what this potential impact is and how you intend to mitigate against it in a proportionate and relevant way:

Option 1 This means that Norwich's council tax reduction scheme will reflect the principles and outcomes of the existing council tax benefit rules and there will be no impact for customers on the level of help they receive with their council tax bills

9. Please outline key recommendations and actions committed to in the future:

10. On the basis of this assessment, should this policy go on to the further impact assessment stage?

Yes ☐ **No** ☒

11b. Please explain:

As the proposal means that there are in effect no changes to the entitlement to relief that customers would receive no further impact assessment is required.

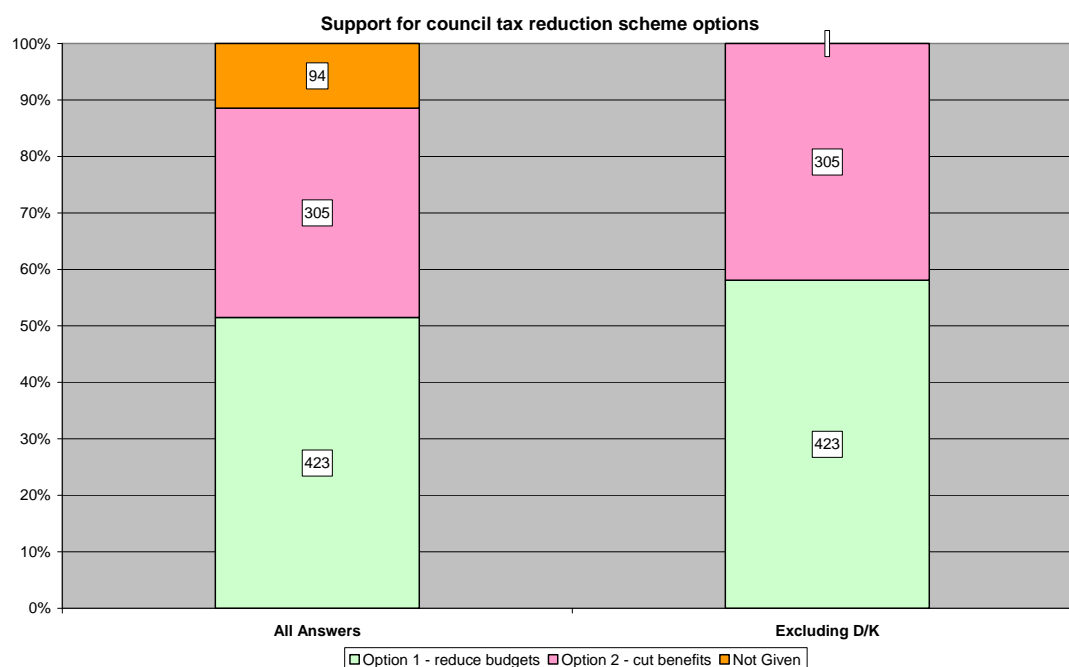
Lead review manager name:	Anton Bull
Job title:	Executive head of business relationship management
Date:	10 December 2012

Please note that the further impact assessment is only necessary if a potentially disproportionate negative impact has been identified.

Detailed consultation results

The key findings from the consultation on the proposed council tax reduction scheme are included within the body of the report.

In summary, from a response of just over 800, the results are:



C1 - council tax reduction scheme

	Option 1 - reduce budgets	Option 2 - cut benefits	Not Given
	423	305	94
	58.1%	41.9%	
Including not given	51.5%	37.1%	11.4%

As well as seeking views on the two specific options respondents were also asked to detail any other ideas or suggestions on the scheme (*QC2 Do you have any comments or suggested changes on our proposed council tax reduction scheme?*)

It is encouraging that around 230 written comments were submitted, split very roughly evenly between online and written methods. A number of these reiterated support (or otherwise) for some of the changes to exemptions already highlighted within the report (such as second or empty homes). There were also a number of suggestions about things which we cannot change under current legislation such as exemptions for all-student households or the introduction of a local income tax. Others dealt more generally with central government funding strategy or repeated suggestions made within the budget saving / income generating part of the survey (which will be reported within the budget setting framework early in 2013). As part of the feedback process it may be possible to compile some form of FAQ for these and the budget survey results where provision of more information may be useful.

There were also a small number of very specific **written responses** received outside of / additional to the survey process:

Royal British Legion – a letter from the national office was received requesting 100% disregard of all military compensation payments. These payments are currently disregarded in the existing scheme following a decision in September 2000 at an annual cost (for council tax benefit) of approximately £30,000. As the proposal for the council tax reduction scheme is essentially no change (other than changes to property based exemptions detailed in the report) then these disregards would continue into the new scheme with no change

Private landlord – an email from a landlord was received which suggested that any changes to exemption for properties empty for fewer than six months would simply have rents increased to cover additional costs. It was also suggested that the subsequent higher rents would increase homelessness and therefore be a net addition to council expenditure

A written submission from an East Anglian builder / developer was received also objecting specifically to removal of the six month exemption to empty homes. This was on the basis that (a) it may stifle sales of new homes where this is facilitated by part exchange and (b) would impact costs for the sale of new build where these are empty prior to sale. If there is failure to “receive exemptions in these circumstances we would seek to challenge this further”.

Survey comments

Very generally, and as a rough guide to the types of responses being given, a set of generic responses has been created to understand the frequency of certain response types:

- I think the single person discount should be scrapped
- I think the single person discount should be made more generous
- I think students should pay council tax
- I think those working but on low incomes should be protected
- I think those who are not working should pay something
- I think that where properties are empty whilst being renovated to make them energy efficient there should still be an exemption from council tax
- I think that properties on a lower band should have a lower rate of increase / have their charges reduced relative to those within higher bands
- I would like to see a third option which takes some money from local bodies but also reduces the level of benefits paid
- I do not think any money should be taken from police budgets
- I think more should be done to collect debts and / or charge those who fall into arrears
- I think people should do some form of work / volunteer if they are on benefits
- I support proposals to remove exemptions for second homes / empty homes
- Other (e.g. views on the government / council, budget / money saving options)

Some of the specific suggestions which are within our power to consider therefore include:

- A hybrid third option between taking money solely from the public bodies or solely from benefits. Included within this are some suggestions that certain budgets are protected (specifically police or education)
- Some proposed changes to certain thresholds such as the current disregard of up to £16,000 savings or greater increases on charges to second homes for example
- Reduce the period for which backdated claims for benefits can be considered

- Still allow some limited exemption or discount where certain types of works are being undertaken to empty homes
- As suggested from written submissions consider certain exemptions for part exchange or new build homes or private rented properties between lettings
- Increase resources on fraud and collection
- Make everyone pay at least something regardless of income

Any changes are likely to affect the amount of money being billed and / or collected and may also require resource to, for example, revise bills, check exemptions, chase payments.

A summary of some the suggestions made which are **outside our current powers** include:

- Charging student only households
- Changing single person discounts
- Revaluing property bands and / or charging differential rates of change for different bands of property
- Implement local income tax and / or fund certain services from central tax revenues
- Require voluntary work in return for benefits
- Monitor household expenditure (e.g. on “luxury” goods) to determine whether there is a “real” need for benefits

Council tax reduction scheme consultation – additional commentary

Since Scrutiny Committee on 20th December 2012 some further work has been undertaken to look at the consultation. This has been based upon a fuller set of data which looked at variations between groups of respondents (age, area, tenure etc). These data are based upon what BMG Research considers to be statistically significant.

For responses to be considered in this light there need to be both sufficient answers from particular groups **and** a strong variation in results between groups. These are not always the largest differences between numbers or variance from the “average” but, taking account of the numbers and the variation, deemed to be potentially significant and that therefore one group is more or less likely to answer when compared to another. Generally these variations are of the kind that suggest, for example, “when compared to women, men are more likely to answer...”

Further work has also been done to look at which groups of people responded as well as counting responses to the open question on suggestions for the scheme.

Responses

Very broadly, where answers were given to questions about age, tenure etc (and in general terms roughly one in seven did not) the answers were split across some groups as follows:

- 51% male
- 15% disabled
- 54% full time work, 20% retired
- 62% owner occupier, 17% council / RSL
- 3% under 25, 26% aged 25-34, 16% 65+
- 91% White (British)

It was not possible to determine which wards 30% of people lived (due to missing or unclear post code information). By area responses were:

- | | |
|--|-----|
| • Catton Grove, Mile Cross & Sewell | 14% |
| • Crome, Mancroft & Thorpe Hamlet | 17% |
| • Eaton, Lakenham, Nelson & Town Close | 27% |
| • Bowthorpe, University & Wensum | 12% |
| • Unknown | 30% |

Variations in response

Taking account the caveats above, some of the statistically significant variations in response include:

- Those self-defining as “long term sick” are more likely than those in work to support option 1 (reduce budgets rather than benefits)
- The reverse is also true with those in work more in favour of reducing benefits (option 2) than those who are retired or long term sick
- Council tenants are more likely to support option 1 than those in work and vice versa with regards option 2
- The same is also true for those currently claiming council tax benefits, although even those not claiming this benefit still show a majority in favour of option 1
- There is no one group which shows a majority in favour of option 2 over option 1, although some groups are almost 50:50 in opinion

In Annex A to the report a list of generic questions has been pulled together from the open ended question asking for other ideas or comments. Other than those saying those working but on low incomes should be protected (22 people), those suggesting some form of hybrid / third option (16 people) or expressing support for changes to property exemptions (40 people) none of the other grouped questions received eight responses. A lot of other comments (just over half) could not be categorised into these broad themes. With relatively small numbers it is not possible to make sensible assessments of how these answers are split

Annex B

Effect of changes to council tax discounts and exemptions

EFFECT ON CTAX BASE OF PROPOSED COUNCIL TAX CHANGES

		BASE as per Band D equivalent	Multiplied by Band D charge	Additional income
INITIAL CALCULATION		42,764.34		
CLASS A (major repairs)		42,791.10		
		-42,764.34		
		26.76	£1,567.86	£41,955.93
Class C (empty properties)		43,247.94		
		-42,764.34		
		483.60	£1,567.86	£758,217.09
Empty Home Premium (addl. 50% charge)		42,816.32		
		-42,764.34		
		51.98	£1,567.86	£81,497.36

£881,670.39

COLLECTION RATE (based on a 96.5% in year collection rate)	Multiplied by Band D charge	Additional income
41,267.60		
41,293.40		
-41,267.60		
25.80	£1,567.86	£40,450.79
41,734.30		
-41,267.60		
466.70	£1,567.86	£731,720.26
41,317.75		
-41,267.60		
50.15	£1,567.86	£78,628.18

£850,799.23