

**CDC
COMMUNITIES TEAM**

**COUNCIL TAX REDUCTION SCHEME
SURVEY 2017**

CONSULTATION ANALYSIS REPORT

OCTOBER 2016

Executive Summary

The annual survey about proposed changes to the Council Tax Reduction (CTR) scheme was issued online from mid-August until mid-September (5 weeks). The survey received 48 responses, a slight decrease from the 54 responses received last year.

The majority of survey respondents (72.4%) said they pay Council Tax to Chichester District Council (CDC) and do not receive CTR. Smaller numbers of responses were received from those who do claim CTR, Landlords and those who do not pay Council Tax to CDC. owners of second homes or empty properties in Chichester District. There were significantly more responses received from women, (60.9%) compared to men, last year this was the other way round. A range of ages responded, although nearly half, (46.8%) were aged between 45-54 years.

A mixed response of results with no major conclusions, there is agreement and disagreement with the proposed changes to restrict the amount an individual can claim, amongst fears of hitting those families who already struggle to pay their household bills, some suggesting this should be means tested. Slightly more respondents agree that the Council Tax band of property someone can claim CTR for should be restricted. In terms of percentage liability for CTR claims, it was a mixed response, though 37.5% said it should be 90% and a further 37.5% said this percentage should be lower and should be based on personal circumstances. One third of respondents said they believe a combination of both restrictions based on Council Tax band and based on percentage liability should be used, 27.7% said neither should be used.

59.6% of respondents agreed that the Council should reduce the Council Tax discount available on Prescribed Class D properties and just over half the respondents agreed that by reducing the discount will help bring properties back in to use more quickly.

With 5,669 followers on Twitter and 5,471 likes on Facebook, a low level of interaction across both social media platforms may indicate a low level of interest to followers and had this been a more contentious issue, we may have got more response.

Introduction

From 1 April 2013 councils have been able to create their own local council tax reduction schemes (formerly council tax benefit) and set their own levels of discount on some empty properties and second homes. Following a public consultation in 2012, CDC introduced a council tax reduction (CTR) scheme in April 2013 and, at the same time, changed the level of discounts available on some empty properties and second homes. CDC made some further changes to the CTR scheme in 2014 but for 2015/16 it remained basically unchanged.

Successful public consultations have been conducted annually since 2013 to inform production of the Council Tax Reduction (CTR) scheme for 2013/14, 2014/15, 2015/16 and 2016/17. To inform the production of the scheme for 2017/2018, the Corporate Information Team was asked to conduct a similar exercise in September 2016.

For the financial year 2017/2018 CDC (CDC) are proposing some changes that will reduce the amount of CTR some people are entitled to, plus also considering reducing the Council Tax relief that is currently available on properties that are vacant and where major repairs or structural alterations are required, underway or recently completed (Prescribed Class D properties)

Methodology

An electronic survey was deemed the best way to identify potential participants. This was accessible through the CDC website and advertised on the news section of the front page. The survey was available online from Monday 8th August until Monday 19th September 2016 – a period of 5 weeks. Paper copies were to be made available to those who requested them.

The survey was advertised in the Chichester Observer and via CDC's social media channels, including Facebook and Twitter throughout the consultation period. (For a full breakdown of coverage, see the appendix at the back of this report) A low level of interaction across these social media channels indicate a low level of interest in the subject.

A total of 38 responses were received all via the online questionnaire and 10 paper copies, with such a small sample size it is therefore difficult to make firm conclusions on the matter and we do need to air on the side of caution when looking at these results. The Council did, however, seek to publicise the survey widely, on the Council's website, via social media channels and press releases sent to the local press.

The proposal in regard to properties that are vacant where major alterations were taking place had the potential to directly affect a definable group, but not necessarily an identifiable one. To try and address this issue, a targeted email was sent to any householder who had been granted planning permission in the last 12 months (and had provided a contact email address - around 80 households) explaining the relevance of the consultation and encouraging their response.

This report presents and analyses the results of each survey question. Where percentages do not add up to 100%, this is because respondents could select more than one answer. Agreement and disagreement figures quoted include all those who indicated they 'agreed/strongly agreed' or 'disagreed/strongly disagreed' with a particular proposal. Where quotes are given, these are answers to questions where respondents could free-type their answers. Invalid comments that are not reported could include 'No', 'Nothing' etc. or could be a repeated comment from an earlier question e.g. 'as above'. Reports giving all responses to these questions are available on request from the Corporate Information Team.

Respondent Profile

The survey asked respondents about their current situation concerning Council Tax. The table below shows responses to this question:

Council Tax Circumstances	Number of respondents	% respondents
Do not pay Council Tax to CDC	5	10.6%
Pay Council Tax to CDC and receive CTR	9	19.1%
Pay Council Tax to CDC and do not receive CTR	34	72.3%
Landlord of property/properties in Chichester District	3	6.4%
Property developer working in Chichester District	0	0
Owner of an empty property in Chichester District	2	4.3%

All survey respondents said they were responding as individuals and not from an organisation

Respondents were asked to provide their postcode, if they lived in the Chichester District. Postcodes were given. Most of these came from the PO19 and PO18 postcode areas; together, these accounted for 61.0% of the postcodes given. Small numbers of responses

were also received from the GU29, GU28, GU27, PO18 and PO10 postcode areas. Compared to each postcode area's proportion of the total postcodes in the District, the PO19 and PO18 areas are overrepresented for this survey. All other areas are underrepresented.

34.8% of respondents were male, 60.9% were female and 4.3% preferred not to say. According to the 2011 Census, the District population is 47.8% male and 52.2% female. A turnaround from last year with more men responding than women in 2015.

The table below shows the number and percentage of responses received from each age group:

Age Group	Number of respondents	% of respondents
Under 16	0	0%
16 – 24	0	0%
25 – 34	6	13.3%
35 – 44	10	22.2%

Age Group	Number of respondents	% of respondents
45 – 54	10	22.2%
55 – 64	11	24.4%
65+	6	13.3%
Prefer not to say	2	4.4%

Respondents age groups were a bit more mixed this year compared to last year, most respondents last year were aged over 55, and this year there was more response from 35 -54 year olds. There were 6 survey returns from 25-34 year olds but none from anyone younger than 25 years old.

The vast majority of respondents (84.8%) said their ethnic group was 'White – English / Welsh / Scottish / Northern Irish / British' – this is a slightly lower percentage than last year, when 88.7% of respondents put themselves in this ethnic group. The proportion of respondents who chose not to give their ethnic group rose slightly from 3.8% last year to 13% this year. According to the 2011 Census, 93% of the District's population is 'White – English / Welsh / Scottish / Northern Irish / British'. 2 responses (3.8%) were received from 'White - Irish', 1 from 'any other White background' and 1 from 'Any other Asian background'. 2.2% (1 respondent) said they were mixed white Asian.

50% of respondents gave their religion as 'Christian (including Church of England, Catholic, Protestant and all other Christian denominations)'. Last year it was 49%. This year, 19% of respondents preferred not to give their religion (20.4% last year) and 31% said they had 'No religion' (28.6% last year).

84.1% of respondents said they had no long-term illness, health problem or disability. 6.8% said they had and 9.1% preferred not to say. The proportion of respondents with long-term illness, health problem or disability was lower this year than it was last year, (17%).

Finally, respondents were asked if there was anything else about themselves that we would need to know to better understand their answers. There were **3** valid responses to this question. **1** respondent is the immediate carer of his 83 year old wife, **1** had to move into a care home using their own money due to poor health and **1** is a disabled pensioner who said their pension is not enough to cover their expenditure.

Due to the small numbers of respondents in some groups, not all the characteristics of a respondent will be used to analyse their responses to other questions. Where relevant, this report will include analysis by:

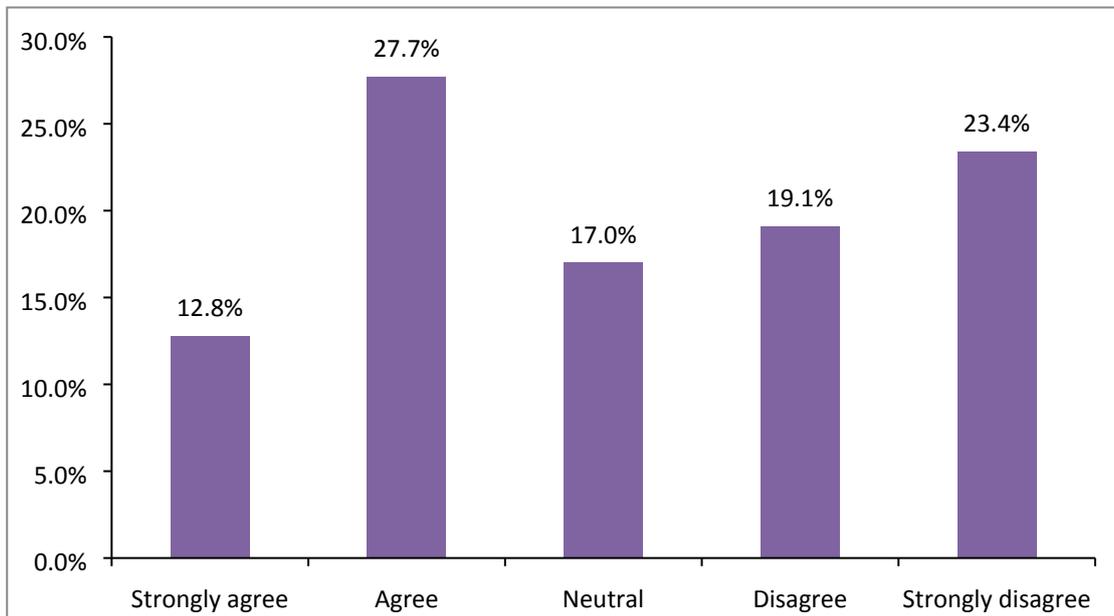
- Council Tax circumstances
- Gender
- Age group

Results – The Council Tax Reduction Scheme

Since the local Council Tax Reduction (CTR) scheme was introduced in April 2013, CDC has made sure that the level of CTR a person can claim has stayed the same. However, this year, the Council need to reduce the cost of the scheme and have to consider proposals that are done in the fairest way possible.

How far do you agree or disagree with the principle of reducing the cost of the CTR scheme by restricting the amount an individual can claim?

The graph below shows responses to this question.

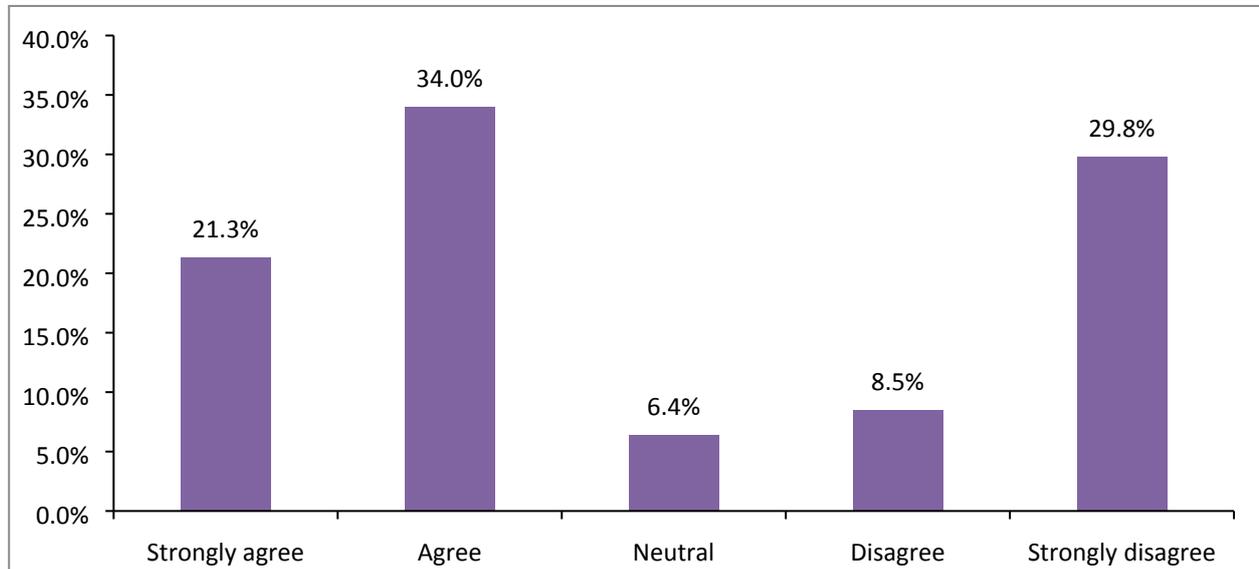


A fairly even spread of respondents agreed and disagreed to this, 40.6% of respondents either agreed or strongly agreed and 42.5% either disagreed or strongly disagreed with the principle of reducing the cost of the CTR scheme by restricting the amount an individual can claim.

Those respondents who pay Council Tax and receive a reduction are far more likely to disagree with the above, 77.8% disagree (either strongly disagree or disagree) compared to 22% of respondents who pay Council Tax to CDC and do not receive a reduction. Males are also more likely to disagree than women, 43.8% strongly disagree, compared to 14.3% of women.

How far do you agree or disagree that we should restrict the Council Tax band of property someone can claim CTR for?

The graph below shows responses to this question.

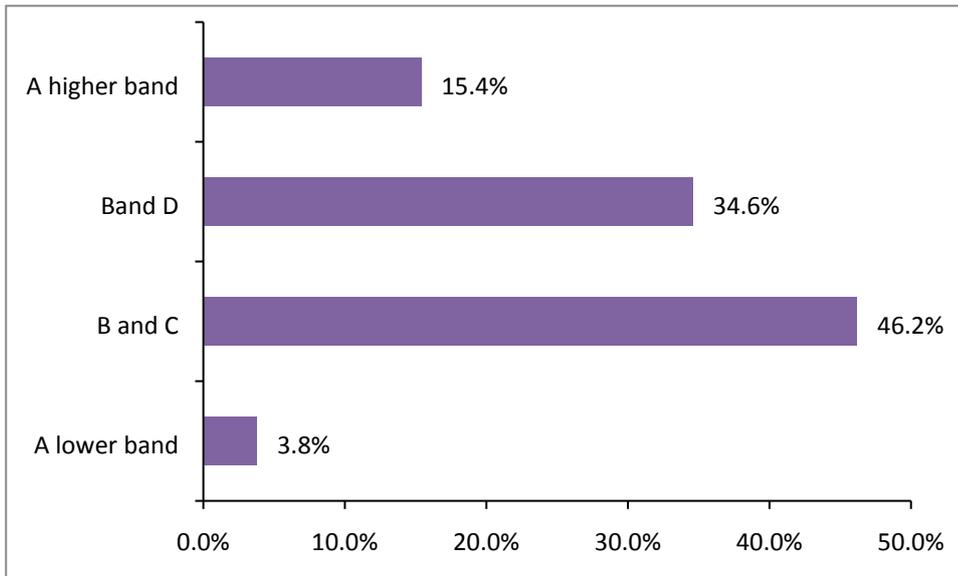


In total, 55.3% of respondents either strongly agree or agree 38.3% either disagree or strongly disagree that the council should restrict the Council Tax band of property someone can claim CTR for.

Those respondents who pay Council Tax and receive a reduction are far more likely to disagree with the above, 77.8% disagree (either strongly disagree or disagree) compared to 26.4% of respondents who pay Council Tax to CDC and do not receive a reduction. Males are also more likely to disagree than women, 43.3% strongly disagree, compared to 21.4% of women.

If you agree in principle with restricting the Council Tax band for CTR claims, which Band do you think we should restrict it to?

The graph below shows responses to this question.



46.2% of respondents said Council Tax bands B and C should be restricted for CTR claims, 34.6% said band D, 15.4% said it should be a higher band and 3.8% said it should be a lower band.

5 respondents added

"C and above"

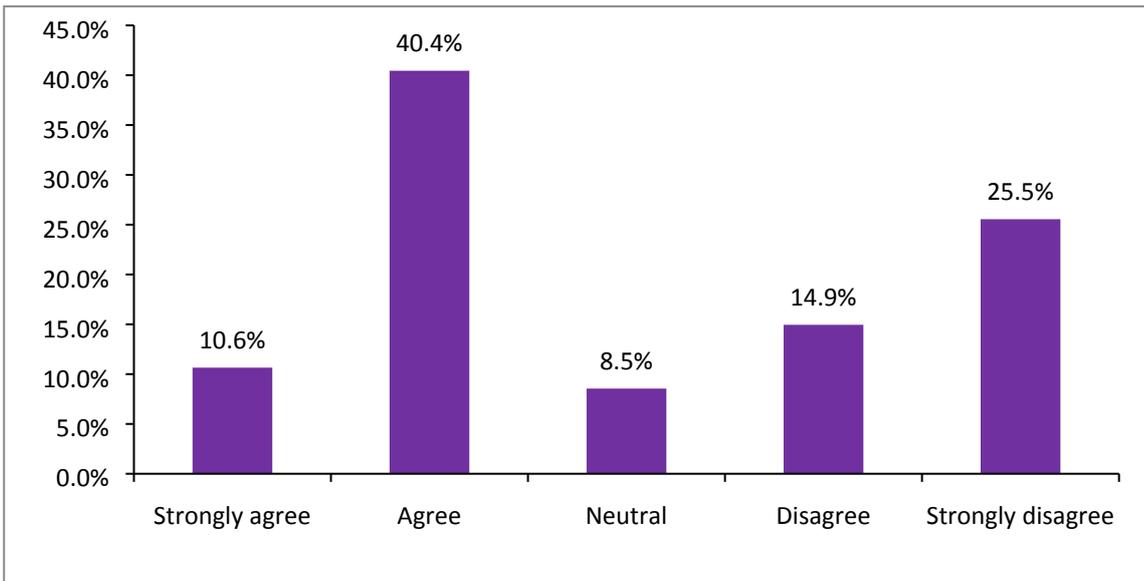
"B and A"

"Above band d"

"C"

"Band C and below"

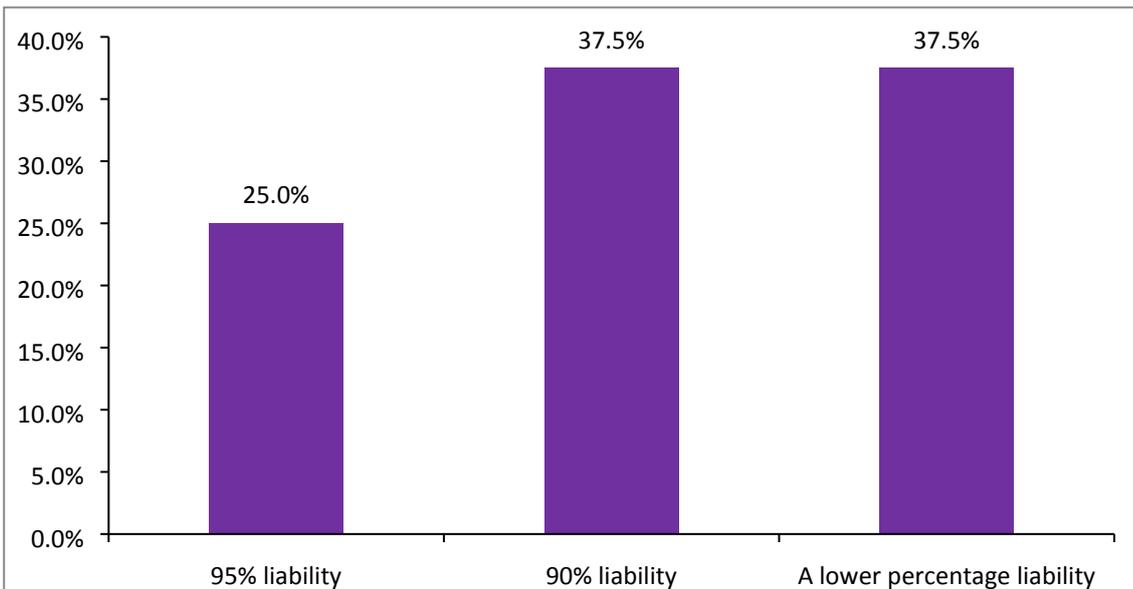
How far do you agree or disagree that we should restrict the percentage of Council Tax liability someone can claim CTR for?



51% of respondents either agreed or strongly agreed that the council should restrict the percentage of Council Tax liability someone can claim CTR for, 40.2% either disagree or strongly disagree with this, 8.5% of respondents are neutral in their opinion about this.

Those respondents who receive Council Tax reduction are more likely to disagree, 55% disagree compared to 35.3% who do not receive the discount. Men are also more likely to disagree, with 62.% who disagree compared to 28.6% of women

If you agree in principle with restricting the percentage of Council Tax liability for CTR claims, how far do you think we should restrict it?



37.5% agreed it should be restricted to 90%, (individual should pay 10%), 37.5% said it should be a lower percentage and 25% agreed it should be 95% liability, (individual must pay 5%)

Respondents were asked to tell us what percentage of Council Tax liability did they think we should restrict CTR claim to. Below are the responses given.

“50%”

“It would need to be means tested”

“30% or lower”

“50%”

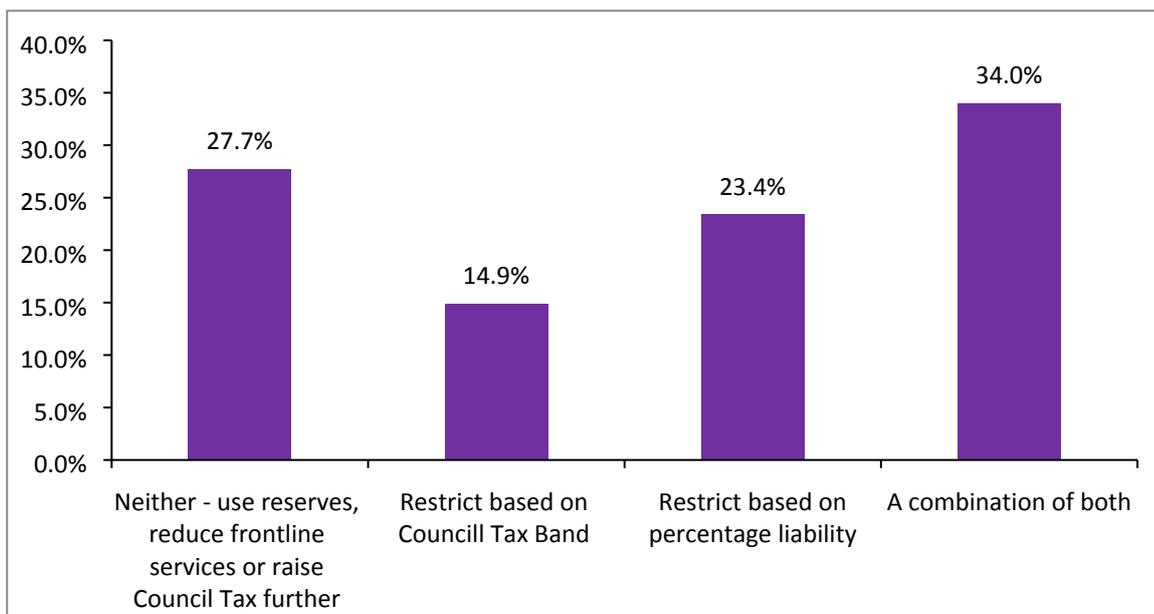
“75”

“75%”

“95%”

“Needs to be assessed carefully, single parents/parents of three with low income, maybe 1%+80%”

Overall, which of the two proposals would you prefer to see adopted?



Just over one third of respondents, 34.0% said a combination of both would be the preferred option and 27.7% said neither. 14.9% said this should be restricted based on Council Tax band. Those respondents who do not receive a discount are slightly more likely to say it should be restricted on Council Tax band, (17.6%), those who qualify for discount currently agree slightly more with a restriction based on percentage liability, (33.3%)

Is there anything we haven’t considered or any further comments you would like to make about the proposals for the CTR scheme for 2017/18?

Below are all the comments listed, however, the main theme occurring seem to be the worry of hitting those residents who are not so well off harder, such as claimants who already struggle to pay their household bills and questions as to why properties under refurbishment could potentially get a refund.

Corporate Information Team
September 2016

CDC should use its influence to lobby central Government to change regulations so that pension aged CTR recipients are subject to the same potential reduction in their CTR. Persecution of the working aged population is, in not my view reasonable.

"I can't find a document that identifies the different discount categories and why each gets a discount and how it is calculated. I'm not sure how it is calculated for second homes and landlords, I think repair works etc. should be taken into consideration as to whether it is someone's second home or a landlords property. I also don't understand why repairs that have recently been completed should receive a reduction. I think the reduction for single occupancy helps people that are perhaps on the cusp of the two - may only just be able to rent or purchase but not quite have a low enough wage to claim a benefit or reduction otherwise. Unless someone dies or is seriously ill, why a reduction should be obtained for an empty property if a reduction can be obtained if serious repair works are required".

"I assume that the CTR scheme is for lower income families. What basis does CDC count as lower income? No offense meant but you are in cloud cuckoo land with the salaries that you pay at the council. Perhaps an independent view on low salaries would be needed. 40K is a very high salary but your staff probably think they are hard done by".

"I think you should consider stopping the scheme all together or encouraging people who can't pay their council tax to live in smaller properties where the council tax bill is therefore lower. You should absolutely not use council reserves to supplement the scheme - it has to pay for itself or else it is just not viable".

"Many people who claim CTR are already struggling to live within budget with high private rents, high utility bills and general living costs. Why pick on people who are already finding it difficult to pay their bills?".

"Restricting CTR based on 'higher band' houses will adversely affect people with large families in larger housing. CTR is, by definition, for people on low incomes, and the fact they are living in a larger house is more likely to reflect the fact they have several children (for example) than that they have more money. To penalise people in this way is likely, in my view, to impact most upon children in large families on low income - are these the people that should be bearing the brunt of these changes? If CTR will cost more in the long run, this should be paid for by those with the ability to pay, not those on low incomes. I am living comfortably and would happily pay more in council tax in order to help the more vulnerable members of our community in this way. I would be deeply disappointed in CDC if it opted to pass this additional cost on to the least well off, instead of passing it on to the better off like myself. We are a civilised society and should act accordingly by looking after the less well-off in the city".

"I think it is appalling that you should consider restricting support for those on the lowest incomes".

"Would Raising council tax for all be fairer rather than just trying to penalise those on low incomes by reducing the relief they receive? If measures do have to be taken to reduce relief given after council tax has been raised, savings made wherever possible, etc., I think the percentage scheme would be best rather than penalising those that live in council tax bands D and above as that isn't always an indication of income".

"Increase garden waste cost to raise revenue. Encourage more recycling to get government credit".

"Yes you should have a leaflet to help people claim CTR. The process involved is very difficult and long, you should be able to answer a few questions to see if you would be eligible rather than the system now, i.e. is your household income higher than £x, do any of these criteria apply, are your savings more than £x".

"I object to having to pay full council tax on an empty property that is up for sale. I rent in Plymouth and pay full council tax there. I moved to Plymouth because of my partner's job. The house in Chichester took a long time to sell and it was a financial burden paying for everything. There is no way any council services are being used, library, refuse collection etc and it is a disgrace to hard working people who are not two home owners or property developers".

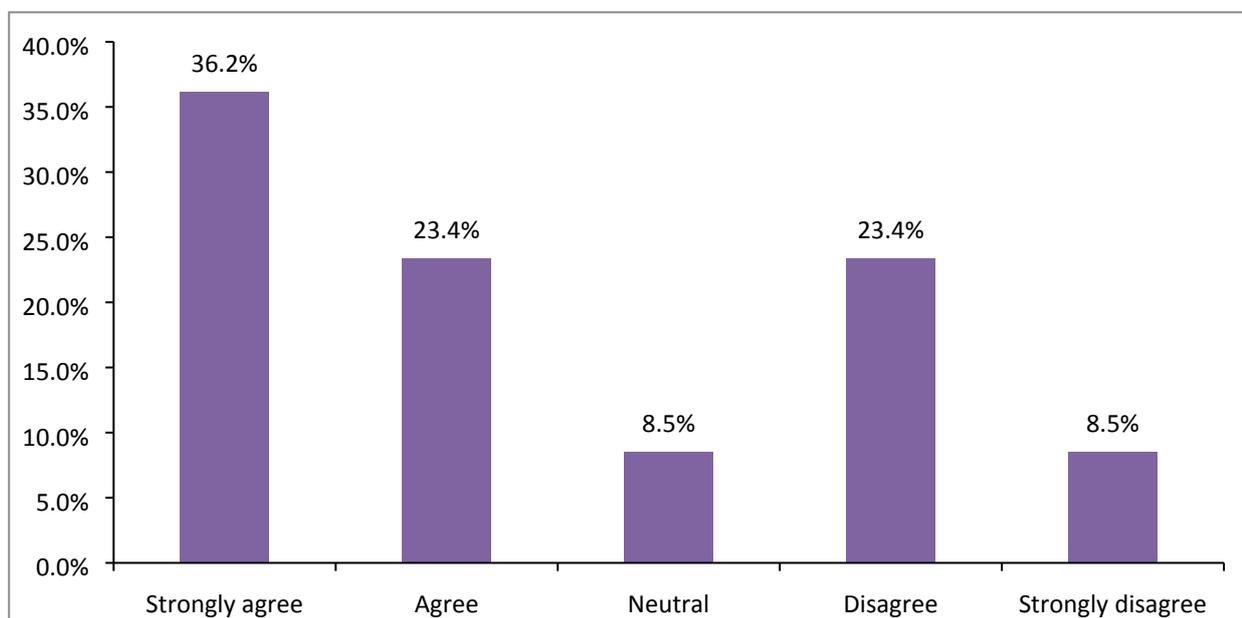
"Reduce private renting to help young families that are working and can't get a council house".

Locally defined discounts

Since 2012, Local Authorities have been able to set their own discounts and exemptions for Council Tax locally. Using this power, we have in previous years reduced the Council Tax discount available for second homes and introduced an 'Empty Homes Premium', making owners of certain categories of empty homes liable for an additional 50% of their full Council Tax liability.

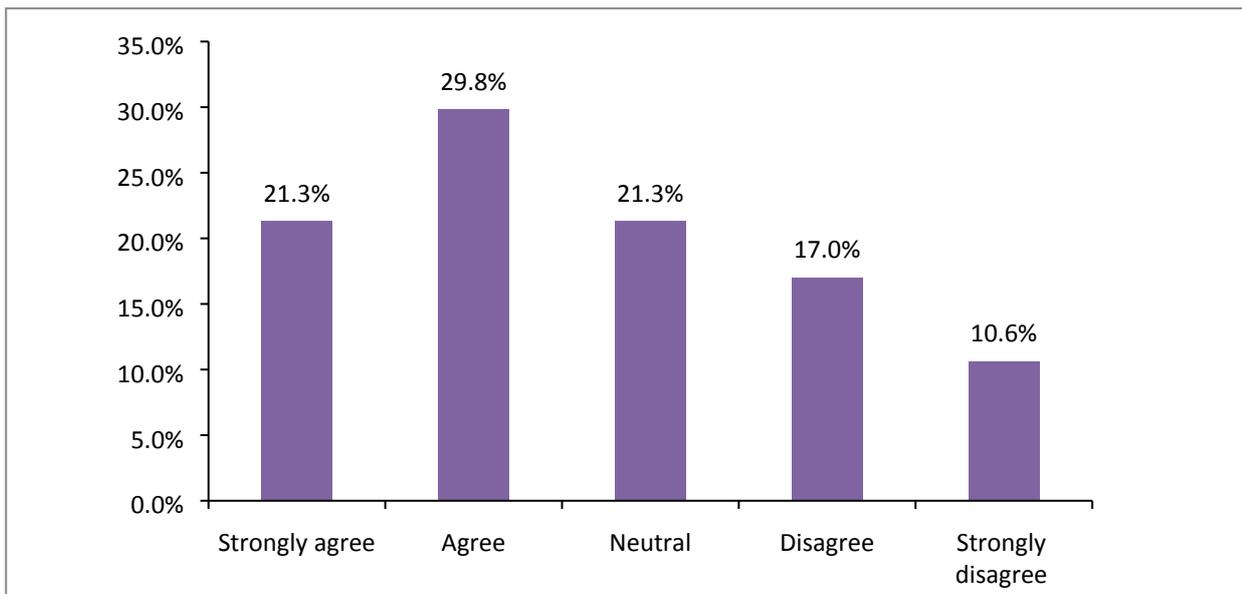
This year the Council are proposing to reduce the Council Tax discount that is currently available on properties that are vacant and where major repair works or structural alterations are required, underway or recently completed (Prescribed Class D properties). At the moment, these properties are eligible for a Council Tax discount of 100%, meaning that their owners do not pay Council Tax on them. We hope this will encourage owners of properties in this category to bring them back into use as quickly as possible.

How far do you agree or disagree that we should reduce the Council Tax discount available on Prescribed Class D properties?



Overall, 59.6% either strongly agree or agree that the council should reduce the Council Tax benefit available on Prescribed Class D properties, 31.9% disagree.

How far do you agree or disagree that reducing the discount will help bring properties back into use more quickly?



Just over half of respondents, 51.1%, either strongly agreed or agreed that by reducing the discount will help bring properties back into use more quickly. 27.6% disagreed and 21.3% remained neutral.

Women are slightly more likely to agree. 53.6% of women agree compared to 43.8% of men.

Please tell us why you think that?

4 respondents felt by reducing the discount it would lessen the incentive for keeping the house empty.

"Because having to pay more Council Tax will result in property owners repairing properties more quickly therefore bringing them back into use more quickly. Perhaps a better way to encourage property owners to do this would be to reduce the length of time they receive 100% discount - to say 9 or 6 months?"

3 respondents felt that this system would penalise people with factors out of their control

"This unfairly penalises people who are doing their best and are not always in control of outside factors that determine when a project is finalised. it is bullying"

2 respondents felt anything to help get houses back in to circulation for those who need a home is a good thing.

"Anything to encourage people to provide housing for others I think is a good thing. It's a travesty in this day and age to see empty properties when so many are homeless"

Other comments included:

"If it's someone like a first time buyer then I understand this as house prices are high meaning many need to purchase properties that require work and 100% discount could help considerably. I think it depends on why someone is purchasing a property that needs significant repairs. People like builders looking to flip properties will be making, often, a large sum from buying cheaper properties that need repairs to then sell them at significantly higher prices - this doesn't help people that can't afford to purchase enter the market".

"People play this system to have several properties not finished and subsequently use this to pay no council tax and no capital gains tax as well whilst waiting for the two year rule to kick in, it would be less inviting to have properties not finished if they have to pay for them. If you can afford to have two homes then you can afford all the costs that come with it, Utility companies do not reduce their bills".

"There are reasons why people/organisations don't put their houses back into use. Why can't each property be based on its individual merits as to why it is not being use".

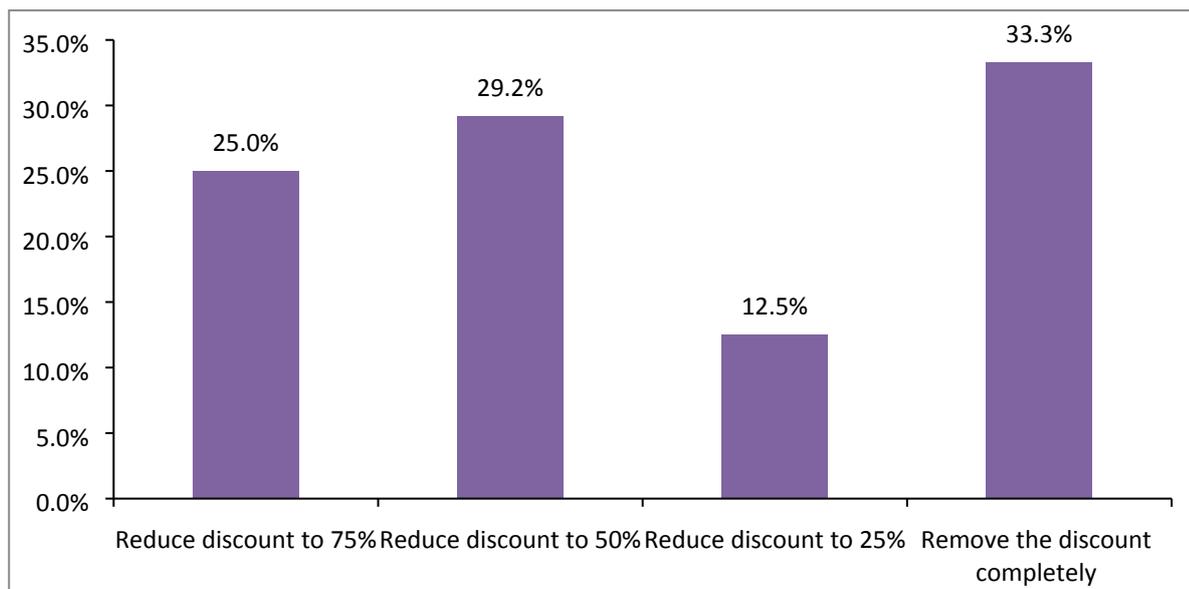
"I don't think saving in Council Tax would encourage empty home owners to bring them back into use as if they were wanting money they would have done them up and rented them out or sold them on. Are there that many empty properties that this applies to?"

"Less than 12 months would be an unreasonable expectation for carrying out structural work on an otherwise uninhabitable property. 12 months is a reasonable period of time and if it can't be extended, that's incentive enough".

!If a property is empty it therefore does not require the services the council tax covers and therefore should not pay council tax. If a property is having major repair works then properly some services are being used and a percentage should be paid for".

"I think there should be a discount but should be dependent on how long works are going to take".

If you agree, how far do you think the discount should be reduced?



A third of respondents, 33.3%, think the discount should be removed completely, 29.2% said it should be reduced to 50%, 25% say it should be reduced to 75% and 12.5% say it should be reduced to 25%.

Is there anything we haven't considered or any further comments you would like to make about the proposals for reducing the Council Tax discount for Prescribed Class D properties?

"You should speak to the Inland revenue"

"I think money raised from this scheme should be used to benefit all Chichester district residents, not to just supplement the ones receiving a council tax discount".

"I'm confused by the empty homes discount; I was told there is no reduction"

"My son is severely disabled & we receive a vital Council Tax band reduction, as well as Carers reduction as I look after him full-time"

"A sliding scale for property tax discounts would be fairer and means tested"

Conclusions

- Fairly even spread of agreement/disagreement with the principle of reducing the cost of the CTR scheme by limiting the entitlement of individuals. However, those respondents currently in receipt of a reduction on their Council Tax are far more likely to disagree.
- Over half of the respondents, 55.3% agreed that the Council should restrict the Council Tax band of a property someone can claim CTR for. Again, those respondents currently in receipt of a reduction on their Council Tax are far more likely to disagree.
- Council Tax bands B and C are the most popular options for the restrictions with 46.2% who said these bands, 34.6% said band D.
- Just over half of the respondents agreed the council should restrict the percentage Council Tax liability someone can claim CTR, 40.2% disagreed, respondents in receipt of a reduction are more likely to disagree, 55%.
- 37.5% of respondents said they thought it should be 90% liability for CTR claims. 37.5% said this percentage should be lower. Some respondents felt this should be means tested and everyone should be calculated as individual circumstances.
- One third of respondents, 34%, said they believe a combination of both restrictions based on Council Tax band and based on percentage liability should be introduced. A further 27.7% said neither should be used. The least popular answer was restricting levels on Council Tax band with 14.9% opting for this.
- There was an overall feeling that those residents who are less well-off could be harder hit by these proposed changes.
- 59.6% of respondents either strongly agree or agree that the Council should reduce the Council Tax discount available on Prescribed Class D properties, 31.9% either disagree or strongly disagree.
- Just over half of respondents, 51.1%, agree that by reducing the discount will help bring properties back in to use more quickly, 27.6% disagree. Some respondents felt this was a better system as repairs would be done more quickly and perhaps provide housing to those families who need them. Others felt this system was unfair and penalises those with circumstances out of their control.

Appendix

List of postcodes

PO20 2GY

PO20

PO21 5BG

po22 6db

Gu299hq

po19 7af

PO200AA

PO18 0AZ

Gu299af

PO20 8NP

PO20 0DB

po196xr

PO196AN

Po 20 8rg

Po20 1pe

PO220EY

PO18 8TF

GU27 3JT

GU27 3EE

Po19 1pw

Po10 8pl

PO200SS

PO19 5TX

Po188tj

GU31 5LZ

PO18 8QL

PI81dp

PO202GS

GU299JX

Po19 6XN

PO19 8QT

PO200SY

Gu289nw

Po197hq

PO19 7UJ

PO19 INJ

PO19 1DE

PO200BW

PO108AA

PO198AJ, PO193BE

PO19 1PH

PO19 7PD

GU28

PO202DN

Social Media Promotion Schedule

Facebook:

Date of post	Likes	Shares	Comments
Wednesday 25 th August 4.30pm	-	-	None
Saturday 3 rd September 3.25pm	-	1	None
Tuesday 6 th September 6.50am	-	-	None
Friday 9 th September 12.40pm	1	-	None
Monday 12 th September 2.10pm	-	-	None
Thursday 15 th September 10.45am	1	2	None
Saturday 17 th September 7.25pm	-	-	None

Twitter:

Date or tweet	Re-Tweet	Likes	Comments
Wednesday 25 th August 4.45pm	-	-	None
Saturday 28 th August 3.45pm	-	-	None
Saturday 3 rd September 3.50pm	1	-	None
Tuesday 6 th September 9pm	-	-	None
Friday 9 th September 7.35am	-	-	None
Monday 14 th September 12.45pm	-	-	None
Saturday 17 th September 11am	-	-	None

With 5,669 followers on Twitter and 5,471 likes on Facebook, this low level of interaction across both social media platforms may indicate a low level of interest to followers and had this been a more contentious issue, we may have got more response.