

London Borough of Richmond

Council Tax Consultation

January 2016

Report prepared by

Snap Surveys

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1. INTRODUCTION

London Borough of Richmond commissioned Snap Surveys to analyse their Council Tax consultation Survey. This report contains the research findings.

* 1. Background and objectives

Currently under Richmond’s Council Tax Reduction scheme, households with a low income

can receive a reduction of up to a 100% of their Council Tax liability, but this

depends on things like their income, savings and the size of the household.

In 2016/17, the money Richmond gets from the Government to support their  services will

be substantially reduced so they need to look at how we deal with this  gap in funding.

Current estimates are that the Council could lose 50% of its Government Grant funding

over the next 4 years.

This means that the Council has to look at ways of dealing with these financial pressures. The Council has identified several options and the preferred option is to make some changes to the way they calculate Council Tax Reduction to partially cover the loss in Government funding.

The Council are keen to ensure that all Council Tax payers are aware of the changes they have proposed. The Council recognises that any changes will affect some of its residents and wants to get a full range of views on the proposed changes to our local Council Tax Reduction Scheme.

* 1. Methodology

The consultation took place from 4 December 2015 to 8 January 2016.

A number of consultation methods were used:

* Online consultation
* Writing directly to those working age households currently receiving Council Tax Reduction who might be affected to invite them to complete the consultation.

The Council also consulted with:

* Advocacy / welfare groups
* Council Tax payers
* Partner organisations which may be affected indirectly such as Richmond Housing Partnership

65 online responses were received. It should be noted the number of responses does not provide robust or representative data. No paper responses were received.

The principal contacts for the survey were Catherine Pierce at London Borough of Richmond and Margaret Reed at Snap Surveys.

1. RESPONDENT PROFILE
   1. Introduction

This section of the report profiles respondents by demographics (gender, age and ethnicity). It also looks at whether Council Tax Reduction is currently received and incidence of lone parenthood.

* 1. Council tax reduction

61% (39 people) said they receive a Council Tax Reduction.



* 1. Lone parent
  2. Lone parenthood

19% (12 people) identified themselves as a lone parent.



* 1. Gender

52% (32 people) were male, 48% (30 people) were female.



* 1. Age

The age breakdown of respondents can be seen in the chart below.



* 1. Ethnicity

83% (50 people) described themselves as White.



* 1. Disability

18% (11 people) said they have a disability.



1. SURVEY FINDINGS
   1. Introduction

The proposal is that all working age residents eligible for Council Tax Reduction who are not vulnerable should be required to pay a minimum of 5% of their Council Tax themselves.

The change that Richmond are proposing to make to their Council Tax Reduction Scheme would not affect Pensioners or those residents that are treated as Vulnerable under the scheme.

**The outcome of doing this would be:**

* That every working age person who is not vulnerable is required to pay at least the minimum amount of 5%;
* Richmond’s scheme would remain generous compared to many others in London

Other consequences of doing this would be:

* There may be additional collection issues and costs for the Council;
* Other Council Tax payers will continue to meet the bulk of the loss of Government funding for the scheme

This section looks at whether or not respondents think it is reasonable to balance the burden of funding the scheme between recipients of Council Tax Reduction and Council Tax payers and whether they think that the 5% contribution is reasonable.

* 1. Funding the scheme

Respondents were asked whether they think it is reasonable to balance the burden of funding the scheme between recipients of Council Tax Reduction and Council Tax payers. 37% (24 people) thought this was a reasonable approach and 63% (41 people) said it was unreasonable.



* 1. 5% contribution

Respondents were then asked whether they think that the 5% contribution is reasonable. 28% (18 people) said it was reasonable, 66% (43 people) said it was not reasonable and 6% (4 people) did not know.



* 1. Comments

Respondents were given the opportunity to provide any other comments about the proposed changes.

A few themes emerged from the comments:

1. Concerns that the proposed changes would impact on low income households who are already struggling to make ends meet.

*"An increase in required Council Tax payments will obviously have implications for low income families. Will the financial benefits be counteracted by costs of having to chase for non-payment if people cannot afford it? The minimum amount payable has to be set at a realistic level for those on low income and measures put in place to make sure people aren't put further in debt if they are struggling."  
  
"Making the charges higher will mean people on benefits will be the hardest hit"  
  
"Once again it will be the lowest income families who will be paying for the govt cuts, lone parents and families receiving benefit are already struggling to feed themselves and any increase no matter how small will have a negative effect on those families. I think you should look elsewhere to make up for the cuts in fu ding from central govt."*

1. Concerns about the cost of dealing with arrears vs. financial benefit of the changes.

*"Perhaps more scrutiny of ability to pay from ""CTR"" recipients. How are you going to collect ""trifling"" sums? Will the administration cost more than the gain?"*

1. Suggestions that the additional money should come from those who can afford it / tax avoidance or raise funds by reducing expenditure on other services

*"This scheme is completely wrong, unfair and unrighteous. If Council has to look at ways of dealing with these financial pressures, it should look at those sources of high income such as greedy Landlords, high income earners, deluxe houses buyers, large enterprises tax payers. If the Landlords are those who most benefit from high incomes derived from huge rents, why are the Tenants subject to these burdens and the only ones who has to pay Council Tax? This is not fair at all. Council policies and Government policies are designed to protect only the most powerful and party contributors and to attack the most vulnerable and easy to tax."  
  
"I believe expenditure should be reduced on other services and or money used from your reserves."*

*"I think the Government should stop attacking the poorest members in society and claim the money off the richest .After all, they caused the credit crunch in the first place. They should tax the bankers who caused this mess in the first place. These cuts are ideological and are callous and cruel. It is obscene that the gap between rich and poor is widening every day."*

1. Questions about the definition of who is classified as “vulnerable” and who should be exempt

*"I believe that some vulnerable groups do not need to contribute to it because they have no income to spend on it as living in London has brought a lot of expenses as well."*

*"I do not understand why all ""vulnerable"" people should be excluded from paying towards Council Tax if there income is the same as a non-vulnerable person. Just because an individual is on disability benefits it does not mean that they should not contribute towards the costs of the Council."*