

Consultation report: Lewes District Council Tax Reduction Scheme 2022/23

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Background

The government has stopped the national Council Tax Benefit scheme and since April 2013 local authorities have had to put in place a local scheme to help working-age residents on a low income to pay their Council Tax. This is called the Local Council Tax Reduction Scheme which works by reducing the amount of Council Tax the person must pay. The government sets the rules for the help given to those of pension age.

Consultation

From Monday 2 August 2021 to Sunday 31 October 2021 we consulted over proposals to:

- Increasing the maximum reduction to 100%
- Removing the minimum awards so a claimant can qualify for, and be awarded, less than £5 per week
- Basing a self-employed claimant's income on their actual earnings

We provided an online survey for respondents to complete to share their feedback. We offered paper copies of the survey and the consultation information in different formats and languages.



We promoted the consultation on the council website, directly by email to all of consultation mailing list subscribers, through the local media and on social media.

The consultation was also discussed on the LDC Leader's 'Facebook live' Q&A sessions on multiple occasions.






In addition, and to comply with statutory consultation requirements, we wrote to the following precepting organisations inviting responses:

- East Sussex County Council
- East Sussex Fire and Rescue
- Sussex Police

Summary of consultation responses

1. Please tell us in what capacity you are responding to this consultation:				
Answer Choices			Response Percent	Response Total
1	An individual		98.92%	183
2	An organisation		1.08%	2
			answered	185
			skipped	4
If 'organisation' please tell us its name: (3)				
1	An individual			
2	Seaford Town Council			
3	Newhaven Town Council			

2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Lewes district?






Answer Choices			Response Percent	Response Total
1	Strongly agree		47.85%	89
2	Agree		23.12%	43
3	Disagree		12.37%	23
4	Strongly disagree		13.44%	25
5	Don't know		3.23%	6
			answered	186
			skipped	3

Comment themes:

1	People on a very low income should not pay council tax – 18 comments
2	Agree with the proposals – 13
3	Everyone should pay some council tax - 9
4	Council tax should be based on income and outgoings - 7
5	How will shortfall be met? E.g. increased tax for others? - 6
6	I would not want services to be reduced as a result - 3

Proposal 1 - Increasing the maximum support available to working-age claimants to 100% of their Council Tax

3. How much do you agree or disagree with the proposal that working age adults should be able to claim up to 100% Council Tax Reduction?

Answer Choices			Response Percent	Response Total
1	Strongly agree		45.16%	84
2	Agree		22.04%	41
3	Disagree		14.52%	27
4	Strongly disagree		16.67%	31
5	Don't know		1.61%	3
			answered	186
			skipped	3






3. How much do you agree or disagree with the proposal that working age adults should be able to claim up to 100% Council Tax Reduction?

Comment themes:

1	Everyone should pay something – 16 comments
2	It would be greatly needed – 7
3	I agreed if is applied correctly e.g. checks against fraudulent claims - 6
4	It could save admin costs - 3

Proposal 2 – There would be no minimum award

4. How much do you agree or disagree that there should be no minimum award?






Answer Choices		Response Percent	Response Total
1	Strongly agree 	44.02%	81
2	Agree 	21.20%	39
3	Disagree 	10.87%	20
4	Strongly disagree 	15.76%	29
5	Don't know 	8.15%	15
		answered	184
		skipped	5

Comment themes:

1	Agree with the proposal – 11 comments
2	Everyone should pay something - 7
3	It could save admin costs - 3

Proposal 3 –the income of a self-employed claimant should be based on their actual income and not on an ‘assumed income’ based on the hourly rate of the National Living Wage




6. How much do you agree or disagree that that the income of the self-employed should be based on their actual income from self-employment?

Answer Choices			Response Percent	Response Total
1	Strongly agree		52.15%	97
2	Agree		32.26%	60
3	Disagree		5.38%	10
4	Strongly disagree		6.99%	13
5	Don't know		3.23%	6
			answered	186
			skipped	3

Comment themes:

1	Income would need to be carefully checked – 14 comments
2	I agree with the proposal – 11 comments
3	I agree with the proposal as long as income is correctly declared – 4 comments
4	I disagree with this proposal – 2 comments

7. Would the proposals have a positive, negative or no impact on you personally?

Answer Choices			Response Percent	Response Total
1	Positive		17.58%	32
2	Negative		25.82%	47
3	No impact		56.59%	103
			answered	182
			skipped	7

Comment themes:



1	I wouldn't want my council tax to increase – 13 comments
2	I wouldn't want services to be reduced – 8 comments
3	I accept that council tax might need to increase – 4 comments

8. If you have any other suggestions for how Lewes District Council should award Council Tax Reduction, please give details below.

Comment themes:		Response Percent	Response Total
		100.00%	61
1	Other suggestion for support – 19 comments		
2	Council tax should be based on income / outgoings - 6		
3	It should be easier to claim reductions – 5		
4	More support is needed from central government - 4		
5	Suggest more support for single parents - 3		
6	Keep current support - 3		
		answered	61
		skipped	128

Equality monitoring questions

10. Would you like to answer or skip the following questions about you?

Answer Choices		Response Percent	Response Total
1	Answer the questions 	70.43%	131
2	Skip the questions 	29.57%	55
		answered	186
		skipped	3

11. What is your age?

Answer Choices	Response Percent	Response Total
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11. What is your age?

1	Under 18		0.00%	0
2	18 - 24		0.00%	0
3	25 - 34		5.43%	7
4	35 - 44		12.40%	16
5	45 - 54		14.73%	19
6	55 - 64		23.26%	30
7	65 - 74		31.01%	40
8	75 +		12.40%	16
9	Prefer not to say		0.78%	1
			answered	129
			skipped	60




12. What is your sex?

Answer Choices		Response Percent	Response Total
1	Male		40.00%
2	Female		60.00%
3	Other		0.00%
			answered
			130
			skipped
			59


13. What is your ethnic group? Ethnic groups are defined by the 2011 census

Answer Choices		Response Percent	Response Total
White			
1	English/Welsh/Scottish/Northern Irish/British		91.47%
2	Irish		0.78%
3	Gypsy or Irish Traveller		0.00%



13. What is your ethnic group? Ethnic groups are defined by the 2011 census

4	Any Other White background		3.88%	5
Mixed/Multiple Ethnic Groups				
5	White and Black Caribbean		0.00%	0
6	White and Black African		0.00%	0
7	White and Asian		0.00%	0
8	Any Other Mixed background		1.55%	2
Asian or Asian British				
9	Asian/Asian British		0.00%	0
10	Indian		0.00%	0
11	Pakistani		0.00%	0
12	Bangladeshi		0.00%	0
13	Chinese		0.00%	0
14	Any Other Asian background		0.00%	0
Black/African/Caribbean/British Black				
15	African		0.00%	0
16	Caribbean		0.00%	0
17	Any Other Black/African/Caribbean background		0.00%	0
Other ethnic group				
18	Arab		0.00%	0
19	Any Other Ethnic Group (please specify):		2.33%	3
			answered	129
			skipped	60
Any Other Ethnic Group (please specify): (3)				

14. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Answer Choices		Response Percent	Response Total
1	Yes, limited a lot 	18.46%	24

14. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

2	Yes, limited a little		13.85%	18
3	No		67.69%	88
			answered	130
			skipped	59

Responses from precepting organisations

East Sussex County Council

East Sussex County Council recognises the impact that the Covid-19 pandemic has had on local communities, particularly, those who are vulnerable, both financially and for other reasons.

As you will be aware, in common with all local authorities, the County Council continues to face significant financial challenges in responding to day to day service demands and the ongoing impact of the pandemic. As we wait for the government to provide a multi-year financial settlement through the Spending Review 2021, plus the implications of the recently announced Adult Social Care Levy as the potential solution to the challenges faced by Adult Social Care, the authority's Medium Term Financial Plan (MTFP) presents a deficit position by 2024/25 of £18.4m. Any loss of income from Council Tax arising from these proposed changes would only serve to increase the deficit, over the 3 year term of the MTFP by a further £2.4m, and consequently the potential need to make significant new savings to bridge the funding gap.

Council Tax is the County Council's most important funding stream (74% of net budget in 2021/22) and we rely on certainty of this income to enable us to effectively plan services for the future. The Council will need to take account of any further reduction in the tax base on its income when considering options for achieving a balanced budget for 2022/23 and beyond. Any reductions in income from Lewes District residents will be felt across the whole of East Sussex and potentially impact on the services on which the most vulnerable in the whole rely.

To add context, the projected income loss of £800,000 would fund:

- 16-20 social workers in Children's Services, that support 280-350 of the most vulnerable children, or
- Specialist residential care for 4 children for a whole year, or
- 30 long term care home placements for older people, or
- 70 long term homecare placements to help older people maintain their independence, or
- The running costs of Lewes Library for over 2 years, or

- The filling of 20,000 potholes across the county

In conclusion, East Sussex County Council cannot support Lewes District Council's proposals to change its LCTRS which will lead to a permanent and significant reduction in its income from council tax.

Sussex Police and Crime Commissioner

Thank you for the opportunity to comment on your proposed changes to the Lewes District Council Local Council Tax Reduction Scheme which are as follows:

- Increasing the maximum award from 80% to 100% of a claimants Council Tax Liability
- Removing the rule that means a claimant who qualifies for less than £5.00 per week does not receive any reduction.
- Removing the Minimum-Income Floor rules for certain self-employed claimants and instead basing entitlement on actual earnings.

The Police and Crime Commissioner for Sussex (PCC) has reviewed the proposed changes to your LCTRS. The PCC recognises the impact that the Covid-19 pandemic has had on local communities, particularly, those who are vulnerable, both financially and for other reasons over the last 18 months. The PCC also noted that the emergency government funding that was provided in both financial years has cushioned some of the financial impacts on individuals.

As you will be aware, in common with other local authorities the Sussex Police Fund already faces significant financial challenges due both to limits in Government funding and the impact of Covid-19 and the subsequent inflationary and other cost pressures. My current Medium Term Finance Plan identifies the potential need to make further savings of up to £28m to 2025, this in addition to £109m savings already delivered. Council Tax is an important funding stream for policing in Sussex (41% of the net budget is funded by council tax in 2021/22). The proposed change to LCTRS as described will lead to a permanent reduction in our council tax income from Lewes District by a further £107,000 bringing the total support your LCTRS of £779,000. To put this into perspective £1 on the current tax base of Sussex creates receipts of £627,000 for the PCC.

The PCC and Sussex Police will need to take account of any further reduction in the council tax-base and the resulting income when considering options for achieving a balanced budget for 2022/23 and beyond. Given the scale of the financial challenge, which cannot be met by efficiencies alone, this would mean that the PCC will be unable to pass the resources to the Chief Constable for the policing of our local communities.

The PCC would also remind your members of the financial contributions that have been made in support of LCTRS which consisted of a one-off contribution of £14,637 to the Council Tax Hardship Fund in 2016/17 and an annual contribution of £111,316 towards staffing costs at four East Sussex billing authorities, including LDC.

On this basis the PCC does not support Lewes DC's proposals to change its LCTRS as described which will lead to a permanent reduction in our income.

East Sussex Fire and Rescue

East Sussex Fire Authority recognises the impact that the Covid-19 pandemic has had on local communities, particularly, those who are vulnerable, both financially and for other reasons.

As you will be keenly aware, in common with other local authorities the Fire Authority already faces significant financial challenges due both to reductions in Government funding and the impact of Covid-19. Our current Medium Term Finance Plan identifies the potential need to make new savings of up to £2.5m over the next 5 years, in addition to £10.5m already delivered or planned.

Council Tax is our most important funding stream (70% in 2021/22). The Authority will need to take account of any further reduction in council taxbase on its income when considering options for achieving a balanced budget for 2022/23 and beyond. Given the scale of the financial challenge, which cannot be met by efficiencies alone, this may mean that the Authority has to revisit its Integrated Risk Management Plan 2020-25 and consider further changes to the service it provides across the communities of East Sussex and Brighton & Hove, including those who are most vulnerable.

On this basis the Fire Authority cannot support Lewes DC's proposals to change its LCTRS which will lead to a permanent and significant reduction in its income from council tax.

Responses from town and parish councils

Telscombe Town Council

The Policy & Resources Committee met last night and discussed the Council Tax Reduction Scheme 2022/23.

They were in favour of the 3 proposed amendments as detailed in LDC's letter of 17th June 2021.

Hamsey Parish Council

Many thanks for your correspondence received on the 17th June 2021 on the Lewes District Council consultation on the Local Council Tax Reduction Scheme for 2022/23.

I'd like to put forward please the following comments from Hamsey Parish Council to be taken into consideration when deciding on which way to progress with the scheme proposed:

Hamsey Parish Council have spoken to a number of residents from all walks of life on the proposed changes to the Tax Reduction Scheme, in order to put forward a rounded view.

Without exception, everyone has said that the current system of up to 80% reduction when needed, is adequate. The proposal to remove all costs of council tax to some residents was considered counterproductive in terms of recognising the value of council services, being engaged with the services, and future expectations regarding what needed to be budgeted for.

Timing was also a factor, as we are all pulling together after the economic (ongoing) financial effects of Covid and what the pandemic has imposed, we all need to pay what we can. The effect on the rest of the population at this time could be seen as the straw that broke the camel's back for some households.

However, we are mindful of every individual's personal situation and if evidence is showing that this payment is pushing residents into further financial hardship, an individual approach of a hardship fund could be an option investigated further.

Ringmer Parish Council

I am responding to above consultation on behalf of Ringmer Parish Council.

The general consensus is to support the Council Tax Reduction Scheme for 2022/23.

South Highton Parish Council

Thank you for your letter dated 17th June regarding the Council Tax Reduction Scheme.

South Highton Parish Council have reviewed this letter and subsequently discussed as an item at our recent council meeting.

We feel that the ambition of the proposal is very good, and whilst we support the concept we could not support the suggested implementation.

South Highton receives a very small precept just over £12,000, your suggested cost in terms of Council Tax foregone to South Highton Parish Council at c£1,500 is approximately 12%.

We believe the impact to be disproportionate to our size and that a reduction of this order will significantly impact the operation of our council and so impact the local community, therefore we find ourselves unable to support your proposal.

As we are potentially significantly impacted by this proposal can you please advise:

- How many properties in South Heighton have been identified to receive the reduction
- The overall percentage impact based on operating budget to Lewes District Councils
- What assistance Lewes District Council will give to South Heighton Parish Council to enable us to continue to operate should this proposal come to fruition

We are already planning to raise the precept for the next operating year, if this proposal is implemented with no support we will have no alternative but to ensure that, as well as covering our increased operating costs, we can cover the additional gap created by your proposal.

Peacehaven Town Council

Of the nine comments received for different representatives of Peacehaven Parish Council, two are in support; two support but would like further clarification; there appear to be four abstentions, three of which relate to further clarification; and one response is a more general comment, although this also appears to relate to further clarity. Further clarity is sought regarding the impact on residents and on the council budget and service provision.

 Comments include:

Currently our poorest residents have to pay a minimum of 20% of council tax themselves (due to fairly recent legislation similar to poll tax) and this proposal is that they pay nothing.

This proposal could make the difference between residents being able to eat and or turn on heating or not.

- it would mean the rest of us all paying a very small amount more.
- already during pandemic people have starved to death as they had no money.
- child poverty is rising and scarring people for life.

anyone who works with food bank knows the choices that some of our residents have to make due to the system that we should be ashamed of as 5-6th richest country in the world.

I would vote to support this initiative.

 I'm in full support of this initiative as we need to support the most disadvantaged in our communities and help them live their best lives possible.

 Whilst this is a good idea for the financial year 2022/2023, any loss of income will need to be made up by increasing the precept to other residents or by reducing the services we offer or through efficiency savings. Salaries are the biggest item in our budget. We will need to budget accordingly to manage a loss of £13,000 or about 2% of the precept.

I would be interested to see whether the number of people who might claim in Peacehaven is higher or lower than the average for the district.
The impact on ESCC is by far the greatest and this may well affect social services, education, library services and highway maintenance. As the County Council usually maximise any increase in Council Tax, they may not be able to cover this loss of income with an additional 2% increase resulting in a loss of services.

Hopefully as the economy recovers and with the addition of the many new houses the impact on Peacehaven Town Council may not be as great as predicted. It will be essential to budget for this.

we know that relatively small amounts of money can make a very large impact on the most vulnerable in our society.
Many of us work with food banks and have seen this at first hand.

But it has knock on effects for all of us on other services.
there is a large body of evidence that debt is a large driver to GP consultations either directly for support appeals for PIP and other benefits, or supporting evidence for other support inc. referrals to food banks etc.
Also, debt causes a significant amount of depression, anxiety and relationship problems which account for 30-40% of all GP consultations as primary or secondary reason for consulting.

There is a real opportunity to make a disproportionate improvement in the most vulnerable in our town that could reduce pressures on other services inc. GP, schools, health visitors etc.
reducing debt can free people up to address other issues in their lives when you don't have to hide from debt collector.

£13,000 is less than £1 per resident annually and may indeed be offset by precept from new housing.
what has the last year taught us about the most vulnerable?
and that when there is a will there is a way.

we do need to look at how we make more income from our assets and promote Peacehaven as a place to visit and do business.

My heart agrees with everyone else but I would like to know if PTC budget can cope with a loss of £13,000.

I am totally in favour of LDC bringing in this fund for those in need.
Unless I missed something this is for 22/23 financial year and would be funded through LDC budgets.
It seems a leap to then connect a charge to our precept of £13,000.
No doubt we will learn more how this is projecting to work.
Maybe the deadline for comments will be when the RFO is back.

I do support this initiative, but am happy to wait for a breakdown of exact figures if that helps people decide.

I do support this but agree we need to look at figures.

Kingston Parish Council

As we are currently without a clerk I am replying to your emailed letter dated 7 June 2021 on behalf of Kingston Parish Council.

We confirm that we support your proposals to reduce the Council Tax liability of people on low income and accept that the cost for Kingston Parish Council would be approx £360.00.

Yours sincerely

Christine Moulder

Newick Parish Council

I write with reference to the consultation on the potential changes to the Council Tax reduction scheme.

My Council do not agree with the proposed revision of Lewes District Council's current Local Council Reduction Scheme as it would increase the burden on Newick Parish Council's already overstretched budget.

Whilst we applaud the desire to help people on low income by reducing the amount of council tax they pay, this help should surely come from central government not Parish Councils.

The reduction of £870 per annum of Council Tax Income would create a huge hole in the Parish Council's budget and would reduce the amount of help and services the Parish Council could give to parishioners. Newick has residents from all walks of life and the Parish Council cannot justify increasing it's precept demand for those hard working low to mid income families many of which have been furloughed due to recent events.

Next steps

This consultation report will be considered at Lewes District Council Cabinet on 9 December 2021.