

# **Council Tax Reduction Scheme**

## **Analysis of stakeholder consultation**

### **Report Appendices**

Report written September 2020

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THE ROYAL BOROUGH OF  
**KENSINGTON  
AND CHELSEA**



## Data tables

**Q1: Do you think the Council is right to try to address the problem for people with fluctuating Universal Credit?**

	Count	%
Yes	110	77
No	6	4
Don't know	26	18

**Q2: If you said 'Yes' to Q1, do you think the proposed banded scheme is the best way to do this?**

	Count	%
Yes	90	84
No	6	6
Don't know	11	10

**Q4: Overall, do you think the Council should:**

	Count	%
Introduce the banded income scheme for Universal Credit recipients in April 2021	87	68
Continue with the current scheme without any changes	41	32

**Q6: On what basis are you responding to this survey? (Please tick all that apply)**

	Count	%
I am responding as a Kensington and Chelsea resident	140	97
I am responding as someone who supports Kensington and Chelsea Residents	4	3
Other	3	2

**Q7: Which of the following apply to you? (Please tick all that apply)**

	Count	%
I receive council tax reduction	129	90
I receive Universal Credit	60	42
I am working	27	19
I am of pension age	2	1

**Q8: What sex are you?**

	Count	%
Female	76	55
Male	54	39
Prefer not to state	6	4
Prefer to self-describe	1	1

**Q9: Which age group do you belong to?**

	Count	%
18 to 24	2	1
25 to 34	12	8
35 to 44	28	20
45 to 54	38	27
55 to 64	53	37
65 to 74	3	2
Prefer not to state	6	4

**Q10: How do you describe your ethnic origin?**

	Count	%
Asian or Asian British	11	9
Black or Black British	24	19
Mixed/multiple ethnic groups	6	5
Any other ethnic group	12	6
White or White British	44	34
Prefer not to state	31	24

**Q11: Do you have any long-term illness, health problems or disability which limits your daily activities?**

	Count	%
Yes	58	42
No	67	49
Prefer not to state	13	9

**Q12: If yes, what is the nature of your impairment?**

	Count	%
Physical	26	45
Mobility	14	24
Hearing	10	17
Visual	2	3
Learning	5	9
Mental	30	52
Other	24	41
Prefer not to state	16	28

**Comments**

This section of the report contains comments made by respondents. Comments have been ‘themed’ and therefore may appear more than once against multiple themes.

**Q3: If you have answered 'No' or 'Don't know' to the above question (Q2), please describe why you do not think the proposed banded scheme is the best way to address this.**

Theme	Count
Concerns of inaccurate banding	6
Fluctuating income	5
Low income residents struggling to pay	5
Don't know enough about the banded scheme	1

**Comments**

**Concerns of inaccurate banding**

- It needs to be conducted in a suitable way that considers some people on UC are not able to work or struggling to find work. Setting out bands can be useful so long as they are fair and justified.
- All the bands should be banned as they're not based on any facts or elements about the property. It is not a fair way to do it this way.
- What about people not on UC? As the current way is very biased (as depends on size of house, all pay same).
- At the end of the financial year, make a calculation of your actual earnings - like every other [swear word] system does.
- Sometimes the band is too high.
- Because the size of somebody's property/area or band does not denote whether they are financially capable of paying council tax.

**Fluctuating income**

- It needs to be conducted in a suitable way that considers some people on UC are not able to work or struggling to find work. Setting out bands can be useful so long as they are fair and justified.
- Where is the incentive to take odd hours work of just a few hours work when the cost of CT goes up and down - it is no incentive at all. Just set earning levels give financial incentive. No [?] incentive.
- As UC changes and more so now in this pandemic where wages have decreased.
- At the end of the financial year, make a calculation of your actual earnings - like every other [swear word] system does.
- Because it is a headache when you do overtime for 2-3 months the extra amount you have to pay changes drastically.

**Low income residents struggling to pay**

- It needs to be conducted in a suitable way that considers some people on UC are not able to work or struggling to find work. Setting out bands can be useful so long as they are fair and justified.

- Because they got low income.
- I am living on my own and I feel that this amount is too much for me to pay.
- As UC changes and more so now in this pandemic where wages have decreased.
- Because the size of somebody's property/area or band does not denote whether they are financially capable of paying council tax.

**Don't know enough about the banded scheme**

- I don't know enough about the banded scheme.

**Q5: If you have any further comments on the proposals please detail below.**

<b>Theme</b>	<b>Count</b>
More flexibility around income fluctuation	11
Consider special exemptions	11
Lack of knowledge about the scheme	9
Agreement with the scheme	8
Better communications with council	6
Other	5

**Comments****More flexibility around income fluctuation**

- Morning, currently, should introduce a tier system, as UC payments fluctuate, according to circumstances, given possibilities to banded income and expenditures. We would welcome any suggestions upon consultations. Yours faithfully, Anon.
- If the scheme is introduced, would recipients get their backdated council tax they have already paid from the April 20/21 tax year? I work "0" hours so my income fluctuates from month to month, when my salary has been higher in a previous month say in May, Universal Credit payment is reduced and I am sent a revised council tax bill which sometimes moves the Direct Debit payments to come out the following month, this has caused issues for me, as some months my council tax bill would be double the amount. I try to save as much of my income each month, to top up the following months earnings in case my hours are reduced and my income is low, so that I am able to pay my full monthly rent (including arrears) and have enough to cover my council tax payments. I would welcome the new scheme if it solves the problem.
- In the past, I have experienced the problem set out in page 4 of your pamphlet. It may be helpful to set larger margins for bands as some may experience more extreme salary / earnings [fluctuations] each month.
- I think it's a good idea to solve the problem of fluctuating income.
- I may work sometimes with an Agency 8 - 20 hrs a month. 63p is deducted for every £1 I earn, which leaves me with No-more than £317.82 (Universal Credit) a month. I then have to pay 'working-age council tax' out of my £317.82(UC). IT'S NOT FAIR I HAVE TO PAY TO WORK!! I'm better off not working and still get £317.82... I'm paying working-age council tax out of my

UC government living wage to work for a stranger + travel & lunch. What's that all about!???

- The childcare element of Universal Credit MUST be excluded the housing element is. It is not income, it is a reimbursement of payments made for childcare. For example, I pay £305 per month for my child to attend nursery, on top of his 11 free hours per week, to equal two full days per week. I pay this monthly on the 1st of each month and Universal Credit reimburses me 85% of the £305. Prior to my son turning two, I was not eligible for free hours and was paying £705 per month, 85% of which Universal Credit were reimbursing me. The childcare element MUST be excluded as it simply is NOT income and should not be included as such. It can often be more than actual earnings! Please make this clear that the childcare element is a reimbursement of payments made, NOT INCOME.
- Overall it must be FAIR and not cost more than present. Have you tried living on £96 per week?
- It would be good if at least it's understood that some of us on Universal Credit who are also disabled should not be classed as the same term as those who are not disabled.
- The banded income scheme for UC residents should continue because of the current situation and by the way things are going, things are only going to get worse for low income people or families.
- 1)The suggested band increments are based on the house property bands and the amount [council tax] suggested amounts have little bearing to the kind of work many people on UC may be taking on. When the property bands were first introduced (in the 90s?) they were based on street property values and failed to take into consideration residential rentals on low incomes such as the social and housing association properties, these people who will be hit the hardest by this newly proposed system. 2)The suggested Bands steps are too steep and start too early when a resident is trying to get back into stable work. 3) The proposed banded Council Tax Scheme is not supportive to people on UC struggling to find their way back into regular employment. The benefit system was designed to help not hinder claimants which this proposal is not realistically incorporating. It seems we are back to where we started before UC was introduced with the government giving with one hand and [the council] taking with the other. 4) UC is still an unstable system. I foresee this would cause harm to many residents trying to get back into regular employment. 5) This band scheme does not allow for fractured employment or self-employed people with fluctuating incomes. I assume those would be based on submitting regular accounts which would create additional overwhelm when already trying to get back into the early days of re-employment. 6) It does not take into consideration those returning to work with unstable and fluctuating medical conditions.
- Out of the two options, the change is the better route. The current arrangement is mindless, has no logic, it's also a waste of admin time for the council - a lose/lose situation all around - something has to change! I am very glad you are addressing this. I receive UC and if I earn £200 one month - I receive a revised bill which is then negated the following month when I earn zero. What a waste of admin for the council!

### Consider special exemptions

- I may work sometimes with an Agency 8 - 20 hrs a month. 63p is deducted for every £1 I earn, which leaves me with No-more than £317.82 (Universal Credit) a month. I then have to pay 'working-age council tax' out of my £317.82(UC). IT'S NOT FAIR I HAVE TO PAY TO WORK!! I'm better off not working and still get £317.82... I'm paying working-age council tax out of my UC government living wage to work for a stranger + travel & lunch. What's that all about!???
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- All the people of 60+ should get all reductions on all that is the borough of Kensington.
- I'm not sure - you haven't included older single people with disabilities. But it sounds a good idea.

- Keep same system which had discounts for all anyway. Although 100% is good for single people and single parents.
- When people have a living wage not a minimum wage then start the banding anything less is free otherwise people are disincentivised not good for them or the country, this is a recession people are going hungry.
- Any Universal Credit claimant has a low income. Scrap Council Tax payments for all residents on a low income. Kensington and Chelsea is an expensive area to reside in. The working poor should not have to pay for inefficient council departments. Central Government should resource the council. Scarp Council Tax payments altogether for the working poor on UC who have clearly been identified as having problems paying Council Tax. How much did it cost to consult residents? The Council Tax Reduction consultation booklet cost a fortune. We as UC claimants are having to pay for this.
- For people age 50 or over it is very difficult to get the right jobs with the right income which makes it difficult to get on Housing or get a mortgage for later security in life. PS I didn't receive a booklet enclosed with this "form".

### **Lack of knowledge about the scheme**

- If the scheme is introduced, would recipients get their backdated council tax they have already paid from the April 20/21 tax year? I work "0" hours so my income fluctuates from month to month, when my salary has been higher in a previous month say in May, Universal Credit payment is reduced and I am sent a revised council tax bill which sometimes moves the Direct Debit payments to come out the following month, this has caused issues for me, as some months my council tax bill would be double the amount. I try to save as much of my income each month, to top up the following months earnings in case my hours are reduced and my income is low, so that I am able to pay my full monthly rent (including arrears) and have enough to cover my council tax payments. I would welcome the new scheme if it solves the problem.
- Again, I am not too sure, if the banded scheme leaves people worse off then no. It just needs to be fair and a reasonable adjustment because this government and councils are so greedy and very quick to dismiss people who are generally suffering!!
- I don't understand it (dyslexia).
- Because I don't know anything about it & how it's worked out!
- I don't understand what the fluctuating is. I am paying too much Council Tax, reduce please.
- I was a little confused with the 2nd scheme proposal. Is the Housing Element the full rent amount? I would lean more to the second proposal examples, 83% -> 82%, a difference of a percentage is still extra cash! However, if there are administration costs to be passed on to the tax payer, then would we be really saving overall? And that's ALL the taxpayer is concerned with. That being said (and so it is clear that I am not "sitting on the fence"), I would opt for the banded income scheme, as long as COUNCIL is being transparent.
- I am not aware about this information.
- Do not understand it at all, so cannot comment. I don't like change very much, as it means anxiety for me.
- Because I don't know proposed banded scheme that means.

### Agreement with the scheme

- I'm not sure - you haven't included older single people with disabilities. But it sounds a good idea.
- I was a little confused with the 2nd scheme proposal. Is the Housing Element the full rent amount? I would lean more to the second proposal examples, 83% -> 82%, a difference of a percentage is still extra cash! However, if there are administration costs to be passed on to the tax payer, then would we be really saving overall? And that's ALL the taxpayer is concerned with. That being said (and so it is clear that I am not "sitting on the fence"), I would opt for the banded income scheme, as long as COUNCIL is being transparent.
- I think it's a good idea to solve the problem of fluctuating income.
- The banded income scheme for UC residents should continue because of the current situation and by the way things are going, things are only going to get worse for low income people or families.
- Out of the two options, the change is the better route. The current arrangement is mindless, has no logic, it's also a waste of admin time for the council - a lose/lose situation all around - something has to change! I am very glad you are addressing this. I receive UC and if I earn £200 one month - I receive a revised bill which is then negated the following month when I earn zero. What a waste of admin for the council!
- I'm happy with the scheme.
- This is a sensible proposal.
- If it is a better system for solo parents - then I'm all for it. Every pound helps to survive.

### Better communications with the council

- I was a little confused with the 2nd scheme proposal. Is the Housing Element the full rent amount? I would lean more to the second proposal examples, 83% -> 82%, a difference of a percentage is still extra cash! However, if there are administration costs to be passed on to the tax-payer, then would we be really saving overall? And that's ALL the taxpayer is concerned with. That being said (and so it is clear that I am not "sitting on the fence"), I would opt for the banded income scheme, as long as COUNCIL is being transparent.
- For people age 50 or over it is very difficult to get the right jobs with the right income which makes it difficult to get on Housing or get a mortgage for later security in life. PS I didn't receive a booklet enclosed with this "form".
- Because I don't know anything about it & how it's worked out!
- Please don't send out so many threatening letters before you have checked your amounts.
- I think too many different proposals doesn't help neither the council employee nor the resident. The more proposals, the more confusion, wasting time, money and efforts, plus resources.
- Knowing too much and uncertain. To direct us.

### Other comments

- Double check the income from the applicants to avoid scams.
- If this avoids people getting into debt. In my case, as a long-term cancer sufferer and patient, a constant amount will resolve any problems.
- \*\*\*\* you RBKC killers. I will never pay tax.

- It is fair for Council to revise the Scheme but should not be implemented on the next tax period. The impact of pandemic is huge. Please give your resident an opportunity to gradually recover emotionally and economically. Please try to suspend its implementation for April 2022 tax period, give us a year at least, a time to financially recover and adjust our income and expenditures.
- Housing benefit/CT benefit should return back to previous system as before Universal Credit