

Funding our future: council tax consultation

Consultation findings summary report

February 2023

Overview

Westmorland and Furness Council is required to make decisions about council tax levels for 2023/24 onwards. As part of that process the council conducted a public consultation to gather feedback on three key proposals:

- A 4.99% increase in the council tax precept charged by the council (compared to predecessor authorities).
- Harmonising council tax rates across the Westmorland and Furness area.
- Introducing a 100% council tax premium on second homes in the area from April 2024.

The consultation ran between 13 January and 13 February. This report provides a summary of the feedback received. It does not provide any recommendations or draw any conclusions.

Methodology

A public consultation document was produced which explained the three proposals and their background context. This was made available in council locations like libraries and offices and via the council's website.

The document included a short questionnaire which people were encouraged to complete and return, either online or in hard copy. There was also the opportunity to email feedback to a dedicated inbox.

The consultation was promoted publicly via the local media, on social media (both the council's own and predecessor council's) and subscribers to council email updates. It was also promoted to staff in all seven predecessor councils and to the following stakeholder groups:

- Sovereign council and Shadow Authority Members
- Trade Unions
- Parish and Town Councils
- Third Sector organisations

- Businesses via Cumbria LEP

In addition, the consultation was considered at meeting of the council's Overview and Scrutiny Committee on 6 February attended by 16 non-executive Members. Their feedback is referenced at the end of this report.

Respondent profile

By deadline 1140 individuals and nine organisations had completed and returned the questionnaire.

In summary, respondents were:

- Resident in the Westmorland and Furness area (95%)
- White British (93%)
- Mostly over 45 years old (74%)
- 45% male, 54% female, 1% chose to self-define
- 14% disabled

The full respondent profile can be found in Appendix A.

It is important to note that respondents were self-selecting, and their feedback cannot be assumed to be representative of the wider Westmorland and Furness population.

Responses were received from the following organisations:

- Askham and Helton parish Council
- Murton Parish Council
- Dufton Parish Council
- ACTion with Communities in Cumbria
- Lakes Parish Council
- Melmerby Parish Council
- Cumbria Third Sector Network
- Waitby School

Individual responses from named organisations can be found in Appendix B.

Feedback on proposals

Proposal 1: 4.99% increase in council tax precept

Respondents were asked to indicate whether they agreed or disagreed with the proposal to increase the council tax precept by 4.99% from 2023/24.

1135 people answered this question:

- 41% said they agreed with the proposal
- 52% said they disagreed with the proposal
- 7% said they did not know

Respondents were asked if they had any comments on the proposal and these are summarised below. The number provided in brackets indicates the number of respondents whose comment covered this issue; this is a subjective judgement but is included as a guide.

Those in opposition to the proposal commonly made the following points:

- A 4.99% increase is too high given affordability and cost of living pressures. (163)
- Local Government Reorganisation in Cumbria should mean savings and greater efficiency, not council tax increases. (87)
- The quality of services needs to improve (and, for some, a council tax increase might be justified if this was the case). (92)
- Council tax-payers should not be paying for Appleby Horse Fair policing/clean-up costs. (18)
- Rural communities should pay less as they don't have access to or use of all services. (17)

Those in support of the proposal commonly made the following points:

- General support and recognition that costs are increasing, and that increasing council tax is necessary to protect services. (104)
- Opinion that central government should provide greater funding for the area. (17)
- A few suggested a great increase, or other ring-fenced increases, to support specific service areas. (5)

Proposal 2: Harmonisation of council tax rates across Westmorland and Furness

Respondents were asked to indicate whether they agreed or disagreed with the proposal to harmonise council tax rates across Westmorland and Furness.

1134 people answered this question:

- 59% said they agreed with the proposal
- 32% said they disagreed with the proposal
- 9% said they did not know

Respondents were asked if they had any comments on the proposal and these are summarised below. The number provided in brackets indicates the number of respondents whose comment covered this issue; this is a subjective judgement but is included as a guide.

Those in opposition to the proposal commonly made the following points:

- If council tax is to be harmonised then all areas should get the same level of services, which they currently do not. Otherwise, the proposal is unfair. (34)
- Council tax rates should vary depending on where you live, and the services provided in your area. This is highlighted as an issue for rural areas in particular. (47)
- Highlighting that Eden's increase would be higher and that this is unfair. (28)
- Complaints about paying for Appleby Horse Fair. (6)
- Opposition to any council tax increases in current financial climate. (27)
- All areas should have the same percentage increase. (48)

Those in support of the proposal commonly made the following points:

- Fair that everyone in the same council area should pay the same for the same services. (10)
- Support, but suggestion that the impact of harmonisation should be spread over longer period to mitigate size of increase in first year. (34)
- Recognition that harmonisation must happen and better to get it done as quickly as possible. (14)
- Recognition that harmonisation must happen, but it should spread over more years. (16)
- The rates should be harmonised at a lower level, or with zero increase in council tax. (16)

Some respondents made neutral comments relating to:

- Harmonisation in year one is simpler to administer and will be more efficient. (14)
- Need to harmonise services as well as council tax. (11)
- Need for services to improve. (2)

Proposal 3: Introduction of 100% council tax premium for second homes from 2024

Respondents were asked to indicate whether they agreed or disagreed with the proposal to introduce a 100% council tax premium for second homes from 2024.

1130 people answered this question:

- 77% said they agreed with the proposal
- 23% said they disagreed with the proposal

Respondents were asked if they had any comments on the proposal and these are summarised below. The number provided in brackets indicates the number of respondents whose comment covered this issue; this is a subjective judgement but is included as a guide.

Those in opposition to the proposal commonly made the following points:

- Second homes benefit tourism and investment: people who go on weekends spend more than locals do during the week. As such, they should not be penalised. (43)
- Second home owners should pay the same as everyone else. They don't require the use of community services nor facilities, leaving more to be spent locally. (20)
- Second homes do not actually affect housing availability or cost for local buyers. (6)
- Opportunistic and not justified. (44)
- Poorly thought-out policy. (38)
- Second home owners will rent their properties and get the business rate if this happens. (1)
- Not all second homes are fit/adequate for living in. (1)

Those in support of the proposal commonly made the following points:

- Second homes have negative impact local home ownership and local community infrastructure. (102)

- Need to tackle holiday rentals and Airbnb – second homes are businesses not homes, so small business rates need to be reviewed, too many loopholes. (91)
- Impose local occupancy / create a register. (8)
- Support proposal, but an even higher increase should be agreed. (125)
- Support proposal, but a lower increase should be agreed. (3)
- People with second homes can afford more tax. (34)
- There should be changes to limit number of properties you can own. (5)
- Money should be put back into providing housing for locals / go to those affected. (8)
- This should have been done years ago. (27)

Some respondents made neutral comments relating to:

- Need for a clearer definition of 'second home'. (17)
- Arguing that a blanket approach was not right and there should be scope for exemptions based on the specific circumstances. (14)
- Wanting more information about how the proposal would be implemented. (4)
- That local planning needs to change to allow more affordable housing projects. (4)

Any further comments

Finally, respondents were asked if they had any further comments they wished to make. These are summarised below.

- Opposition to paying for the costs of Appleby Horse Fair. (10)
- Increasing council tax during cost-of-living crisis will put more financial pressure on residents. (24)
- Local Government Reorganisation in Cumbria should mean savings and greater efficiency, not council tax increases. (39)
- Second homeowners/holiday lets/Air B&B should pay more council tax to support local economy and services. (19)
- Rural communities should pay less as they do not have access to or use of all services. (9)
- General expressions of support and hope for the new council. (8)
- Support for council tax increase if it protects services. (6)

- Supportive of increase to specifically fund adult social care. (5)

Feedback from Overview and Scrutiny Committee

The council's Overview and Scrutiny Committee considered the consultation and raised several issues for consideration:

- The need for reassurance that a programme would be put in place to drive cost savings as a priority.
- View that the level of service provided by the council was less in rural areas, and as such it was not justified to increase the council tax rate by as much.
- Querying what the purpose of the 100% second home precept was: raising income or dissuading people from buying second homes?

Appendix A: Frequency tables

Westmorland and Furness Council: Funding our future

Q1. In what capacity are you responding to this consultation?

Answer Choices	Responses	
As a private individual	99.21%	1127
As a representative of an organisation	0.79%	9
Please tell us your organisation's name?		18
	Answered	1136
	Skipped	4

Q2. Are you normally resident in Westmorland and Furness?

Answer Choices	Responses	
Yes	95.16%	1081
No	4.84%	55
	Answered	1136
	Skipped	4

Q3. Do you agree or disagree with our proposal to increase council tax by 4.99% to help pay for essential services that will be provided by Westmorland and Furness Council?

Answer Choices	Responses	
Agree	40.60%	462
Disagree	52.20%	594
Don't know	6.94%	79
Any further comments?		536
	Answered	1135
	Skipped	5

Q4. Do you agree or disagree with our proposed approach to harmonising council tax rates to ensure they are consistent across the Westmorland and Furness Council area?

Answer Choices	Responses	
Agree	58.88%	670
Disagree	31.90%	363
Don't know	8.88%	101
Any further comments?		370
	Answered	1134
	Skipped	6

Q5. Do you agree or disagree with our proposal to increase the council tax rate paid on second homes, as part of our plan effort to tackle the affordable housing crisis?

Answer Choices	Responses	
Agree	76.54%	871
Disagree	22.76%	259
Any further comments?		543
	Answered	1130
	Skipped	10

Q6. Do you have any further comments you would like to make?

Answered 265
Skipped 875

Q7. Are you...

Answer Choices	Responses	
Male	44.86%	476
Female	54.29%	576
Self-define	0.85%	9
	Answered	1061
	Skipped	79

Q8. What age are you?

Answer Choices	Responses	
Under 18	0.09%	1
18-24	1.89%	20
25-34	8.03%	85
35-44	16.45%	174
45-54	20.51%	217
55-64	25.71%	272
65+	27.32%	289
	Answered	1058
	Skipped	82

Q9. What is your ethnic group? Choose one option that best describes your ethnic group or background

Answer Choices	Responses	
White - English/Welsh/Scottish/Northern Irish/British	93.35%	969
White - Irish	0.29%	3
White - Gypsy or Irish Traveller	0.19%	2
Any other White background	2.50%	26
Mixed/Multiple ethnic - White and Black Caribbean	0.48%	5
Mixed/Multiple ethnic - White and Black African	0.39%	4
Mixed/Multiple ethnic - White and Asian	0.29%	3
Any other Mixed/Multiple ethnic background	0.48%	5
Asian/Asian British	0.10%	1
Asian/Asian British - Indian	0.00%	0
Asian/Asian British - Pakistani	0.10%	1
Asian/Asian British - Bangladeshi	0.00%	0
Asian/Asian British - Chinese	0.19%	2
Any other Asian background	0.10%	1
Black/ African/Caribbean/Black British	0.00%	0
Black/ African/Caribbean/Black British - African	0.10%	1
Black/ African/Caribbean/Black British - Caribbean	0.00%	0
Any other Black/African/Caribbean background	0.19%	2
Arab	0.00%	0

Any other ethnic group, please describe

1.25% 13

Answered 1038

Skipped 102

Q10. Do you consider yourself to have a disability?

Answer Choices

Responses

Yes

13.66% 143

No

86.34% 904

Answered 1047

Skipped 93

Appendix B: Responses from organisations

Organisation	Cumbria Third Sector Network
Question	Response
4.99% council tax increase	<p>The Executive group of Cumbria Third Sector Network is well aware of the budgetary pressures on local authorities as the result of large cuts in funding from national government. We are therefore, somewhat reluctantly, prepared to support the proposed 4.99% increase, as we understand the challenge of maintaining essential public sector services, and the importance of those services in supporting the most vulnerable people during a cost of living crisis.</p> <p>However, we are also acutely aware of the pressures on local residents during the cost of living crisis, and it is likely that many of the individual frontline voluntary and community sector organisations that make up Cumbria Third Sector Network will be opposed to increases in Council Tax, because they see the financial pressures people are under on a daily basis. Given the short time scale for consultation, we have not been able to consult with the full network membership, and are making no claim that the whole of Cumbria’s voluntary and community sector would be in favour of the council tax rise.</p> <p>The disproportionately high impact of rising prices on those on the lowest incomes mean that it is essential that Council Tax Relief schemes remain available and well-advertised in order to mitigate the increase in Council Tax. We feel that it would be useful to involve people with lived experience of give feedback around how easy this support is to access, and could support that process. We would like to emphasis that the cost-of-living crisis is also having significant impacts on local voluntary and community sector organisations – an increase in demand, and an increase in running costs (such as heating costs) – but that these organisations are often not seeing an increase in their funding (and so many are unable to increase staff wages to reflect inflation).</p> <p>Therefore, we would strongly urge that an increase in Council Tax is passed on, with a similar uplift in council funding (on existing grants and contracts) to the voluntary and community sector. Without such an increase, and the resulting ability to increase wages, the sustainability of the local voluntary and community sector will be undermined, staff will seek jobs in other sectors, and organisations will be unable to continue their work supporting the most vulnerable in our society.</p> <p>One small opportunity to implement such support might be through the harmonisation of the discretionary element of Charitable Business Rates Relief (https://www.gov.uk/apply-for-business-rate-relief/charitable-rate-relief); this final 20% of business rates relief is something that has been dropped by some District Councils over recent years, and ensuring harmonisation reinstates it in full across the whole Unitary area would be a practical and technically straightforward step, which would make a real difference to small voluntary and community sector organisations facing increasing financial pressures.</p>

	This squeeze on voluntary and community sector organisations has been raised as a concern in Professor Tony Chapman's Third Sector Trends Survey, and there are also examples of good practice from other funders on how to implement such an approach, with National Lottery approaching organisations in receipt of grants to discuss how those organisations have been affected by rising costs, and what level of uplift might be required to allow projects to be delivered as planned.
Council tax harmonisation	We agree that residents across the Unitary area should pay the same level of Council Tax
100% second homes premium	We agree that, given the pressures on the local housing market, it is appropriate to charge full council tax on second homes.
Additional comments	We look forward to working collaboratively with the new council, and would again emphasise the opportunities that developing a new Compact together gives in building understanding and trust between organisations.

Organisation	ACTion for Communities in Cumbria
Question	Response
4.99% council tax increase	With the current cost of living crisis the pressure of an increase in council tax is an unwelcome prospect for families in rural locations. Those in rural locations are already financially worse off than those in urban areas and have poorer access to council services. They also face higher increases to their council tax bill than those in urban areas. Any increase to council tax needs to be justified by a deliverable spending plan that outlines how the increase will benefit and improve the lives of those in Westmorland and Furness with particular regard to rural issues and concerns.
Council tax harmonisation	The principle of harmonising council tax rates would appear to be a fair one but only if services across the area follow suit.
100% second homes premium	Residents and businesses have been particularly aggrieved by the avoidance of fair council tax payment by second homes owners so to address this would be welcomed by communities. Communities would like to understand how this will in practice tackle the affordable housing crisis? The current market value of second homes is so high that those who can afford to buy in the honey pot areas of Westmorland and Furness can also probably afford the higher council tax. It isn't likely to increase affordable local housing stock to the local population. There is the risk that second homes become holiday cottages and whilst the wider visitor economy might benefit, the increased income to the authority may not be as high as expected.
Additional comments	Any increase in council tax bills will hit the poorest residents in the area who are already the hardest hit by the cost of living crisis. Whilst reduction packages will be available to these families their welfare and social needs are likely to require an increased input of authority resource. Volunteer support services, already reaching or at capacity, will also be further stretched. The opportunity to comment is always a welcome one. ACT would like to see that the new authority really understands the issues of rural communities and has tangible plans to address them, backed by a budget for delivery. That the local authority will continue to lobby government on the disparity between funding for rural and urban areas so that there is less pressure to increase revenue through council tax rises.

Organisation	Waitby School (Holiday Let business)
Question	Response
4.99% council tax increase	Agree
Council tax harmonisation	Agree
100% second homes premium	<p>The plan on second homes need to be refined, those second homes that are literally only occupied for a few weeks of the year and contribute little to the local economy should be penalised, those second homes where the homeowner works away during the week but occupies it at weekends should not.</p> <p>They are a valuable addition to small rural local economies, spending more than locals do during the week (better paid jobs), not using local health or education services etc and often bringing professional skillsets to rural economies (fibre had allowed greater working from second properties during the pandemic and they have created jobs locally supporting their professions).</p> <p>Then there are properties like Waitby School, grade 2 listed and at great expense (pretty well all spent locally) I renovated the dilapidated property transforming it into a five star holiday let which normally lets out for anything between 150and 200 days a year (including the winter months). We know from talking with our guests their spend is large (more so than coast to coast walkers and short stay tourists) and very predominantly it is spent locally boosting the economy of Kirkby Stephen to the tune of maybe £50k per annum. We were not allowed to pay business rates on the property when we bought it back on line and we had to pay council tax instead (even though we have to pay for waste services!).</p> <p>Waitby School does let out year round and does actively contribute to local economy employing staff and contractors to run and maintain it as well as encouraging tourist spend. Why penalise us when we are a positive and necessary addition to the area (you are aware of how essential tourism is economically to the area). Can I suggest the following:</p> <ol style="list-style-type: none"> 1. Survey the second homes, how many are purely second homes for a few weeks a year, how many are weekend accommodation for the majority of the year and how many are self catering lets contributing to the tourism economy. 2. Start a scheme to licence second homes, if they are self catering tourism businesses open year round (or a large proportion of) all well and good, if they are second homes with weekend occupiers, fine get them to sign a declaration every couple of years and monitor their occupation. 3. Support self catering tourism businesses by not penalising them and encourage longer visits to the area rather than day visits and one night stays.
Any further comments	Please, please look at the Welsh situation where the Welsh Government have heavily penalised second homes regardless of what

	they are used for and are in the process of killing off their self catering tourism industry, they have only just legislated this move, but literally pretty well every second home will be deemed unsustainable and in rural areas. It's tourism that's keeping the local pub, shop, bus service etc alive. The consequences of this move will be disastrous for rural tourism and the rural economy, don't make the same mistake!
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Organisation	Murton Parish Council
Question	Response
4.99% council tax increase	Why is this question being asked as the council tax has already been set?
Council tax harmonisation	The rates should only be consistent if there is a consistent level of service provided. This parish does not have doorstep recycling collections, for example.
100% second homes premium	Many second home owners will object to the increase in council tax, but this is unlikely to be a deterrent.
Any further comments	This reorganisation was promoted as a money-saving and cost-cutting exercise, but we are not reassured that residents will be receiving even the same level of service.

Organisation	Askham and Helton parish Council
Question	Response
4.99% council tax increase	Agree
Council tax harmonisation	Agree
100% second homes premium	Agree
Any further comments	NA

Organisation	Dufton Parish Council
Question	Response
4.99% council tax increase	Agree
Council tax harmonisation	Disagree. The overall view is that this larger unified council is applying a 'one size fits all' approach, as opposed to with Eden District Council we could at least see policy applied based on local needs. This seems to be a disadvantage for us. The needs & services of a large town like Barrow will be completely different from the Eden Valley towns and villages, and 'unifying' the Council Tax bands across this massive new Council seems to hit our residents hard, and I doubt we will see improved services as a result. If they are determined to 'harmonize', then I would suggest that they have two 'rates' across the district – parishes below a certain population, or pop. Density and those above. So the small villages outside of Barrow get treated like us, and all the bigger places get treated the same too.
100% second homes premium	Agree

	Second homes should pay more than 100% council tax as they bring very little to a community if at all anything. Second homes should pay more than 100% of the council tax, 200% is steep, but why not. It isn't many houses in the whole scheme of things and if it isn't worth it to them, then that is probably because they don't use it very much, and therefore they should sell it to allow full time residents the opportunity to purchase.
Any further comments	NA

Organisation	Lakes Parish Council
Question	Response
4.99% council tax increase	Agree
Council tax harmonisation	We agree that harmonising the rate will stabilise the tax rates throughout W&F long term. It seems fair.
100% second homes premium	We strongly back this proposal. We do also request that Air B&B and holiday homes contribute to council tax as they rely on our services very heavily, and use our resources but make no contribution!
Any further comments	NA

Organisation	Melmerby Parish Council
Question	Response
4.99% council tax increase	Agree
Council tax harmonisation	Agree
100% second homes premium	Melmerby Parish Council strongly agree with this proposal.
Any further comments	NA