

Cabinet – 17 December 2014

Localised Council Tax Reduction Scheme 2015/16

Portfolio: Councillor D Coughlan - Social Care
Councillor Chambers - Personnel and Business Support

Service: Money, Home, Job

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 Council Tax Reduction is a discount that people on low incomes can claim to reduce the amount of Council Tax they have to pay. The Council needs to decide whether to reduce or maintain the level of support it offers to low income households through the Council Tax Reduction Scheme (CTRS) in Walsall.
- 1.2 On 10 September 2014, Cabinet considered options for the Local Council Tax Reduction Scheme (CTRS) and approved a public consultation exercise on four options (a full copy of the report is attached as Appendix A).
- 1.3 In this report, Cabinet is asked to carefully consider the response received during consultation, alongside the equality impact assessment, before making recommendations to Council about the preferred Council Tax Reduction Scheme for Walsall. In accordance with the proposal the scheme will commence on the 1 April 2015 and continue until such time as the Council considers a change to the scheme is necessary.

2. Recommendations

- 2.1 The report recommends that Cabinet carefully considers both the feedback received during the consultation period and the equality impact assessment, before **recommending to Council:**
 1. Adoption of the preferred Council Tax Reduction Scheme option, to commence from 1 April 2015 (All options under consideration fully disregard war disablement and war widows pensions);
 2. In the event that Options 1, 2 or 3 are adopted, the introduction of a small cash-limited discretionary scheme to assist the most vulnerable in exceptional circumstances;
 3. Adoption of any annual up rating notified by the Department for Work and Pensions (DWP) in line with the Housing Benefit regulations and CTRS for pensioners;

4. Adoption of the scheme for future years (inclusive of recommendations 1, 2 and 3 as detailed above) until such time as the Council considers a change to the scheme is necessary.

3. Report detail

- 3.1 A copy of the previous report considered by Cabinet on 10 September 2014 is attached as Appendix A. Members are asked to refer to it for useful background information. In summary, the four options selected by Cabinet for consideration were:

- **Option 1** – Reducing CTRS available to working age customers by 25%
Working aged customers will receive a maximum discount of 75%.
- **Option 2** – Reducing CTRS available to working age customers by 20%
Working aged customers will receive a maximum discount of 80%.
- **Option 3** – Reducing CTRS available to working aged customers by 10%
Working aged customers will receive a maximum discount of 90%.
- **Option 4** – Fully fund CTRS from other funding streams
Working aged customers will receive a maximum discount of 100%.

- 3.2 A wide range of issues were taken into consideration when selecting the options to consult upon including:

- a) The reduction in Government funding for council tax support nationally and the potential impact on the Council's overall financial position;
- b) The increasing financial pressure on major precepting authorities;
- c) Feedback received during previous consultation on the issue;
- d) Minimising complexity of the transition process (by trying to incorporate key elements of Council Tax Benefit);
- e) The impact on collection rates for Council Tax;
- f) Administrative costs associated with the scheme;
- g) The impact of failing to provide sufficient support to working age residents on low incomes.

- 3.3 Key features included in all the proposed options are:

- I. Continuing the same level of support for people of pensionable age (in accordance with the Government's Regulations through a means tested reduction equivalent to their entitlement under the previous council tax benefit system);
- II. Continuing support for people of working age, provided through a means tested reduction that will take into account similar criteria to the previous council tax benefits scheme in deciding who is eligible;
- III. Continuing the same disregard in full war disablement pensions and pensions for war widows and widowers as the existing CTRS scheme.

- 3.4 The Council has a duty to consider if transitional arrangements should be put in place to help support CTRS recipients affected by any reduction in CTRS discount. In recognition of this, should options 1, 2 or 3 be adopted, it is recommended that a small cash-limited discretionary scheme is introduced to assist the most vulnerable in exceptional circumstances. It is proposed that the discretionary scheme operates

using the same principles as the existing crisis assistance scheme. The impact of each proposed option has been carefully considered and the findings are summarised within the Equality Impact Assessment attached as Appendix B.

- 3.5 Public consultation on the four options took place between 29 September 2014 and 8 December 2014. The full results of the consultation are shown in Appendix C.
- 3.6 The council tax collection rate is currently around 98.5%. It is envisaged that it may be difficult to collect money from some households affected by changes to the CTRS. As a consequence, financial provision for bad debt and costs associated with postage, staffing, telephone, banking and court costs have been increased.

Financial breakdown for each option				
	Option 1	Option 2	Option 3	Option 4
Maximum benefit for working age	75%	80%	90%	100%
Total Increased Council Tax Billed (including police and fire precept)	£3,531,936	£2,796,817	£1,378,509	£0
Increase in council tax for Walsall Council, less bad debt provision and increased costs	£2,390,328	£1,924,459	£1,046,406	£0

- 3.7 The figures in the table below provide a breakdown of the estimated charges based on each council tax band (it does not include the 25% single person discount which if applicable would reduce the amount further).

Estimated Extra Council Tax payable per week				
Property Band	Option 1 25% cut in CTR (Weekly)	Option 2 20% cut in CTR (Weekly)	Option 3 10% cut in CTR (Weekly)	Option 4 No Change (Weekly)
A	£5.03	£4.02	£2.01	£0
B	£5.87	£4.69	£2.35	£0
C	£6.70	£5.36	£2.68	£0
D	£7.54	£6.03	£3.02	£0
E	£9.22	£7.37	£3.69	£0
F	£10.89	£8.71	£4.36	£0
G	£12.57	£10.06	£5.03	£0
H	£15.08	£12.07	£6.03	£0
The figures above do not include the 25% single person discount given where there is only one adult in a household (if applicable that will reduce the amount further).				

4. Council priorities

- 4.1 If the Council continues to fully fund the scheme, extra money will have to be found by changing, reducing, or ceasing other important services which could have a significant negative impact on the delivery of a number of the Council's key priorities. The implications will vary depending on the size of any reduction in council tax support, and which services are cut to meet any shortfall in the scheme.

5. Risk management

- 5.1 If the Council does not reduce the amount of support provided via the Council Tax Reduction Scheme, the extra money will have to be found by changing, reducing, or ceasing other services. Cutting other services disproportionately could pose a financial and reputational risk to the Council.

6. Financial implications

- 6.1 In 2013/14 the Government allocated £23.9m to the Council's general funding, Revenue Support Grant (RSG), to assist with the costs of a localised CTRS. This funding is no longer separately identifiable within the draft settlement figures published by Department for Communities and Local Government (DCLG) in July 2013 Technical Consultation, that pot of money is set to reduce by 30.4% in 2015/16.
- 6.2 From 2014/15 this funding is no longer separately identifiable within the settlement figures published by Department for Communities and Local Government (DCLG) in the July 2013 Technical Consultation. DCLG have confirmed that the allocation for supporting the council tax reduction scheme in 2014/15 is the same as in 2013/14, however, the overall grant funding from Government has clearly significantly reduced and Government have not released details of how the funding is made up. The level of funding that is available to support a CTRS can only be estimated by reference to the overall funding reduction that was seen within the RSG.
- 6.3 The reduction in grant will lead to a further reduction in funding available to support the CTRS of approximately £2.4m, meaning that the total estimated level of funding available to support the scheme during 2014/15 would be circa £21.5m.
- 6.4 For 2015/16, again utilising the overall funding reduction seen within the RSG to estimate funding available to support the CTRS, we would expect to see a further reduction in funding of £3.7m, therefore the total estimated level of funding available to support the scheme during 2015/16 would be circa £17.8m.
- 6.5 The forecast cost to Walsall Council of the current scheme for 2014/15 is currently £25.5m, which would mean that the scheme currently costs £4m more than the estimated funding available to support it.
- 6.6 If the scheme continues to be fully funded for 2015/16, assuming current workloads continue and there is no increase / decrease in demand, the ongoing cost would be £25.5, however as set out in 1.4 above, it is estimated that the council would only receive circa £17.8m of funding to support the scheme, therefore the council would be providing £7.7m of its own funding to continue with the current scheme.
- 6.7 The Council's overall financial outlook is of course highly challenging. The latest projections are that there is a gap of over £85m for the council to address over the next 4 years. Any decision on the council tax reduction scheme will have an impact on other requirements for financial savings. If the Council makes no change to existing scheme, the extra money will have to be found by changing, reducing, or ceasing other important council services which is also likely to have a detrimental impact on vulnerable local people.

7. Legal implications

- 7.1 The Local Government Finance Act 2012 introduced local Council Tax Reduction Schemes to replace council tax benefit from April 2013.
- 7.2 The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 (Statutory Instrument 2012 / 2885) contains the mandatory elements for any local scheme and details the scheme that must be adopted for pensioners.
- 7.3 It became the duty of each local council in England to have localised council tax support, in the form of a council tax reduction, in place by 31 January 2013. Our current local scheme follows the CTB rules with the addition of extra income disregards for war and war widow pensions.
- 7.4 The council must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect. In accordance with due process, Cabinet must make a recommendation to Council based on their preferred options.

8 Property implications

- 8.1 There are no property implications.

9. Health and wellbeing implications

- 9.1 There are complex interconnections between living conditions, lifestyles, and health problems; high unemployment, low pay, and reductions in public support make it more likely that there will be an adverse effect on health and wellbeing for the residents of Walsall. Implications will vary depending on the size of the reductions in support. If the Council continues to fully fund the scheme extra money will have to be found by changing, reducing, or ceasing other important council services which may also have an impact on the health and wellbeing of vulnerable people.

10. Staffing implications

- 10.1 There are no direct implications from this report, although staffing implications may arise depending on how the localised council tax scheme is designed and implemented.

11. Equality implications

- 11.1 The Government has stated that local schemes should provide support for the most vulnerable. The Government has not prescribed the protection that local authorities should provide for vulnerable groups other than pensioners. All Pensioners must be protected from any reduction in entitlement and a prescribed scheme has been set by government.
- 11.2 In designing local schemes, Local Authorities are reminded of their responsibilities in relation to vulnerable groups and individuals and the Department for Communities

and Local Government (DCLG) consultation response makes specific reference to the following Acts:

- a. The Child Poverty Act 2010, which imposes a duty on local authorities and their partners, to reduce and mitigate the effects of child poverty in their local areas.
- b. The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people.
- c. The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.

11.3 All the options being considered will ensure that these groups continue to receive some council tax support. In reducing the maximum discount across all working age recipients, the Council will not be disproportionately targeting any one of these client groups.

11.4 An equality impact assessment has been completed and consultation with appropriate groups with protected characteristics who may be affected by changes to entitlement has now been carried out. The equality impact has been updated to help to identify any unintended consequences for vulnerable groups to ensure that the scheme is fair and equitable. A copy of the Equality Impact Assessment is attached as Appendix B.

12. Consultation

12.1 The Council has fully adhered to the statement of intent issued by the department for Communities and Local Government which specifies that it must:-

- a. Consult any major precepting authority
- b. Publish a draft scheme in such a manner as it thinks fit, and
- c. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.

12.2 Consultation took place between 20 October and 8 December 2014.

12.3 Three phases of public consultation were carried out consisting of:

- Phase 1 – Controlled postal survey;
- Phase 2 – Online questionnaire (a letter was sent to every claimant not included in the first phase to encourage them to participate);
- Phase 3 – Telephone survey, face to face appointments and focus groups

12.4 In the first phase 10,000 postal questionnaires were mailed to a random sample of Walsall residents. The sample was stratified by council tax benefit status (i.e. whether or not someone receives the benefit) to ensure that sample included residents who would be directly affected and those that would not. 5,000 beneficiaries were included in the sample. As well as 5,000 residents who do not receive the benefit. The information gathered in phase 2 and 3 is based on a self selecting cross-section of people, and is therefore not statistically representative, but

does provide a rich snapshot of opinions. Results from all aspects of the consultation are included in Appendix C.

- 12.5 In total 2,624 residents returned the postal questionnaire or 26% of the sample. The results indicate that most respondents feel that council should continue to fully fund the benefit and find the extra money elsewhere. Interestingly, 9% (225) respondents left this question blank, indicating that some people did not feel comfortable answering or weren't sure which option was best. The top line breakdown of responses is as follows:
- **19% (489) selected Option 1:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 25%. This will increase the council tax payable. The council could raise £2.3m extra council tax.
 - **9% (235) selected Option 2:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 20%. This will increase the council tax payable. The council could raise £1.9m extra council tax.
 - **12% (325) selected Option 3:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 10%. This will increase the council tax payable. The council could raise £1m extra council tax.
 - **51% (1350) selected Option 4:** Fully fund the Council Tax Reduction Scheme (No Change)
 - **9% (225) did not select an option / left blank**
- 12.6 The objective of the postal research was to understand the views of claimants and non-claimants. Nearly eight in ten (79%) claimants selected Option 4 (continue to fully fund the scheme) and just four in ten (41%) non-claimants selected it. To put the findings into context, there are approximately 35,000 CTRS claimants in receipt of CTRS; 14,000 are pensioners who will be fully protected from any change, whilst the remaining 19,000 are of working age and would be impacted. Approximately 77,000 other council tax payers don't receive CTRS.
- 12.7 As detailed in section 6 of this report it is estimated that the Council would need to provide £7.7m of its own funding to continue with the current CTRS scheme. That additional money would need to be found by changing, reducing, or ceasing other important council services or raising council tax. It is important to acknowledge that the decision about CTRS is integrally linked to the decision regarding the Council's overall budget. Cuts or changes to other Council services could also have a severe detrimental impact on the health and wellbeing of vulnerable local people including those of working age.

13. Background papers

Local Government Finance Act 2012

The Council Tax Reduction Scheme (Prescribed Requirements)(England) Regulations 2012

The Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012

The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme)
(England) (Amendment) Regulations 2012

LGA report – The local impacts of welfare reform

Appendix A – Cabinet Report, Localised Council Tax Reduction Scheme 2015/16, 10/09/14

Appendix B – Equality Impact Assessment, Localised Council Tax Reduction Scheme
2015/16, 09/09/14

Appendix C – Results of Consultation on Localised Council Tax Reduction Scheme 2015/16



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Cabinet – 10 September 2014

Localised Council Tax Reduction Scheme 2015/16

Portfolio: Councillor D Coughlan, Social Care
Councillor Chambers, Personnel and Business Support

Service: Money, Home, Job

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 In April 2013 council tax benefit was replaced by the council tax reduction scheme (CTRS) a new relief to be determined and administered locally. Members decided to fully fund a localised CTRS that mirrored the old council tax benefit rules.
- 1.2 In 2013/14 Walsall's means tested CTRS helped 35,000 households on low income meet their council tax liability and awarded approximately £29.7 million of which £26.7 was a cost to Walsall Council (An average weekly award of approximately £16.16). The supported households were split between 15,271 pensioners and 19,676 working aged customers. Of the working aged households 4,516 were disabled and there were 4,793 with children less than 5 years old.
- 1.3 The Government's intention was for the funding of localised council tax schemes to be provided through the business rates retention scheme rather than a separate grant, for all authorities except local policing bodies. In **2013/14** the Government allocated **£23.9m** to our general funding, Revenue Support Grant (RSG), to assist with the costs of the localised scheme. However as there had been a circa 10% reduction in funding nationally it is estimated that this level of funding represented a reduction in income of approximately £2.1m for Walsall.
- 1.4 From 2014/15 this funding is no longer separately identifiable within the settlement figures published by Department for Communities and Local Government (DCLG) in the July 2013 Technical Consultation. DCLG have confirmed that the allocation for supporting the council tax reduction scheme in 2014/15 is the same as in 2013/14, however, the overall grant funding from Government has significantly reduced and Government have not released details of how the funding is made up, the level of funding that is available to support a CTRS can only be estimated by reference to the overall funding reduction that was seen within the RSG.

This would lead to a further reduction in funding available to support the CTRS of approximately £2.4m, meaning that the total estimated level of funding available to support the scheme during 2014/15 would be circa £21.5m.

For 2015/16, again utilising the overall funding reduction seen within the RSG to estimate funding available to support the CTRS, we would expect to see a further reduction in funding of £3.7m, therefore the total estimated level of funding available to support the scheme during 2015/16 would be circa £17.8m.

- 1.5 The forecast cost to Walsall Council of the current scheme for 2014/15 is currently £25.5m, which would mean that the scheme currently costs £4m more than the estimated funding available to support it.

If the scheme continues to be fully funded for 2015/16, assuming current workloads continue and there is no increase / decrease in demand, the ongoing cost would be £25.5, however as set out in 1.4 above, it is estimated that the council would only receive circa £17.8m of funding to support the scheme, therefore the council would be providing £7.7m of its own funding to continue with the current scheme.

- 1.6 The Council's overall financial outlook is highly challenging. The latest projections are that there is a gap of over £85m for the council to address over the next 4 years. Any decision on the council tax reduction scheme will have an impact on other requirements for financial savings.

- 1.7 England is part way through a major program of benefit reform: the key changes, including the localisation of council tax support, are:-

Housing Benefits	<ul style="list-style-type: none"> • Introduction of the under occupancy rule • Local Housing Allowance reduced to 30th percentile of rents in the local housing area • Cap on total local housing allowance payable and lower rates for tenants in the private rented sector • Increase in deductions to Housing Benefit and Council Tax Benefit for non-dependants • Increased discretionary housing payments
ESA / IB	<ul style="list-style-type: none"> • Transition from Incapacity Benefit to Employment and Support Allowance with all existing claimants re-tested and new claimants facing a tougher medical test • Introduction of a requirement to engage in work related activity and time limited entitlement to non-means tested benefit if not designated to receive unconditional support
Other changes to tax and benefits	<ul style="list-style-type: none"> • Increase in personal income tax allowance and increases to national insurance rates and thresholds • Cuts to tax credits and freeze in child benefit rates • Medical reassessment of Disability Living Allowance Claimants and implementation of Personal Independence Payments.

	<ul style="list-style-type: none"> • The implementation of Universal Credit, expected to be completed by the end of 2017- pilots from April 2013.
Overarching	<ul style="list-style-type: none"> • A 1% cap on annual working age benefit increases • Introduction of the benefit cap • Walsall crisis support scheme – previously social fund.

Many of the changes implemented to date have significantly reduced money available to Walsall households.

1.8 Other authorities experience of CTRS 2014/15 - National picture

86% (of 326 LA's) reduced entitlement, 14% made no change

Of the 326 LA's that introduced changes:

- 15% introduced a minimum payment
- 24% opted for 10% cut
- 36% opted for 11% to 20% cut.
- Remainder are at 20% +
- 34% introduced a discretionary fund

1.9 Feedback on the impact of changes

Most authorities have seen a reduction in council tax collection prompting costly increased debt recovery activities.

Most increased capacity to proactively work with people negatively affected by changes.

Councils are gearing up for further reductions in 2015/16 in line with the significant reduction in finances due to the Comprehensive Spending Review (CSR). All are worried about a reduction in administration funding due to the part transfer to DCLG so are reviewing their administration processes.

1.10 West Midlands - Birmingham, Coventry, Wolverhampton, Dudley, Sandwell and Solihull.

- 2 adopted the old council tax benefit scheme.
- 1 adopted 20% cut.
- 1 adopted 12% cut.
- 1 adopted 8.5 % cut.
- 1 adopted a more complex scheme.

1.11 Feedback on the impact of changes

Feedback from the neighbouring authorities mirrors the national picture. All are reviewing their schemes in line with their decision making process.

2. Recommendations

- 2.1 To consider the options in this report for a localised council tax reduction scheme for the future, commencing in 2015/16.
- 2.2 To approve a public consultation exercise on the options set out below to establish a local council tax reduction scheme to commence on the 1 April 2015 and to continue for future years until the council considers that a change is necessary.

3. Report detail

- 3.1 From 2013/14 each of the 326 local authorities in England had to design their own local CTRS for working aged low-income households within the following guidelines:
 - Government funding was reduced by 10% nationally. The change to the funding mechanism was to a fixed grant. Expenditure fluctuated higher or lower than the grant income due to local demand needs and the proportion of pensioners in the caseload.
 - Pensioners had to be protected and a pensioner CTR scheme was prescribed in regulations. Additionally councils were required to observe their duty to protect certain other vulnerable groups although these were not described in regulations. Schemes had to be designed with support incentives to work and avoid disincentives to move into work.
 - Schemes could be revised from one year to the next but not within year.
 - Consultation was required; including precepting authorities, who were affected by any new scheme that reduces their council tax income
- 3.2 The council has fully funded the scheme since its commencement, April 2013.
- 3.3 If Walsall Council wishes to redesign its localised CTRS for 2015/16 it must consult on the proposed scheme with all interested parties and with its precepting authorities, (fire and police). The new scheme will need to be adopted at the council meeting on the 12th January 2015 for the decision to be incorporated in the council tax base which needs to be set and precepting authorities notified by 31st January 2015.

Options for a proposed localised council tax reduction scheme.

Assumptions

- No change to current prescribed legislation.
- No change to current methods of data transfer / data sharing with the DWP.
- No unexpected increase in projected pensioner population.
- No increase in council tax.
- No change to working aged population eligible for benefits
- The base council tax reduction scheme is the adopted scheme for 2014/15.

Entitlement figures will need to be adjusted where future increases in council tax are applied

Option 1 – recover part of the reduction in grant by reducing the CTRS available to the working aged customers by 25%.

Working age customers will receive a maximum discount of 75%.

This option will recover £2,390,328 of council tax income, net of collection and other costs. This option impacts on all the working age customers. There is a significant number who do not currently pay any council tax.

Option 2 – recover part of the reduction in grant by reducing the CTRS available to the working aged customers by 20%.

Working age customers will receive a maximum discount of 80%.

This option will recover £1,924,459 of council tax income, net of collection and other costs. This option impacts on all the working age customers. There is a significant number who do not currently pay any council tax.

Option 3 – Recover part of the reduction in grant by reducing the CTRS available to working aged customers by 15%.

Working age customers will receive a maximum discount of 85%.

This option will recover £1,582,347 Of council tax income, net of collection and other costs. This option impacts on all the working age customers. There is a significant number who do not currently pay any council tax.

Option 4 – recover part of the reduction in grant by reducing the CTRS available to working aged customers by 10%.

Working age customers will receive a maximum discount of 90%.

This option will recover £1,046,406 of council tax income, net of collection and other costs. This option impacts on all the working age customers. There is a significant number who do not currently pay any council tax.

Option 5 – Fully fund the reduction in grant from other council efficiencies.

Working age customers will receive a maximum discount of 100%

Option 6 – Recover part of the reduction in grant by removing CTRS from working age customers.

This option will recover £6,722,437 of council tax income, net of collection and other costs. This option will impact on all the working age customers. There is a significant number who do not currently pay any council tax.

The unintended consequences of passing on the reduction in funding

Child Poverty

The cost consequence to the council of not protecting vulnerable families with children is considerable. Children's Services have modelled the relationship between deprivation and number of Looked after Children (LAC) for the West Midlands region and for Walsall. The model can predict LAC numbers using deprivation data (JSA claimants) with a high degree of accuracy. A similar Child Poverty (IDACI) model shows that reduction in income which increases the number of children living in poverty (nearly 1:3 in 2010) will result in more LAC – around 16 more LAC per 1,000 increases in Child Poverty. The Council Tax Benefit reduction will affect 10,000 families with children, but is only **one** of a number of Coalition Government policy changes as part of the Welfare Reform Programme. It is the combined effect of all the changes that will result in increased Child Poverty.

The Institute of Fiscal Studies have projected the increase in child poverty at a national level - increasing by 400,000 from 2011 to 2014 and by 800,000 by 2020. For Walsall the proportionate increase are 3,200 and 6,400 – to 26,400 - nearly half of all children. Our modelling shows that if they convert to LAC, there will be an additional 38 and 90 (from April 2012 budget number) costing an extra £1.6 million by 2014 and £3.74 million by 2020 based on placement costs and social work costs. While preventative work in Children's Services can mitigate this, the scale of the challenge and unlikely improvement in conditions means that the costs will be even greater without prevention.

Homelessness

Various experts have provided a body of evidence showing that preventing homelessness is much more cost effective when compared to the cost incurred when fulfilling statutory duties once someone has become homeless. Research proves that preventing homelessness can achieve direct cashable savings and can deliver significant benefits to the households who are enabled to remain in their home. The prevention of homelessness also will deliver additional savings associated with the pull on other service areas, which sit outside housing. Further socio-economic and health related benefits can be achieved by avoiding substantial social disruption and re settlement costs.

The department for communities and local government has identified that the cost providing temporary accommodation and re-housing is in the region of £5,300 per case. However Crisis and New Policy Institute have suggested that costs can be significantly higher when services such as health and police are included.

Increased cost of recovery if working age clients are asked to fund the shortfall

Under options 1, 2, 3, 4 and 6 the council will be asking residents to pay an amount each year in council tax, where previously some had nothing to pay, this combined with their limited income and the wider welfare reform means that the likelihood of securing full payment is reduced.

Currently our overall collection rate is around 96%, however, as explained above, it is envisaged that it will not be possible to achieve the same collection rate for these new amounts. Anecdotal evidence has shown that the amount of payment required in these

cases has a dramatic effect on the collectability of the debt. The lower the collection rate will therefore mean the higher provision required for bad debts.

There will also be an increase in the number of recovery documents (reminders, 2nd reminders, final notices and summonses) that will be issued. The type of recovery work that would be required to collect the council tax appropriately is time consuming and has associated costs for the Council including costs for mailing, staff, phones, payment fees, courts. The higher the amount of charge to be recovered will increase the associated costs.

75% of the working age customers are in a band A property and the table below shows the minimum annual and weekly council tax liability for each option. One possible collection method open to the council is apply to DWP for direct deductions from their benefit. The current deduction rate, set by legislation, is £3.65 per week.

The table below is calculated assuming no additional protection for each option.

Option	1	2	3	4	5	6
Maximum benefit for working age	75%	80%	85%	90%	100%	0%
Total amount of reduction awarded	£24,869,190	£25,604,309	£26,321,975	£27,022,616	£28,401,125	£12,556,876
Walsall portion of total award	£22,358,806	£23,019,720	£23,664,942	£24,294,858	£25,534,216	£11,289,341
Increase in amount of council tax to be collected	£3,531,936	£2,796,817	£2,079,151	£1,378,509	£0	£15,844,248
Walsall portion of increase	£3,175,410	£2,514,496	£1,869,274	£1,239,358	£0	£14,244,874
Band A Charge	£261.43	£209.15	£156.86	£104.57	£0	£1,045.73
Weekly amount	£5.03	£4.02	£3.02	£2.01	£0	£20.11
Collection % of extra	80%	82.50%	90%	92.50%	n/a	50%
Increased in cost of collection	£150,000	£150,000	£100,000	£100,000	£0	£400,000
Bad debt provision (Walsall portion)	£635,082	£440,037	£186,927	£92,952	£0	£7,122,437
Net Income (Increase in council tax)	£2,390,328	£1,924,459	£1,582,347	£1,046,406	£0	£6,722,437

less bad debt provision and increased costs)						
Total cost to authority of reduction scheme	£23,143,888	£23,609,756	£23,951,869	£24,487,810	£25,534,216	£18,811,779

As a very rough calculation, allowing for cost of collection and relevant bad debt provision, each 1% reduction in support will generate an extra £100,000 for the council.

Other possible considerations.

Option	Income to Authority
Reduce capital limit to £6,000	£88,000
Remove second adult rebate	£67,500
Limit maximum award to Band B council tax level	£197,000

Protection for vulnerable groups.

The council can give protection to certain vulnerable groups. The table below illustrates the amount recovered and costs associated with providing such protection.

Option	Maximum discount awarded		No protection for working age	Children (under 5)	Disabled	Child (under 5) & Disabled	Families
1	75%	Increased net income to authority	£2,390,328	£1,749,948	£1,662,329	£1,085,490	£1,067,148
		Total cost of scheme	£23,143,888	£23,784,268	£23,871,887	£24,448,726	£24,467,068
2	80%	Increased net income to authority	£1,924,459	£1,399,877	£1,327,121	£854,639	£844,393
		Total cost of scheme	£23,609,756	£24,134,339	£24,207,095	£24,679,577	£24,689,823
3	85%	Increased net income to authority	£1,582,347	£1,155,803	£1,096,287	£712,113	£706,779
		Total cost of scheme	£23,951,869	£24,378,413	£24,437,929	£24,822,103	£24,827,437
4	90%	Increased net income to authority	£1,046,406	£755,689	£714,593	£452,745	£450,058

		Total cost of scheme	£24,487,810	£24,778,527	£24,819,623	£25,081,470	£25,084,157
5	100%	Increased net income to authority	£0	£0	£0	£0	£0
		Total cost of scheme	£25,534,216	£25,534,216	£25,534,216	£25,534,216	£25,534,216
6	0%	Increased net income to authority	£6,722,437	£4,938,628	£4,806,818	£3,193,988	£2,903,876
		Total cost of scheme	£18,811,779	£20,595,588	£20,727,398	£22,340,228	£22,630,340

Impact on customers

The welfare reform changes are already having a significant impact on the money available to the residents of Walsall who are in receipt of benefits. A reduction in the maximum amount of council tax support awarded would add another layer to the impact.

Examples of the layering effect that the reforms are having on residents.

Example 1. Single person in receipt of job seekers allowance - £72.40 per week - lives in a 2 bedroom housing association property – the social sector size criteria has reduced the residents housing benefit by £12.59 per week.

Job seekers allowance will increase by 1% capped from April 2014 but should there be any rent or council tax increases the cost to this resident will increase.

Example 1	Single Person on JSA					
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Claimants Weekly Income	£72.40	£72.40	£72.40	£72.40	£72.40	£72.40
Extra Rent Payable due to social size criteria	£12.59	£12.59	£12.59	£12.59	£12.59	£12.59
Weekly Council tax	£5.03	£4.02	£3.02	£2.01	£0.00	£20.11
Reduction in weekly income	£17.62	£16.61	£15.61	£14.60	£12.59	£32.70
Revised weekly income	£54.78	£55.79	£56.79	£57.80	£59.81	£39.70
Combined % reduction in income	24.3%	22.9%	21.6%	20.2%	17.4%	45.2%

Resident can apply for discretionary housing payment(DHP) to help with paying the rent but fund is cash limited and the allowable spend over the grant received may put further pressure on council budgets.

Example 2. Single parent; 5 dependent children and lives in a housing association property. Income is Employment support allowance and child benefit. She is subject to the benefit cap, limiting total benefits (including housing benefit) to £500 per week.

Example 2	Single Parent on ESA with 5 children
------------------	---

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Claimants Weekly Income	£446.52	£446.52	£446.52	£446.52	£446.52	£446.52
Extra Rent Payable due to benefit CAP	£44.50	£44.50	£44.50	£44.50	£44.50	£44.50
Weekly Council tax	£5.03	£4.02	£3.02	£2.01	£0.00	£20.11
Reduction in weekly income	£49.53	£48.52	£47.52	£46.51	£44.50	£64.61
Revised weekly income	£396.99	£398.00	£399.00	£400.01	£402.02	£381.91
Combined % reduction in income	11.1%	10.9%	10.6%	10.4%	10.0%	14.5%

Again the resident could apply for discretionary housing payment (DHP) but as stated in example 1 this fund is cash limited.

As outlined above any of the options that result in customers having to pay council tax when they previously have not had to, will result in greater demand being placed on the council services.

In relation to council tax, there will be increased contact, queries and explanations needed when the scheme is introduced and annual bills are issued. Also there will be an increase in reminders, final notices and court summonses being issued for non payment which will cause greater contact and the need for more payment arrangements to be made.

There will also be an increase in the amount of enforcement work required for those accounts where payment is not initially forthcoming. Evidence from other authorities says that enforcement of these debts are time consuming as the customers are not used to paying council tax and have been subject to a reduction in their 'spending power'.

The impact on the council will extend beyond just the increased demand in relation to just council tax. The effect of reducing the available income of some of the poorest customers in the borough will result in increased demand for the services of welfare rights, debt management, crisis team and potentially the homeless team. These being services which are already subject to high demand.

Any change in the reduction scheme will result in increased applications for Discretionary Housing Payment. This will not only be an increase in demand to deal with but also a greater call on the cash limited fund potentially putting greater pressure on the authority's budget.

Debt is known to be one of the major pressures on potentially troubled families therefore anything which increases the outgoings of such families may result in the greater risk of debt and therefore greater pressure on the troubled families team and social care.

Problem	Impact on council	Solution
Increase in rent arrears	Increase in demand on Money	Based on demand look to increase levels of
Increase in child poverty	Home Job service - Welfare rights, debt management, homeless team, crisis team,	resources as required
Increase in homelessness	council tax recovery and	Increase availability of

Disproportional effect on families in need	enforcement	Money home Job officers to react to the new demands
Disproportional effect on troubled families	Increase Discretionary Housing Payments demand	Publicise the changes to pre-empt difficulties
Disproportional effect on households with a fixed income	Increased customer contact to deal with understanding and affects of the changes	Collaborative working with partners – CAB, social landlords, tenant forums, DWP.
Increase in debt levels	Increased demand on CAB to offer advice relating to the change	Hardship fund
Extra costs though enforcing the collection	Increased demand on troubled families team Increase demand on social care in dealing with consequences	

LGA report

On average the Local Government Association estimate that the combined impact of the welfare reforms will reduce the income of households by £1,615 per year. The association also states: “that it unlikely that anything more than a small proportion of the impacts of the welfare reform will be mitigated through households finding work or moving home for the remainder, DHP can only cover a fraction of the impacts on local areas”

Timetable

A scheme has to be agreed and adopted by full Council in time for the budget setting process or at the very latest by 31st January 2015 or the current scheme implemented in April 2014 will continue.

4. Council priorities

The changes and decisions required may have a severe negative impact on the council's priorities as the reduction in grant income will take money out of the local economy. Dependant on the preferred option selected there may also be a potential for an adverse impact on the health and well being of our residents.

5. Risk management

The IT system changes and the decisions required to support these changes pose a potential significant financial and reputation risk

6. Financial implications

In 2013/14 the Government allocated **£23.9m** to the Council's general funding, Revenue Support Grant (RSG), to assist with the costs of a localised CTRS. This funding is no longer separately identifiable within the draft settlement figures published by Department for Communities and Local Government (DCLG) in July 2013 Technical Consultation, that pot of money is set to reduce by 30.4% in 2015/16.

From 2014/15 this funding is no longer separately identifiable within the settlement figures published by Department for Communities and Local Government (DCLG) in the July 2013 Technical Consultation. DCLG have confirmed that the allocation for supporting the council tax reduction scheme in 2014/15 is the same as in 2013/14, however, the overall grant funding from Government has clearly significantly reduced and Government have not released details of how the funding is made up, the level of funding that is available to support a CTRS can only be estimated by reference to the overall funding reduction that was seen within the RSG.

This would lead to a further reduction in funding available to support the CTRS of approximately £2.4m, meaning that the total estimated level of funding available to support the scheme during 2014/15 would be circa £21.5m.

For 2015/16, again utilising the overall funding reduction seen within the RSG to estimate funding available to support the CTRS, we would expect to see a further reduction in funding of £3.7m, therefore the total estimated level of funding available to support the scheme during 2015/16 would be circa £17.8m.

The forecast cost to Walsall Council of the current scheme for 2014/15 is currently £25.5m, which would mean that the scheme currently costs £4m more than the estimated funding available to support it.

If the scheme continues to be fully funded for 2015/16, assuming current workloads continue and there is no increase / decrease in demand, the ongoing cost would be £25.5, however as set out in 1.4 above, it is estimated that the council would only receive circa £17.8m of funding to support the scheme, therefore the council would be providing £7.7m of its own funding to continue with the current scheme.

The Council's overall financial outlook is of course highly challenging. The latest projections are that there is a gap of over £85m for the council to address over the next 4 years. Any decision on the council tax reduction scheme will have an impact on other requirements for financial savings.

7. Legal implications

The Local Government Finance Act 2012 introduced local council tax reduction schemes to replace council tax benefit from April 2013.

The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 (Statutory Instrument 2012 / 2885) contains the mandatory

elements for any local scheme and details the scheme that must be adopted for pensioners.

Our current local scheme follows the CTB rules with the addition of extra income disregards for war and war widow pensions.

8 Property implications

There are no property implications.

9. Health and wellbeing implications

- 9.1 There are complex interconnections between living conditions, lifestyles, and health problems; high unemployment, low pay, and reductions in public support make it more likely that there will be an adverse effect on health and wellbeing for the residents of Walsall. Implications will vary depending on the size of the reductions in support.

10. Staffing implications

- 10.1 There are no direct implications from this report, although staffing implications may arise as the preferred localised council tax scheme is designed and implemented.

11. Equality implications

- 11.1 The Government has stated that local schemes should provide support for the most vulnerable. The Government has not prescribed the protection that local authorities should provide for vulnerable groups other than pensioners. All Pensioners must be protected from any reduction in entitlement and a prescribed scheme has been set by government.
- 11.2 In designing local schemes, Local Authorities are reminded of their responsibilities in relation to vulnerable groups and individuals and the Department for Communities and Local Government (DCLG) consultation response makes specific reference to the following Acts.
- 11.3 The Child Poverty Act 2010, which imposes a duty on local authorities and their partners, to reduce and mitigate the effects of child poverty in their local areas.
- 11.4 The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people.
- 11.5 The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.
- 11.6 An equality impact assessment must be completed and consultation with appropriate groups with protected characteristics who may be affected by changes to entitlement. We will also use the equality impact assessments to identify any unintended consequences for vulnerable groups to ensure that our local scheme is fair and equitable.

12. Consultation

- 12.1 The extent and the length of public consultation will depend on the preferred option selected.
- 12.2 The statement of intent issued by the department for Communities and Local Government specifies the consultation must take place in the following order:-
- a. Consult any major precepting authority
 - b. Publish a draft scheme in such a manner as it thinks fit, and
 - c. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.
- 12.3 A minimum of 8 week consultation period will be required running from mid September 2013 – to mid November 2013.
- 12.4 A draft consultation plan has been prepared.

Background papers

Local Government Finance Act 2012

The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012

The Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012

The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012

LGA report – the local impacts of welfare reform



Rory Borealis
Executive Director
Resources
2nd September 2014



Councillor D Coughlan
Portfolio Holder
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2nd September 2014

Author: Mushtaq Hussain

Project Lead.

Money, Home, Job

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Using evidence to shape better services



Walsall Council

Wastes &
resources
management



Community
safety &
neighbourhood
policing



Sure Start
& Children's
Centres



Affordable
housing



Healthy
communities



Active citizens
& customer
research



Local
Authority
research &
evaluation



**Council Tax Reduction
2015/16**

Walsall MBC

December 2014

Measurement ♦ Evaluation ♦ Learning

1) Project details

Title	Council Tax Reduction 2015/16
Client	Walsall MBC
Project number	14192
Client reference	
Author	Kathryn Green
Contract Manager	Kathryn Green

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2) Introduction

Background and Objectives

M•E•L Research was commissioned on behalf of Walsall Council to undertake the Council Tax Reduction Consultation in Winter of 2014. The main objectives of this research were to;

- Understand the views of a broad range of recipients of council tax reduction (CTR) towards potential changes to the current scheme, their preferred option(s) and the reasons why;
- Understand the views of a broad range of residents (not in receipt of CTR) towards potential changes to the current scheme, their preferred option(s) and the reasons why.

Sampling and method

10,000 postal questionnaires were mailed to a random sample of Walsall residents. The sample was stratified by council tax benefit status (i.e. whether or not someone receives the benefit) to ensure that sample included residents who would be directly affected and those that would not. 5,000 beneficiaries were included in the sample. As well as 5,000 residents who do not receive the benefit. A reminder mailing was sent two weeks after the initial mailing to help boost response rates. In total 2,624 residents returned the questionnaire or 26% of the sample. A full demographic breakdown for respondents is located in Appendix A

Questionnaire Design

Residents were provided with a detailed cover letter describing how different options to reduce the benefit would effect beneficiaries from each council tax band. The four options that were provided to each survey recipient are as follows:

Option 1. Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 25%. This will increase the council tax payable. The council could raise £2.3m extra council tax.

Option 2. Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 20%. This will increase the council tax payable. The council could raise £1.9m extra council tax.

Option 3. Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 10%. This will increase the council tax payable. The council could raise £1m extra council tax.

Option 4. Fully fund the Council Tax Reduction Scheme (No Change) and find the extra money, by changing, reducing, or ceasing other Council services .

3) Findings

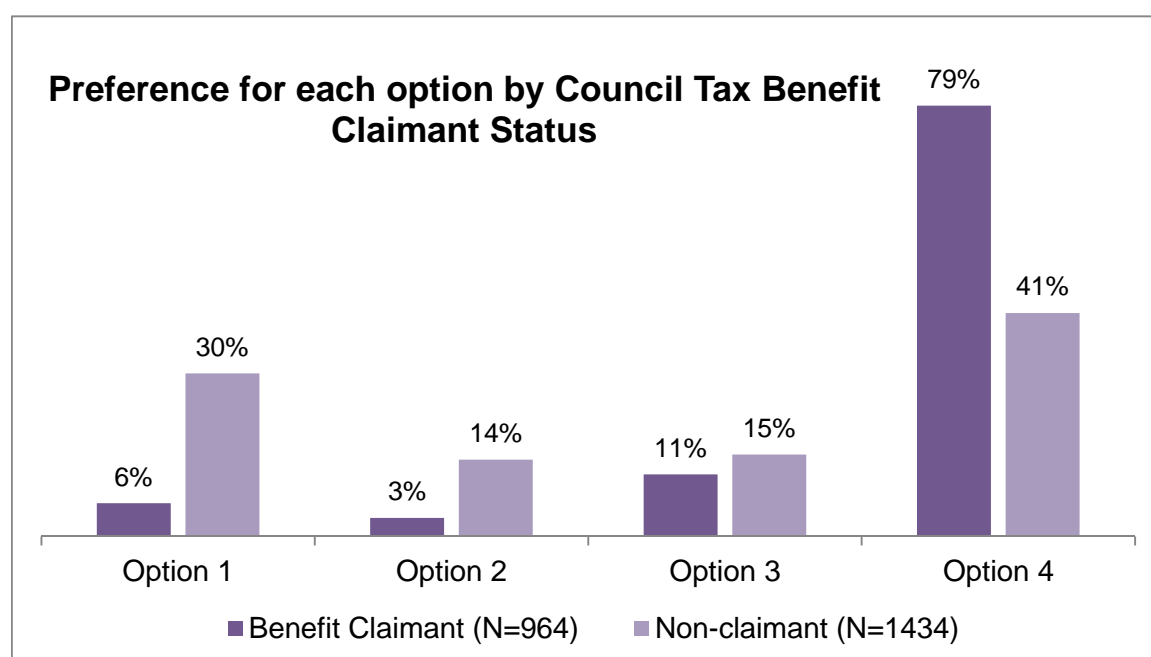
The majority (51%) of respondents support Option 4: Fully Fund the Council Tax Reduction Scheme

Results indicate that most respondents feel that council should continue to fully fund the benefit and find the extra money elsewhere. Interestingly, 9% (225) respondents left this question blank, indicating that some people did not feel comfortable answering or weren't sure which option was best. The top line breakdown of responses is below.

- **19% (489) selected Option 1:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 25%. This will increase the council tax payable. The council could raise £2.3m extra council tax.
- **9% (235) selected Option 2:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 20%. This will increase the council tax payable. The council could raise £1.9m extra council tax.
- **12% (325) selected Option 3:** Calculate the Council Tax Reduction entitlement in the same way, but then reduce it by 10%. This will increase the council tax payable. The council could raise £1m extra council tax.
- **51% (1350) selected Option 4:** Fully fund the Council Tax Reduction Scheme (No Change)
- **9% (225) did not select an option / left blank**

The responses that were left blank were kept in the results because they were a significant minority. However, if blank responses were removed those in favour of Option 4 would increase to 56%. Non responses have been removed for the remainder of the analysis and report.

The objectives of this research are to understand the views of claimants and non-claimants and the breakdown of responses to Question 1 are below. Nearly eight in ten (79%) claimants selected Option 4 and just four in ten (41%) non-claimants selected Option 4. Option 4, however was still the most popular response for non-claimants.

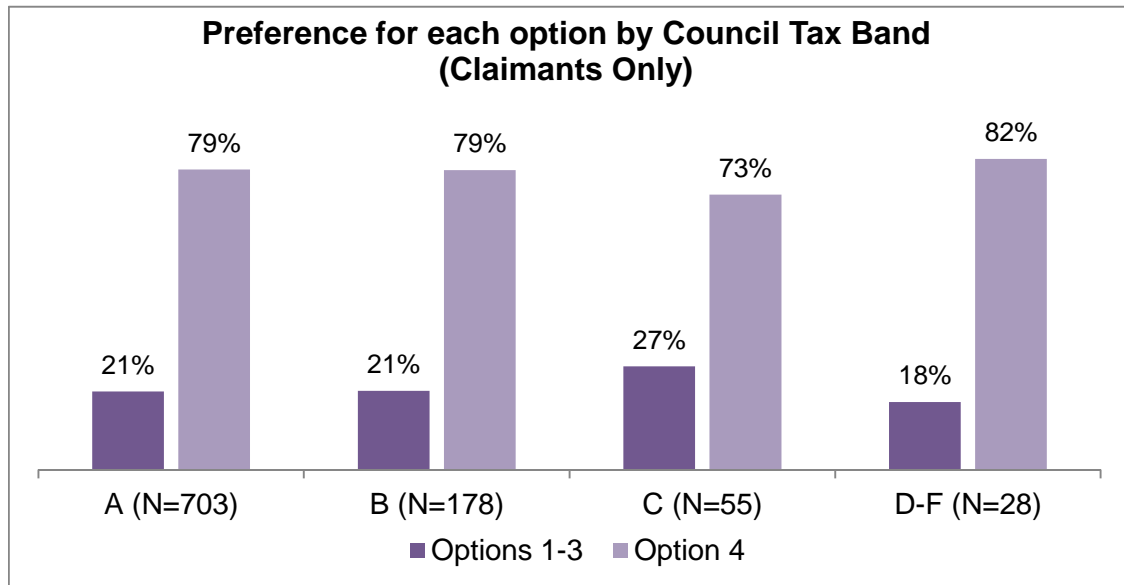


Claimants Analysis

To better understand the drivers for selecting each option, responses were compared by key demographic variables, for claimants and non-claimants. This section reports the findings for claimants.

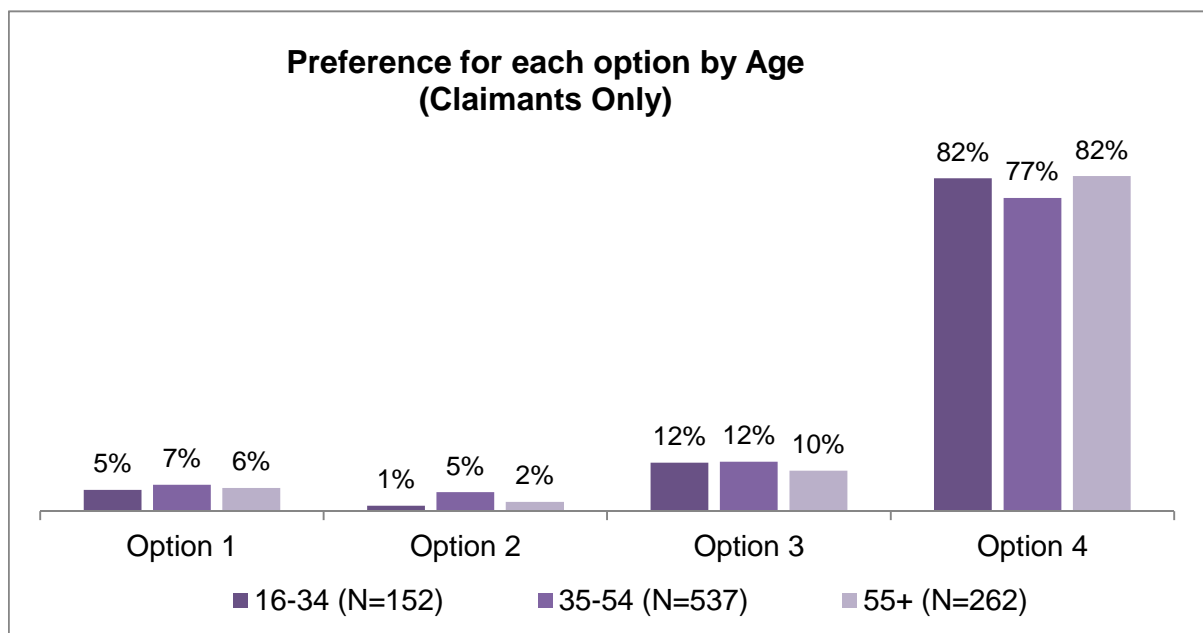
Council Tax Band

Differences in selecting Option 4 compared to one of the options with a reduction in the benefit (Options 1-3) was not statistically significant depending on the Council Tax band of the property.



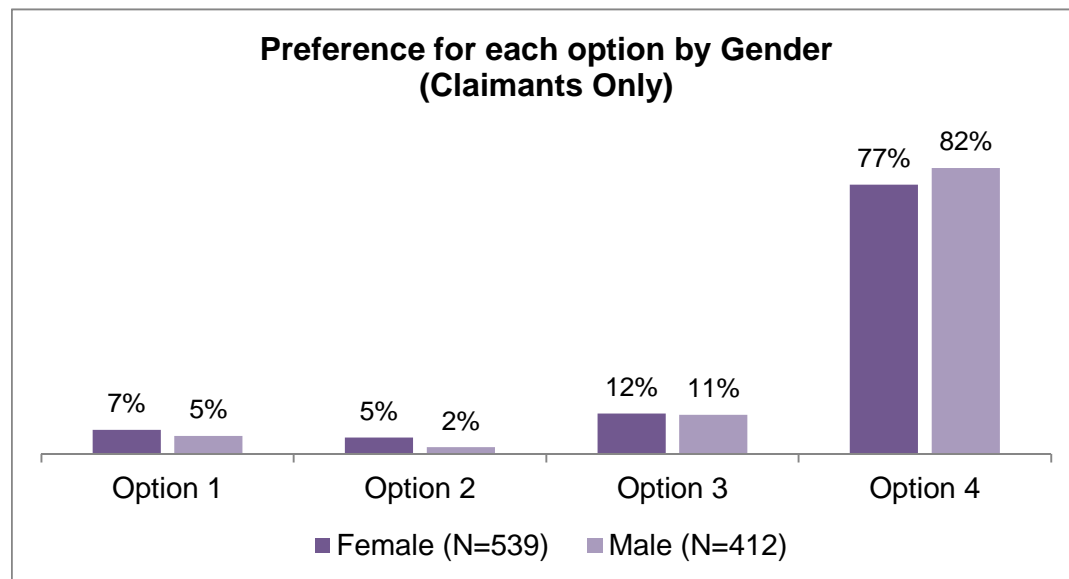
Age

Differences by age group were not significant between the different options, and the vast majority of each age group selected Option 4.



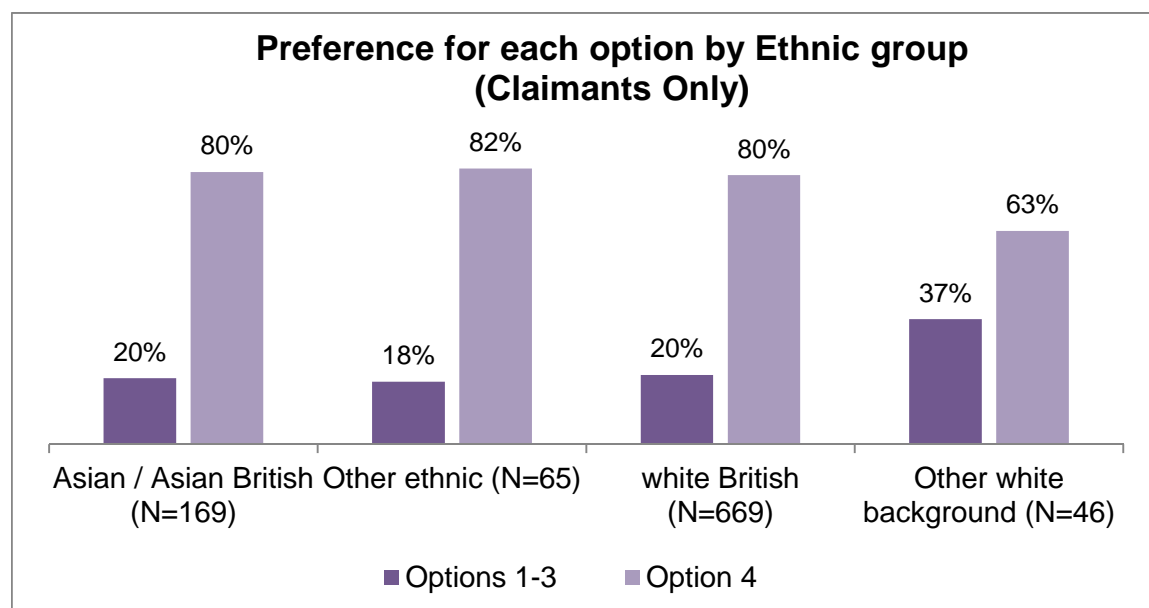
Gender

Slightly more females selected Option 4 than men, although this difference is not statistically significant.



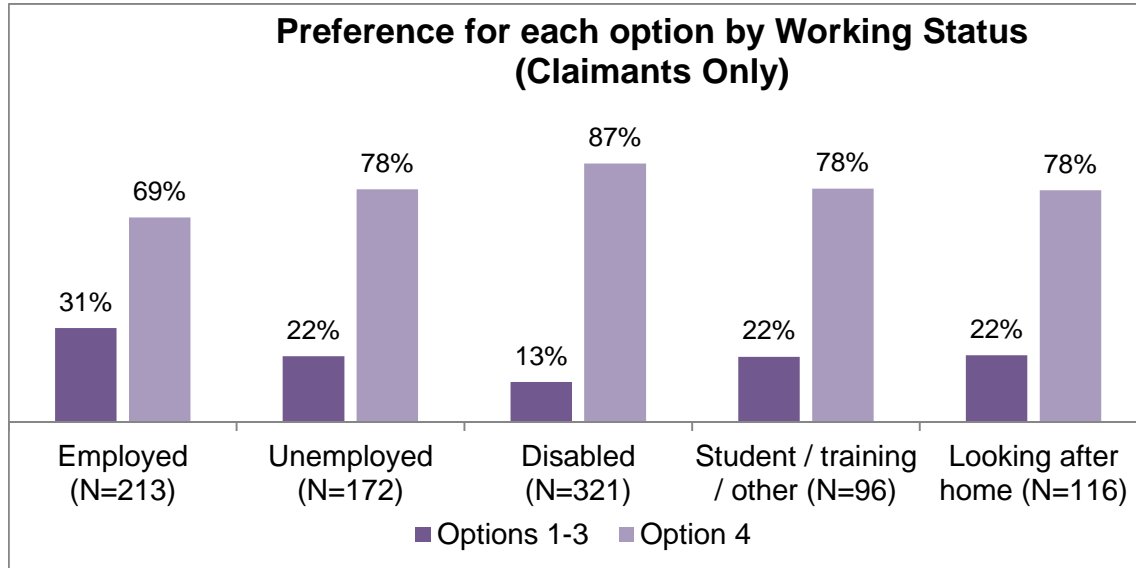
Ethnicity

White British respondents were more likely to (37%) select Options 1-3 than any other group, 20% of all other groups selected the option. These differences are statistically significant.



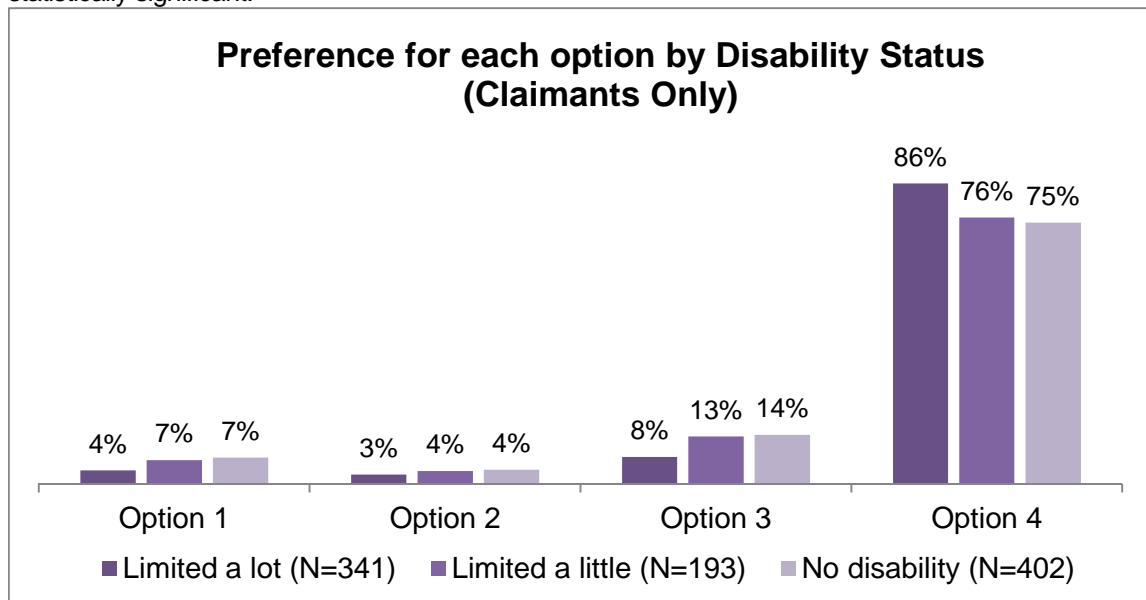
Working Status

Respondents who are employed were more likely (31%) to select Options 1-3 compared to unemployed respondents (22%) and those with a disability (13%). Other differences were not statistically significant due to the small sample size. There were only 20 retired respondents, so these results have been left off the graph below.



Disability Status

Respondents with a disability that limits their activities a lot were more likely (86%) to select Option 4 than those without a disability (75%) or a disability that limits their activity a little (76%). These differences are statistically significant.

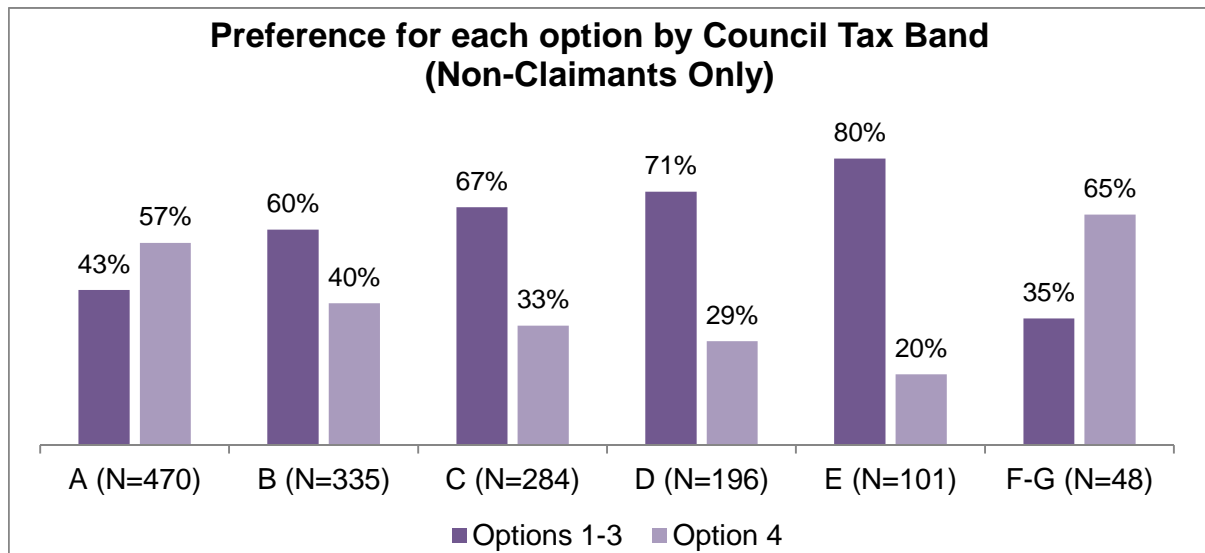


Non-Claimant Analysis

To better understand the drivers for selecting each option, responses were compared by key demographic variables, for claimants and non-claimants. This section reports the findings for non-claimants.

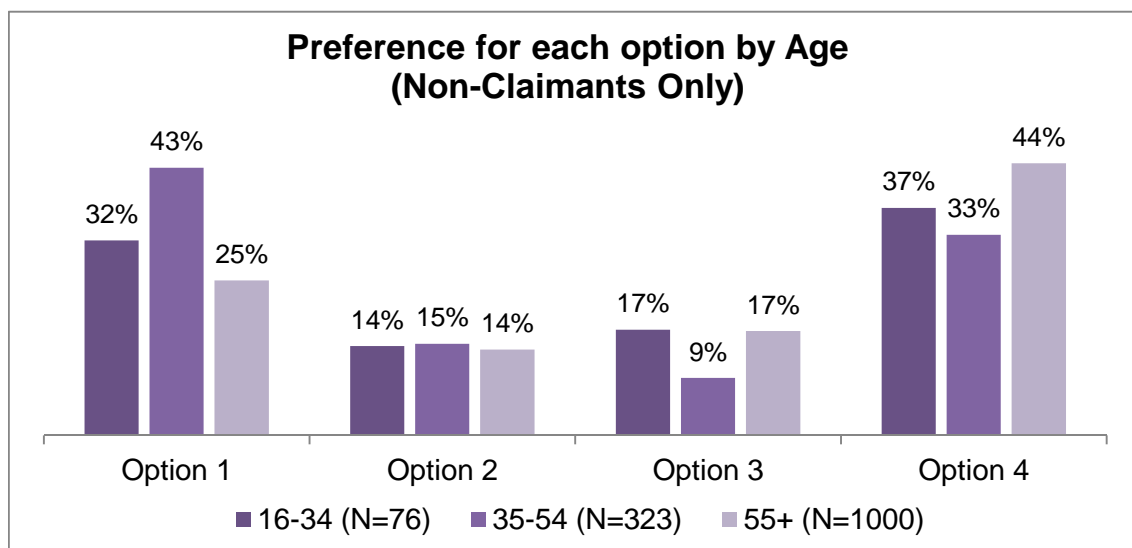
Council Tax Band

Residents who live in a more expensive Council Tax band property were more likely (43%) to select one of the options with a reduction in the benefit (Options 1-3) compared to those who live in Band B (60%), Band C (67%), Band D (71%) and Band E (90%).



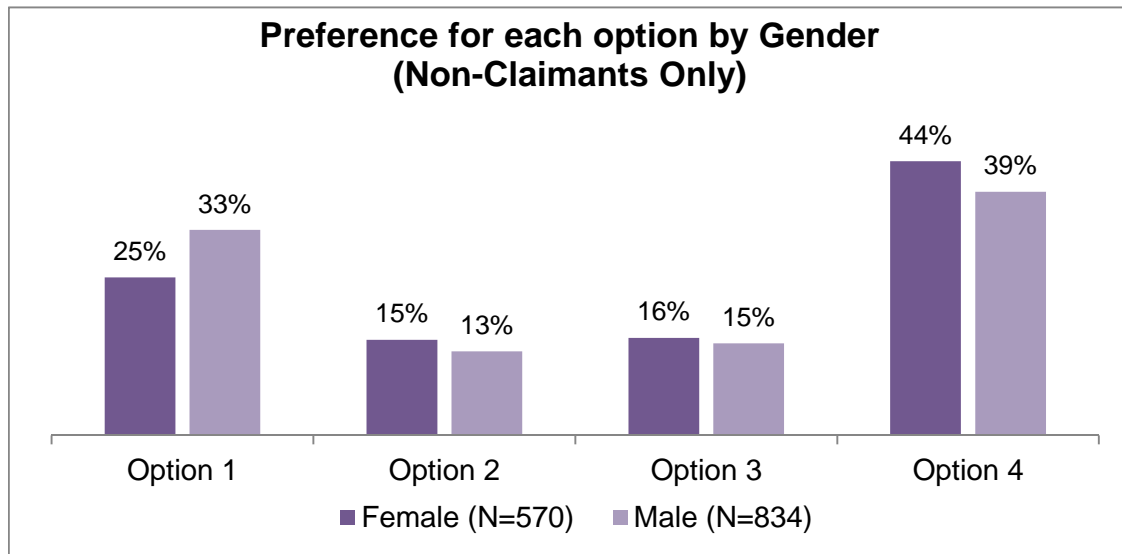
Age

Some of the differences in age for non-claimants were statistically significant. The middle age group was more likely to select Option 1 than the other ages and was the least likely to select Option 4.



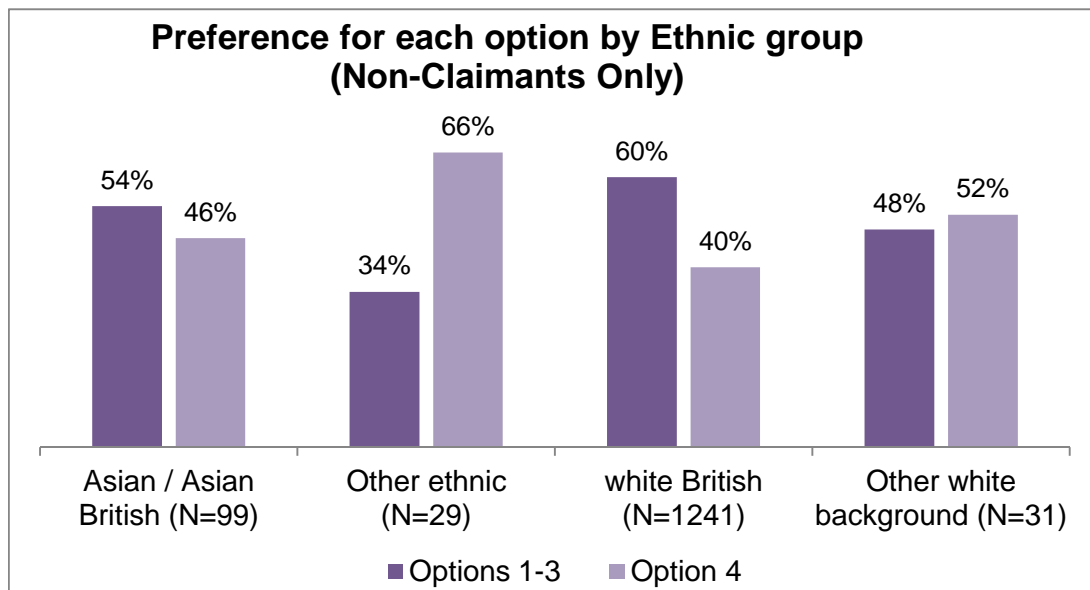
Gender

Males were more likely (33%) compared to females (25%) to select Option 1. Other differences were not statistically significant.



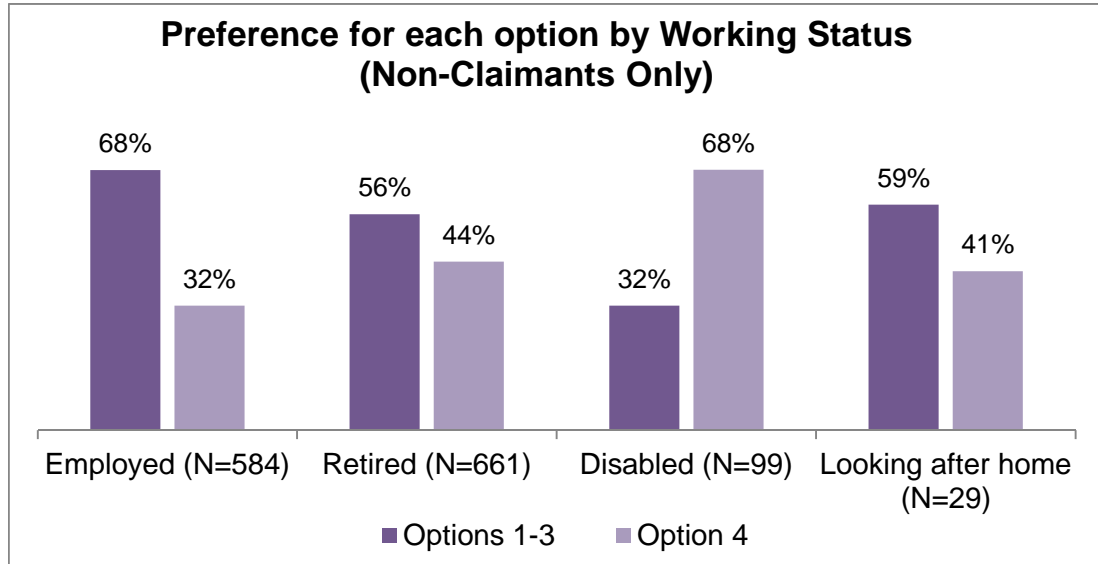
Ethnicity

White British respondents were more likely (60%) to select Options 1-3 than the other groups, although only the difference between the 'other ethnic' category were significant.



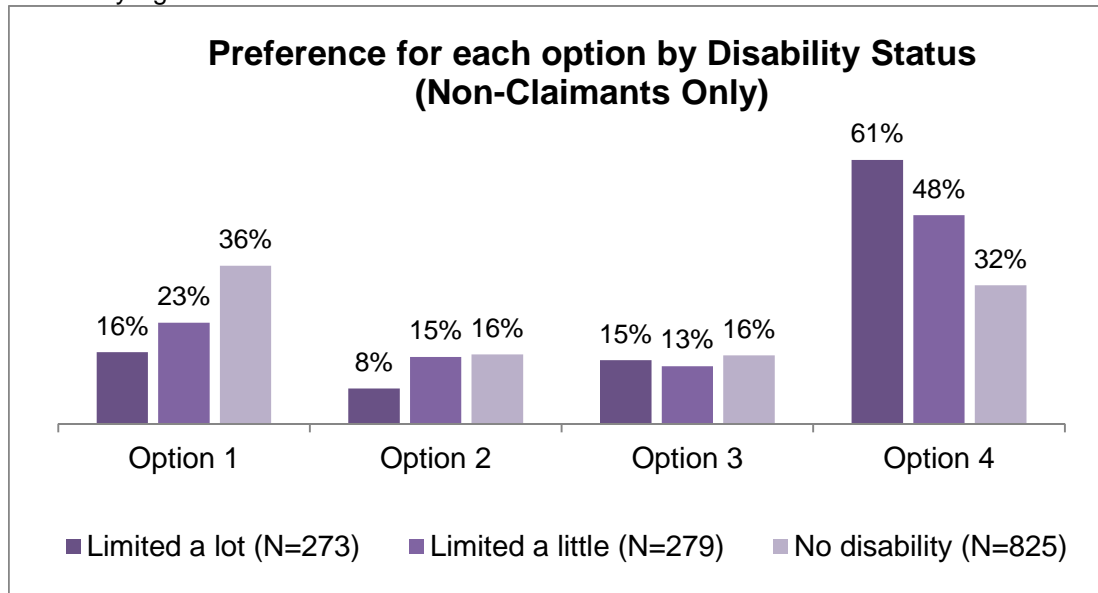
Working Status

Respondents who are employed were the most likely (68%) to select Options 1-3 compared retired respondents (56%) and those with a disability (32%). Other differences were not statistically significant. There were fewer than 20 unemployed respondents and these results have been excluded from the analysis.



Disability Status

Respondents with a disability that limits their activities a lot were the most likely (61%) to select Option 4 than those without a disability (32%) or a disability that limits their activity a little (48%). Likewise, those with a disability that limits activities a lot were the least likely to select Option 1. All of these differences are statistically significant.

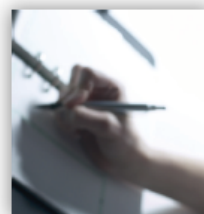


Appendix A: Demographic Breakdown

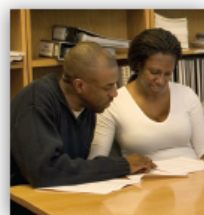
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Research



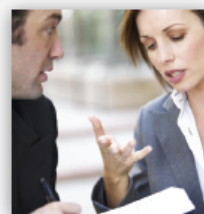
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Skillbuilding



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Measurement ♦ Evaluation ♦ Learning

Results of consultation on localised Council Tax Reduction Scheme 2015/16

Consultation took place between 20 October and 8 December with key findings reported to Cabinet in December 2014 for a Full Council decision in January 2015

The different methods of consultation were:

- Controlled postal survey (19,000)
- Standard letter to all working age claimants (19,000)
- Telephone Survey, Face to Face Appointments, Focus Groups

Controlled postal survey (10,000)

M.E.L. Research Ltd was commissioned to undertake a 10,000 postal survey. The survey was split into two groups.

- Random sample of 5,000 working age council tax reduction claimants
- Random sample of 5,000 other council tax payers

M.E.L. issued an initial letter with a questionnaire form and then followed it up with another letter for those who did not respond.

2624 completed forms were returned to M.E.L. in supplied prepaid envelopes and M.E.L. undertook the analysis of the returns.

The survey sought to find out whether participants believed that the Council should reduce the level of council tax support offered to low income households in 2015/16, or find the extra money, by changing, reducing, or ceasing other council services. The following shows which of the four options the participants preferred:

18.60% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3 m, reducing the shortfall that needs to be made by cutting other council budgets from £7.7m to £5.4m.

9% preferred option 2. Reduce the benefits by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other council budgets from £7.7m to £5.8m.

12.4% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other council budgets from £7.7m to £6.7m.

51.40% preferred option 4. Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other council budgets will be £7.7m.

8.6% had no preference

The activity that best described the respondents were:

- 17.6% Employee in full-time job (30+ hours per week)
- 9.9% Employee in part-time job (under 30 hours per week)
- 2.6% Self employed full-time
- 1.4% Self employed part-time
- 0.6% On a government supported training programme
- 0.4% Full time education
- 7.4% Unemployed and available at work
- 17.8% Permanently sick/disabled
- 30.1% Wholly retired from work
- 5.9% Looking after the home
- 3.4% Doing something else

46.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability.

See attached report for full data

Standard letter to all working age claimants (14,000)

In the second phase of consultation the Council wrote to every recipient of Council Tax Reduction (with the exception of those included in the above postal survey) to inform them about the proposals and invited them to take part in the consultation. The Council also used a range of other mediums to promote the consultation to other interested individuals and groups (including press releases, leaflets, letters and face to face appointments). **A total of 140 responses were received** in this phase of the consultation which used the same questions as the original postal survey (above). The information gathered in this phase is based on a self selecting cross-section of people, and is therefore not statistically representative, but does provide a rich and broad snapshot of opinions from people who responded.

7.1% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

3.6% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m. reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

7.9% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

81.4% preferred option 4. Fully funded the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets by £7.7m.

In receipt of council tax reduction:

80% Yes
14% No
6% Dont Know

The activity that best described the respondents were:

-9% Employee in full-time job (30+ hours per week)
-12% Employee in part-time job (under 30 hours per week)
-6% Self employed full-time
-2% Self employed part-time
-1% On a government supported training programme
-11% Unemployed and available at work
-29% Permanently sick/disabled
-5% Wholly retired from work
-12% Looking after the home
-13% Doing something else

50.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability.

Telephone Survey, Face to Face Appointments, Focus Groups

Face to Face Appointments and Focus Groups

In the third phase, Council officers carried out face to face consultation by interviewing residents at markets, accessing via the civic centre or bus, or during home visits. Officers also attended a number of focus groups with vulnerable groups. In this part of the consultation participants were asked the same questions as in the previous postal surveys (details above) but also asked a supplementary question "How could the Council raise the additional money needed to fund the Council Tax Reduction Scheme?" As the information gathered in this phase is based on a self selecting cross-section of people, it is not statistically representative, but does provide useful feedback. A total of **56 people participated** in this phase of the consultation and the results were as follows:

16% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

3.6% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m. reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

16% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

64% preferred option 4. Fully funded the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets by £7.7m.

In receipt of council tax reduction:

42.8% Yes

28.6% No

7.1% Don't Know

The activity that best described the respondents were:

- 11% Employee in full-time job (30+ hours per week)
- 11% Employee in part-time job (under 30 hours per week)
- 0% Self employed full-time
- 4% Self employed part-time
- 0% On a government supported training programme
- 13% Unemployed and available at work
- 27% Permanently sick/disabled
- 21% Wholly retired from work
- 4% Looking after the home
- 5% Doing something else
- 4% Did not respond

35.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability.

When asked if they had any alternatives for how council tax reduction could be amended one responded with made the following alternative suggestion.

- Limit to a maximum of 2 children if not working (they need to live within their means). Need to think about who its affecting and why. Get those who are capable of work in work or training. Put back into the community, build the area back up again.

When asked if there were other options for making the required savings 3 responded with the following suggestions:

- Do not cut the staff, as this creates an organisation that can't function. Take out parking meters; make the first hour free parking. Introduce cars and traffic back into the centre of Walsall. Shops come back and trade will pick up.
- Improve procurement – don't waste money, do more research get three quotes for everything.
- Pot holes are a nightmare, cars get damaged and people make claims. Don't do temporary fixes. Get it right first time and save money.

Telephone Survey

Of 100 people contacted 25 agreed to take part in the survey

Of the 25 customers who responded 21 choose one of the options the other 4 didnt have a preference but the continued with the survey questions

12% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

24% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

16% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

33% preferred option 4. Fully funded the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets by £7.7m.

16% had no preference

We then asked the 25 customers the further 5 questions

The information collected as follows

Q.1 Do you have any alternatives for how the council tax reduction scheme could be amended.

Yes	20%
No	80%

Suggestions were:

- 6-12 month limit
- Payable if you are actively seeking work (in line with JSA etc)
- Single occupants only eligible i.e. single parents (if 2 adults resident should be able to pay themselves)
- Individual assessments for how much contribution need to be made
- A token contribution

Q.2. Would you prefer an increase in the level of council tax rather than an amendment to the council tax reduction scheme.

Yes	32%
-----	-----

No 64%
Unsure 4%

Q.3. Why do you prefer the option ticked at Q2.

Comment made 60%
No comments made 40%

Comments were:

- Would like everyone to pay something
- They should pay something – all should contribute to services
- Don't want to pay for others
- On benefits
- Do not want an increase
- I prefer people to pay, you cant afford the bill at the moment and I don't claim
- It's high enough as it is without it going up
- I wouldn't have to pay anything (option 4)
- People need help to pay
- Because I work and don't get CTR (option 2)
- If people need to pay they may be encouraged to find work

Q.4. Are there any other options for making the required savings rather than amending the council tax reduction scheme.

Suggestions made 28%
No suggestions made 72%

Suggestions made

- Reduce bin collections to 2 weekly – increase size of bin
- Those who are capable of working should be made to work for the council e.g. helping keep parks tidy – anyone subsidised by the government should be made to subsidise the council.
- Chase up unpaid council tax
- Limit street lighting
- Look at Christmas lighting and decorations
- Reduce what we pay to low income families
- Scale back street cleaning Community Police Officers should monitor for people who litter.
- Look at your workforce i.e. road work crews take too many breaks, jobs should and could be finished much earlier, take 2 weeks could be done in days
- Lower MP's wages and bonuses

Q.5. The Council is planning to set up small focus groups to discuss the possible options for next year's council tax reduction scheme. Would you be interested in taking part? A £10 High Street voucher will be given to all those chosen to take part.

Yes	36%
No	60%
Did not answer	4%

Summary of all 2845 responses:

18% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

8.7% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

12.3% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

53% preferred option 4. Fully funded the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets by £7.7m.

8% had no preference

Summary of all 2820 responses provided regarding the activity that best described the respondents

- 18% Employee in full-time job (30+ hours per week)
- 10% Employee in part-time job (under 30 hours per week)
- 2% Self employed full-time
- 1.5% Self employed part-time
- 1% On a government supported training programme
- 0.5% Full time education
- 8% Unemployed and available at work
- 19% Permanently sick/disabled
- 30% Wholly retired from work
- 6% Looking after the home
- 4% Doing something else

Of 2820 people questioned 46% (1298) said that their day to day activities were limited either a little or a lot due to health problems or disability.

Equality Impact Assessment (EqIA) for Policies, Procedures and Services

Proposal name	Review Council Tax Reduction Scheme		
Directorate	Resources		
Service	Money Home Job		
Responsible Officer	Sharon Tait		
EqIA Author	Sharon Tait		
Date proposal started	02.9.14	Proposal commencement date (due or actual)	01.4.15

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy	Yes	Revision
	Procedure		
	Internal service		
	External Service		
	Other - give details		
2	What are the intended outcomes, reasons for change? (The business case)		
	<p>In April 2013 the Government abolished the national council tax benefit scheme replacing it with new local tax support schemes, designed and administered by councils</p> <p>At the same time the Government reduced the amount of money available for this.</p> <p>Walsall received £3.3m less funding but took the decision to fully fund the new scheme and meet the additional cost.</p> <p>This means tested benefit was claimed by 35,000 of our 113,000 households</p> <p>From April next year Government funding will reduce even further.</p> <p>The cost of the 2015 scheme is estimated to be £25.5m Funding available is estimated to be £17.8m The cost to Walsall council is estimated to be £7.7m</p> <p>Like all other local councils, we now need to decide whether to reduce the level of support we offer residents to pay their Council Tax or find money from within our budget to cover the £7.7m shortfall.</p> <p>The council is considering options to part fund the scheme some of which would reduce the relief currently paid to claimants.</p> <p>In 2013/14 Walsall's means tested CTRS helped 35,000 households across the borough on low income meet their council tax liability and awarded approximately £29.7 million.</p>		

3	Who is the proposal potential likely to affect?		
	People in Walsall	Yes / No	Detail
	All		
	Specific group/s	Y	In 2013/14 Walsall's means tested CTRS helped 35,000 households across the borough on low income meet their council tax liability and awarded approximately £29.7 million. The proposals could directly impact
	Council employees	N	
	Other	N	
4	Summarise your evidence, engagement and consultation.		
	<p>Consultation took place between 20 October and 9th December 2104 with key findings reported to Cabinet in December 2014 for a Full Council decision in January 2015</p> <p>The different methods of consultation were:</p> <ul style="list-style-type: none"> • Controlled postal survey (10,000) • Standard letter to all working age claimants ((19,000) • Telephone Survey, Face to Face Appointments, Focus Groups <p><u>Controlled postal survey (10,000)</u></p> <p>M.E.L Research Ltd was commissioned to undertake a 10,000 postal survey. The survey was split into two groups</p> <ul style="list-style-type: none"> • Random sample of 5,000 working age council tax reduction claimants • Ransom sample of 5,000 other council tax payers <p>M.E.L issued an initial letter with a questionnaire form and the followed it up with another letter for those who did not respond.</p> <p>Completed forms were returned to M.E.L. in supplied pre paid envelopes and M.E.L undertook the analysis of the returns.</p> <p>The survey sought to find out whether participants believed that the Council should reduce the level of council tax support offered to low income households in 2015/16, or find the extra money, by changing, reducing, or ceasing other Council services. It asked participants which ONE of the four options they preferred:</p> <ul style="list-style-type: none"> • Option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m. • Option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m. • Option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to 		

be made up by cutting other Council budgets from £7.7m to £6.7m.

- **Option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

It also asked participants to explain why they preferred the option they had selected.

The survey went out to 5,000 recipients of Council Tax Reduction and 5,000 residents not in receipt of the reduction. A total of 2624 responses were received and the results were as follows:

Standard letter to all working age claimants (19,000)

In the second phase of consultation the Council wrote to every recipient of Council Tax Reduction (with the exception of those included in the above postal survey) to inform them about the proposals and invite them to take part in the consultation. The Council also used a range of other mediums to promote the consultation to other interested individuals and groups (including press releases, leaflets, letters and face to face appointments). A total of 140 responses were received in this phase of the consultation which used the same questions as the original postal survey (above). The information gathered in this phase is based on a self selecting cross-section of people, and is therefore not statistically representative, but does provide a rich and broad snapshot of opinions from people who responded:

- 7.1% Option 1.** Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.
- 3.6% Option 2.** Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.
- 7.9% Option 3.** Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.
- 81.4% Option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

Regarding whether the respondents receive council tax reduction the split was

80% Yes

13.6% No

5% Don't know

The activity that best described the respondents were

9.3% Employee in full-time job (30+ hours per week)

12.1% Employee in part-time job (under 30 hours per week)

6% Self employed full-time

2.1% Self employed part-time
0.7% On a government supported training programme
11.4% Unemployed and available for work
29.3% Permanently sick/disabled
5% Wholly retired from work
12.9% Looking after the home
13.6% Doing something else

50.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability

Face to Face Appointments and Focus Groups

In the third phase, Council officers carried out face to face consultation by interviewing residents at markets, accessing via the civic centre or bus, or during home visits. Officers also attended a number of focus groups with vulnerable groups. In this part of the consultation participants were asked the same questions as in the previous postal surveys (detailed above) but also asked a supplementary question "How could the Council raise the additional money needed to fund the Council Tax Reduction Scheme?" As the information gathered in this phase is based on a self selecting cross-section of people, it is not statistically representative, but does provide useful feedback. A total of **56 people participated** in this phase of the consultation and the results were as follows:

- 16%** **Option 1.** Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.
- 3.6%** **Option 2.** Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.
- 16%** **Option 3.** Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.
- 64%** **Option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

Regarding whether the respondents receive council tax reduction the split was

42.8% Yes
28.6% No
7.1% don't know

The activity that best described the respondents were

10.7% Employee in full-time job (30+ hours per week)
10.7% Employee in part-time job (under 30 hours per week)
0% Self employed full-time
3.6% Self employed part-time
0% On a government supported training programme

12.5%	Unemployed and available for work
26.8%	Permanently sick/disabled
21.4%	Wholly retired from work
3.6%	Looking after the home
5.4%	Doing something else

35.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability

When asked if they had any alternatives for how council tax reduction could be amended 1 responded with the following alternative suggestion. ' Limit to a maximum of 2 children if not working (they need to live within their means) Need to think about who its affecting and why. Get those who are capable of work in work or training. Put back in to the community, build the area back up again.

When asked if there are other options for making the required savings 3 responded with the following suggestions

- Do not cut the staff, as this creates an organisation that can't function. Take out parking meters; make the first hour free parking. Introduce cars and traffic back in to the centre of Walsall. Shops come back and trade will pick up.
- Improve procurement – don't waste money, do more research get three quotes for everything
- Pot holes are a nightmare, cars get damaged and people make claims. Don't do temporary fixes. Get it right first time and save money

Telephone survey

Over the telephone of 100 people contacted 25 agreed to take part in the survey

Of the 25 customers who responded 21 choose one of the options the other 4 didn't have a preference but they continued with the survey questions

12% Option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

24% Option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

16% Option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

33% Option 4. Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

16% had no preference

We then asked the 25 customers the further 5 questions

The information collected is as follows

Q.1 Do you have any alternatives for how the council tax reduction scheme could be amended

Yes **20%**

No **80%**

Suggestions were:-

- 6-12 month limit
- Payable if you are actively seeking work (in line with JSA etc)
- Single occupants only eligible i.e. single parents if 2 adults resident should be able to pay themselves
- Individual assessments for how much contribution need to be made
- A token contribution

Q.2 Would you prefer an increase in the level of council tax rather than an amendment to the council tax reduction scheme

Yes **32%**

No **64%**

Unsure **4%**

Q.3 Why do you prefer the option ticked at Q2

Comment made **60%**

No comment made **40%**

Comments were

- Would like everyone to pay something
- They should pay something-all should contribute to services
- Don't want to pay for others
- On benefits
- Do not want an increase
- I prefer people to pay, you can't afford the bill at the moment and I don't claim
- It's high enough as it is without it going up
- I wouldn't have to pay anything (option 4)
- People need help to pay
- Because I work and don't get CTR (option 2)
- If people need to pay they may be encouraged to find work

Q.4 Are there any other options for making the required savings rather than amending the council tax reduction scheme

Suggestions made **28%**

No suggestion made **72%**

Suggestions made

- Reduce bin collections to 2 weekly-increase size of bin
- Those who are capable of working should be made to work for the council e.g. helping keep parks tidy- anyone subsidised by the government should be made to subsidise the council
- Chase up unpaid council tax
- Limit street lighting
- Look at Christmas lighting and decorations
- Reduce what we pay to low income families
- Scale back street cleaning Community Police Officers should monitor for people who litter
- Look at your workforce i.e. road work crews take too many breaks jobs should and could be finished much earlier take 2 weeks could be done in days
- Lower MP's wages and bonuses

Q.5 The council is planning to set up small focus groups to discuss the possible options for next year's council tax reduction scheme. Would you be interested in taking part? A £10 High Street voucher will be given to all those chosen to take part

Yes **36%**

No **60%**

Did not answer **4%**

5 How may the proposal affect each protected characteristic or group? The affect may be positive, negative or neutral.

Characteristic	Affect	Reason	Action needed Y or N
Age	Negative	<p>Pension age – this group is protected by the government's national scheme</p> <p>Working age – option 4 – would be no changes for this group. Option 1, 2 +3 would be affected as the amount of CTRS would be reduced by up to 25%</p> <p>Families with children – households with children receive a higher applicable amount and child benefit is excluded from the assessment of income. Option 4 – there would be no change for these customers, Options 1 to 3 the level of the award of CTRS would be reduced by up to 25 %</p>	N

	Disability	Negative	<p>People with disabilities receive a higher applicable amount and therefore receive a higher award of CTR than others. In addition disability living allowance (and its replacement – personal independence payments PIP.) is excluded in the means tested income calculation.</p> <p>Unemployment rates are shown to be higher for the disabled groups and this group tends to rely on benefits and they receive additional benefits to help meet the costs of their disability.</p> <p>Mental health, learning disabilities, visual and hearing impairments may all have an adverse impact on the person accessing the service/support.</p> <p>Options 1 to 3 –as the level of the award would be reduced by up to 25% then this group would have to pay an increased level of council tax.</p> <p>Option 4 – no groups would be affected as no change.</p>	N
	Gender reassignment	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.	N
	Marriage and civil partnership	Negative	Current data suggests that same sex couples are very much underrepresented in benefits claims compared to heterosexual couples. There is no evidence available to indicate that there could be an adverse impact to this group as a consequence	N
	Pregnancy and maternity	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered. Only changes of income related to changed circumstances would be assessed.	N
	Race	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.	N
	Religion or belief	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.	N
	Sex	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.	N
	Sexual orientation	Negative	The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.	N
	Other (give detail)	N/A		
	Further	N/A		

	information			
6	Does your proposal link with other proposals to have a cumulative affect on particular equality groups? If yes, give details below.			(Delete one) Yes
	Yes, it links to all proposals related to the overall Budget Consultation			
7	Which justifiable action does the evidence, engagement and consultation suggest you take? (Bold which one applies)			
	A	No major change required		
	B	Adjustments needed to remove barriers or to better promote equality		
	C	Continue despite possible adverse impact		
	D	Stop and rethink your proposal		

Now complete the action and monitoring plan on the next page

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
17/12/14	Introduce Hardship grant to support individuals affected by the transition	Elise Hopkins	01/04/2015	

Update to EqlA	
Date	Detail
09/12/14	Update undertaken following receipt of initial consultation results
15/12/14	Updated following discussions with portfolio holder

Equality Impact Assessment (EqIA) for Policies, Procedures and Services

Proposal name	Review Council Tax Reduction Scheme		
Directorate	Resources		
Service	Money Home Job		
Responsible Officer	Sharon Tait		
EqIA Author	Sharon Tait		
Date proposal started	2.9.14	Proposal commencement date (due or actual)	1.4.15

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy	Yes	Revision
	Procedure		
	Internal service		
	External Service		
	Other - give details		
2	What are the intended outcomes, reasons for change? (The business case)		
	<p>In April 2013 the Government abolished the national council tax benefit scheme replacing it with new local tax support schemes, designed and administered by councils.</p> <p>At the same time the Government reduced the amount of money available for this.</p> <p>Walsall received £3.3m less funding but Council took the decision to fully fund the new scheme and meet the additional cost.</p> <p>This means tested benefit was claimed by 35,000 of our 113,000 households.</p> <p>From April next year Government funding will reduce even further.</p> <p>The cost of the 2015 scheme is estimated to be £25.5m Funding available is estimated to be £17.8m The cost to Walsall council is estimated to be £7.7m</p> <p>Like all other local councils, we now need to decide whether to reduce the level of support we offer residents to pay their Council Tax or find money from within our budget to cover the £7.7m shortfall.</p> <p>The council is considering options to part fund the scheme some of which would reduce the relief currently paid to claimants.</p> <p>In 2013/14 Walsall's means tested CTRS helped 35,000 households across the borough on low income meet their council tax liability and awarded approximately £29.7 million.</p>		
3	Who is the proposal potential likely to affect?		
	People in Walsall	Yes / No	Detail
	All		
	Specific group/s	Y	In 2013/14 Walsall's means tested CTRS helped 35,000 households across the borough on low

			income meet their council tax liability and awarded approximately £29.7 million
	Council employees		
	Other		
4	Summarise your evidence, engagement and consultation.		
	<p><u>Results of consultation on localised Council Tax Reduction Scheme 2015/16</u> Consultation took place between 20 October and 28 November with key findings reported to Cabinet in December 2014 for a Full Council decision in January 2015</p> <p>The different methods of consultation were:</p> <ul style="list-style-type: none"> • Controlled postal survey (10,000) • Standard letter to all working age claimants (19,000) • Telephone Survey, Face to Face Appointments, Focus Groups <p><u>Controlled postal survey (10,000)</u> M.E.L Research Ltd was commissioned to undertake a 10,000 postal survey. The survey was split into two groups</p> <ul style="list-style-type: none"> • Random sample of 5,000 working age council tax reduction claimants • Ransom sample of 5,000 other council tax payers <p>M.E.L issued an initial letter with a questionnaire form and the followed it up with another letter for those who did not respond.</p> <p>2624 completed forms were returned to M.E.L. in supplied pre paid envelopes and M.E.L undertook the analysis of the returns.</p> <p>The survey sought to find out whether participants believed that the Council should reduce the level of council tax support offered to low income households in 2015/16, or find the extra money, by changing, reducing, or ceasing other Council services. The following shows which of the four options the participants preferred:</p> <p>18.60% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.</p> <p>9% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.</p> <p>12.4% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.</p> <p>51.40% preferred option 4. Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.</p> <p>8.6% had no preference</p> <p>The activity that best described the respondents were:</p> <p>17.6% Employee in full-time job (30+ hours per week) 9.9% Employee in part-time job (under 30 hours per week) 2.6% Self employed full-time 1.4% Self employed part-time 0.6% On a government supported training programme 0.4% Full time education 7.4% Unemployed and available for work</p>		

- 17.8% Permanently sick/disabled
- 30.1% Wholly retired from work
- 5.9% Looking after the home
- 3.4% Doing something else

46.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability (See attached report for full data).

Standard letter to all working age claimants (14,000)

In the second phase of consultation the Council wrote to every recipient of Council Tax Reduction (with the exception of those included in the above postal survey) to inform them about the proposals and invite them to take part in the consultation. The Council also used a range of other mediums to promote the consultation to other interested individuals and groups (including press releases, leaflets, letters and face to face appointments). **A total of 140 responses were received** in this phase of the consultation which used the same questions as the original postal survey (above). The information gathered in this phase is based on a self selecting cross-section of people, and is therefore not statistically representative, but does provide a rich and broad snapshot of opinions from people who responded:

- 7.1% **preferred option 1.** Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.
- 3.6% **preferred option 2.** Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.
- 7.9% **preferred option 3.** Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.
- 81.4% **preferred option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

In receipt of council tax reduction?

- 80% Yes
- 14% No
- 6% Don't know

The activity that best described the respondents were

- 9% Employee in full-time job (30+ hours per week)
- 12% Employee in part-time job (under 30 hours per week)
- 6% Self employed full-time
- 2% Self employed part-time
- 1% On a government supported training programme
- 11% Unemployed and available for work
- 29% Permanently sick/disabled
- 5% Wholly retired from work
- 12% Looking after the home
- 13% Doing something else

50.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability

Telephone Survey, Face to Face Appointments, Focus Groups

Face to Face Appointments and Focus Groups

In the third phase, Council officers carried out face to face consultation by interviewing residents at markets, accessing via the civic centre or bus, or during home visits. Officers also attended a number of focus groups with vulnerable groups. In this part of the consultation participants were asked the same questions as in the previous postal surveys (detailed above) but also asked a supplementary question "How could the Council raise the additional money needed to fund the Council Tax Reduction Scheme?" As the information gathered in this phase is based on a self selecting cross-section of people, it is not statistically representative, but does provide useful feedback. A total of **56 people participated** in this phase of the consultation and the results were as follows:

- 16% **preferred option 1.** Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

- 3.6%** **preferred option 2.** Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.
- 16%** **Option 3.** Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.
- 64%** **Option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

In receipt of council tax reduction?

- 42.8%** Yes
28.6% No
7.1% don't know

The activity that best described the respondents were

- 11%** Employee in full-time job (30+ hours per week)
11% Employee in part-time job (under 30 hours per week)
0% Self employed full-time
4% Self employed part-time
0% On a government supported training programme
13% Unemployed and available for work
27% Permanently sick/disabled
21% Wholly retired from work
4% Looking after the home
5% Doing something else
4% did not respond
35.7% of the respondents said that their day to day activities were limited either a little or a lot due to health problems or disability

When asked if they had any alternatives for how council tax reduction could be amended one responded with the following alternative suggestion:

- Limit to a maximum of 2 children if not working (they need to live within their means) Need to think about who its affecting and why. Get those who are capable of work in work or training. Put back in to the community, build the area back up again.

When asked if there were other options for making the required savings 3 responded with the following suggestions:

- Do not cut the staff, as this creates an organisation that can't function. Take out parking meters; make the first hour free parking. Introduce cars and traffic back in to the centre of Walsall. Shops come back and trade will pick up.
- Improve procurement – don't waste money, do more research get three quotes for everything
- Pot holes are a nightmare, cars get damaged and people make claims. Don't do temporary fixes. Get it right first time and save money

Telephone survey

Of 100 people contacted 25 agreed to take part in the survey

Of the 25 customers who responded 21 choose one of the options the other 4 didn't have a preference but they continued with the survey questions

- 12%** **preferred option 1.** Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.
- 24%** **preferred option 2.** Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.
- 16%** **preferred option 3.** Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.
- 33%** **preferred option 4.** Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

16% had no preference

We then asked the 25 customers the further 5 questions
The information collected is as follows

Q.1 Do you have any alternatives for how the council tax reduction scheme could be amended

Yes **20%**

No **80%**

Suggestions were:-

- 6-12 month limit
- Payable if you are actively seeking work (in line with JSA etc)
- Single occupants only eligible i.e. single parents if 2 adults resident should be able to pay themselves
- Individual assessments for how much contribution need to be made
- A token contribution

Q.2 Would you prefer an increase in the level of council tax rather than an amendment to the council tax reduction scheme

Yes **32%**

No **64%**

Unsure **4%**

Q.3 Why do you prefer the option ticked at Q2

Comment made **60%**

No comment made **40%**

Comments were

- Would like everyone to pay something
- They should pay something-all should contribute to services
- Don't want to pay for others
- On benefits
- Do not want an increase
- I prefer people to pay, you can't afford the bill at the moment and I don't claim
- It's high enough as it is without it going up
- I wouldn't have to pay anything (option 4)
- People need help to pay
- Because I work and don't get CTR (option 2)
- If people need to pay they may be encouraged to find work

Q.4 Are there any other options for making the required savings rather than amending the council tax reduction scheme

Suggestions made **28%**

No suggestion made **72%**

Suggestions made

- Reduce bin collections to 2 weekly-increase size of bin
- Those who are capable of working should be made to work for the council e.g. helping keep parks tidy- anyone subsidised by the government should be made to subsidise the council
- Chase up unpaid council tax
- Limit street lighting
- Look at Christmas lighting and decorations
- Reduce what we pay to low income families
- Scale back street cleaning Community Police Officers should monitor for people who litter
- Look at your workforce i.e. road work crews take too many breaks jobs should and could be finished much earlier take 2 weeks could be done in days
- Lower MP's wages and bonuses

Q.5 The council is planning to set up small focus groups to discuss the possible options for next year's council tax reduction scheme. Would you be interested in taking part? A £10 High Street voucher will be given to all those chosen to take part

Yes **36%**

No **60%**

Did not answer **4%**

Summary of all 2845 responses

18% preferred option 1. Reduce the benefit by 25% which means claimants will have to pay more council tax. The change will raise £2.3m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.4m.

8.7% preferred option 2. Reduce the benefit by 20% which means claimants will have to pay more council tax. The change will raise £1.9m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £5.8m.

12.3% preferred option 3. Reduce the benefit by 10% which means claimants will have to pay more council tax. The change will raise £1m, reducing the shortfall that needs to be made up by cutting other Council budgets from £7.7m to £6.7m.

53% preferred option 4. Fully fund the Council Tax Reduction Scheme which means claimants will not have to pay more council tax. The shortfall to be made up by cutting other Council budgets will be £7.7m.

8% had no preference

Summary of all 2820 responses provided regarding the activity that best described the respondents

- 18%** Employee in full-time job (30+ hours per week)
- 10%** Employee in part-time job (under 30 hours per week)
- 2%** Self employed full-time
- 1.5%** Self employed part-time
- 1%** On a government supported training programme
- 0.5%** Full time education
- 8%** Unemployed and available for work
- 19%** Permanently sick/disabled
- 30%** Wholly retired from work
- 6%** Looking after the home
- 4%** Doing something else

Of 2820 people questioned 46% (1298) said that their day to day activities were limited either a little or a lot due to health problems or disability

	The raw data from all of the consultation exercises is available from Elise Hopkins or Sharon Tait			
5	How may the proposal affect each protected characteristic or group? The affect may be positive, negative or neutral.			
	Characteristic	Affect	Reason	Action needed Y or N
	Age	Possibly Negative	<p>The CTRS currently paid to pensioners will not change as they are protected so will not be impacted by the proposed changes.</p> <p>Only those of working age in receipt of CTRS will potentially receive less benefit.</p> <p>The level of award could reduce by 10%, 20% or 25%.</p> <p>Based on a snapshot undertaken in November 2014, there are 9081 working age claimants in receipt of CTRS.</p> <p>Of this number, 7810 currently receive full CTR, so would be more negatively impacted under options1, 2 and 3 than those in receipt of partial benefit.</p> <p>The age range of respondents was a minimum of 18 years old to 75 and above.</p> <p>For non claimants age groups 16-24 favoured option 1 (reducing the benefit by 25%) whilst those aged 55 and above favoured Option 4 (continue to fully fund the scheme).</p> <p>In contrast, all claimants favoured option 4 to continue to fully fund the scheme.</p>	Y
Disability	Possibly Negative	<p>We have limited information on the impact against disability groups as the current council tax system does not hold extensive data regarding this characteristic.</p> <p>Based on a snapshot undertaken in November 2014, there are 4081 disabled claimants of working age in receipt of CTRS.</p> <p>Of this number, 3630 currently receive full CTR, so would be more negatively impacted under options1, 2 and 3 than those in receipt of partial benefit.</p> <p>People with disabilities receive a higher applicable amount and therefore receive a higher award of CTR than others.</p> <p>In addition disability living allowance (and its replacement –personal independence payment PIP) is excluded in the means tested income calculation.</p>	Y	

		<p>Unemployment rates are shown to be higher for the disabled groups and this group tends to rely on benefits and they receive additional benefit to help meet the costs of their disability</p> <p>Only those of working age in receipt of CTRS will potentially receive less benefit. The level of award could reduce by 10%, 20% or 25%.</p> <p>Mental health, learning disabilities, visual and hearing impairments may all have an adverse impact on the person accessing the service/support. We have mitigated this by offering Braille or large print documentation and bills. In addition we have hearing loops in the civic centre and staff that can offer sign language support. We also have a type talk facility. All public buildings are accessible to disabled people. We have also provided training on Mental Health First Aid for some front line officers.</p> <p>If the discount was reduced the additional money collected could be used to fund services that help vulnerable groups.</p>	
Gender reassignment	Possibly Negative	<p>We have limited information on the impact against those with gender reassignment as the current council tax system does not record this characteristic.</p> <p>From the results of the consultation there is no evidence to suggest that this group will be impacted disproportionately compared to other groups.</p> <p>Only people of working age in receipt of CTRS will potentially receive less benefit. The level of award could reduce by 10%, 20% or 25% depending on which option is selected.</p>	Y
Marriage and civil partnership	Possibly Negative	<p>We hold limited information on the impact against individuals who are married or in a civil partnership as the current council tax system does not record this characteristic. National trends would suggest that same sex couples are underrepresented in benefit claims compared to heterosexual couples.</p> <p>From the results of the consultation there is no evidence to suggest that this group will be impacted disproportionately due to their marital status.</p> <p>Only those of working age in receipt of CTRS will potentially receive less benefit. The level of award could reduce by 10%, 20% or 25%.</p>	Y
Pregnancy and maternity	Possibly Negative	<p>We have limited information on the impact against individuals who are pregnant as we do not record this characteristic. From the results of the consultation there is no evidence to suggest that this group will be disproportionately impacted due to being pregnant.</p> <p>Only changes of income related to changed circumstances would be assessed. Only those of</p>	Y

		working age in receipt of CTRS will potentially receive less benefit. The level of award could reduce by 10%, 20% or 25%.	
Race	Possibly Negative	<p>We have limited information on the impact against any particular ethnic group as the current council tax system does not record this characteristic.</p> <p>From the results of the consultation there is no evidence to suggest that this group will be disproportionately impacted due to their ethnicity</p> <p>Of the 2624 respondents to the consultation were:</p> <p>80% White British 4% White Other 11% Asian 5% Other ethnic groups</p> <p>From the results of the consultation White British non-claimants were more likely to select Options 1, 2 or 3 (a reduction in the discount) compared to the other ethnic groups.</p> <p>All ethnic groups in receipt of benefits, regardless of their ethnicity, favoured Option 4 (continue to fully fund the scheme).</p> <p>We have access to interpretation services and officers who can speak a selection of languages. If the discount was reduced the additional money collected could be used to help fund services for vulnerable and minority groups.</p>	Y
Religion or belief	Possibly Negative	<p>We have limited information on individual's religious beliefs as the current council tax system does not record this characteristic.</p> <p>From the results of the consultation there is no evidence to suggest that any religious group will be impacted disproportionately due to any proposed change.</p>	Y
Sex	Possibly Negative	<p>We have limited information on the sex of individuals as the council tax system does not record complete household details.</p> <p>Of the 2624 respondents to the consultation:</p> <p>51% were male 49% female</p> <p>From the results of the consultation there is no evidence to suggest that either sex will be impacted disproportionately.</p> <p>Current service delivery does not differentiate between sexes.</p>	Y
Sexual orientation	Possibly	We have limited information on the sexual orientation of individuals as the	Y

	Negative	<p>council tax system does not record this characteristic.</p> <p>Current service delivery does not differentiate based on sexual orientation.</p> <p>All members of staff do receive regular diversity training to ensure that all customers receive fair and equitable service. We monitor complaints and compliments to ensure that customers are not discriminated against.</p>	
Other (give detail)		<p>The majority of residents (51%) support option 4 (fully fund the CTRS). Results indicate that most respondents feel that the Council should continue to fully fund the benefit and find extra money else where. 9% (225) of respondents did not select a preferred option. The top break down of responses is below:</p> <p>19% (489) selected option 1: Calculate the CTRS reduction scheme in the same way, but then reduce it by 25%. This will increase the council tax payable. The council could raise £2.3m extra council tax.</p> <p>9% (235) selected option 2: Calculate the CTRS reduction scheme in the same way, but then reduce it by 20%. This will increase the council tax payable. The council could raise £1.9m extra council tax.</p> <p>12% (325) selected option 3: Calculate the CTRS reduction scheme in the same way, but then reduce it by 10%. This will increase the council tax payable. The council could raise £1m extra council tax.</p> <p>51% (1350) selected option 1: Fully fund the CTRS scheme (No change)</p> <p>9%(225) did not select an option</p> <p>From the responses, it is clear that the majority of respondents showing a preference for option 4 were existing claimants likely to be negatively impacted by the proposed changes.</p> <p>Households with children receive higher applicable amount and child benefit is excluded from the assessment of income. Based on a snapshot undertaken in November 2014, there are 1775 families with children under 5 in receipt of CTRS. Of this number 980 currently receive full CTR so would be more negatively impacted by options 1, 2 and 3 than those in receipt of partial benefit.</p> <p>There are 2936 single parent claimants and 1821 are currently in receipt of full benefit (100% Fully Funded CTRS) and will be impacted more than the current 1115 single parents in receipt of partial benefit. Under the proposals if single parents are in receipt of child maintenance or child benefit this is disregarded for benefit purposes; it may be that these households are slightly better off financially than other single parent households.</p>	Y
Families with Children			
Single Parents			
Further information			

6	Does your proposal link with other proposals to have a cumulative affect on particular equality groups? If yes, give details below.		(Delete one) Yes
	Yes, all of the budget proposals that impact on Walsall Council Tax payers.		
7	Which justifiable action does the evidence, engagement and consultation suggest you take? (Bold which one applies)		
	A	No major change required	
	B	Adjustments needed to remove barriers or to better promote equality	
	C	Continue despite possible adverse impact	
	D	Stop and rethink your proposal	

Now complete the action and monitoring plan on the next page

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
Oct 14	Postal survey random sample	Money Home Job	8.12.14	Understand the potential impact on claimants and their opinions about the options being considered
Oct 14	Postal survey CTRS recipients	Money Home Job	8.12.14	Understand the potential impact on claimants and their opinions about the options being considered
Nov 14	Telephone survey	Money Home Job	8.12.14	Understand the potential impact on claimants and their opinions about the options being considered
Nov 14	Face to face consultation	Money Home Job	8.12.14	Understand the potential impact on claimants and their opinions about the options being considered
Dec 14	Promote use of Discretionary Housing Payments	Money Home Job	31.3.15	Mitigate the impact of a reduction in CTRS
Dec 14	Use welfare rights team to maximise income for those impacted	Money Home Job	31.3.15	Mitigate the impact of a reduction in CTRS
Dec 14	Use welfare right debt advisors to assist with debt management	Money Home Job	31.3.15	Mitigate the impact of a reduction in CTRS
Dec 14	Proactively identify those likely to be impacted and make arrangements to assist	Money Home Job	31.3.15	Mitigate the impact of a reduction in CTRS
January 2014	Design Hardship Fund to support households in the greatest need with transition if Option 1, 2 or 3 are adopted	Money Home Job	31.3.15	Mitigate the impact of a reduction in CTRS
March 2015	Continue to monitor the impacts of the Local Council Tax Support Scheme alongside the other welfare reforms on households with protected characteristics in comparison with the wider general	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS

	<p>public.</p> <p>Consider where equality monitoring (for all equality characteristics) would add the most value to determine the effectiveness of the Local Council Tax Support Scheme.</p> <p>Undertake appropriate monitoring of the scheme once implemented, analyse available data and take appropriate action.</p>			
March 2015	Work with welfare and advice agencies to signpost households who are adversely impacted to organisations that can provide help and support.	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
March 2015	Ensure that the Local Council Tax Support scheme continues to be administered fairly with due regard to the impact on equality, diversity, cohesion and integration.	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
March 2015	Ensure that the Council Tax Hardship scheme is advertised widely and is accessible to all who may qualify for assistance. This will include providing information aimed at organisations, agencies and services who provide direct support to individuals.	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS

Update to EqIA	
Date	Detail
8.12.14	Updated to reflect analysis of consultation
7.01.14	Update required to take account of additional consultation results