

14 December 2016

Council Tax Reduction Scheme 2017/18

Portfolio: Councillor D Coughlan – Social Care

Service: Money Home Job

Wards: All

Key decision: No

Forward plan: No

1. Summary

1.1 In September 2016 Cabinet approved a public consultation exercise on the options summarised in Table 1 below to establish a new Council Tax Reduction Scheme (CTRS) for introduction from April 2017 for working age claimants. Legislatively 100% protection for pensioners is retained.

Table 1 CTRS Options used in Consultation

Option	A	B	C	D
Overall % CTR reduced by	25%	30%	35%	40%
Maximum award of CTR	75%	70%	65%	60%
Increase in council tax for Walsall Council*	£0	£420,000	£797,500	£1,132,000
Revised increase in council tax for Walsall Council if single claimants under 35 are protected at current level*	£0	£290,000	£655,000	£945,000
Additional increase in council tax for Walsall Council for other changes to CTR scheme*				
Removal of income disregard for child benefit for 2 nd and additional children	£233,500	£210,000	£175,000	£130,000
Introduce a £6,000 capital limit	£33,000	£32,000	£29,000	£28,000
Limit CTR awards to Band C levels	£67,000	£61,000	£47,000	£38,000
Removal of second adult rebate	£35,000	£32,000	£24,000	£19,000

*Less bad debt provision and increased costs

1.2 The consultation period ended on 18 November 2016 and a summary of the results is contained in this report. This report recommends to cabinet that it considers the results of the consultation, alongside the equality impact assessment, before making recommendations to Council about the preferred Council Tax Reduction Scheme for Walsall from 1 April 2017.

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:**
Adoption of the preferred Council Tax Reduction Scheme option, to commence from 1 April 2017 in line with the key features of 3.3 below including but not limited to the scheme being adopted for future years until such time as the Council considers a change to the scheme is necessary.

3. Report Detail

- 3.1 Members are asked to refer to the report to cabinet in September 2016 for useful background about;
- the National Independent Review of the Council Tax Reduction Scheme (CTRS)
 - National Comparisons on Council Tax Support Schemes
 - Options for Council Tax Reduction Schemes
- 3.2 As highlighted in 1.1 and 1.2 above consultation on options for a new Council Tax Reduction Scheme has taken place.
- 3.3 Key features included in all the proposed options are:
- 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);
 - 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;
 - Any amendments or annual up rating notified by the Department for Works and Pensions in relation to Housing Benefit be adopted in the CTRS
 - Continuing the same disregard in full war disablement pensions and pensions for war widows and widowers as the existing CTRS.
 - The scheme be adopted for future years until such time as the Council considers a change to the scheme is necessary.
- 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 it is recommended that the small cash-limited discretionary scheme that exists continues to assist the most vulnerable in exceptional circumstances.
- 3.5 Evidence from commissioned work by Policy in Practice on the impact of Welfare Reform on residents of Walsall highlighted that single claimants under 35 are between 2 and 3 times more likely to be highly effected by the government's wider welfare reform program.
- 3.6 The council tax collection rate is currently around 98%. The budgeted collection for the extra income resulting from the current reduction in award of council tax reduction is 80%. 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. Table 2 below shows the details by Option.

Table 2 Collection

Option	A	B	C	D
Overall % CTR reduced by	25%	30%	35%	40%
Extra collection costs	N/A	£30,000	£60,000	£90,000
Budgeted collection rate	80%	77%	74%	71%
Budgeted collection rate if single under 35 claimants protected	N/A	78%	76%	78%

- 3.7 The figures in Table 3 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). The figures are calculated based on the council tax levels for 2016/17. The effect of any other changes will vary from case to case so it is not possible to give an estimated average effect.

Table 3 Estimated extra council tax to pay per week for option B, C and D

Option B Extra 5% cut in CTR (Weekly)	Option C Extra 10% cut in CTR (Weekly)	Option D Extra 15% cut in CTR (Weekly)
£1.07	£2.13	£3.20
£1.24	£2.49	£3.73
£1.42	£2.84	£4.26
£1.60	£3.20	£4.80
£1.95	£3.91	£5.86
£2.31	£4.62	£6.93
£2.67	£5.33	£8.00
£3.20	£6.40	£9.60

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 Increasing the funds received by the council from Council tax has a direct positive impact on the Council's abilities to deliver to its priorities:
1. Lifelong health, wealth and happiness
 2. Safe, resilient and prospering communities
 3. Sustainable change and improvement for all

However it is noted that the effect of Options B to D could result in a disproportionate negative effect on the Council's customers including the most vulnerable.

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 The Options for Cabinet and Council to consider provide a range of additional income that can be potentially raise through the adoption of a new council tax reduction scheme. This ranges from £0 to £1.3m depending upon option chosen. This will help the council potentially reduce cuts to other services.

7. Legal implications

- 7.1 The legislation relating to council tax reduction schemes includes:
- Section 13A of the Local Government Finance Act 2012 - introduced the council tax reduction scheme.
 - 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.
- 7.2 The Council must make any revision to its discount scheme no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

8. Procurement reporting

- 8.1 There are no procurement implications.

9. Property implications

- 9.1 There are no property implications.

10. Health and wellbeing implications

- 10.1 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.

11. Staffing implications

- 11.1 None.

12. Equality implications

- 12.1 The Government has stated that local schemes should provide support for the most vulnerable; however they have not prescribed the protection that local authorities should provide for vulnerable groups other than pensioners.
- 12.2 In designing local schemes authorities are reminded of their responsibilities in relation to vulnerable groups and individuals and the Department for Communities and Local Government 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.
- 12.3 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.
- 12.4 An equality impact assessment has been completed. 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 1.

13. Consultation

- 13.1 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 (Police and Fire)
 - 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.
- 13.2 Consultation took place between 10 October and 18 November 2016. Three phases of public consultation were carried out consisting of:
- Phase 1 – Controlled 10,000 household postal survey (5,000 working age claimants and 5,000 other);
 - Phase 2 – Online questionnaire (a letter was sent to every claimant not included in the first phase to encourage them to participate);
 - Phase 3 – Leaflet campaign to community groups and partners publicising the consultation.

13.3 The results of the consultation are currently being collated and an analysis of the results will be forwarded to members prior to the Cabinet meeting.

Background papers

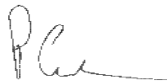
None

Author

David Lockwood – Interim System Lead, Money Home Job

☎ 01922 658459

✉ davidlockwood@walsall.gov.uk



Signed
Paul Gordon
Head of Business Change

6 December 2016



Signed
Councillor D Coughlan
Portfolio holder Social Care

6 December 2016

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

Proposal name	Council Tax Reduction Scheme 2017/18		
Directorate	Change and Governance		
Service	Money Home Job		
Responsible Officer	David Lockwood		
EqIA Author	David Lockwood		
Proposal planning start		Proposal start date (due or actual)	1 April 2017

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 a new local council tax reduction scheme for working age claimants which is to be designed and administered by local authorities. Under the legislation pensioners are 100% protected from any changes.</p> <p>At the same time the government reduced the amount of money paid to local authorities to fund such schemes. The funding is now part of the government financial settlement and is no longer separately identifiable.</p> <p>There are currently circa 18,600 (58%) working age claimants out of the total of 32,200 on council tax reduction. The remaining 13,600 are pensioners and will be exempt from any changes to the scheme.</p> <p>If the current CTRS scheme was kept for 2017/18 it is anticipated that the total amount of reduction awarded would be £24,241,000 split between £11,963,000 for working age and £12,278,000 for pensioners.</p> <p>Walsall currently has to save £86m over the next 4 years to produce a balanced budget.</p>		



3	Who is the proposal potential likely to affect?		
	People in Walsall	Yes / No	Detail
	All		
	Specific group/s	Y	Currently 18,600 working age claimants receive council tax reduction totalling £11,963,000. The proposals could directly impact those people.
	Council employees	Yes - If staff fall within the above 18,600 people. Not directed at staff specifically	
Other			
4	Evidence, engagement and consultation (including from area partnerships, where relevant)		
4.1	<p>Consultation took place between 10 October and 18 November 2016. Three phases of public consultation were carried out consisting of:</p> <ul style="list-style-type: none"> • Phase 1 – Controlled 10,000 household postal survey (5,000 working age claimants and 5,000 other); • Phase 2 – Online questionnaire (a letter was sent to every claimant not included in the first phase to encourage them to participate); • Phase 3 – Leaflet campaign to community groups and partners publicising the consultation. <p>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</p> <ul style="list-style-type: none"> • Random sample of 5,000 working age council tax reduction claimants • Random 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>2315 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 the views of the participants on a number of different questions</p> <p>1) On the question of whether there should be an overall reduction in the level of CTR to working age claimants those who expressed a view responded as below</p> <p>Option A – retain the current level of reduction, 25%, in CTR award CTR Claimants – 83% Non Claimants – 48%</p> <p>Option B – Increase the reduction in CTR by a further 5% (30% overall)</p>		

CTR Claimants – **11%**

Non Claimants – **21%**

Option C – Increase the reduction in CTR by a further 10% (35% overall)

CTR Claimants – **4%**

Non Claimants – **11%**

Option D – Increase the reduction in CTR by a further 15% (40% overall)

CTR Claimants – **3%**

Non Claimants – **20%**

- 2) The survey also asked about whether some other changes should be made to the CTR scheme. The changes and the views of the responders were:

Remove the income disregard for child benefit for second and additional children

42% of claimants agreed with this, **58%** did not

74% of non claimants agreed with this, **26%** did not

Reduce the savings and other investments limit to £6,000

55% of claimants agreed with this, **45%** did not

51% of non claimants agreed with this, **49%** did not

Limit CTR awards to Band C levels

48% of claimants agreed with this, **52%** did not

64% of non claimants agreed with this, **36%** did not

Remove the reduction awarded under the second adult rebate scheme

29% of claimants agreed with this, **71%** did not

54% of non claimants agreed with this, **46%** did not

- 3) The participants were asked about the possibility of protecting single under 35 claimants at the current levels

Agreed with protecting the single under 35s

CTR Claimants – **64%**

Non Claimants – **41%**

Did not agreed with protecting the single under 35s

CTR Claimants – **36%**

Non Claimants – **59%**

- 4) The process also sought the views of the participants as to the impact of a £1 per week rise in council tax as an alternative to changes to the CTR scheme

Big impact

CTR Claimants – **52%**

Non Claimants – **29%**

Some impact

CTR Claimants – **40%**

Non Claimants – **51%**

No impact

CTR Claimants – **7%**

Non Claimants – **19%**

The survey also asked if there were any alternative suggestions for how the CTR scheme could be amended or how savings could be made. Common suggestions were

- Review internal staffing, wages and processes
- Cut the wages of the most senior level staff as well as reducing the amount of managers and councillors
- Cut or reduce services deemed ‘unnecessary’ such as the art gallery and speed bumps
- Limit the availability of benefit to certain groups such as those that have not contributed financially, new immigrants and the unemployed
- Greater chasing of those who have not paid their council tax and ensuring those who get benefit are only those entitled to it
- Those with greater income should pay more

The analysis of the respondents is as follows

	CTR Claimants	Non Claimants
Gender		
Male	43%	59%
Female	57%	41%
Age		
16-24	4%	1%
25-34	15%	6%
35-44	19%	9%
45-54	30%	14%
55-59	15%	7%
60-64	13%	8%
65-74	2%	28%
75+	2%	28%
Disability		
Yes, limited a lot	40%	26%
Yes, limited a little	17%	25%
No	43%	48%
Work Status		
Employed	23%	36%
Education	1%	0%
Unemployed	20%	25%
Sick / Disabled	41%	7%
Retired	4%	52%

Looking after the home	11%	3%
Ethnicity		
White	79%	89%
BME	21%	11%

On-line questionnaire

A letter was sent to all working age claimants not included in the controlled sample encouraging them to complete the survey. This was complimented by a leaflet campaign

There was 216 respondents to this survey

- 1) On the question of whether there should be an overall reduction in the level of CTR to working age claimants those who expressed a view responded as below

Option A – retain the current level of reduction, 25%, in CTR award

80%

Option B – Increase the reduction in CTR by a further 5% (30% overall)

10%

Option C – Increase the reduction in CTR by a further 10% (35% overall)

1%

Option D – Increase the reduction in CTR by a further 15% (40% overall)

4%

Did not Know

5%

- 2) The survey also asked about whether some other changes should be made to the CTR scheme. The changes and the views of the responders were:

Remove the income disregard for child benefit for second and additional children

39% agreed with this, **42%** did not

19% did not know

Reduce the savings and other investments limit to £6,000

43% agreed with this, **38%** did not

19% did not know

Limit CTR awards to Band C levels

30% of claimants agreed with this, **37%** did not

33% did not know

Remove the reduction awarded under the second adult rebate scheme

15% of claimants agreed with this, **46%** did not

40% did not know

- 3) The participants were asked about the possibility of protecting under single under 35 claimants at the current levels

Agreed with protecting the single under 35s - **40%**

Disagreed with protecting the single under 35s – **32%**

Don't know – **28%**

4) The process also sought the views of the participants as to the impact of a £1 per week rise in council tax as an alternative to changes to the CTR scheme

Big impact - **60%**
Some impact– **29%**
No impact– **8%**
Don't know – **3%**

The survey also asked if there were any alternative suggestions for how the CTR scheme could be amended or how savings could be made. Common suggestions were

- Review internal staffing, wages and processes
- Cut the wages of the most senior level staff
- Stop street cleaning on Sundays
- Review the refuse collection service
- Charge more to those in higher bands

The analysis of the respondents to this survey is as follows

Currently in receipt of CTR		
	Yes	92%
	No	6%
	Don't know	3%
Gender		
	Male	46%
	Female	50%
	Prefer not to say	4%
Disability		
	Yes, limited a lot	44%
	Yes, limited a little	17%
	No	36%
	Prefer not to say	9%
Work Status		
	Employed	21%
	Education	1%
	Unemployed	10%
	Sick / Disabled	37%
	Retired	4%
	Looking after the home	5%
	Doing something else	9%
	Prefer not to say	14%
Ethnicity		
	White	75%
	BME	18%
	Prefer not to say	8%

The surveys also asked what % increase in council tax responders would be prepared to pay to keep cuts to a minimum

	<p>None 36%</p> <p>1% or less 40%</p> <p>1 to 2% 10%</p> <p>2 to 4% 7%</p> <p>5% 5%</p> <p>Higher than 5%</p>								
4.2	<p>Concise summary of evidence, engagement and consultation (including from area partnerships, where relevant)</p> <p>In response to a potential change in the overall reduction to any CTR award the majority of CTR claimants chose to 'stay the same', while 52% of non claimants were in favour of a further reduction of some amount.</p> <p>The majority of non CTR claimants said that all of the other changes while the majority of CTR claimants were against the changes apart from the reduction in the capital limit.</p> <p>Non CTR claimants were against the protection of the single under 35s while current claimants were in favour.</p>								
5	<p>How may the proposal affect each protected characteristic or group? The effect may be positive, negative or neutral.</p> <table border="1"> <thead> <tr> <th>Characteristic</th> <th>Effect</th> <th>Reason</th> <th>Action needed Y or N</th> </tr> </thead> <tbody> <tr> <td>Age</td> <td>Possibly Negative</td> <td> <p>Pension age – The Government has recognised that low-income pensioners cannot be expected to increase their income through paid work and therefore are to be protected from any reduction in their Income. This group is protected by the government's national scheme – i.e. legislatively no impact on them.</p> <p>There are currently 13,581 pensioner CTR claimants who are protected from any change being considered</p> <p>Working age Option A – would be no changes for this group.</p> <p>Option B, C + D would be affected as the amount of CTRS would be further reduced by up to 15%. There are currently 18,132 working age claimants receiving CTR</p> </td> <td>N</td> </tr> </tbody> </table>	Characteristic	Effect	Reason	Action needed Y or N	Age	Possibly Negative	<p>Pension age – The Government has recognised that low-income pensioners cannot be expected to increase their income through paid work and therefore are to be protected from any reduction in their Income. This group is protected by the government's national scheme – i.e. legislatively no impact on them.</p> <p>There are currently 13,581 pensioner CTR claimants who are protected from any change being considered</p> <p>Working age Option A – would be no changes for this group.</p> <p>Option B, C + D would be affected as the amount of CTRS would be further reduced by up to 15%. There are currently 18,132 working age claimants receiving CTR</p>	N
Characteristic	Effect	Reason	Action needed Y or N						
Age	Possibly Negative	<p>Pension age – The Government has recognised that low-income pensioners cannot be expected to increase their income through paid work and therefore are to be protected from any reduction in their Income. This group is protected by the government's national scheme – i.e. legislatively no impact on them.</p> <p>There are currently 13,581 pensioner CTR claimants who are protected from any change being considered</p> <p>Working age Option A – would be no changes for this group.</p> <p>Option B, C + D would be affected as the amount of CTRS would be further reduced by up to 15%. There are currently 18,132 working age claimants receiving CTR</p>	N						

			<p>Families with children – households with children receive a higher applicable amount and child benefit is currently excluded from the assessment of income.</p> <p>This would alter if the option to remove the disregard for 2nd and additional child benefit payments was chosen.</p> <p>Option A – there would be no change for these customers.</p> <p>Options B to D the level of the award of CTRS would be further reduced by up to 125 %</p> <p>If the option to protect single under 35 claimants is chosen then those customers would see no change.</p>	
	Disability	Possibly 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 B to D – for people of working age as the level of the award would be reduced by up to a further 15% then this group would have to pay an increased level of council tax.</p>	N

		<p>Option A – no groups would be affected as no change.</p> <p>If the option to protect single under 35 claimants is chosen then those customers would see no change.</p>	
Gender reassignment	Possibly Negative	<p>The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.</p> <p>Options B to D – for people of working age as the level of the award would be reduced by up to a further 15% then this group would have to pay an increased level of council tax.</p> <p>Option A – no groups would be affected as no change.</p> <p>If the option to protect single under 35 claimants is chosen then those customers would see no change.</p>	N
Marriage and civil partnership	Possibly Negative	<p>Current data suggests that same sex couples are very much under-represented in benefits claims compared to heterosexual couples.</p> <p>Options B to D – for people of working age as the level of the award would be reduced by up to a further 15% then this group would have to pay an increased level of council tax.</p> <p>Option A – no groups would be affected as no change.</p>	N
Pregnancy and maternity	Possibly Negative	<p>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.</p> <p>Options B to D – for people of working age as the level of the award would be reduced by up to a further 15% then this group would have to</p>	N

		<p>pay an increased level of council tax.</p> <p>Option A – no groups would be affected as no change.</p> <p>If the option to protect single under 35 claimants is chosen then those customers would see no change</p> <p>If the number of children in the household was to reach 2 or more then the claimant would be affected by the removal of the income disregard for the 2nd and additional child benefit</p>										
Race	Possibly Negative	<p>The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.</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 2,315 respondents to the consultation were</p> <ul style="list-style-type: none"> 85% White 1% Mixed 11% Asian 3% Black 1% other <p>In relation to an overall reduction 62% of the White respondents chose to stay at the current level while 76% of the BME respondents chose this option.</p> <p>As regards the agreement to other options the numbers were</p> <table border="0"> <thead> <tr> <th></th> <th>White</th> <th>BME</th> </tr> </thead> <tbody> <tr> <td>Remove child benefit income disregard</td> <td>65%</td> <td>37%</td> </tr> <tr> <td>Reduce savings limit</td> <td>54%</td> <td>46%</td> </tr> </tbody> </table>		White	BME	Remove child benefit income disregard	65%	37%	Reduce savings limit	54%	46%	N
	White	BME										
Remove child benefit income disregard	65%	37%										
Reduce savings limit	54%	46%										

			<p>Limit to Band C 57% 52%</p> <p>Remove 2AR 44% 35%</p> <p>Protection of single under 35s 50% 59%</p>	
	Religion or belief	Possibly Negative	<p>The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.</p> <p>Of the 2,315 respondents to the consultation were 23% no religion 65% Christian 1% Hindu 8% Muslim 3% Sikh</p>	N
	Sex	Possibly Negative	<p>The current CTR scheme does not differentiate for this characteristic; nor do any of the options considered.</p> <p>Of the 2,315 respondents to the consultation were 52% male 48% female</p>	N
	Sexual orientation	Possibly 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 information	N/A		
6	Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details below.			(Delete one) Yes
	It links to all proposals relating 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

Action and monitoring plan

Action Date	Action	Responsibility	Outcome Date	Outcome
Oct 2016	Postal survey random sample	Money Home Job	Completed 23 Nov 16	Understand the potential impact on claimants and their opinions about the options being considered
Oct 2016	Postal survey CTRS recipients	Money Home Job	Completed 23 Nov 16	Understand the potential impact on claimants and their opinions about the options being considered
Oct 2016	Supply consultation leaflets to libraries, health centres, leisure centres, GP practices and temples and mosques	Money Home Job	Completed 20 Oct 16	Leaflets delivered to <ul style="list-style-type: none"> • All Libraries in the borough • All Health Centres in the borough • All Leisure Centres in the borough and • approx 50% of all GP practices across the borough • Guru Nanak Sikh Gurdwara Walsall Road Willenhall • Guru Nanak Sikh Gurdwara West Bromwich Street Walsall • Jamia Masjid Ghausia Mosque Birchills Street Walsall • Masjid- Al-Farouq Mosque Milton Street Walsall • Zia- E-Madina Mosque Walsall Wednesbury • Nanaksar Sikh Gurdwara Wellington Street Walsall

Jan 2017	Use support officers within MHJ to maximise income for those impacted	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
Jan 2017	Use support officers within MHG to assist with debt management	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
Feb 2017	Proactively identify those likely to be impacted and make arrangements to assist	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
Feb 2017	Review the Hardship Fund to support households in the greatest need with transition if CTR is reduced	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS
July 2017	<p>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 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>	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS

July 2017	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
July 2017	Promote the use of Discretionary Housing Payments to support households at greatest risk of financial deprivation based on data profiling.	Money Home Job	Ongoing	Mitigate the impact of a reduction in CTRS

Update to EqIA	
Date	Detail
12/12/16	Updated to reflect detailed analysis of consultation undertaken by MEL consultants and the Council's own on-line questionnaire.



m.e.l
research

**Council Tax Reduction Scheme
Survey Findings**

Walsall Council

**Final Report
December 2016**



Project details and acknowledgements	3
Executive Summary	4
Introduction	5
Results	7
1. Council Tax Reduction Scheme Options	7
2. Other changes.....	19
3. Protecting single under 35s.....	30
4. Alternatives suggestions	34
5. Changing tax for all households	35
Appendix A : Cover letter and questionnaire	40
Appendix B: Demographic breakdown	48

Project details and acknowledgements

Title	Council Tax Reduction Scheme Survey Findings
Client	Walsall Council
Project number	PR16154
Client reference	Mark Fearn
Author	Jennifer Uddin
Research Manager	Kate Green

M·E·L Research

2nd Floor, 1 Ashted Lock, Birmingham Science Park Aston, Birmingham. B7 4AZ

Email: info@melresearch.co.uk

Web: www.melresearch.co.uk

Tel: 0121 604 4664



Executive Summary

Background

The purpose of the survey was to understand residents' views on the proposed changes to the Council Tax Reduction Scheme (CTRS).

Method

10,000 postal questionnaires were posted out to a random sample of Walsall residents. The sample consisted of 5,000 residents who were on the CTRS and 5,000 who were not.

In total, 2,315 residents returned the questionnaire producing a response rate of 23% of the sample. This means with the achieved sample size we can be 95% certain that the overall results are between $\pm 2.04\%$ of the calculated response, so the 'true' response could be 2.04% above or below the figures reported (i.e. a 50% agreement rate could in reality lie within the range of 47.96% to 52.04%).

Results

- Option A is the most popular choice for claimants of the CTRS, with 83% choosing this, whilst 52% of non-claimants choose options B-D
- Option 1 was the most popular choice for non-claimants (74%) and Option 2 was the most popular choice for claimants (55%)
- 64% of those who are currently on the CTRS feel that single under 35s should be protected compared to 41% of those not on the scheme
- Results show that the majority of claimants feel that paying a bit more council tax, for example £1 more a week, would have a 'big impact' (52%), whilst non-claimants felt that it would have 'some impact' (51%) on them
- Groups that appear to be particularly against changes to the CTRS include females, those limited 'a lot' by a disability, those with the council tax Band A, BME groups and those living in a single person household

Introduction

Background

The Council Tax Reduction Scheme (CTRS) reduces the amount of council tax low income households have to pay. Since April 2013, the government has reduced the amount of funding available to support the scheme year on year. Due to government cuts, Walsall Council made the decision to reduce the award to working age claimants by 25% for the years 2015-16 and 2016-17. However, due to continuing significant financial challenges, like all local authorities in England, Walsall Council now need to decide whether to reduce the award further. This would contribute to the £86m savings that need to be made over the next four years.

There are just over 114,000 households in the borough, of these approximately 18,300 households are of working age and could potentially be affected by changes to the CTRS. In addition, there are approximately 13,750 pensioners in the borough, who although receive a reduction, are protected and will not be directly affected by any changes to the scheme.

The purpose of the survey was to:

- Give residents the opportunity to share their views regarding the proposed change
- Understand the views of both claimants and non-claimants of the CTRS i.e. those who would both directly and indirectly affected by any changes to the scheme in terms of their preferred options, their reasons why and the impact the changes would have for them
- Identify any statistically significant differences in views between demographic groups

Method

10,000 postal questionnaires were posted out to a random sample of Walsall residents provided by the council. The cover letter used in the initial mailing and the questionnaire can be found in Appendix A. The cover letter also provided an option to complete the survey online. Where requested by residents, support was provided over the phone by M·E·L Research and Walsall Council staff to complete the survey.

The sample consisted of 5000 residents who were on the CTRS and 5000 who were not. The consultation period took place between October and November 2016 for a period of six weeks, with a reminder mailing being sent three weeks after the initial mailing to help boost response rates. In total, 2,315 residents returned the questionnaire producing a response rate of 23% of the sample. A full demographic breakdown of the respondents can be found in Appendix B.

Analysis and reporting

Owing to the rounding of numbers, percentages displayed visually on graphs in the report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used. For some questions, respondents could give more than one response (multi choice). For these questions, the percentage for each response is calculated as a percentage of the total number of respondents and therefore percentages do not add up to 100%.

Within the report, responses are split by those who are, and those who are not on the CTRS. For 87 cases, it was not possible to determine whether or not they were on the scheme. This most frequently happens if the resident for example returns the survey with their ID number omitted which means we are unable to link them back to this additional demographic information. These responses were therefore excluded from the analysis although are included in the overall frequencies provided in a separate document. All 'Don't know' responses were also excluded from results.

Where relevant (and where sample sizes are 30+), sub-group analysis has been carried out by:

- Council tax banding
- Age
- Ethnicity
- Gender
- Working status
- Disability
- Children vs. no children
- Single person households vs. multiple people households

Where there are any relevant significant differences (at 95% confidence level), these have been drawn out in the report. Crosstabs by a range of demographics including the nine protected characteristics has also been provided as a separate document to the Council as well as a raw data file.

1. Council Tax Reduction Scheme Options

Residents were provided with a list of four options in terms of how the council tax reduction scheme (CTRS) could change for 2017/18:

- Option A – Retain the current council tax reduction level of 25%, meaning a maximum award of 75%
- Option B – Reduce the level of council tax reduction by a further 5% (overall a 30% reduction)
- Option C – Reduce the level of council tax reduction by a further 10% (overall a 35% reduction)
- Option D – Reduce the level of council tax reduction by a further 15% (overall a 40% reduction)

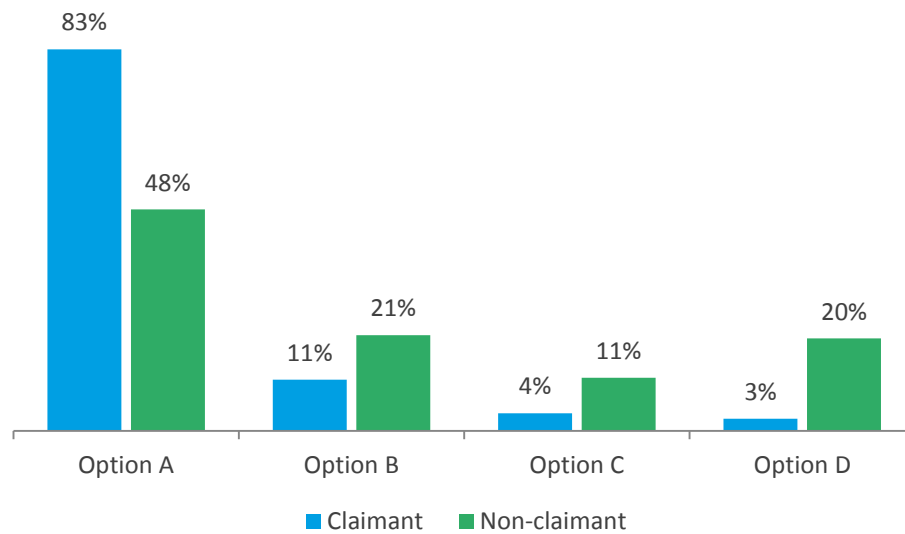
Information was also provided on the amount of additional savings each option could make. Residents were asked to select the option that they most preferred. They were therefore only allowed to pick one option.

Results show that Option A is the most popular choice for claimants of the CTRS, with 83% choosing this. In other words, the vast majority of claimants would prefer not to have any further reductions being made to the scheme than already planned. Non-claimants appear to be more open to reductions, with 52% choosing options B-D. Options B (21%) and D (20%) appear to be more popular compared to Option C (11%) for non-claimants. The difference between claimants and non-claimants for each option is statistically significant.

‘Don’t know’ responses were removed from the analysis however it is worth noting that 18% chose this option. Reasons for this include not understanding the options, or feeling that it was not relevant to them for example due to being a pensioner.

Figure 1.1 Preference for council tax reduction scheme options by claimants and non-claimants

Percentage of respondents— base size 814 & 992 ('don't know' removed)



Claimant analysis

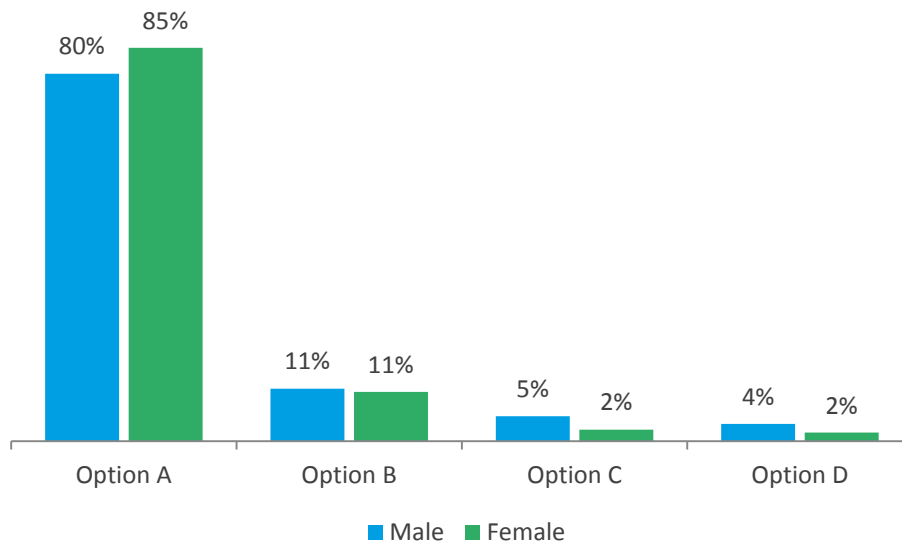
Sub-group analysis was carried out to see if there are any statistically significant differences in views by a range of demographics for those who are on the CTRS. Key differences are reported below:

Gender

Whilst support for Option A is high for both males and females, sub-group analysis shows that a significantly higher proportion of females (85%) support this option compared to males (80%).

Figure 1.2 Preference for council tax reduction scheme options by gender (claimants only)

Percentage of respondents – base size 352 & 443 ('don't know' removed)



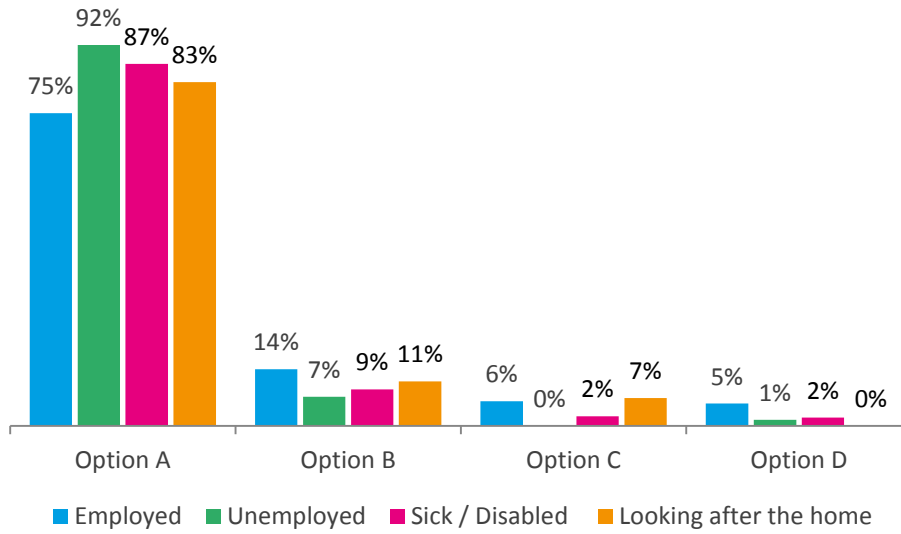
Working status

A significantly lower proportion of retired residents chose Option A (63%) compared to those who are unemployed (92%), sick/disabled (87%) or looking after the home (83%). A significantly lower proportion of employed residents chose Option A (75%) compared to those who are unemployed (92%) or sick/disabled (87%).

Those in education were excluded from analysis due to a small base size.

Figure 1.3 Preference for council tax reduction scheme options by working status (claimants only)

Percentage of respondents—base size 169, 143, 308, 32 & 75 ('don't know' removed)

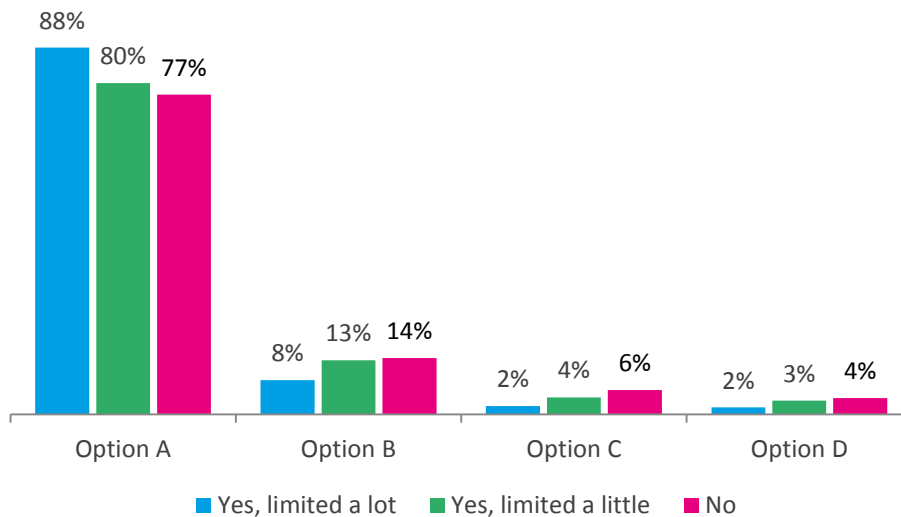


Disability

Those whose day-to-day activities are limited 'a lot' by a disability or health problem are significantly more likely to prefer Option A (88%), compared to those limited 'a little' (80%) or who do not have a disability (77%).

Figure 1.4 Preference for council tax reduction scheme options by disability (claimants only)

Percentage of respondents—base size 304, 123 & 311 ('don't know' removed)



Non-claimant analysis

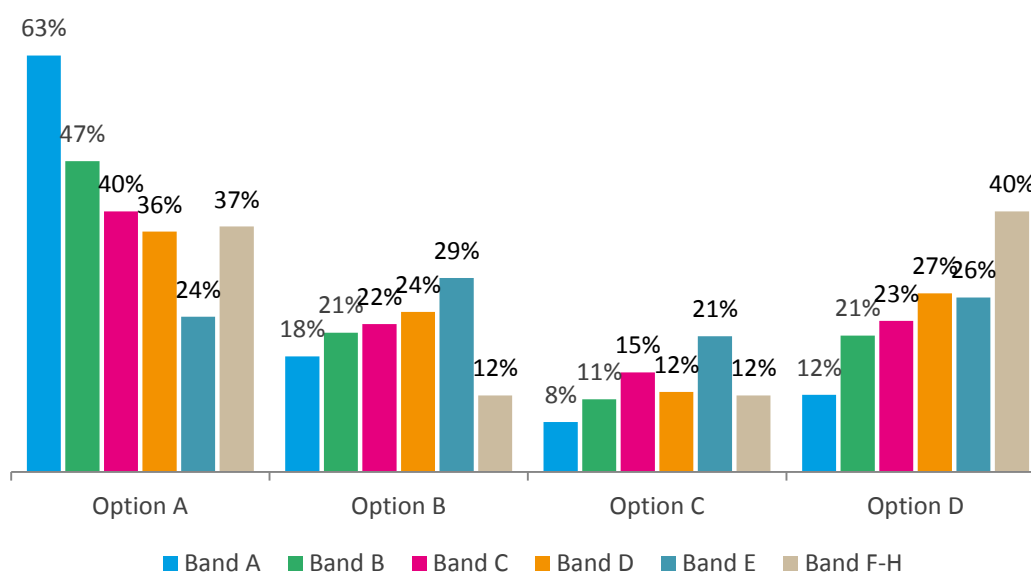
Sub-group analysis was carried out to see if there are any statistically significant differences in views by a range of demographics for those who are not on the CTRS. Key differences are reported below:

Council tax banding

A significantly greater proportion of those on Band A prefer Option A (63%), compared to those in higher bandings (average 37%). In turn, they are significantly less likely to choose option D (12%) compared to residents who fall within higher council tax bands (average 27%). Those in Band F or above are significantly more likely to choose Option D (40%) compared to those in Band A-C (average 18%).

Figure 1.5 Preference for council tax reduction scheme options for by council tax banding (non-claimants only)

Percentage of respondents – base size 342, 277, 205, 107, 68 & 43 ('don't know' removed)

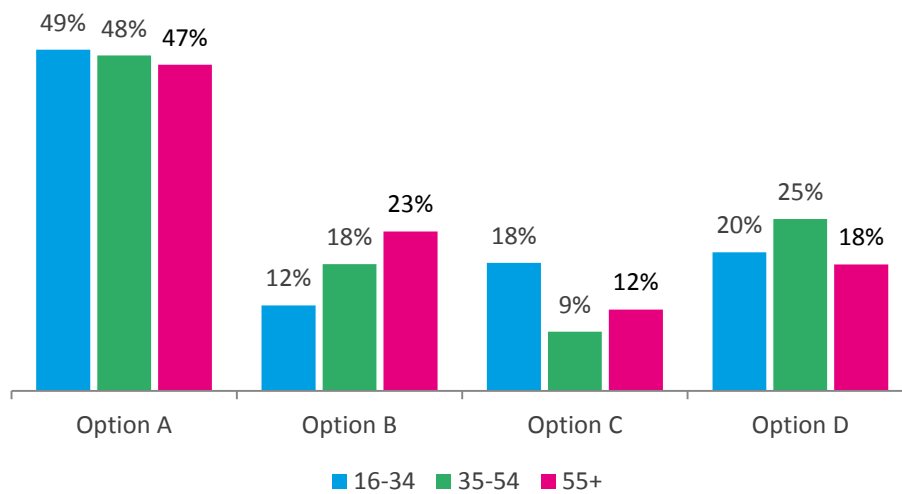


Age

A quarter of those aged 35-54 preferred Option D (25%), compared to nearly a fifth (18%) of those aged 55 or above. This is a significant difference.

Figure 1.6 Preference for council tax reduction scheme options by age (non-claimants only)

Percentage of respondents— base size 65, 246 & 631 ('don't know' removed)

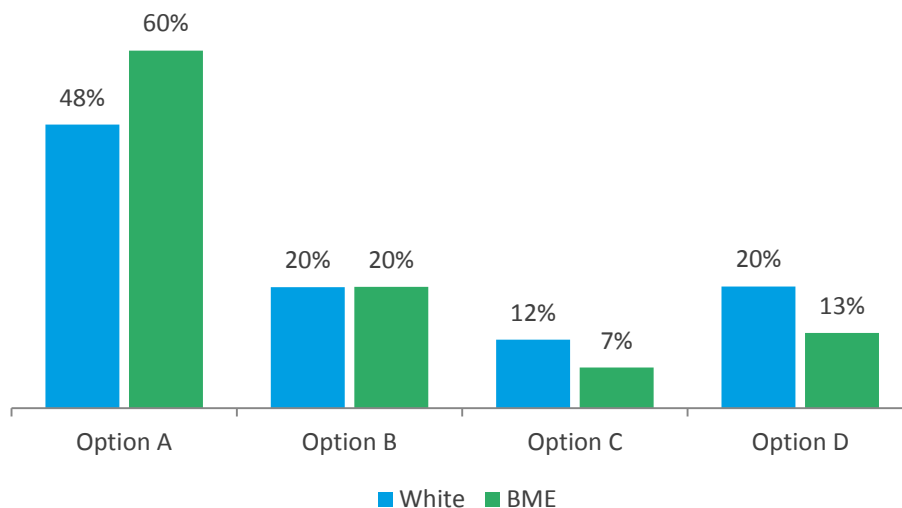


Ethnicity

BME residents are significantly more likely to prefer Option A (60%) compared to white residents (48%).

Figure 1.7 Preference for council tax reduction scheme options by ethnicity (non-claimants only)

Percentage of respondents— base size 826 & 103 ('don't know' removed)

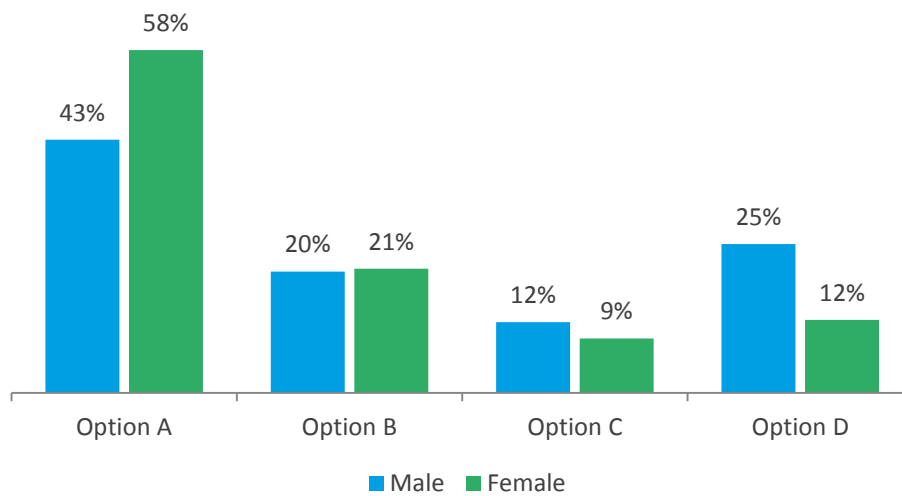


Gender

Females are significantly more likely to prefer Option A (58%) compared to males (43%). In line with this, a greater proportion of males (25%) prefer Option D compared to females (12%).

Figure 1.8 Preference for council tax reduction scheme options by gender (non-claimants only)

Percentage of respondents— base size 563 & 383 ('don't know' removed)



Working status

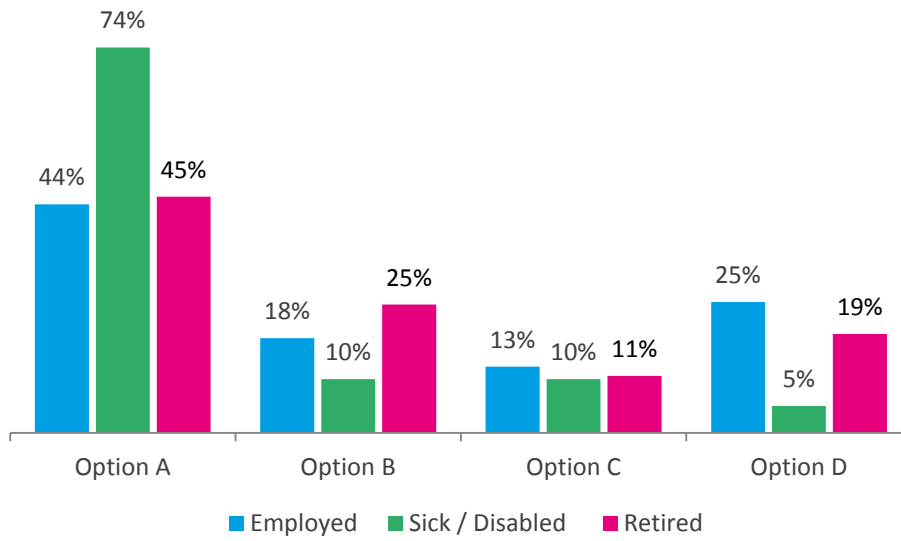
Residents who are sick/disabled are significantly more likely to prefer Option A (74%), in comparison to retired (45%) and employed residents (44%).

A quarter (25%) of retired residents preferred Option B which is significantly higher compared to sick/disabled (10%) and employed residents (18%).

A quarter (25%) of employed residents preferred Option D which is significantly higher compared to sick/disabled (5%) and retired residents (19%).

Figure 1.9 Preference for council tax reduction scheme options by working status (non-claimants only)

Percentage of respondents—base size 362, 58 & 458 ('don't know' removed)

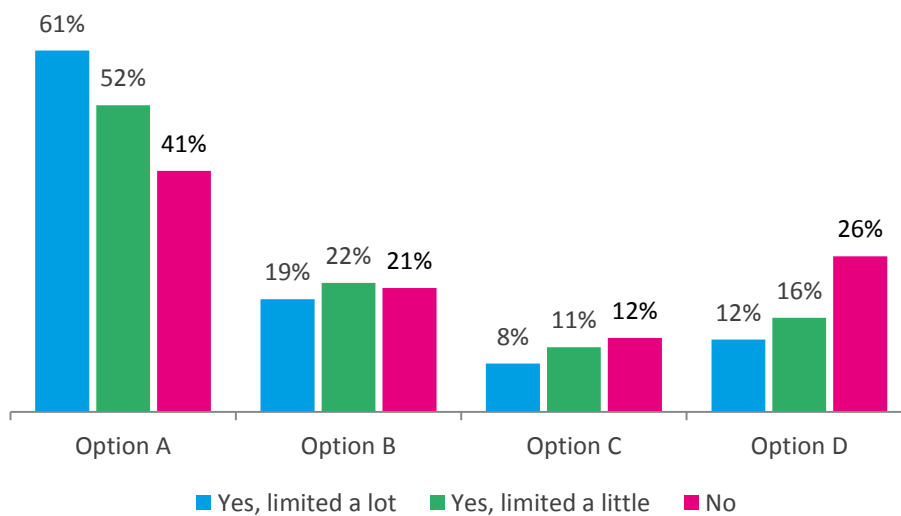


Disability

Residents who stated that they have a limiting health problem or disability are significantly more likely to prefer Option A (average 56%) compared to those without a disability (41%). In turn, a significantly greater proportion of those who do not have a limiting condition prefer Option D (26%) compared to those that do (average 14%).

Figure 1.10 Preference for council tax reduction scheme options by age (non-claimants only)

Percentage of respondents—base size 222, 221 & 466 ('don't know' removed)

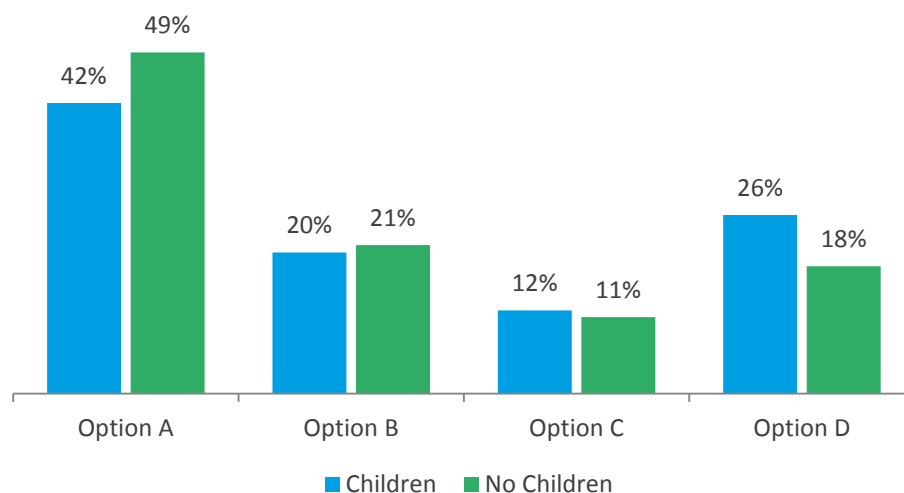


Children vs. no children

A quarter of people living in a household with children preferred Option D (26%) compared to 18% of those living in a household without children. This is a significant difference.

Figure 1.11 Preference for council tax reduction scheme options by children (non-claimants only)

Percentage of respondents— base size 167 & 762 ('don't know' removed)

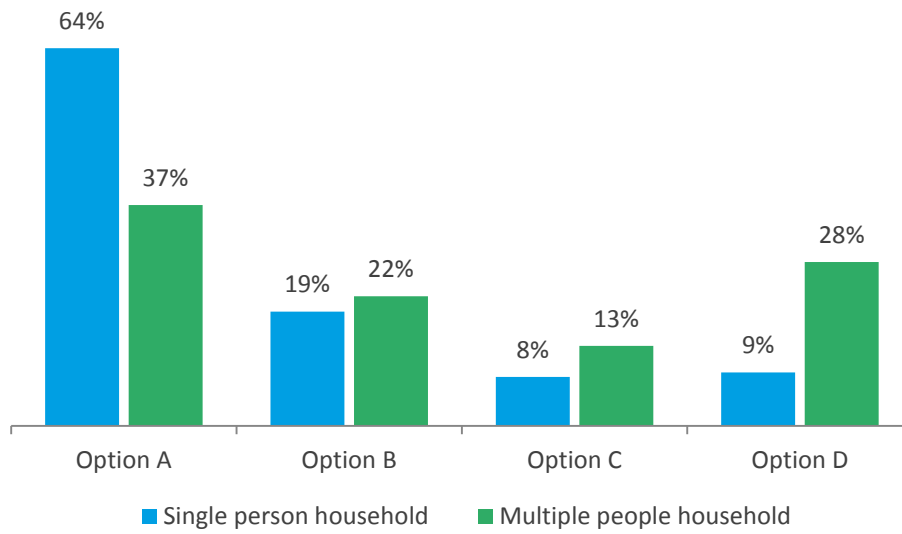


Single person household vs. multiple people household

Those living in a single person household are significantly more likely to prefer Option A (64%), compared to those who are not living alone (37%). Those not living alone are significantly more likely to prefer option C (13% vs. 8%) and Option D (28% vs. 9%) compared to those who are living with other household members.

Figure 1.12 Preference for council tax reduction scheme options by household (non-claimants only)

Percentage of respondents— base size 390 & 573 ('don't know' removed)



Respondents were subsequently asked why they selected their preferred options. Figure 1.13 illustrates the responses from those who selected Option A. The larger the word, the more frequently it was mentioned. Reasons for choosing Option A include feeling that they cannot afford to pay anymore as a result of already being on a low income and financially struggling.

2. Other changes

Residents were given a list of other changes which could also be made to the CTRS. These were:

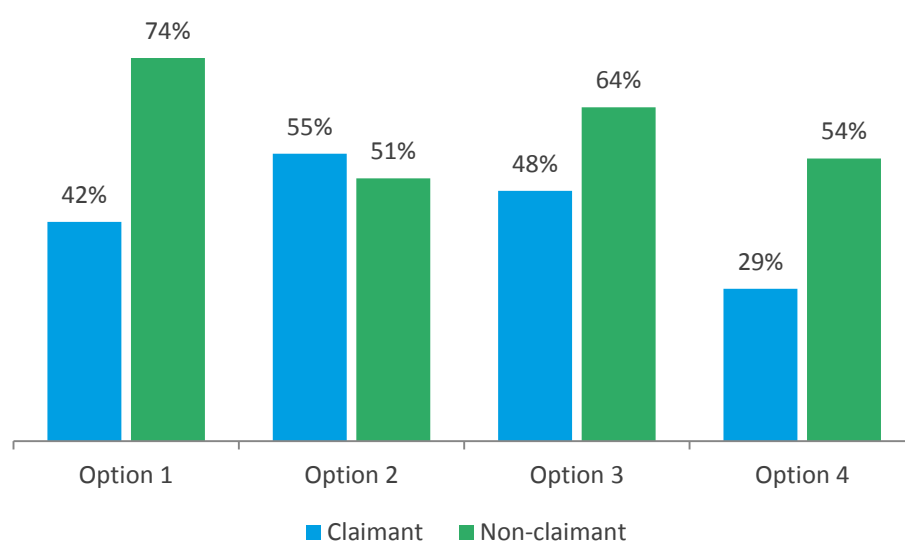
- Option 1: Remove income disregard for child benefit for second and additional children. Currently all income from child benefit is ignored when calculating a person's council tax reduction.
- Option 2: Reduce the savings and other investments limit to £6,000. Currently a person with savings and other investments worth £16,000 or more do not qualify for council tax reduction.
- Option 3: Limit award to Band C levels. This would mean the reduction awarded to people living in Band D to H would be based on a Band C charge.
- Option 4: Remove the reduction currently awarded under the second adult rebate scheme.

Information was also provided on the amount of additional savings each option could make. Residents were asked whether or not each of the changes should be introduced within CTRS. Results show that Option 1 was the most popular choice for non-claimants (74%). Option 2 was the most popular choice for claimants (55%). This was also the only option where a greater proportion of claimants were in favour of the change, compared to non-claimants. With the exception of Option 2, there is a significant difference between claimants and non-claimants for each option.

Whilst 'don't know' was removed from the analysis, it may be worth noting that 20-29% selected this option for these four questions, suggesting that a fairly large proportion of those who responded were perhaps unsure or unclear about the options being proposed by Walsall Council.

Figure 2.1 Agreement that change should be introduced as part of the scheme by claimants and non-claimants

Percentage of respondents—base size 351-761 ('don't know' removed)



Claimant analysis

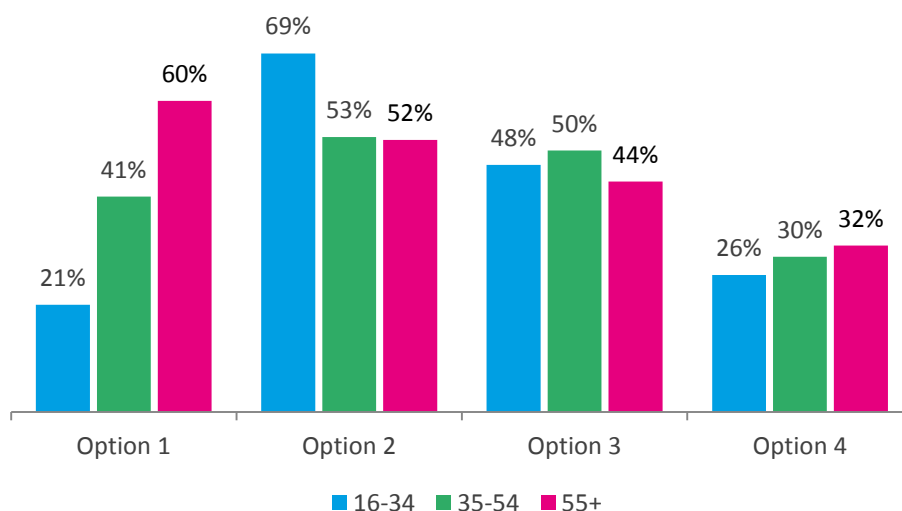
Sub-group analysis was carried out to see if there are any differences in views by a range of demographics for those who are on the CTRS. Key differences are reported below:

Age

Preference for Option 1 varied greatly by age group, with a greater proportion of older residents being in favour of it compared to younger residents. The differences between each of the three age bands are statistically significant. In regards to Option 2, a significantly greater proportion of younger residents aged 16-34 (69%) agree with the proposal, compared to those aged 35+ (average 53%).

Figure 2.2 Agreement that change should be introduced as part of the scheme by age (claimants only)

Percentage of respondents— base size 57-244 ('don't know' removed)

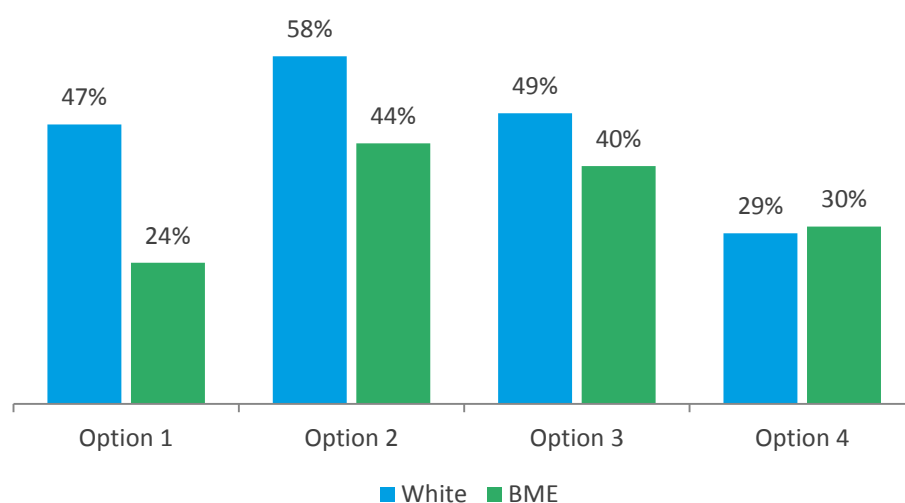


Ethnicity

A significantly greater proportion of white residents are in favour of Option 1 (47% vs. 24%) and Option 2 (58% vs. 44%), compared to those from a BME residents.

Figure 2.3 Agreement that change should be introduced as part of the scheme by ethnicity (claimants only)

Percentage of respondents—base size 55-389 ('don't know' removed)



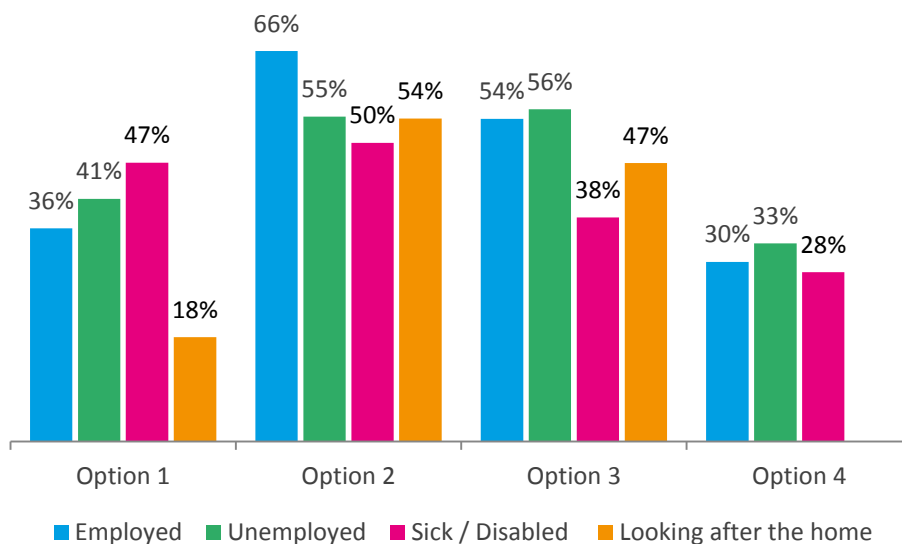
Working status

A significantly lower proportion of residents who are looking after the home are open to Option 1 (18%) compared to those who are employed (36%), unemployed (41%) or sick/disabled (47%). 66% of those who are employed feel that Option 2 is something that should be introduced, compared to 50% of those who are sick/disabled. This is a significant difference. Residents who are sick/disabled are significantly less likely to be in favour of Option 3 (38%), compared to those who are both employed (54%) and unemployed (56%).

Please note that those who are in education or retired have been removed from analysis due to small base sizes. Residents looking after the home have been removed from analysis for Option 4.

Figure 2.4 Agreement that change should be introduced as part of the scheme by working status (claimants only)

Percentage of respondents—base size 32-194 ('don't know' removed)



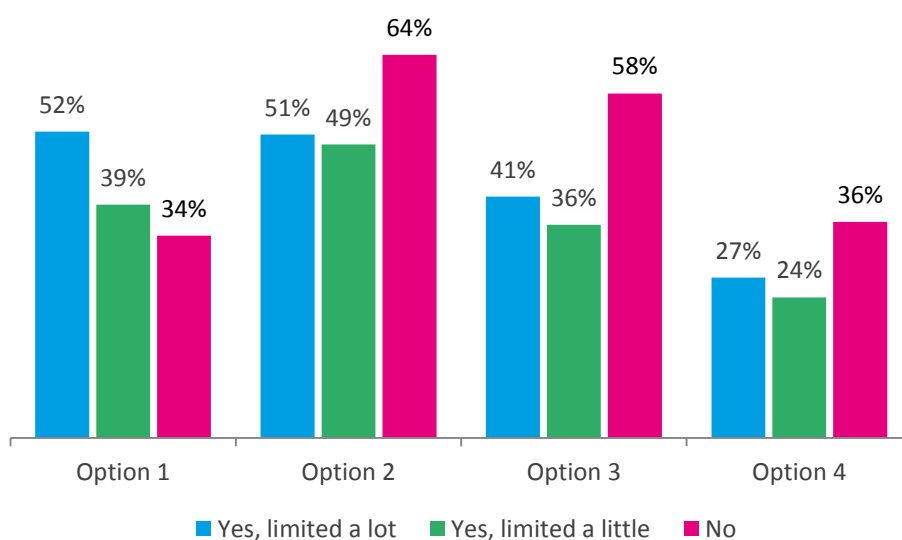
Disability

A significantly lower proportion of those who do not have a limiting health condition are in favour of Option 1 (34%) compared those limited by a health problem or disability ‘a lot’ (52%).

Those who are limited ‘a lot’ or ‘a little’ by a health condition of disability are significantly less likely to approve of Option 2 (49-51% vs. 64%) and Option 3 (36-41% vs. 58%) compared to those who do not have a limiting health problem.

Figure 2.5 Agreement that change should be introduced as part of the scheme by disability (claimants only)

Percentage of respondents—base size 53-197 (‘don’t know’ removed)

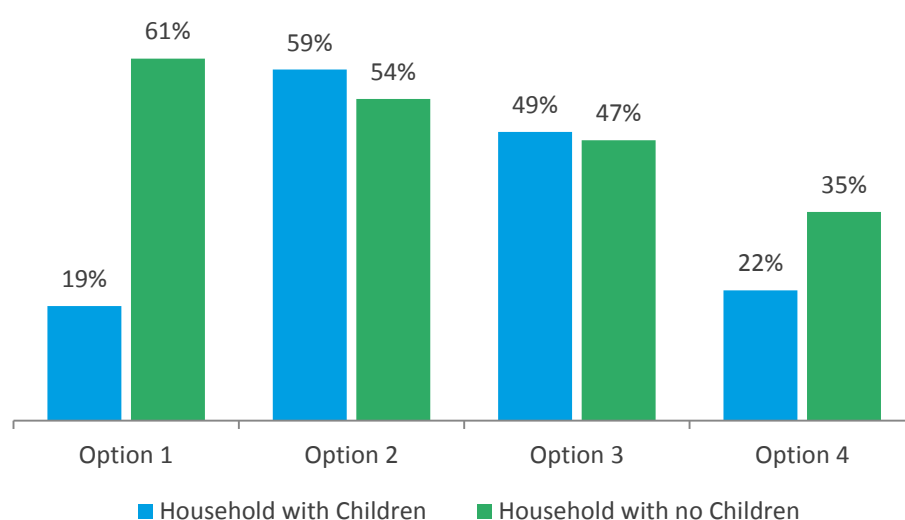


Children vs. no children

Only 19% of those who are living in a household with children are in favour of Option 1, compared to 61% of those who live in a household without children. This is a significant difference. Similarly, residents with children living in their household are significantly less likely to support Option 4 (22%) compared to those without children within their household (35%).

Figure 2.6 Agreement that change should be introduced as part of the scheme by children (claimants only)

Percentage of respondents—base size 137-279 ('don't know' removed)

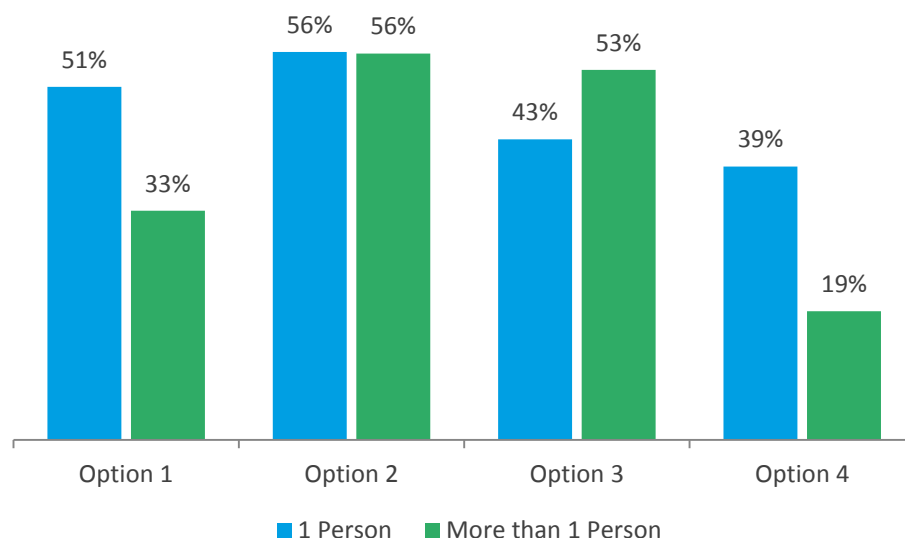


Single person household vs. multiple people household

A significantly lower proportion of those living with at least one other person are in favour of Option 1 (33% vs. 51%) and Option 4 (19% vs. 39%) compared to those living in a single person household.

Figure 2.7 Agreement that change should be introduced as part of the scheme by household (claimants only)

Percentage of respondents – base size 163-269 ('don't know' removed)



Non-claimant analysis

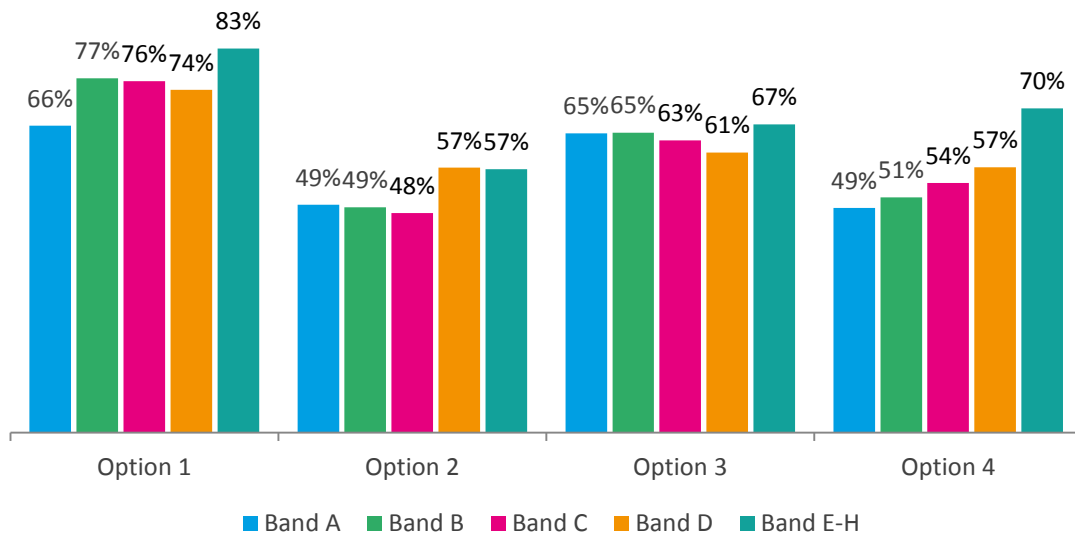
Sub-group analysis was carried out to see if there are any differences in views by a range of demographics for those who are not on the CTRS. Key differences are reported below:

Council tax banding

Band A residents are significantly less likely to be in favour of Option 1 (66%) compared to those in Band B (77%), Band C (76%) and Band E-H (83%). Those within Band A, B Or C are significantly less likely to be in favour of Option 4 (average 51%) compared to those in Band E-H (70%).

Figure 2.8 Agreement that change should be introduced as part of the scheme by council tax banding (non-claimants only)

Percentage of respondents – base size 61-241 ('don't know' removed)

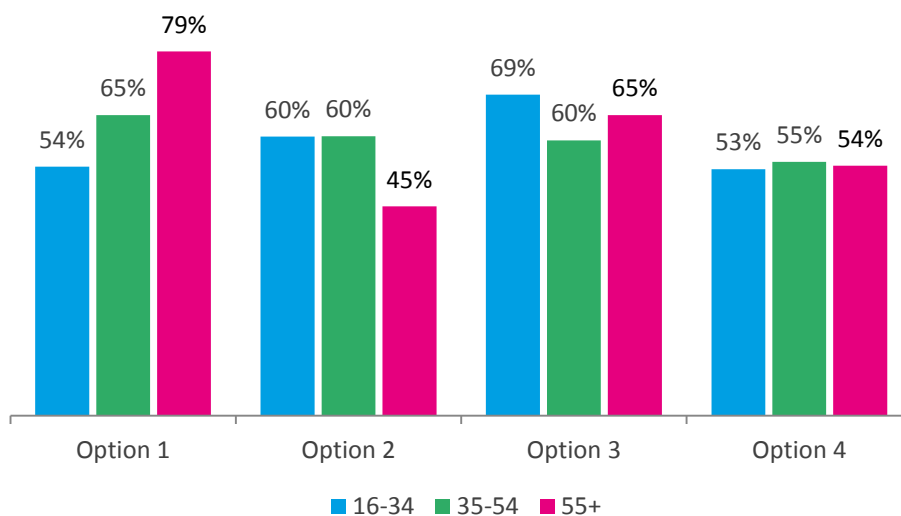


Age

Younger residents aged under 55 are significantly less likely to be in favour of Option 1 (average 59%), compared to those aged 55 and over (79%). Those aged 55 and over are significantly less likely to be in favour of Option 2 (45%) compared to the 35-54 age group (60%).

Figure 2.9 Agreement that change should be introduced as part of the scheme by age (non-claimants only)

Percentage of respondents – base size 30-491 ('don't know' removed)

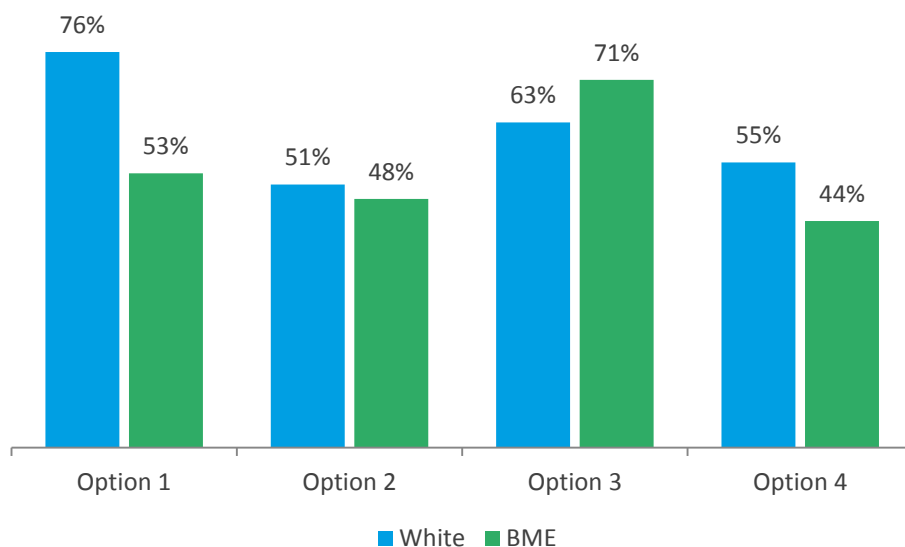


Ethnicity

A significantly lower proportion of BME residents state that they support Option 1 (53%) compared to white residents (76%).

Figure 2.10 Agreement that change should be introduced as part of the scheme by ethnicity (non-claimants only)

Percentage of respondents— base size 39-636 ('don't know' removed)

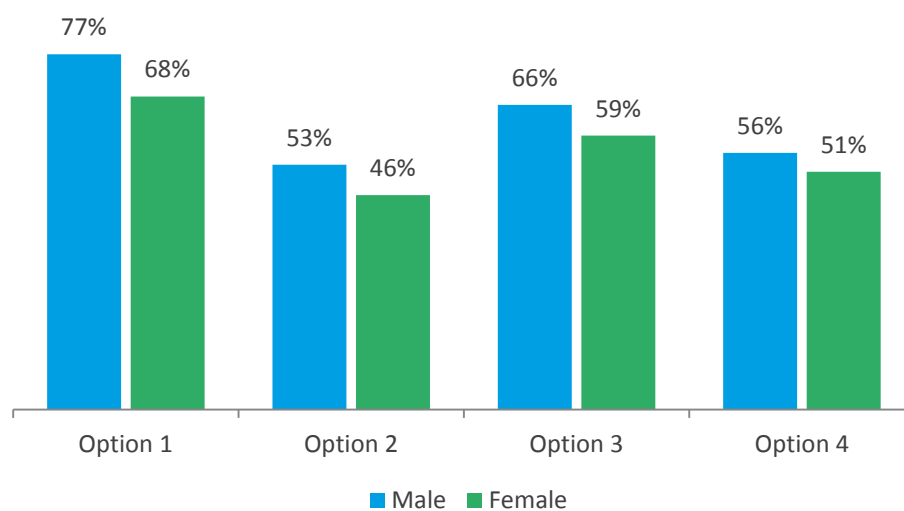


Gender

Females are significantly less likely to be in favour of Option 1 (68%) compared to males (77%).

Figure 2.11 Agreement that change should be introduced as part of the scheme by gender (non-claimants only)

Percentage of respondents— base size 173-446 ('don't know' removed)



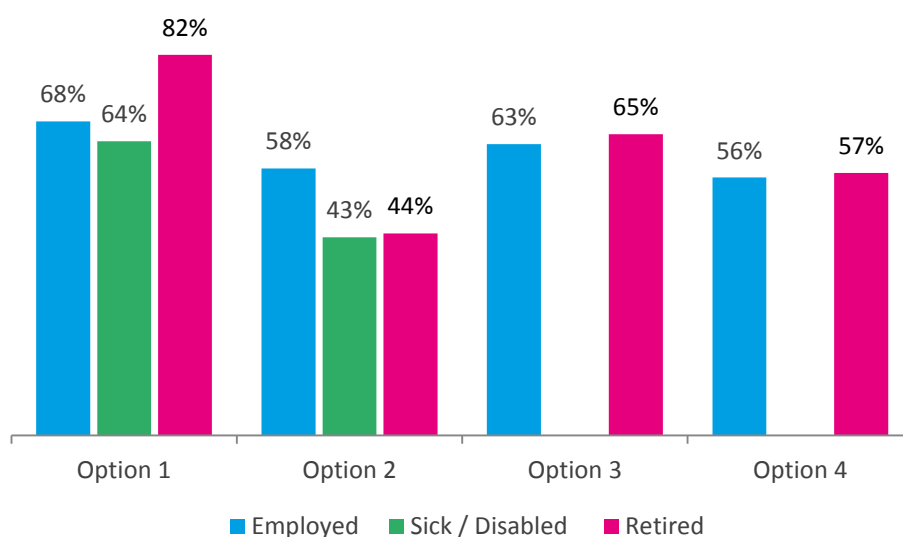
Working status

Those who are employed (68%) or sick/disabled (64%) are significantly less likely to be in favour of Option 1, compared to retired residents (82%). Employed residents are significantly more likely to be in favour of Option 2 (58%) compared to retired residents (44%).

Please note those in education, unemployed and those looking after the home have been removed from the analysis due to small sample sizes. The sick/disabled group have also been removed from Option 3 and 4 due to this reason.

Figure 2.12 Agreement that change should be introduced as part of the scheme by working status (non-claimants only)

Percentage of respondents – base size 35-351 ('don't know' removed)

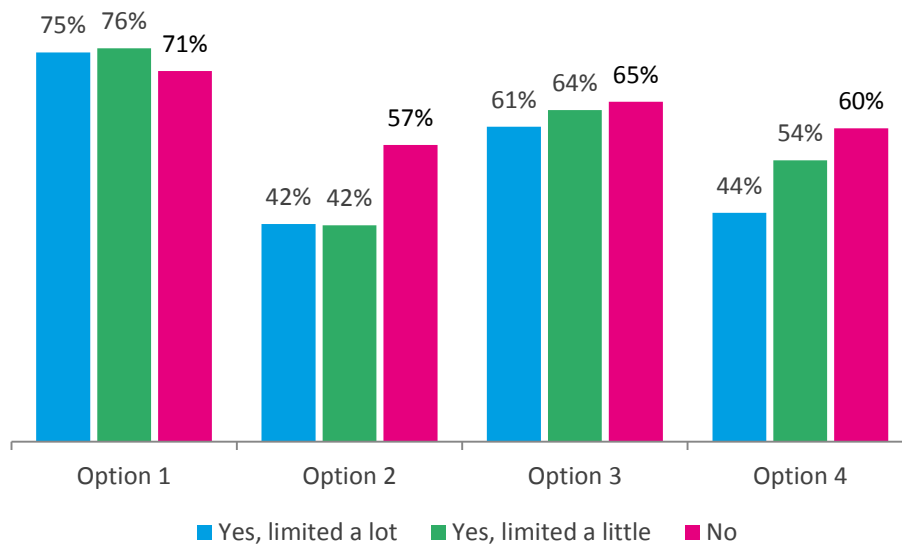


Disability

Those limited by health problem or a disability either 'a lot' or 'a little', are significantly less likely to be in favour of Option 2 (both 42%) compared those who do not have a limiting health condition (57%). Those who are limited 'a lot' by a health problem or disability are significantly less likely to be in favour of Option 4 (44%) compared to those who do not have a limiting health condition (60%).

Figure 2.13 Agreement that change should be introduced as part of the scheme by disability (non-claimants only)

Percentage of respondents—base size 100-373 ('don't know' removed)

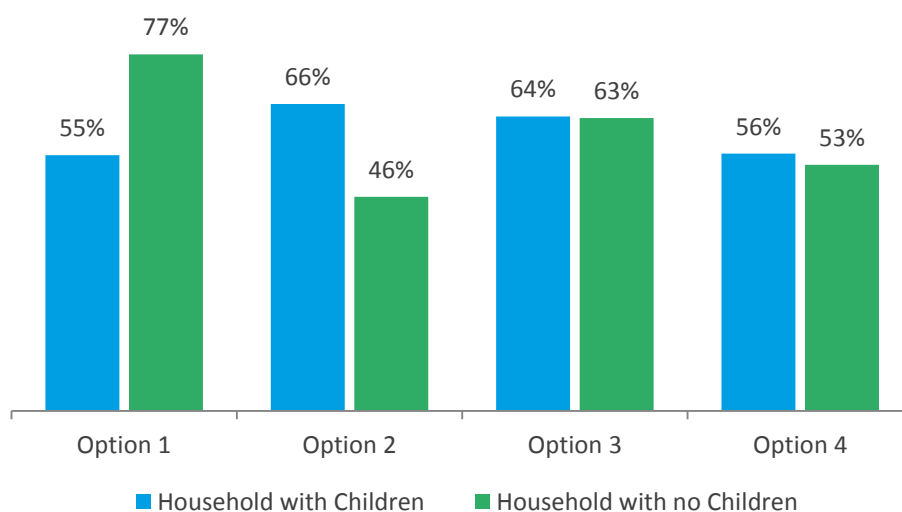


Children vs. no children

55% of people who do have children are in favour of Option 1. This compares to 77% of those who do not live in a household with children. This difference is statistically significant. Those without children on the other hand are significantly less likely to be in favour of Option 2 (46%) compared to those who do have children in their household (66%).

Figure 2.14 Agreement that change should be introduced as part of the scheme by children (non-claimants only)

Percentage of respondents—base size 79-583 ('don't know' removed)

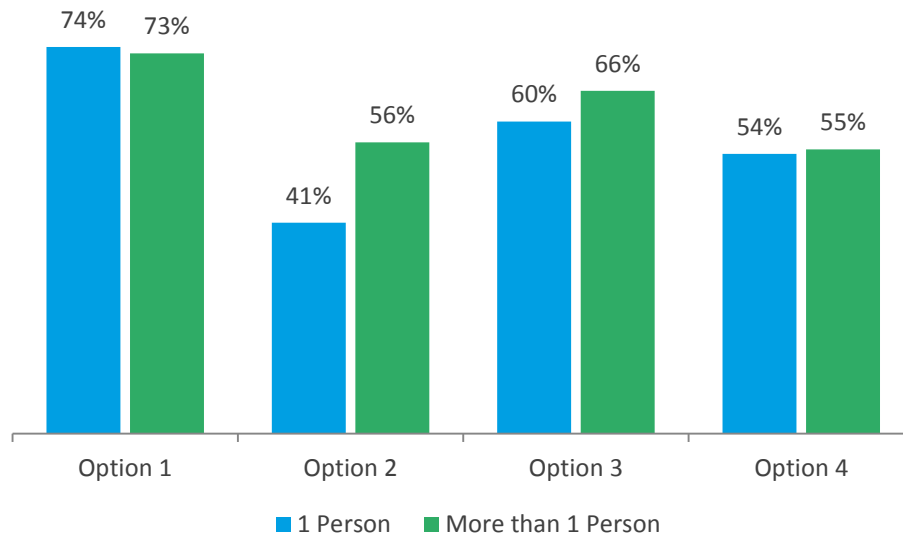


Single person household vs. multiple people household

56% of those living in a house which is occupied with at least one other person are in support of Option 2 (56%) compared to those in a single person household (41%). This is a significant difference.

Figure 2.15 Agreement that change should be introduced as part of the scheme by household (non-claimants only)

Percentage of respondents— base size 171-465 ('don't know' removed)

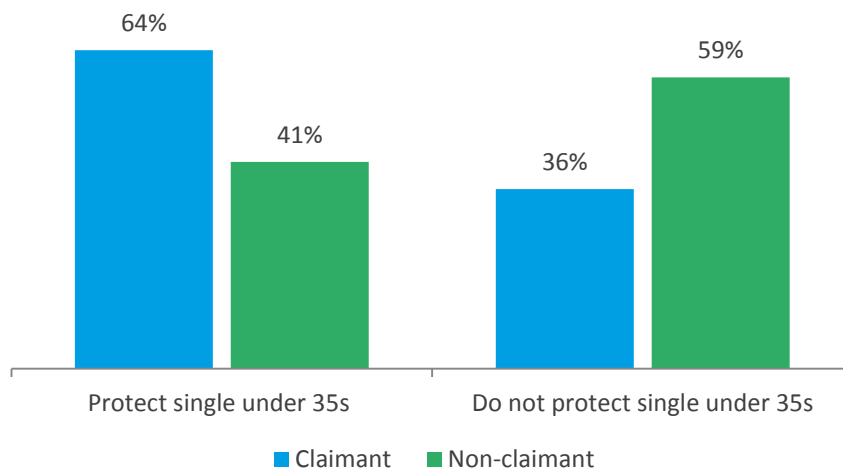


3. Protecting single under 35s

Residents were asked if they thought that those who are single and aged under 35 should be protected from any further reductions in council tax support. Results show that 64% of those who are currently on the CTRS feel that this group should be protected compared to 41% of those who are not on the scheme. This is a significant difference.

Figure 3.1 Protecting single under 35s by claimants and non-claimants

Percentage of respondents—base size 510-723 ('don't know' removed)

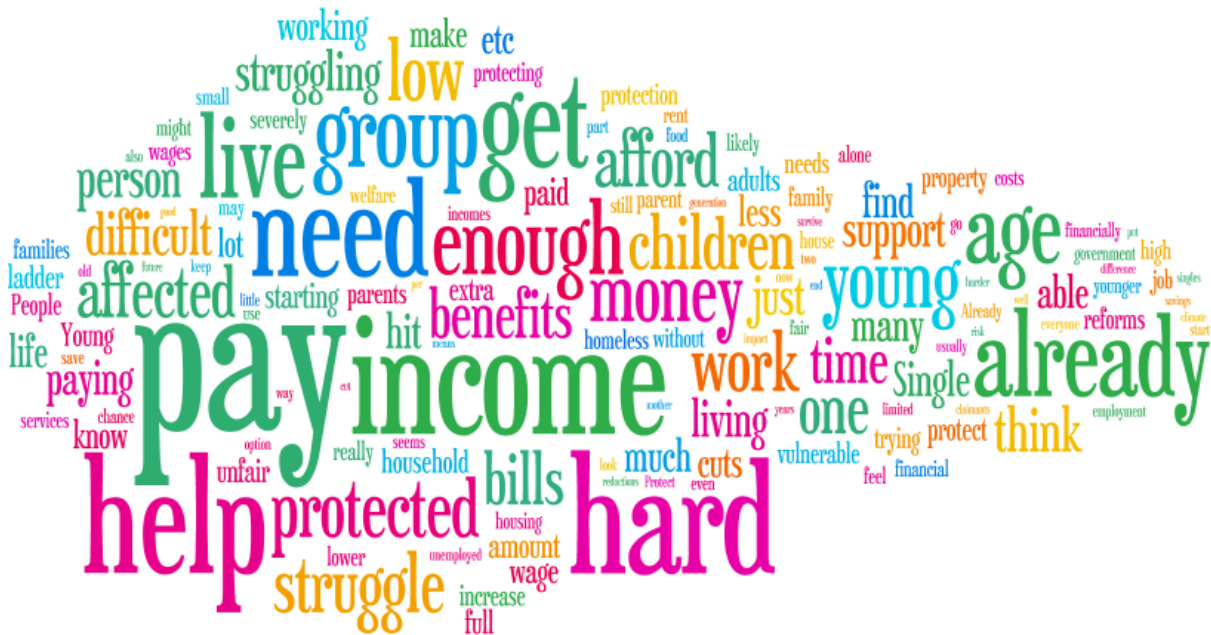


Whilst those who stated that they 'don't know' were removed from the analysis, it was worth noting that 943 people (43%) selected this option. Some of the residents who chose this option gave a reason why they selected this and this mostly included not understanding the question. Others also mentioned that being over 35, the policy was not directly relevant to them. Some highlighted that they didn't feel that there should be a blanket approach but rather dependent on individual circumstances.

Residents were asked why they felt that single under 35s should or shouldn't be protected. Figure 3.2 below illustrates the responses from those who stated that single under 35s should be protected. Responses indicate that a common reason that people felt that this group should be protected is due to them already financially struggling.

Figure 3.2 Reasons single under 35s should be protected

Base size 483



Below are some examples of responses given for this question. A full list of comments has been provided to Walsall Council in a separate document.

Single under 35's often have additional overheads (university fees / loans / high rents / mortgage fees). Difficulty getting onto the housing ladder.

Because single people can just about afford to live as it is.

As many will have student loans to repay as well as being unemployed or seeking job opportunities so wouldn't be able to afford

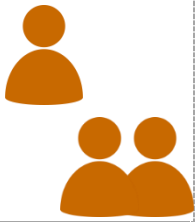
Figure 3.3 illustrates the responses from those who stated that single under 35s should not be protected. Responses indicate that a common reason that people felt that this group should not be protected is due to the fact that they felt that everyone should have to pay regardless of their age and that this age group are most likely to be working.



A significantly greater proportion of females are in favour of the proposal (69%) compared to males (59%).



Those looking after the home are significantly more likely to be in favour of the proposal (79%) compared to those who are sick/disabled (62%). *Please note that the 'education' and retired groups were excluded from the analysis due to the small sample sizes.*



Those living in a household with children (72%) are significantly more likely to be in favour of the proposal compared to those who do not live with children (59%).

Non-claimant analysis

Sub-group analysis was carried out to see if there are any differences in views between demographics for those who are on the CTRS. Key differences are reported below:



Females are significantly more likely than males to be in favour of the proposal (48%) compared to males (36%).

4. Alternatives suggestions

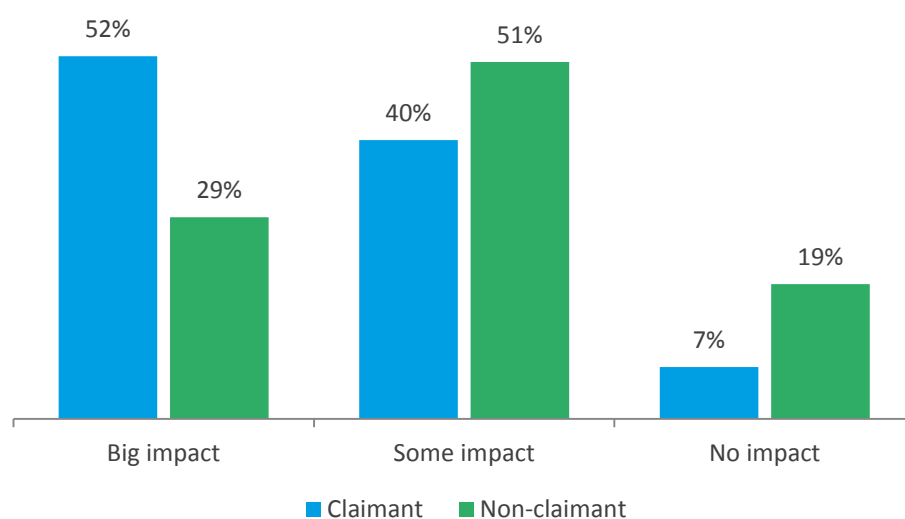
Residents were asked if they had any alternative suggestions for how the council tax reduction scheme could be amended or how savings could be made. Common suggestions included the Council reviewing their internal staffing, wages and processes. For example, residents suggested cutting the wages of the most senior level staff as well as reducing the amount of manager and councillors. Others suggested cutting or reducing services particularly those that were deemed 'unnecessary'. For example, several people referred to the art gallery and others mentioned the speed bumps. Many questioned the way benefits were allocated with some residents feeling that that access to benefits should not be given to certain groups of people for example, those that have not contributed financially, new immigrants and the unemployed. Others felt that there needed to be tighter control in terms of chasing those who had not paid their council tax and ensuring those who do receive benefits or allowances from the council such as the CTRS are legitimate cases. Residents also highlighted that people on higher income should be paying higher council tax and council tax should be calculated on factors such as level of income or number of people within the household. A full list of comments has been provided to Walsall Council in a separate document.

5. Changing tax for all households









Residents were asked how paying a bit more council tax, for example £1 more a week, would impact on them. Results show that the majority of claimants feel that it would have a 'big impact' (52%), whilst non-claimants felt that it would have 'some impact' (51%) on them. The differences between claimants and non-claimants are significantly different.

Figure 5.1 Impact of paying a bit more council tax by claimants and non-claimants

Percentage of respondents—base size 843 & 1076 ('don't know' removed)



Residents were subsequently asked why they felt this way. Figure 5.2 illustrates the responses from those who stated that an increase in their Council tax would have an impact. Responses included the fact that people are already on a limited income (for example pension, low wage and having other bills to pay).

	<p>Council tax Band A residents are significantly more likely to feel that it would have a big impact (35%) compared to those in a Band D property (24%). Band A residents are also significantly less likely to feel that it would have 'some impact' (47%) compared to those living in a Band C property (56%).</p>
	<p>Younger residents aged under 16-34 (41%) or 35-54 (35%) are significantly more likely to state that it would have a 'big impact', compared to those aged 55+ (25%). Those aged 55+ are significantly more likely to state that it would have 'some impact' (55%) compared to 16-34 year olds (34%).</p>
	<p>Half (50%) of BME residents indicate that it would have a 'big impact', compared to around a quarter (26%) of White residents. In turn a significantly higher proportion of White residents report that it would have some impact (54%) compared to BME residents (34%).</p>
	<p>A significantly greater proportion of females state that it would have a 'big impact' (37%) compared to males (23%). In turn, a greater proportion of males state that it would have no impact (22%) compared to females (14%). In each case around half state that it would have 'some impact' (55%, males and 49%, females)</p>
	<p>Retired residents are significantly less likely to report that it would have a 'big impact' (24%) compared to those who are employed (31%), sick/disabled (43%) or looking after the home (42%). <i>Those in education or unemployed have been excluded from analysis due to small sample sizes.</i></p>
	<p>Those who are limited 'a lot' are significantly more likely to feel that it would have a 'big impact' (38%), compared to those limited 'a little' (24%) and those who do not have a limiting condition (26%).</p>
	<p>A third (33%) of single-person households state that paying a bit more would have a 'big impact' on them compared to around a quarter (26%) of those living with at least one other person. This is a significant difference.</p>
	<p>A significantly greater proportion of those living in a household with children (36%) report that it would have a 'big impact' compared to those who do not have children living within their household (28%).</p>

Residents were asked how much more council tax a year (%) they would you be willing to pay to help keep cuts to a minimum and protect services. There were 1,317 valid responses (57% of all respondents) that ranged from 0-10% (please note there were a few outliers that were removed). The most common response was in favour of no increase with nearly four in ten (38%) respondents indicating 0%. It is likely that many of the blank responses were also in favour of no increase and chose to leave the field empty. The next most popular responses were a 1% increase (36%), followed by a 2% increase (8%).

Appendix A: Cover letter and questionnaire

Appendix B: Demographic breakdown

Appendix A : Cover letter and questionnaire



BENEFITS SERVICE

My Ref: CTRS Consultation

Date: October 2016

M-E-L ID: XX

Name

Address 1

Address 2

Address 3

Post code

Have your say on proposed changes to the Local Council Tax Reduction Scheme

In April 2013, the Government abolished the national council tax benefit scheme, replacing it with new local tax support schemes which are designed by local authorities themselves. The council tax reduction scheme reduces the amount of council tax low income households have to pay to the council.

Since April 2013 the government has reduced the amount of funding available to support the council tax reduction schemes year on year. For the first two years Walsall Council fully funded the new scheme resulting in the same level of council tax support for low income households as under the old scheme. However due to government cuts Walsall Council had no option but reduce the award to working age claimants by 25% for the years 2015-16 and 2016-17.

Due to continuing significant financial challenges, like all local authorities in England, Walsall Council now needs to decide whether to amend the level of support we offer to low income households.

Whether you receive council tax reduction or not, please take time to read on and have your say on proposed changes to Walsall's Council Tax Reduction Scheme.

There are just over 114,000 households in the borough, of these approximately 18,300 households are of working age and could potentially be affected by changes to the council tax reduction scheme. In addition there are approximately 13,750 pensioners in the borough, who although receive a reduction, are protected and will not be directly affected by any changes to the scheme.

In response to Government cuts to Local Authority funding Walsall Council has seen a reduction of £90m since 2010. We now need to set a 4 year budget and must cut a further £86m over the next four years. Combined with pressures from Children's Services and Adult Social Care, £40m of savings must be found in 2017/18 alone, with the remainder over the following 3 years.

If we continue to provide the same level of council tax support as in the current scheme, extra money will have to be found by changing, reducing, or ceasing other important council services and / or by increasing fees and charges or increasing council tax.

Consultation

Walsall Council is required to consult with local residents and other interested parties before making changes to the local council tax reduction scheme. Any changes made will be implemented in April 2017.

The options for a new council tax reduction scheme

The Council is considering the options set out below. None of the options will affect pensioners who are protected from any changes.

Option A – Retain the current council tax reduction level of 25%, meaning a maximum award of 75%

Option B – Reduce the level of council tax reduction by a further 5% (overall a 30% reduction). This will mean claimants will have to pay more council tax

Option C – Reduce the level of council tax reduction by a further 10% (overall a 35% reduction). This will mean claimants will have to pay more council tax

Option D – Reduce the level of council tax reduction by a further 15% (overall a 40% reduction). This will mean claimants will have to pay more council tax

Other Changes

In addition to a further overall % reduction certain other changes could also be made to the council tax reduction scheme which would mean some people would have to pay more. These proposed changes are:

- Remove income disregard for child benefit for 2nd and additional children. Currently all income from child benefit is ignored when calculating a person's council tax reduction
- Reduce the savings and other investments limit to £6,000. Currently a person with savings or investments worth more than £16,000 do not qualify for council tax reduction
- Limit award to band C levels. This would mean the reduction awarded to people living in band D to H would be based on a band C charge
- Remove the reduction currently awarded under the second adult rebate scheme

Protection of Single Under 35 Year Old Claimants

In addition to any potential financial effect of changes to council tax reduction, single under 35 year old claimants have been more severely affected by the wider welfare reforms carried out by central government than any other group. The authority is therefore looking into the possibility of protecting this group against any further changes to its reduction scheme.

Finances

Currently a total of £24.2m is paid in council tax reduction by Walsall Council, £11.9m to working age claimants and £12.3m to pensioners. Allowing for the Police and Crime Commissioner and Fire Authority portion and extra costs, the extra income to Walsall Council for each option would be:

	Option A	Option B	Option C	Option D
Increase in Income	N/A	£420,000	£797,500	£1,132,000
Increase if single under 35 claimants protected	N/A	£290,000	£655,000	£945,000
Increase in net income if other changes also adopted	£368,500	£335,000	£275,000	£215,000

Assuming no council tax increases in 2017/18, the table overleaf indicates the amount of extra council tax that could be payable by working age households currently entitled to Council Tax Reduction (CTR) for Option B to D. It is calculated based on the council tax levels for 2016/17. The effect of any other changes will vary from case to case so it is not possible to give an estimated average effect.

Estimated extra council tax to pay per week for option B, C and D			
Property Band	Option B Extra 5% cut in CTR (Weekly)	Option C Extra 10% cut in CTR (Weekly)	Option D Extra 15% cut in CTR (Weekly)
A	£1.07	£2.13	£3.20
B	£1.24	£2.49	£3.73
C	£1.42	£2.84	£4.26
D	£1.60	£3.20	£4.80
E	£1.95	£3.91	£5.86
F	£2.31	£4.62	£6.93
G	£2.67	£5.33	£8.00
H	£3.20	£6.40	£9.60

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).

Have your say

If you do not receive Council Tax Reduction the council tax you pay will not change (apart from the annual rise in council tax), however you may be indirectly affected by the level of cuts to other council services, which will vary depending on which option is decided upon.

Included with this letter is a questionnaire that has been sent to 10,000 randomly selected households (including both residents eligible for council tax reduction and those required to pay their council tax in full). **Please have your say by completing the questionnaire and returning it in the prepaid envelope provided by 23rd November 2016.** Alternatively, you can complete the survey online at www.melresearch.co.uk/page/Walsall or by scanning the QR code and entering your 'M:E:L ID' number (both found on the first page).

If you have any questions about the Council Tax Reduction Scheme or wish to check the legitimacy of this communication, please contact Walsall Council on 0300 555 2855.

If you would prefer the questionnaire in a different format, such as a large print version, please email bianca.murray@m-e-l.co.uk, or call the M:E:L Freephone hotline on 0800 0730348.

Draft budget proposals for 2017/18

In late October Walsall Council will publish its draft budget proposals for the financial year 2017/18, outlining approximately £40m worth of savings across a wide range of services. Consultation on the council's draft budget will then begin and continue into December. In preparing the draft budget every effort has been made to minimise the impact cuts may have on individuals, particular groups and communities, however the scale of the savings required mean that the impact of cuts on frontline services may be unavoidable. To find out more on draft budget proposals and have your say visit: www.walsall.gov.uk/budgethaveyoursay

Thank you in advance for taking the time to participate in the consultation, your views are very important.

Yours sincerely,



Councillor Sean Coughlan
Leader of the Council

Consultation on draft options for Council Tax Reduction 2017/18

This questionnaire should be completed by the addressee only. Please read the information contained in the accompanying letter before completing this questionnaire.

Please tick the answers that apply to you. If you would like support to help you complete this questionnaire please contact M·E·L Research on 0800 073 0348 or ask a friend or family member to help you. The deadline for responses is 23 November 2016.

This survey is being administered by M·E·L Research in adherence to the MRS code of conduct on behalf of Walsall Council. The information that you provide in this survey, along with your postcode and other information held on the council tax register will be used to analyse opinions on options for the Council Tax Reduction Scheme. When analysing the results neither your name or your address will be linked to your responses. Any information that you supply will be treated as confidential. It will be held securely and used only in accordance with the Data Protection Act 1998. Any information published will not identify you or your household.

Council Tax Reduction Scheme Options

Walsall Council needs to save £86m over the next four years. We now need to decide whether to reduce the level of council tax support we offer to low income households in 2017/18. If we continue to provide the same level of council tax support, as in the current scheme, extra money will have to be found by changing, reducing, or ceasing other important council services and / or by increasing fees and charges or increasing council tax.

The council is considering a number of possible options and changes which may see a reduction in the level of council tax support given to working age claimants from 1 April 2017. (Pensioners on low incomes are automatically protected and cannot be asked to pay more in council tax.)

1. Which ONE of the following options do you prefer? Tick ONE only.

- Option A. Retain the current council tax reduction level of 25%, meaning a maximum award of 75%.
- Option B. Reduce the level of council tax reduction by a further 5% (overall a 30% reduction) meaning claimants will have to pay more council tax. This option will raise £420,000, helping towards the overall cuts required.
- Option C. Reduce the level of council tax reduction by a further 10% (overall a 35% reduction) meaning claimants will have to pay more council tax. This option will raise £797,500, helping towards the overall cuts required.
- Option D. Reduce the level of council tax reduction by a further 15% (overall a 40% reduction) meaning claimants will have to pay more council tax. This option will raise £1,132,000, helping towards the overall cuts required.
- Don't know

2. Why do you prefer the option you ticked in Question 1? Please write below.

Other Changes

Other changes could also be made to the council tax reduction scheme which would mean some people would have to pay more. These other changes are;

- Remove income disregard for child benefit for 2nd and additional children. Currently all income from child benefit is ignored when calculating a person's council tax reduction
- Reduce the savings and other investments limit to £6,000. Currently a person with savings and other investments worth £16,000 do not qualify for council tax reduction
- Limit award to band C levels, This would mean the reduction awarded to people living in band D to H would be based on a band C charge
- Remove the reduction currently awarded under the second adult rebate scheme

If all four of these changes are introduced as part of the scheme, the extra income raised would be as follows:

Estimated amount raised by these other changes if they are adopted...			
Option A	Option B	Option C	Option D
£368,500	£335,000	£275,000	£215,000

**These amounts are in addition to those raised through changes to the overall level of support detailed in Q1.*

3. Do you think that the following changes should be introduced as part of the scheme? Tick ONE only for each row.

- | | Yes | No | Don't know |
|---|-----------------------|-----------------------|-----------------------|
| a) Remove income disregard for child benefit for 2nd and additional children..... | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| b) Reduce the savings and other investments limit from £16,000 to £6,000..... | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| c) Limit award to band C levels..... | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| d) Remove the reduction currently awarded under second adult rebate scheme | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Protecting under 35s

In addition to any potential financial effect of changes to council tax reduction, single under 35 year old claimants have been more severely affected by the wider welfare reforms carried out by central government than any other group. Currently in Walsall there are approximately 4,500 single claimants aged under 35 who currently get a reduction in their council tax. In order to help minimise any further financial impact on this group, the council could choose to protect them from any reductions in council tax support. The table below shows the impact this may have on the amount of income raised:

Amount raised if single under 35s are protected or not protected under the scheme				
	Option A	Option B	Option C	Option D
Protected		£290,000	£655,000	£945,000
Not protected	<i>Does not apply</i>	£420,000	£797,500	£1,132,000

4. If option B, C or D in Question 1 is adopted, do you think that council tax reduction claimants who are single and aged under 35 years should be protected from any further reductions in council tax support? i.e. not be required to pay any more in Council tax under the Council Tax reduction Scheme. Tick ONE only.

Protect single under 35s Do not protect single under 35s Don't know

5. Why do you say this? Please write below,

6. Do you have any alternative suggestions for how Walsall's Council Tax Reduction Scheme could be amended or how savings could be made? Please tell us.

Changing tax for all households

Currently 16% of the council's income comes from Council Tax. Raising council tax for all households would generate additional funding which would be used to keep cuts to a minimum and help protect services. Any increase in council tax would also apply to those who receive council tax reduction.

7. How would paying a bit more council tax impact on you (e.g. £1 more a week)? Tick ONE only.

Big impact Some impact No impact Don't know

8. Why do you say this? Please write below.

9. How much more council tax a year would you be willing to pay to help keep cuts to a minimum and protect services? Please write in the number as a % increase. (e.g. an 1% increase for a Band D property for 2016/17 would be £16.63 a year).

About you and your household

Some of the following questions may seem irrelevant to you, however this section is really important as it helps us to gain a better understanding of the views of different people and how they could be impacted by any changes. This information will remain confidential and will be used for analysis purposes only. Your personal information will not be published and individuals or households will not be identified in any part of the analysis or reporting process. These questions are voluntary.

10. Including yourself, how many adults aged 18 or over live at this address? Please write in the box on the right.

11. And how many children aged 17 or under live at this address? Please write in the box on the right.

12. How old are you? Please write in the box on the right.

13. Are you...? Tick ONE only.

- Male (Go to Question 15)
 Female (Go to Question 14)
 Prefer not to say (Go to Question 15)

14. Are you currently pregnant or providing care for a baby up to 26 weeks old? Tick ONE only.

- Yes No Prefer not to say

15. Is your gender identity the same as the gender you were assigned at birth? Tick ONE only.

- Yes No Prefer not to say

16. How would you describe your sexual orientation? Tick ONE only.

- Heterosexual Don't know
 Bisexual Other (please specify below)
 Gay man Prefer not to say
 Gay woman

Other (please specify below)

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

- Yes, limited a lot Yes, limited a little No Prefer not to say

18. What is your ethnic group? Tick ONE only.

- White: English/Welsh/Scottish/Northern Irish/British Asian/Asian British: Pakistani
 White: Irish Asian/Asian British: Bangladeshi
 White: Gypsy or Irish Traveller Asian/Asian British: Chinese
 White: Other White Asian/Asian British: Other Asian
 Mixed: White and Black Caribbean Black/Black British: African
 Mixed: White and Black African Black/Black British: Caribbean
 Mixed: White and Asian Black/Black British: Other Black
 Mixed: other Mixed Other ethnic group: Arab
 Asian/Asian British: Indian Other ethnic group (Please specify below)
 Prefer not to say

Other (please specify below)

19. What is your religion? Tick ONE only.

- | | |
|---|--|
| <input type="radio"/> No religion | <input type="radio"/> Muslim |
| <input type="radio"/> Christian (All denominations) | <input type="radio"/> Sikh |
| <input type="radio"/> Buddhist | <input type="radio"/> Other (please specify below) |
| <input type="radio"/> Hindu | <input type="radio"/> Prefer not to say |
| <input type="radio"/> Jewish | |

Other (please specify below)

20. Which of these activities best describes what you are doing at present? Tick ONE only.

- Employed working over 16 hours a week
- Employed working under 16 hours a week
- In full time education or training
- Unemployed and available for work (claiming out-of-work benefits)
- Unemployed and available for work (not claiming out-of-work benefits)
- Permanently sick/disabled
- Wholly retired from work
- Looking after the home
- Doing something else

21. What is your marital status? Tick ONE only.

- Single, that is, never married and never registered in a same-sex civil partnership
- Married
- Separated, but still legally married
- Divorced
- Widowed
- In a registered same-sex civil partnership
- Separated, but still legally in a same-sex civil partnership
- Formerly in a same-sex civil partnership which is now legally dissolved
- Surviving partner from a same-sex civil partnership
- Prefer not to say

Thank you for completing this questionnaire

Please return in the FREEPOST envelope provided by M·E·L Research

Appendix B: Demographic breakdown

	Claimants		Non Claimants	
	Frequency	Percentage	Frequency	Percentage
Gender				
Male	415	43%	692	59%
Female	547	57%	486	41%
Age				
16-24	35	4%	7	1%
25-34	140	15%	68	6%
35-44	183	19%	111	9%
45-54	278	30%	162	14%
55-59	145	15%	80	7%
60-64	127	13%	90	8%
65-74	19	2%	325	28%
75+	15	2%	327	28%
Disability				
Yes, limited a lot	356	40%	296	26%
Yes, limited a little	146	17%	284	25%
No	379	43%	546	48%
Work status				
Employed	206	23%	416	36%
Education	5	1%	2	0%
Unemployed	176	20%	24	2%
Sick / Disabled	363	41%	80	7%
Retired	39	4%	612	52%
Looking after the home	97	11%	35	3%
Ethnicity				
White	749	79%	1039	89%
BME	195	21%	128	11%
Council tax band				
Band A	774	79%	457	37%
Band B	154	16%	291	23%
Band C	34	3%	255	21%
Band D	18	2%	124	10%
Band E	4	0%	71	6%
band F	1	0%	36	3%

Band G	0	0%	9	1%
Band H	0	0%	0	0%



m.e.l
research



Update for Cabinet: Council Tax Reduction (CTR) Scheme

Consultation Results Summary

Background

- There are 31,713 CTR claimants in total
 - 13,581 are pensioners and are protected in full from any changes
 - 18,132 will be affected by any overall change to the scheme
 - 988 would be additionally protected (at current rate of 25%) if the protection for single under 35 was introduced
 - 6,157 would be affected if the child benefit disregard was removed
 - 300 would be affected by the reduced capital limit (moving from £16,000 to £6,000)
 - 373 would be affected by the Band C limit being introduced
 - 182 would be affected by the removal of second adult rebate

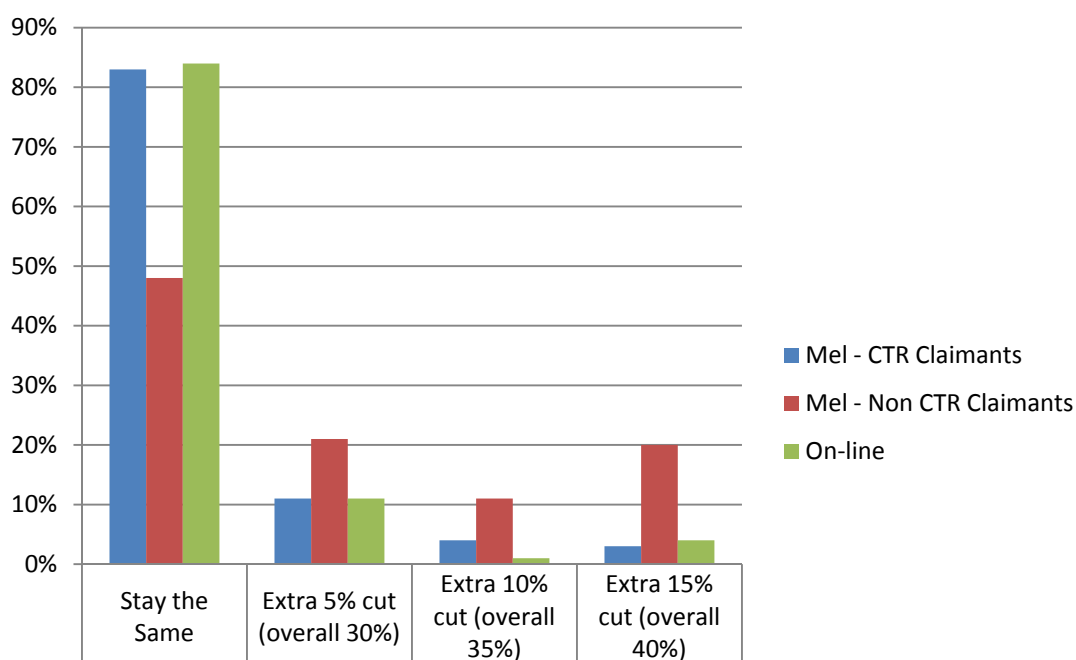
Two key consultation exercises:

- On-line
 - 216 completed of which 92% currently receive CTR
- Postal questionnaires delivered by M·E·L Research Ltd for the Council:
 - 5,000 letters to random sample of working age CTR claimants and
 - 5,000 letters to random sample of all other council tax payers (including non-working age).
 - 2315 returns in total

Questions

1 The overall reduction in the level of award for CTR in 2017

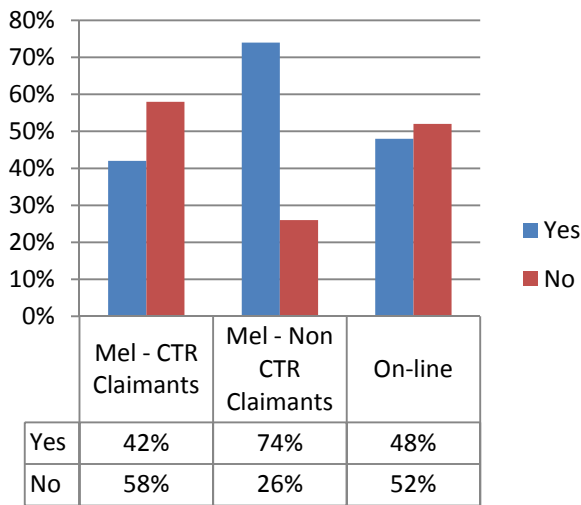
- Option A - Stay the Same at 25%
- Option B – Extra 5% reduction (30% overall)
- Option C – Extra 10% reduction (35% overall)
- Option D – Extra 15% reduction (40% overall)



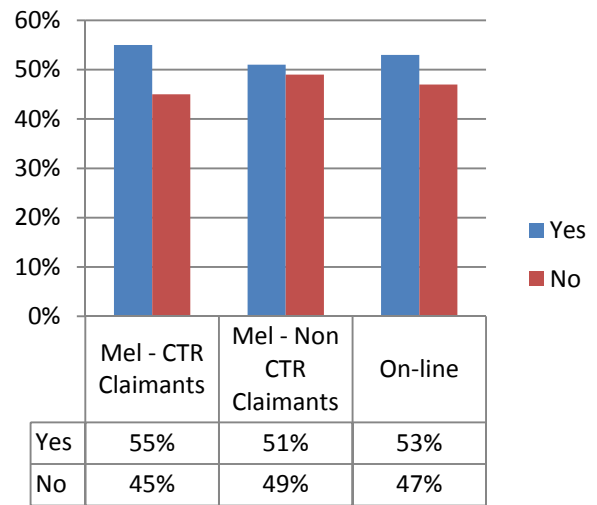
Mel - CTR Claimants	83%	11%	4%	3%
Mel - Non CTR Claimants	48%	21%	11%	20%
On-line	84%	11%	1%	4%

2 Should other changes to the CTR scheme be introduced?

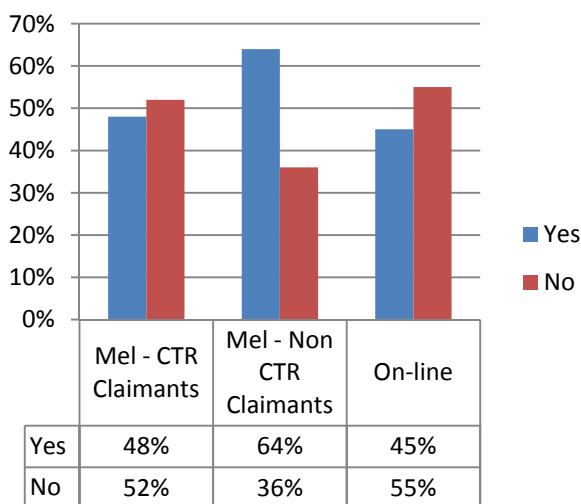
Removal of disregard for child benefit for 2nd and subsequent children



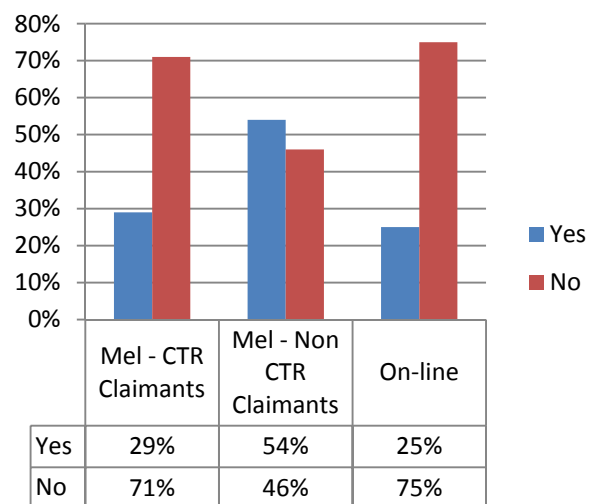
Introduce a capital limit of £6,000



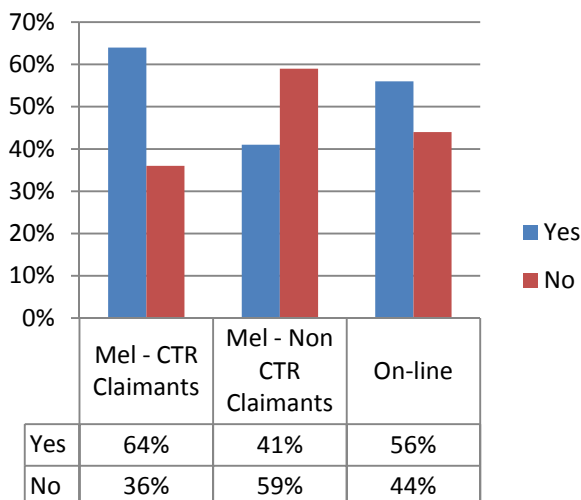
Limit CTR awards to Band C level



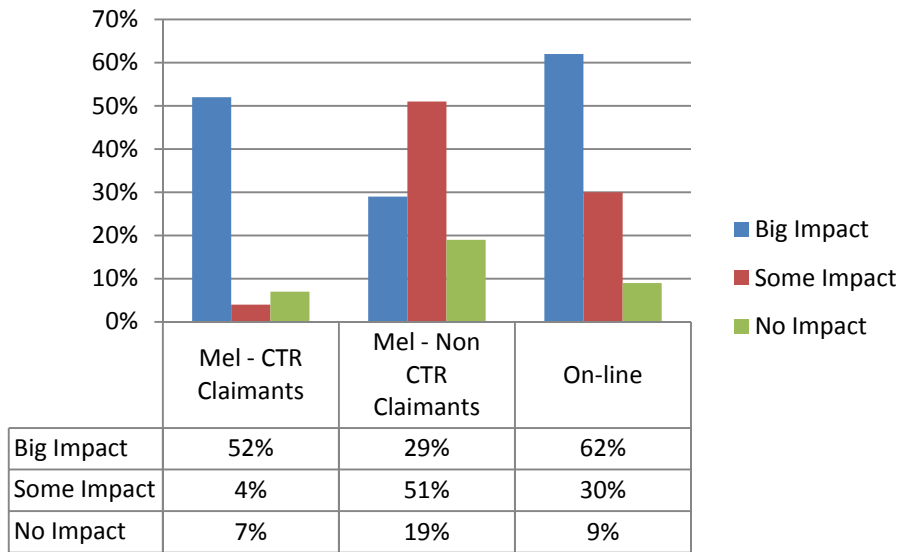
Remove Second Adult Rebate



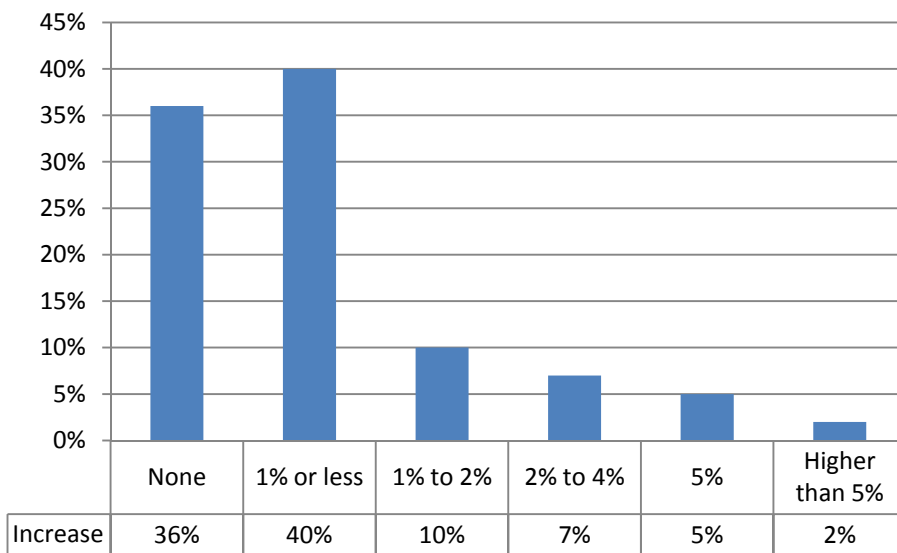
3 Should single under 35 claimants be protected to the current award levels?



4 If council tax was increased (for example £1 per week) instead of amending the CTR scheme, what effect would that have?



5 What % increase in Council Tax would you accept to keep other cuts to a minimum?



Produced by Mark Fearn IRRV (Hons)
Project Lead, Change and Governance