

## Cabinet – 11 September 2013

### Localised Council Tax Reduction Scheme 2014/15

**Portfolio:** Councillor Towe - Resources

**Service:** Benefits

**Wards:** All

**Key decision:** No

**Forward plan:** No

#### 1. Summary

1.1 Members considered options for the delivery of a local council tax reduction (CTRS) scheme for implementation in April 2013. The preferred option adopted was to retain the council tax benefit rules as amended by CTRS statutory instruments and fully fund the reduction in grant from other council efficiencies, savings or other income streams. The selection of this option would enable the council to develop a more considered scheme for 2014/15 onwards.

1.2 During 2013/14 the localised CTRS; a means tested benefit to help low income households meet their council tax liability helped 35,000 households. The total awards for 2013/14 is currently circa £29.7 million similar values to 2012/13.

Over 35,000 Walsall households receive this benefit with an average weekly award of approximately £15.64 per week. There are 15,271 pensioners and 19,676 working aged customers. Of the working aged households 4,516 are disabled and there are 4,793 with children less than 5 years old.

1.3 April 2013 saw the funding mechanism change and reduced by circa 10% nationally; for Walsall Council it was estimated this would deliver a reduction in income of c £3.3m.

1.4 The Government's intention is for the funding of localised council tax schemes to be provided through the business rates retention scheme rather than a separate grant, for all authorities except local policing bodies. In **2013/14** the Government allocated **£23.918m** to our general funding, Revenue Support Grant (RSG) to assist with the costs of the localised scheme.

This funding is no longer separately identifiable within the draft settlement figures published by Department for Communities and Local Government (DCLG) in July 2013 Technical Consultation, however, DCLG have confirmed that the allocation for supporting the council tax reduction scheme in 2014/15 is the same as in 2013/14.

However, as the overall grant funding from Government has clearly significantly reduced and Government have not released details of how the funding is made up.

The cost to Walsall for **2013/14** is estimated to be **c£3m**, if the scheme continues to be fully funded this will cost Walsall **£2.8m for 2014/15**. The costings are based on the current workload and do not take into account any increase / decrease in demand or any increase in the actual council tax charge.

- 1.5 The Council's overall financial outlook is of course highly challenging. Latest projections are that there is a gap of over £100m for the council to address over the next 5 years. Any decision on council tax reduction scheme will have an impact on other requirements for financial savings.
- 1.6 England is part way through a major program of benefit reform: the key changes, including the localisation of council tax support, are:-

<b>Housing Benefits</b>	<ul style="list-style-type: none"> <li>• Introduction of the under occupancy rule</li> <li>• Local Housing Allowance reduced to 30th percentile of rents in the local housing area</li> <li>• Cap on total LHA payable and lower rates for tenants in the private rented sector</li> <li>• Increase in deductions to Housing Benefit and Council Tax Benefit for non-dependants</li> <li>• Increased discretionary housing payments</li> </ul>
<b>ESA / IB</b>	<ul style="list-style-type: none"> <li>• Transition from Incapacity Benefit to Employment and Support Allowance with all existing claimants re-tested and new claimants facing a tougher medical test</li> <li>• Introduction of a requirement to engage in work related activity and time limited entitlement to non-means tested benefit if not designated to receive unconditional support</li> </ul>
<b>Other changes to tax and benefits</b>	<ul style="list-style-type: none"> <li>• Increase in personal income tax allowance and increases to national insurance rates and thresholds</li> <li>• Cuts to tax credits and freeze in child benefit rates</li> <li>• Medical reassessment of Disability Living Allowance Claimants and implementation of Personal Independence Payments.</li> <li>• The implementation of Universal Credit from October 2014- pilots from April 2013.</li> </ul>
<b>Overarching</b>	<ul style="list-style-type: none"> <li>• A 1% cap on annual working age benefit increases</li> <li>• Introduction of the benefit cap</li> <li>• Walsall crisis support scheme – previously social fund.</li> </ul>

**Many of these changes are reducing the money available to Walsall household significantly.**

## **1.7 Other authorities experience of CTRS 2013/14 National picture –what did they do**

- 82% (of 326 LAs) reduced entitlement
- 18% made no change
- 72% introduced a minimum payment
- 46% went for DCLG 8.5%
- 40% opted for 10 to 20% cut
- Remainder are at 20% +
- 34% introduced a discretionary fund

## **1.8 Feedback on the impact of changes**

The anecdotal feedback seems to indicate that the collection rate has reduced slightly in the first quarter, however, the majority are saying that it is too early to draw any conclusions due to the following reasons:-

- Reminder and recovery process is in the early stages
- Reduction in the amount of benefit/support
- A large number of cases moving from 10 to 12 instalments
- In the vast majority of cases, second home changes have increased, discounts have been reduced and 50% premium introduced (the Council Tax technical changes)
- Most authorities put in additional resource to take proactive work to assist taxpayers and pick up cases before they fell into arrears.
- The other welfare benefit changes are in the early stages of implementation or have yet to be implemented.

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

## **1.9 West Midlands - Birmingham, Coventry, Wolverhampton, Dudley, Sandwell, Solihull and Walsall.**

- 4 - (57%) adopted the old council tax benefit scheme.
- 2 - (29%) adopted a scheme to receive the DCLG's transitional grant
- 1 - (14%) adopted a more complex scheme

## **1.10 Feedback on the impact of changes**

Again the feedback from the neighbouring authorities contacted seems to follow the national picture. All neighbouring authorities are reviewing their schemes in line with their decision making process.

## **2. Recommendations**

- 2.1 To consider the options in this report for a localised council tax reduction scheme for the future, commencing 2014/15.

2.2 To approve a public consultation exercise on the four options set out below to establish a local council tax reduction scheme to commence on the 1 April 2014 and to continue for future years until the council considers that a change is necessary.

### 3. Report detail

3.1 For 2013/14 each of the 326 local authorities in England had to design their own local CTR schemes for working aged low-income households within the following guidelines :

- Government funding was reduced by 10% nationally. The change to the funding mechanism is to a fixed grant. Expenditure may fluctuate higher or lower than the grant income due to local demand needs and the proportion of pensioners in the caseload.
- Pensioners had to be protected and a pensioner CTR scheme was prescribed in regulations. Additionally councils are required to observe their duty to protect certain other vulnerable groups although these are not described in regulations. Schemes should be designed with support incentives to work and avoid disincentives to move into work.
- Schemes may be revised from one year to the next but not within year.
- Consultation is required; including precepting authorities, who are also affected by any new scheme that reduces their council tax income

3.2 In developing new schemes councils had to make tough choices on whether all or some of the funding cuts should be passed onto benefit claimants or whether increasing income / reducing expenditure in other areas could match the difference in funding.

3.3 As a consequence of local budget pressures and the requirement to protect pensioners some LA's commenced their consultation last year based on significant reductions in benefits for working age claimants (in excess of 30% in some cases).

3.4 In October 2012 the DCLG announced the availability of a transitional grant for LA's whose localised schemes satisfied the criteria of a '**well-designed**' scheme. The most significant of the qualifying criteria for the grant was that any claimant who previously received 100% CTB should not pay any more than 8.5% of their bill under a new CTR scheme.

3.5 Walsall council localised council tax reduction scheme met this criteria and a grant of £644,950 was received which equated to approximately 20% of the anticipated funding reduction.

3.6 Transitional grants will not be available for 2014/15.

3.7 A number of authorities amended their schemes as a result of the availability of the transitional grant. Walsall Council was one of 73 councils who mainly retained the CTB scheme, whilst the remaining councils (232) introduced a variety of schemes. (See supporting documents)

- 3.8 If Walsall Council wishes to redesign its localised CTRS for 2014/15 it must consult on the proposed scheme with all interested parties and with its precepting authorities, (fire and police). Consideration of transitional protection will be required should the scheme conditions be reduced. The new scheme will have to be approved and adopted by full council by 31<sup>st</sup> January 2014. Needs to be adopted at the council meeting on the 13th January for the decision to be incorporated in the council tax base which needs to be set and precepting authorities notified by 31<sup>st</sup> January 2014.

### **Options for a proposed localised council tax reduction scheme.**

#### **Assumptions**

- No change to current prescribed legislation.
- No change to current methods of data transfer / data sharing with the DWP.
- No unexpected increase in projected pensioner population.
- No increase in council tax.
- No change to working aged population eligible for benefits
- The base council tax reduction scheme is the adopted scheme for 2013/14.

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

#### **Option 1 – recover the reduction in grant fully by reducing the CTRS available to the working aged customers by 20.5%.**

This option is the simplest to implement and will recover £2.4m of council tax income, net of collection and other costs of £434k. This option impacts greatly on all the working aged customers, a significant number of whom (circa 15,100) do not currently pay any council tax.

Pensioners are protected.

#### **Some effects of this option include:**

- Such significant changes will result in increased cost of collection and bad debt costs.
- Greater demand for customer support and additional staffing requirements
- Potential for unintended consequences of increased deprivation to cause a significant increase in costs which will have an impact on the council's already scarce resources. The additional demand for support will impact on partner organisations.
- Many customers do not currently pay council tax.
- The council may wish to provide a discretionary hardship scheme for CTRS, similar to the discretionary housing payments scheme, for residents in extreme hardship resulting from the reductions in the scheme.

**Implementation cost to authority** – the collection rate is estimated to drop to 90% as attempts are made to recover council tax from residents who were previously deemed too poor to pay. It is estimated that bad debt and increased costs of collection may cost the council £434,000 plus the associated costs of a discretionary hardship scheme and its administration

Protected group(s)	Estimated number of households in protected group	Estimated number of Working Age households	Estimated cost to the council of this option (funding shortfall & collection costs)	Estimated weekly impact to Working Age customers						
				Band "A"	Band "B"	Band "C"	Band "D"	Band "E"	Band "F"	Band "G"
Pension Age	15,271	19,676	£434,000	£4.10 (14,823)	£4.79 (3,533)	£5.47 (897)	£6.15 (274)	£7.54 (106)	£8.89 (38)	£10.26 (5)

**Option 2 – Partially recover the reduction in grant by reducing the CTRS available to the working aged customers by 10%.**

This option is relatively simple to implement and will recover **circa £1.2m** of council tax income, net of collection and other costs of £206.5k.. This option it impacts on all the working aged customers, a significant number of whom (circa 15,100) do not currently pay council tax.

Pensioners are protected which results in the impact being solely on the working aged claimants.

**Some effects of this option include:**

- Such changes will result in increased cost of collection and bad debt costs.
- Greater demand for customer support and additional staffing requirements
- Potential for unintended consequences of increased deprivation to cause a significant increase in costs which will have an impact on the council's already scarce resources.
- Many customers do not currently pay council tax.

**Implementation cost to authority** – the collection rate is estimated to drop to 92.5% as attempts are made to recover council tax from residents who were previously deemed too poor to pay. It is estimated that bad debt and increased costs of collection may cost the council £206,500.

Protected group(s)	Estimated number of household in protect group	Estimated number of Working Age households	Estimated Cost to the council of this option (funding shortfall & Collection costs)	Estimated weekly impact to Working Age customers						
				Band "A"	Band "B"	Band "C"	Band "D"	Band "E"	Band "F"	Band "G"
Pension Age	15,271	19,676	£1,626,500	£2.00 (14,823)	£2.40 (3,533)	£2.75 (897)	£3.07 (274)	£3.77 (106)	£4.44 (38)	£5.13 (5)

**Option 3 – Recover the reduction in grant as in option 1 but selectively give additional protection to vulnerable groups; financing the balance from other council efficiencies, savings or income streams – see table below:-.**

**Some effects of this option include:**

- Protecting the loss of income from the more vulnerable groups will create a disproportionate adverse impact on those customers that may not be protected.
- Many customers do not currently pay council tax.
- Such changes will result in increased cost of collection and bad debt costs.
- Potential for complex changes to software, testing, training and implementation.
- The vulnerable groups have additional disregarded income/enhanced premiums within the current CTR scheme assessment.

The table below shows the impact of protecting certain groups of claimants. The impact on the working aged claimants not protected is shown in option 1 above.

**Implementation cost to authority** – the collection rate is estimated to drop to 90% as attempts are made to recover council tax from residents who were previously deemed too poor to pay. It is estimated that bad debt and increased costs of collection may cost the council in the range of £360,000 to £290,000 depending on the option taken.

Protected group(s) (in addition to all pensioners)	Estimated number of households in protected group	Estimated number of remaining Working Age households	Estimated cost to the council of protecting the different groups Using Option 1 (funding shortfall & collection costs)	Estimated Council Tax income collectable (net of collection costs)
Disabled	4,516	15,160	£1,077,000	£1,763,000
Families with children under 5 years	4,793	14,883	£1,037,000	£1,803,000
Disabled plus families with children under 5	8,920	10,756	£1,623,000	£1,217,000
Families with children	10,483	9,193	£1,707,000	£1,133,000

**Option 4 – Option 4**

**Fully fund the reduction** from other council efficiencies, savings or income streams and adopt the current CTR scheme rules. This option would be to continue with the scheme adopted for 2013/14 which includes war widow and war disablement pension disregards. This will cost the council £2,840,000 as no council tax income would be collected from these groups..

## Some effects of this option include:

- Removes the requirement to allow for increased collection costs, adverse impact on cash flow and bad debt provision.
- Current CTR customers would not see a reduction in their entitlement.
- This option reduces the requirement for major software changes and the associated testing, training and implementation.
- Given the size of the budget pressures the impact on other services could be significant.

## The unintended consequences of passing on the reduction in funding

### Child Poverty

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

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

### Homelessness

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

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



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

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

Currently our overall collection rate is around 98.5%, however, as explained above, it is envisaged that it will not be possible to achieve the same collection rate for these new amounts. Anecdotal evidence has shown that the amount of payment required in these cases has a dramatic effect on the collectability of the debt. The lower the collection rate will therefore mean the higher provision required for bad debts.

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

### 2014/15

Option	1	2	3	4
Total amount to be recovered from customers (circa)	£2,840,000	£1,420,000	£2,170,000 to £1,426,000	£0.00
Maximum benefit for working age	79.5%	90%	79.5%	100%
Band A annual charge	£214	£104	£214	£0
Weekly amount	£4.10	£2.00	£410	£0
Collection %	90%	92.5%	90%	n/a
Increase in recovery documents	12,000	10,000	11,000 to 10,000	0
Increased cost of collection	£150,000	£100,000	£150,000	£0
Bad debt provision (Walsall portion)	£284,000	£106,500	£217,000 to £143,000	£0
Net income (Recoverable amount less bad debt and increased costs)	£2,406,000	£1,213,500	£1,803,000 to £1,133,000	£0
<b>Cost to authority (funding gap plus bad debt and increased costs)</b>	<b>£434,000</b>	<b>£1,626,500</b>	<b>£1,037,000 to £1,707,000</b>	<b>£2,840,000</b>

### Impact on customers

The welfare reform changes are already having a significant impact on the money available to the residents of Walsall who are in receipt of benefits.

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

**Example 1.** Single person in receipt of job seekers allowance - £71.70 p.w. - lives in a 2 bedroom housing association property – the social sector size criteria has reduced the residents housing benefit by £12.20 p.w. If option 1 is adopted the weekly council tax charge will be £7.81 p.w. Job seekers allowance will increase by 1% capped from April 2014 but should there be any rent or council tax increases the cost to this resident will increase.

Impact using current year figures - £71.70 - £20.01 = £51.69 left to live on per week. Resident can apply for discretionary housing payment(DHP) to help with paying the rent but the fund is cash limited and the allowable spend over the grant received may put further pressure on council budgets.

**Example 2.** Single parent; 5 dependent children and lives in a housing association property. Income is Employment support allowance, Child tax credits and child benefit totaling £446.52 a week plus Housing Benefit of £92.95 and CTR of £14.69. The cap meant HB reducing to £53.48, leaving a shortfall for the customer of £39.47.

Customer has been helped to make a claim for personal independence payments and if successful will no longer be affected by the cap.

A DHP has been awarded for the shortfall to support the family in the meantime.

Additional assistance has been offered with debt and money management – customer has a number of loans including Provident and Greenwood. Customer has help from family and friends already in the form of help with shopping and taking children to and from school, and the cap has exacerbated the customer's ability to manage.

Again taking current figures the shortfall from the CAP = £39.47 plus option 1 £7.81, results in a potential reduction in income of £47.28 p.w.

### **LGA report**

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

### **Progress to date**

A financial modelling tool procured last year has been updated to enable detailed design work to commence. A number of scenarios have been developed for briefing officers and members. Data is being gathered from other authorities on the impact of various schemes; however, limited information is available so early in the financial year. Any further data collected will be considered during the consultation period.

### **Timetable**

A scheme has to be agreed and adopted by full Council in time for the budget setting process or at the very latest by 31st January 2014 or the current scheme implemented in April 2013 will continue.

### **Appendices**

1(A) customer feedback - Customers with children 53% of working aged caseload

1(B) customer feedback - Customers who work 15% of working aged caseload

1(C) customer feedback - Customers who receive Job Seekers Allowance or income support 69% of working aged caseload

#### **4. Council priorities**

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

#### **5. Risk management**

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

#### **6. Financial implications**

The Government's intention is for the funding of localised council tax schemes to be provided through the business rates retention scheme rather than a separate grant, for all authorities except local policing bodies.

In 2013/14 the Government allocated **£23.918m** to our general funding, Revenue Support Grant (RSG) to assist with the costs of the localised scheme. This funding is no longer separately identifiable within the draft settlement figures published by Department for Communities and Local Government (DCLG) in July 2013 Technical Consultation, that pot of money is set to reduce by 30.4% in 2015/16.

The cost to Walsall for **2013/14 was c£3m**, if the scheme continues to be fully funded this will cost Walsall **£2.84m in 2014/15**, based on the Government statement that funding for CTR has not been reduced beyond 2013/14 levels, which cannot be substantiated. The costing are based on the current workload and do not take into account any increase / decrease in demand or any increase in the actual council tax charge.

The council's overall financial outlook is of course highly challenging. Latest projections are that there is a gap of over £100m for the council to address over the next 5 years. Any decision on the council tax reduction scheme will have an impact on other services in respect of the requirement for financial savings.

#### **7. Legal implications**

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

The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 (Statutory Instrument 2012 / 2885) contains the mandatory elements for any local scheme and details the scheme that must be adopted for pensioners.

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

## **8 Property implications**

There are no property implications.

## **9. Health and wellbeing implications**

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

## **10. Staffing implications**

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

## **11. Equality implications**

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

## **12. Consultation**

- 12.1 The extent and the length of public consultation will depend on the preferred option selected.

12.2 The statement of intent issued by the department for Communities and Local Government specifies the consultation must take place in the following order:-

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

12.3 A minimum of 8 week consultation period will be required running from mid September 2013 – to mid November 2013.

12.4 A draft consultation plan has been prepared.

### **Background papers**

Local Government Finance Act 2012

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

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

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

LGA report – the local impacts of welfare reform



Rory Borealis  
Executive Director  
Resources  
**28 August 2013**



Councillor Christopher Towe  
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## Appendix 1 (A) – Customers with children (53% of caseload)

Customer felt that “from a financial point of view would not be affected greatly, but in his view it is the Government doing all it can to pay for the mistakes of the rich by recouping it from poor people and that is a step in the wrong direction” he added that he had always felt that Walsall Council had always “honoured its duty of care to vulnerable people” and that by asking for further contributions “having already done enough damage with the bedroom tax” that we may be neglecting these vulnerable people.

Claimant is 35 YO male living with and having sole responsibility for his dependant daughter.

Single Mum with one child previously lived in 3 Bed house. She was affected by Local housing allowance changes. It took about a year to find suitable smaller accommodation. We secured accommodation through our Bond Scheme. She is happy in property. When asked about a possible council tax reduction. Her response - 'Having recently moved, I am still trying to get my money straight. I have been very dependent on my mother and father financially during this time. I am really looking for a job. I have been saving for my next deposit, another £4.10 towards Council Tax might be a struggle, but if I have to pay it - I will need to'. .  
Details of Income - Income Support £71.70. Child Tax credit £62.86 Child benefit £20.30 TOTAL £154.86.

Couple 30 + 28, they have 5 children and are being faced with the Benefit Cap of £74.00 per week.  
Customer did start his own self employed business and received WTC, however his van got broken into outside his house and his tools stolen and he also pulled 2 discs in his back and torn a muscle (undergoing physiotherapy) and now on Employment and Support allowance, child benefit and child tax credits totalling £460.01 per week. The couple are really struggling financially, and are going without food themselves in order to feed the children. Their debt relief order went through in March 13 and will end March 14. He is willing to work and applying for jobs nearly everyday even with his back injury. And he wants to find work and get off benefits all together and pay their own way. His wife is also willing and ready to work.

When asked if she could cope with and how she felt about the £4.10 proposed Council tax charge, her response was:

We would have too, and if we were working we wouldn't mind paying.

Single parent on Income support - 1 child and another on the way.

Faces 14% bedroom tax. Said if had to pay would try and find the money but it would mean going without something else as she is already overdrawn every week and cannot manage on the money she has.

Single parent, claimant aged 24 with 2 children -- claiming income support £71.70 and child tax credit of £112.76, stated she could not afford the £4.10 per week.

Single parent aged 41 with 2 children, on job seekers allowance of £71.70 per week and child tax credit of £116.26 per week; she stated she would find it difficult to pay the £4.10 per week.

Couple aged 43 and 38, with 4 children on carers' allowance of £59.75, DLA (mobility) £53.00, DLA (care) £21.00 and tax credits of £275.65, they are saying they may be able to afford it but not sure.

Single parent aged 30 on income support of £71.70- non dependant with 2 children getting Incapacity benefit of £112.05, child tax credit of £112.96 states she could not afford the £4.10 per week.

## Appendix 1 (B) – Customers who work (15% of caseload)

Claimant single, not sure if he could afford to pay the £4.10 as he has just started self employment so not sure what his income will be.

Couple aged 30 and 34 with 2 children, claimant is working £500.00 monthly and receives £197.49 in tax credits, and he states he can afford to pay the £4.10 per week.

Family-Man, wife, 2 children and a non dependant state they could not pay the £4.10 per week, partner is working, with weekly earned income of £123.55 and Tax credits of £188.26, non dependant is working also with gross income of £109.02.

Single parent aged 39 working with 2 children - states she could afford to pay the £4.10 per week; gross earnings are £510.00 every 4 weeks. She has recently applied for Tax credits.



## Appendix 1(C)

### Customers on Job seekers allowance/ income support (69% of caseload)

Customer in receipt of Discretionary Housing Payment to help with the bedroom tax, asked her how she would be affected if she had to pay £4.10 per week for her council tax, her statement was as follows: "I'd have to see, I'd probably cope, £4.10 a week wouldn't be that bad"

This claimant is a 22 single female with no dependent children currently receiving JSA only. Shortfall in rent is £12.48p.w.

Couple in 2 bed housing association property. Due to severe financial issues and subsequent bankruptcy - there is a possibility of this married couple splitting. Getting discretionary housing payments of £12.48 per week from 1st April - 29th September whilst they sort out existing rent arrears and bid for one bed property. Asked about council tax reduction scheme - response - 'we will cross that bridge when we come to it, will need to pay if we need to. Income - Employment support allowance £112.55 p.w. Bedroom tax shortfall of £12.48 p.w.

Single female 48 yrs old, currently in a 3 bed housing association property facing a 25% under-occupancy charge £22.00 per week. Her income is employment and support allowance with Support component and enhanced disability premium, plus receives DLA (£197.90 p.w.), due to the fact she is terminally ill and could die at any moment. She is oxygen dependant and housebound waiting for a double lung transplant brought on by emphysema. The hopes for finding a donor are slim. She spends a lot of money on cleaning equipment and heating the home, as it is necessary to keep her home dust free and warm.

When asked if she could cope with and how she felt about the £4.10 proposed Council tax charge, her response was:

I won't pay it, I'm waiting to die and ill, so they will have to take me to court. This is why the Government and country are in this state they hand out benefits too easy.

I asked him how he would be affected by having to contribute £4.10 per week for his council tax. He felt that “from a financial point of view not greatly, but in my view it is the Government doing all it can to pay for the mistakes of the rich by recouping it from poor people and that is a step in the wrong direction” he added that he had always felt that Walsall Council had always “honored its duty of care to vulnerable people” and that by asking for further contributions “having already done enough damage with the bedroom tax” that we may be neglecting these vulnerable people.

Customer is 35 yrs male living with and having sole responsibility for his dependant daughter.  
Income – Income support, Disabled living allowance (care lower) + child benefit

Single woman on employment support allowance, has no debts, is looking to move - ‘am struggling now, I would not be able to pay anything more. Don't know what I would do’.

Single person receiving job seekers allowance. Already facing bedroom tax and waiting to downsize. He said there is no way he could pay an extra £4 per week as he is already falling further into debt and struggling to buy basic food and keep house going with gas/electric.

Single man on JSA, has 3 children to stay at weekends, welfare rights involvement and working with Walsall Money Advice for debts, has looked at moving but feels would not be able to afford the rent and also wants to keep a bedroom for his children. Customer suffers with depression, anxiety and is struggling with finances as well.  
Says he is already in an impossible position but wants to be in his children’s lives and says he feels everything is slipping away from him  
Affected by the bedroom tax £12.30 per week.