

Report of the Principal Revenue and Benefits Manager

LOCAL COUNCIL TAX SUPPORT SCHEME 2014/15

1 Purpose of Report

- 1.1 To amend the Borough Council of Wellingborough's Local Council Tax Support (CTS) scheme for 2014/15 and subsequent years.

2 Executive Summary

- 2.1 As there will be no transitional funding available to support the Local Council Tax Support scheme from 2014/15 and provisional information indicates increased revenue budget pressure from the grant settlement, options have been considered to amend the existing local scheme.
- 2.2 At the Resource Committee on 18 September 2013, members agreed three options could be consulted on. The results of this consultation and the officer's recommendation of an option to be adopted are outlined in this report. This recommendation would mitigate the financial pressures identified to date.

3. Appendices

- 3.1 Consultation Strategy
- 3.2 Consultation results and analysis
- 3.3 Equality Impact Analysis

4 Proposed Action:

- 4.1 The Committee is invited to RECOMMEND to adopt option 2 as outlined in section 6.1 of this report.**

5 Background

- 5.1 Local Council Tax Support (CTS) schemes replaced the national Council Tax Benefit scheme (CTB) in April 2013. The funding for CTS changed from the previous regime, where full subsidy was paid by central government on all

properly paid CTB, to a fixed grant, which formed part of the overall funding of the council and was separately identified. This resulted in a shortfall in funding of approximately 13% (£603,000) in the first year for all preceptors, of which the Borough Council was liable for approx £66,000.

- 5.2 The local scheme for this Borough was agreed by council on 12 December 2012 and a full equalities impact assessment completed.
- 5.3 The original proposal for the commencement of the scheme was that support would follow the government default scheme, with support calculated using 80% of Council Tax liability for all working age customers. A full consultation exercise was carried out in autumn 2012 and this informed the decision making as 68% of the 368 respondents supported the proposal.
- 5.4 Following the end of the consultation period, an announcement was made by Government that transitional funding would be made available for 2013/14 for those authorities whose schemes met certain criteria, notably that the reduction should be no less than 91.5% of the council tax liability. Members agreed that this transitional funding should be applied for, and the scheme was amended such that 91.5% of council tax liability was available for support in 2013/14.
- 5.5 The funding for CTS in 2014/15 has not yet been finalised as it is included as part of the finance settlement to be announced in December 2013. While Government has stated that there will be no reduction in the funding for CTS schemes in 2014/15, CTS funding will no longer be separately identified and will be rolled into the overall settlement. Provisional estimates indicate that the overall funding from Central Government will be further reduced by up to 13% in 2014/15.
- 5.6 **Transitional Relief**
No further transitional funding has been announced by Government for 2014/15. Therefore this Council has to reaffirm the proposal from 2012/13 or fund a further pressure on the revenue budget.

Should members decide to continue with funding the lost transitional relief locally, then this would increase budget pressure for all preceptors by at least £120,000 and introduce a further administrative complexity.

This is the pressure for BCW only and the other major preceptors would be facing similar pressures from each of the seven districts. If all seven districts were to go down a similar route, the cumulative impact on the county and police budgets would be significant.

- 5.7 **People of pension age are protected**
The default scheme protects people of pension age from local changes. Any

person of pension age who is currently receiving benefit entitlement will not lose out under these arrangements. New claimants of pension age will be entitled to support of up to 100% of Council Tax liability in the same way as if they had applied for Council Tax Benefit. There is however an impact that the remaining burden of the funding reduction will be borne by working age benefit claimants. It is estimated that for the scheme to be fully self financing that working age claimants would have to make a contribution of at least 20% to their council tax charge.

- 5.8 Income from certain other benefits e.g. Disability Living Allowance or Personal Independence Payments is fully disregarded under the local scheme. Income from War Disablement Pensions of War Widow's Pensions and the Armed Forces Compensation Scheme will also continue to be fully disregarded.

5.9 **Uprating**

For all the options shown below, the local CTS scheme will be uprated annually to allow for changes in premiums, allowances and non-dependant deductions in accordance with periodic announcements made by the Department for Work and Pensions.

6 **Discussion**

6.1 **Local Council Tax Support Options**

To meet the constraints outlined above, the Council has consulted on options which will deliver both the reduction in expenditure required and ensure that working age claimants continue to be treated equitably. It is proposed to amend the BCW CTS scheme, but continue to ensure that existing protections afforded to vulnerable claimants and principles set by the Government are maintained.

One of the following options will be applied to the scheme:

OPTION 1:

- 75% of the Council Tax liability would be used in the entitlement calculation.

Illustration 1:

A couple with children, living in a Band A property in Wellingborough and in receipt of Income Support, have a Council Tax charge of £916.27. In 2013/14 they were required to pay 8.5% of this, £77.88 or about £1.50 per week. Under Option 1, they would have to pay £229.07 per year or about £4.41 per week because their maximum entitlement would be based on 75% of the Council Tax liability.

OPTION 2:

- 80% of the Council Tax liability would be used in the entitlement

calculation.

Illustration 2:

A couple with children, living in a Band A property in Wellingborough and in receipt of Income Support, have a Council Tax charge of £916.27. In 2013/14 they were required to pay 8.5% of this, £77.88 or about £1.50 per week. Under Option 2, they would have to pay £183.25 per year or about £3.52 per week because their maximum entitlement would be based on 80% of the Council Tax liability.

OPTION 3:

- 91.5% of the Council Tax liability would be used in the entitlement calculation.
- This is a no change option. No CTS recipient would be worse off if this option is chosen. However, the Borough Council would have to fund the revenue pressure this creates.

Illustration 3:

A couple with children, living in a Band A property in Wellingborough and in receipt of Income Support, have a Council Tax charge of £916.27. In 2013/14 they were required to pay 8.5% of this, £77.88 or about £1.50 per week. Under Option 3, they will pay the same amount in 2014/15, because their maximum entitlement would continue to be based on 91.5% of the Council Tax liability.

6.2 This table shows the amount of Council Tax payable assuming someone is entitled to the maximum Council Tax Support

Band	Your Council Tax charge this year	The amount of Council Tax you pay now	Amount you would pay if you had to pay 8.5% of your bill	Amount you would pay if you had to pay 20% of your bill	Amount you would pay if you had to pay 25% of your bill
A	£916.27	£77.88	£77.88	£183.25	£229.07
B	£1,068.98	£90.86	£90.86	£213.80	£267.25
C	£1,221.69	£103.84	£103.84	£244.34	£305.42
D	£1,374.40	£116.82	£116.82	£274.88	£343.60
E	£1,679.82	£142.78	£142.78	£335.96	£419.96
F	£1,985.25	£168.75	£168.75	£397.05	£496.31
G	£2,290.67	£194.71	£194.71	£458.13	£572.67
H	£2,748.80	£233.65	£233.65	£549.76	£687.20

6.3 When designing local schemes, authorities should have regard to vulnerable groups and their responsibilities in respect of child poverty, disabled people, and

homelessness. Every local Council also has clear duties set out under the Equality Act 2010. The proposed Wellingborough scheme has been developed in accordance with these responsibilities.

6.4 The Government 'statement of intent' indicates that a local scheme should be consistent with benefit principles to be adopted in Universal Credit and should provide incentives to work.

6.5 The national change to local CTS schemes has an impact on the tax base for the area. Under the old scheme CTB was paid against the full council tax liability, however in the new scheme CTS is awarded as a discount, thus reducing liability and the taxbase for the local area. The main impact of this was felt in the 2013/14 taxbase calculation but is present again in the 2014/15 calculation.

6.6 **Public consultation and Equality Impact Analysis**

A public consultation exercise began on the 1st of October and ended on the 26th of November 2013. Survey techniques were utilised to try and achieve a balanced view of the proposals. These included an electronic feedback form on the Council website, writing to various welfare groups and to all persons on the Council's consultation database, direct surveys of benefit claimants visiting the Council offices and direct surveys of the general public in supermarkets and outside the Swansgate shopping centre. Further details to be found in the consultation strategy document at Appendix 3.

6.7 A total of 258 online and paper forms were completed and the results showed that of those people surveyed, 116 (45%) supported Option 1, 68 (26.4%) supported Option 2 and 74 (28.7%) supported option 3. One respondent did not agree with any of the options.

Of the respondents, 68 (27.6%) were in receipt of CTS and 178 (72.4%) were not. There are 6,868 households in receipt of CTS out of a total of 33,441, a proportion of 20.5%. As such CTS recipients are over-represented in this survey.

6.8 The survey results provide a representative sample of our 33,479 council tax payers. This overall result is statistically representative at a confidence level of 95%, with a margin of error of 6%. The results are presented in full at Appendix 3.2. The major precepting authorities both supported the recommended option.

6.9 Amongst those who **were not** in receipt of CTS, 56.6% supported Option 1, 29.1% supported Option 2 and 14.3% supported option 3.

Amongst those who **were** in receipt of CTS 6.1% supported Option 1, 22.7% supported Option 2 and 71.2% supported option 3.

Of those people who described themselves being a little or a lot disabled, 18.9% supported Option 1, 10.8% supported Option 2 and 70.3% supported option 3.

Amongst online respondents, 69.8% supported option 1, 11.6% option 2 and 18.6% option 3.

Of those canvassed directly, 40% supported option 1, 29.3% option 2 and 30.7% option 3.

6.10 Respondents were also asked to comment on the option they had chosen, and many did so. These responses have been collated into groups and listed in full in the Consultation Results and Analysis at Appendix 3.2.

6.11 An Equality Impact Analysis has been undertaken and the implications are discussed in section 12.

6.12 **Conclusions and recommendation.**

Based on the evidence currently available, the officer's recommendation is that Option 2 should be selected; the maximum percentage of working age claimant's council tax liability that can be met under the BCW CTS scheme for 2014/15 should be set at 80%.

This option limits the pressure on the council tax payers of the borough, and ensures the burden of the risk falls on BCW rather than our taxpayers. This option should mitigate the financial pressures on the revenue budget. Option 1 offered a more prudent assumption of financial position and would provide more head room within the financial calculations.

However the prudence of Option 1, would also require a greater shift in contribution for the working age CTS recipients. As the contribution is higher, this also has a higher risk of hardship, default of payment and subsequent increased costs of collection. It is anticipated that the payment patterns established within year one, can be built upon and budgeting will be easier with the middle option. Therefore any small risk that Option 2 will not be self-financing can be mitigated by considering the impact on the CTS recipients and collection implications.

If the decision is made to select Option 3 (the no change option) the council would be required to fund the revenue pressure, at a time of falling budgets and increasing demands.

We will monitor the collection rate and the ability of working age CTS recipients to pay the 20% contribution. The opportunity remains to vary the terms of the scheme on an annual basis.

7 Legal Powers

7.1 Local Government Finance Act 1992

7.2 The Welfare Reform Act 2012

7.3 The Local Government Finance Act 2012

8 Financial and Value For Money Implications

8.1 In 2013/14 £4,493,000 of funding was made available in respect of CTS in the Borough, a funding shortfall of £603,000 compared to the previous year. Provisional indications are that a similar level of funding will be available within the total formula grant allocation for 2014/15, however this overall allocation is likely to be scaled back.

8.2 The CTS annual total expenditure is predicted to be in the region of £4,500,000 for 2014/15. To take into account the loss of transitional funding, the impact of uprating and movements in the caseload, it is necessary to set working age contribution of at least 20% to ensure that the scheme is self financing and does not present any additional burden on the revenue budget.

8.3 There is a risk that Council Tax arrears will increase as a result of the local scheme as less support will be available to residents on a low income which will affect their ability to pay. The cost of collection will also rise as more resources will have to be deployed servicing accounts in arrears. There is a further consequential risk that higher levels of default will increase write offs.

8.4 Local Council Tax reductions will need to be reflected in the calculation of the Council Tax base.

8.5 The grant funding from the government will be part of a wider financial settlement and paid at the start of the year, in advance of any actual expenditure. As there will be no provision for in year adjustments, any risk of increases in expenditure caused by rising caseloads will be met locally.

9 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Affordability of local scheme for customers	Increased Council Tax arrears	Probable	Proactive recovery process
Legislative timetable very challenging	Insufficient time to amend 2014 Council Tax bills	Unlikely	Careful management.
Scheme open to legal challenge	Reputation loss or claim	Possible	Appropriate consultation and EqIA

Software and systems not ready to calculate awards	Financial / reputation loss	Unlikely	Simple amendments applied to the default scheme
Council not able to recover increase in arrears	Collection fund deficit / increased budget pressure	Possible	Prudent financial planning / proactive recovery
Funding shortfall is higher than anticipated in the financial settlement	Increased financial burden	Possible	Prudent financial planning / contingency

10 Implications for Resources

10.1 No implications foreseen.

11 Implications for Stronger and Safer Communities

11.1 None

12 Implications for Equalities

12.1 A full EQIA was carried out for the introduction of 2013/4 scheme and is available on the council's website. An EQIA screening on the options for the 2014/15 scheme was carried out in September 2013. The EQIA screening identified a number of potential adverse effects of the proposed changes, and as a result of this, a full EQIA was carried out.

12.2 The nature of the impacts is of a similar nature for all three options, but the severity of those impacts is highest with Option 1 and lowest with Option 3. The impact on individuals with 'protected characteristics' is analysed below, and reasonable adjustments have been considered to mitigate any negative impacts. By adopting the default scheme as a basis we have created a scheme that has similar equalities implications as that proposed by central government.

12.3 Age: People of pension age (currently 3070 or 45% of benefit claimants) are protected by the government from any changes. People of working age will be adversely affected and will have to contribute proportionally more in order to protect older people. The consultation has shown that residents of the Borough are generally in favour of working age claimants contributing to their Council Tax. Working age claimants could not be exempted without a significant shortfall to the revenue budget.

- 12.3 Disability: People with disabilities are not explicitly protected from the changes and although it is accepted that some will be unable to work, others do work or are able to work. 21% of those people in receipt of DLA are in employment (Source: DWP Freedom of Information request 2013-3438) People with disabilities are entitled to additional welfare benefits aligned to their needs. A total of 246 benefit claimants and partners are in receipt of the higher rate DLA for care and mobility. Pension aged claimants receiving DLA will be fully protected. The government has not applied the same protection to working age people with disabilities in the default scheme, however income and capital are assessed and support adjusted to take into account individual circumstances. Income from certain other benefits e.g. DLA will be fully disregarded in this calculation. Income from War Disablement Pensions or War Widow's Pensions and the Armed Forces Compensation Scheme will continue to be locally fully disregarded.
- 12.4 Gender reassignment: Whilst local figures are unavailable for transgender people, national statistics indicate that there is a very small number in Wellingborough (approx 20). However adverse employment effects are likely whilst transgender people are changing their sexual identity. In light of the small numbers affected no exemption is proposed.
- 12.5 Marriage and civil partnership/pregnancy and maternity:
The changes will have a negative impact on single parents most of whom will be female and many of whom will have young children or children with disabilities making it difficult for them to work. Overall 65% of our claimants are women. Claimants in this category could not be exempted without a significant shortfall to the revenue budget.
- 12.6 Race: National trends indicate minority groups are more likely to be unemployed. There are also potential language barriers to people understanding the changes and these will be addressed through a communications plan. Statistics show that 12.7 % of the population of the Borough are from Black and Minority Ethnic backgrounds, so it is reasonable to assume that at least 400 claimants will fall into this category and could not be exempted without a significant shortfall to the revenue budget.
- 12.7 Sex: The changes will have a negative impact on single parents and carers, most of whom will be female. Female claimants could not be exempted without a significant shortfall to the revenue budget.
- 12.8 Government policy has resulted in the Council's funding being reduced, meaning that the shortfall has to be met either through reductions in Council Tax support, or through increases in council tax/cuts in services. We have consulted widely on this and in both 2013 and 2014 the public have supported policies that reduce the level of support the CTS scheme should provide against finding the savings from other expenditure or increasing the council tax. This should be set against

the difficulties that many people on low incomes will have in finding more money to pay an increased share of their council tax, and the administrative difficulties in collecting these amounts.

- 12.9 Statutory minimum levels of deduction will be applied in recovering any payments due from affected claimants.

13 Authors and Contact Officer

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14 Consultees

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15 Background Papers

Local Government Finance Act 2012,
DCLG Local Govt Financial Settlement Provisional 2014/15
(<http://www.local.odpm.gov.uk/finance/1314/settle.htm>)

Appendix 3.1 Council Tax Support 2014/15 Consultation Plan

1. Background

For details of the proposed schemes for the Council Tax Support (CTS) scheme in 2014/15 and the proposed options see the committee report attached. The Borough Council of Wellingborough (BCW) is facing a further reduction in the funding available to support people on a low income to pay their council tax. This funding shortfall will either have to be met by:

- Reducing the level of support available in the scheme, or
- Increasing council tax or finding savings from other council expenditure

2. Purpose of Consultation

To seek the views of service users, council tax payers, all residents of the borough, voluntary groups, welfare groups, landlords, charities and any other interested parties, and to use those findings to inform the council's decision making process. To obtain the views of a statistically significant sample of residents to ensure that the results accurately reflect the views of the local population.

BCW is considering changes to its CTS scheme, as well as a no change option. There is a legal requirement in the Local Government Finance Act 2012 that councils must carry out consultation on any proposed changes to its CTS scheme.

3. What methods will be used in the consultation?

3.1 Public consultation

Posters and paper consultation forms are to be distributed around the council, CAB offices, Housing Association offices etc. Details of the proposals will be outlined and responses invited. Respondents will be encouraged to post their responses on line but paper response forms will be available. The consultation will be kept simple, respondents will be asked to indicate which of three suggested options they prefer, and given an open opportunity to comment on the proposals. Both paper and online responses will request details of ethnicity, age, disability and other characteristics to allow the responses to be analysed in detail. A version of the council's equalities monitoring sheet will be used for this purposes, the only additional question will be whether respondents have received CTS in the previous 12 month.

3.2 On line consultation.

Details of the proposed CTS scheme will be made available on the council's website, along with a survey form for residents to complete on line.



3.3 Use of Consultation Database.

We will write to organisations and individuals on the consultation database from a welfare, housing, charity or other relevant background to seek their views. They will be sent details of the proposed schemes and a response form. They will also be signposted to the council's website and encouraged to post their responses on line.

3.4 Local Media.

Information about the proposals will be disseminated to local media outlets. Residents will be signposted to the website and to the council offices.

3.5 Public consultation exercises.

We will carry out consultation exercises in public places, where knowledgeable officers will be able to explain the changes and to canvass the views of the public using a paper response form. A response form will also be available for people to take away and complete in their own time. In previous years consultations we obtained a significant proportion of responses using this method

3.6 Hard to reach groups. We will seek engagement with these groups during the public consultation events. To reach rural residents, we will send out posters to parish clerks to be placed on village notice boards.

4. Resources and Approval

4.1 There will be additional costs associated with printing, postage, IT and staff time. The consultation will be designed, carried out and analysed by existing revenues and benefits staff, and we will aim for this to be achieved from within the existing budget. Further costs will be incurred if a decision to use pre paid envelopes is made. This has not been budgeted for.

4.2 The proposed consultation process is being submitted to senior management for approval and a resources committee report has been prepared for member consideration.

5. What will be done with the consultation findings?

The responses will be analysed and collated by according to age, race and other groups. Responses to the open questions will be grouped. The findings will be made available to councillors to inform their decision making. The findings will also be made available to the public on our website.

6. Timetable

We have a tight schedule as any revised CTS scheme must be approved by council by 31st January 2014 at the latest. We will need time to collate the results to present to councillors to inform their decision making. For this reason a consultation period of 8 weeks is proposed, commencing on 02 October 2013. The financial settlement from central government will not be clarified until December 2013, and councillors will need to consider both the outcome of this consultation and the final financial settlement to inform their decision making.

David Kearney
WBC Revenues and Benefits
02.09.2013

Appendix 3.2

Borough Council of Wellingborough Council Tax Support Scheme 2014/15 Consultation – Results and Analysis

1 Introduction

Following a further reduction in central funding, the Borough Council of Wellingborough (BCW) has been considering options for its Working Age Council Tax Support (CTS) scheme for 2014/15. See report to resources committee 11 December 2013 on the council website for full details. A full equalities impact assessment has been carried out and is also available on the council website.

A report was made to resources committee on 18 September 2013 and members agreed that three options should be consulted on. The BCW CTS scheme for 2013/14 would be amended from the existing scheme, with the only variable being the maximum amount of a working age person's council tax liability that could be met under BCW's 2014/15 CTS scheme. This decision was made to keep the scheme easy to understand for customers and to reduce the level of administrative and IT complexity.

1.1 Options

OPTION 1:

- 75% of the Council Tax liability would be used in the entitlement calculation.

OPTION 2:

- 80% of the Council Tax liability would be used in the entitlement calculation.

OPTION 3:

- 91.5% of the Council Tax liability would be used in the entitlement calculation. (the no change option)

1.2 Purpose of Consultation.

To present the options to, and seek the views of, service users, council tax payers, all residents of the borough, voluntary groups, welfare groups, landlords, charities and any other interested parties, and to use those findings to inform the council's decision making process.

There is a legislative duty under the Local Government Finance Act 1992 to consult on any changes to the CTS scheme

1.3 Nature of Consultation

A public consultation exercise began on the 1st of October and ended on the 26th of November 2013. Survey techniques were utilised to try and achieve a balanced view of the proposals. These included an electronic feedback form on the Council website, writing to various welfare groups and to all persons on the Council's consultation database, direct surveys of benefit claimants visiting the Council offices and direct surveys of the general public in supermarkets and outside the Swansgate shopping centre. Respondents were either able to complete a paper questionnaire or complete a questionnaire online. The consultation was highlighted as a main news item on the front of the council website home page and information about the CTS consultation was disseminated through the local press. Full details are available in the consultation strategy document.

2 Survey questions and methodology

Only one question was asked; which of the three options did respondents prefer. Respondents were then given an open opportunity to comment on the choice they had made. Respondents were also asked for the following personal details.

- Are you a council tax payer Yes/No
- Do you currently receive council tax support Yes/No
- Age
- Disability Status
- Ethnicity
- Gender
- Marital Status

The responses were a mixture of paper forms and an online response via a web portal. Every attempt was made to ensure that those people canvassed in supermarkets and outside shopping centres were randomly selected. People canvassed in the council offices are more likely to have been entitled to council tax support and this will have affected the statistical robustness of the data.

No attempt has been made to select respondents on the basis of gender, age, ethnicity group etc. The statistical significance of the data is based on statistical tools that rely on random sampling of a population.

3 Results

A total of 258 online and paper forms were completed. The survey results provide a representative sample of our 33,479 council tax payers. This overall result is statistically representative at a confidence level of 95%, with a margin of error of 6% (This is calculated using the standard statistical sample size formula, for an example of this see: www.surveysystem.com/sample-size-formula.htm)

3.1 Overall results

Option	Number	Percentage
1 (75% liability)	116	45.0%
2 (80% liability)	68	26.4%
3 (91.5% liability)	74	28.7%

(One respondent did not agree with any of the options)

3.2 Council Tax Support. Of the respondents who answered this question, 68 (27.6%) were in receipt of CTS and 178 (72.4%) were not. There are 6,868 households in receipt of CTS out of a total of 33,441, a proportion of 20.5%. As such CTS recipients are over-represented in this survey.

3.3 Council Tax Payer. Of the respondents who answered this question, 222 (89.2%) people described themselves as a council taxpayer, 27 (10.8%) said they did not pay council tax.

3.4 Age. Of those who answered this question, the numbers of respondents falling into each of the following age bands were as follows:

19 or under	14	20-24	11	25-29	24	30-44	63	45-59	53
60-64	24	65-74	20	75-84	5	85-90	1	90+	0

3.5 Disability – “are your day to day activities limited due to a disability that has lasted, or is expected to last, at least 12 months?” (Of those that answered the question)

	Number	Percentage
Limited a lot	11	5.1%
Limited a little	26	12.0%
No	167	77.0%
Prefer not to say	13	5.9%

3.6 Ethnicity

		Number	Percentage
White	British	173	80.1
	Irish	6	2.8
	Gypsy or Irish Traveller	2	0.9
	Other	4	1.9
Black or Black British	Caribbean	5	2.3
	African	1	0.5
	Other	2	0.9
Mixed	White & Black Caribbean	5	2.3
	White & Black African	0	0
	White and Asian	0	0
	Other mixed ethnicity	0	0
Asian or Asian British	Indian	10	4.6
	Bangladeshi	0	0
	Pakistani	4	1.9
	Chinese	1	0.5
	Other	1	0.5
Other ethnic group	Arab	0	0
	Other	2	0.9

3.7 Gender

Male	98 (45.8%)
Female	116 (54.2%)
Transgender	0

3.8 Marital Status

Single	87	Widowed	11
Married	75	Separated	16
Divorced	19	Other	11
Civil partnership	0	Prefer not to say	13

3.9 Comments on the proposals

Respondents were also asked to comment on the option they had chosen, and many did so. These responses are listed in full in Appendix 1 of this report.

Comments of a similar theme were as follows:

16 people responded that those receiving CTS were already on a very low income, and should not be expected to pay more towards council tax.

15 people responded that it was not fair on the general tax payer/working person to subsidise those on benefit.

11 respondents commented that the benefit system was already too generous.

7 respondents stated that this was the fairest option (6 of these selected option 2)

6 responded that the suggested £4 per week, was not much to contribute

5 commented that there must be no overall increase in council tax

5 responded that council services must be maintained, even if this was at the expense of reduced support from the CTS scheme.

5 people said that disabled people should be protected from any cuts

4 people said that the council should cut other expenditure first (One that the chief executive should go, one that the Police Commissioner should go, one that councillor expenses should be cut and one that we should not give any money to the county as our roads were in such a terrible state.

3.10 Responses from organisations and precepting authorities

(It should be stressed that responses may have been received from bodies who have not identified themselves)

The major precepting authorities (the Police & Crime Commissioner and Northants County Council) have indicated support for the report recommendation of Option 2.

There have been three identifiable responses from Parish Councils. Of these one selected Option 1, one Option 2 and one Option 3. The comments from Parish Councils are included in the full list of comments at Appendix 1.

4 Analysis of Results

4.1 Breakdown by receipt of Council Tax Support

In receipt of Council Tax Support	Option	Number	Percentage
	1 (75%)	4	6.1 %
	2 (80%)	15	22.7 %
	3 (91.5%)	47	71.2 %

NOT in receipt of Council Tax Support	Option	Number	Percentage
	1 (75%)	103	56.6 %
	2 (80%)	53	29.1 %
	3 (91.5%)	26	14.3 %

4.2 Breakdown by disability status

A little or a lot disabled	Option	Number	Percentage
	1 (75%)	7	18.9 %
	2 (80%)	4	10.8 %
	3 (91.5%)	26	70.3 %

NOT disabled	Option	Number	Percentage
	1 (75%)	68	41.7 %
	2 (80%)	59	36.2 %
	3 (91.5%)	36	22.1 %

4.3 Breakdown by respondent type

Online respondents	Option	Number	Percentage
	1 (75%)	30	69.8 %
	2 (80%)	5	11.6 %
	3 (91.5%)	8	18.6 %

Paper respondents	Option	Number	Percentage
	1 (75%)	86	40.0 %
	2 (80%)	63	29.3 %
	3 (91.5%)	66	30.7 %

4.4 Breakdown by gender

Male	Option	Number	Percentage
	1 (75%)	43	45.3 %
	2 (80%)	25	26.3 %
	3 (91.5%)	27	28.4 %

Female	Option	Number	Percentage
	1 (75%)	38	32.8 %
	2 (80%)	38	32.8 %
	3 (91.5%)	40	34.5 %

4.5 Breakdown by ethnicity and marital status

The sample was not large enough for these results to be broken down by ethnicity or marital status with any reasonable level of statistical significance.

5 Conclusions

The consultation results inform the decision making process for making amendment to the CTS scheme for 2014/15.

The survey results provide a representative sample of our 33,479 council tax payers. The overall result is statistically representative at a confidence level of 95%, with a margin of error of 6%. A total of 258 online and paper forms were completed. The results show significant support for options 1 and 2. The majority of respondents would prefer that the level of support available under the working age CTS scheme was

reduced to fund the shortfall in funding for the council tax support scheme. This result mirrors the result of the consultation undertaken in the previous year.

Analysis of the statistical data can show further trends, however as the information for different groups may not be statistically representative, this should only be considered anecdotally, because the sample may be incomplete or biased.

There was a clear difference between those who are receiving CTS and those that are not. Option 1 is the preferred choice for those not in receipt of CTS whereas Option 3 is the preferred choice of those receiving CTS

There is a variance in the responses of those describing themselves as disabled (a little or a lot) and those describing themselves as not disabled. 70% of those describing themselves as disabled supported Option 3. Only 29% of the not disabled group supported Option 3.

There is a difference in the views of males and females, with males more likely to support Option 1 and less likely to support option 3, whereas females are less likely to support Option 1 and more likely to support Option 3.

There were many comments made on the proposals. People selecting Option 1 were far more likely to comment than other respondents.

Comments from people not receiving support indicated that they could not afford any further increase in council tax or a reduction in council services, and did not see that they should subsidise those receiving Council Tax Support. Comments were also received from people in receipt of CTS stating that they could not afford to contribute any more than they already were. Comment was also made that the scheme needed to be more nuanced, stating that disabled people in particular should be protected.

Appendix 1. All comments

Comments from those selecting Option 1

Already pay tax on pension and get no interest on savings. Cannot afford more council tax. Also do not get visits from social services as they have been cut

As a single person on a relatively low income myself (receiving no benefits or assistance) I would find it very difficult to subsidise others and I feel that couples with children on low incomes receive other benefits such as tax credit and child benefit and therefore should pay as much as they can

Because I believe that everyone should contribute something towards services, and it should not fall totally on people in full time employment.

Because it is more than a fair and reasonable amount of discount

Because people who work shoulder too much of the responsibility to cover benefits for non-workers and non-payers. I do think that it is unfair to lump all into one pot though. I see that the elderly are protected from this and I think that people who are seriously ill or disabled should also be protected and not have to pay at all, if they cannot work.

Benefit payments are not subject to tax and therefore carry a significant financial benefit than having your wages taxed then having to pay council tax. Therefore all persons should pay full council tax, they may have to go without SKY or mobile phone contracts to pay for it but thats life. I pay full council tax and cannot afford SKY or a mobile phone contract. Like I say I would prefer everyone pays full council tax but the closest option is 75% paid for by the council.

Cant afford any more council tax

Council Tax payers who pay the full amount should not have to keep subsidising other council tax payers

Depending on individual circumstances, but for single people option 1

Doesn't affect me as pensioner

Everyone should pay a share - this may mean less smoking and drinking for those on benefits.

Everyone should pay something towards their council tax, and if this amount covers the shortfall then this must be the best option, as the Council do need to keep providing as many services as is possible to the council tax paying public.

Families get enough help from the government already

Family budgets across the whole social structure are being squeezed with rising costs and small wage increases. The council cannot subsidise just one group of people to the detriment of others which may lead to council service cuts in other areas that people of all generations use.

Given the current financial current climate I believe that everybody should contribute towards council tax. I do not think £4.40 a week is too much to ask.

I am a pensioner and pay at least four times this amount in council Tax. I see no reason why anybody can not pay £4.40 per week

I believe that this is the fairest option to all concerned - both benefit recipients and those residents that have to pay their Council Tax in full.

I do not see why tax payers should help pay all the bill.

I do think everyone should pay towards their council tax in order to keep the council tax stable for all

I doubt that anyone would struggle to find the extra money to pay their way.

I feel that that the amount of liability should be kept to a minimum so as not to effect services etc. for those of us who receive no help or benefits at all from any quarter. I personally am a pensioner on state pension with a wife who is disabled and can claim nothing (we have tried twice). If Wellingborough council are short of funds I would suggest a

reduction of the amount paid to Northants county council (the amount that they DO NOT spend on repairing our disgusting roads.

I think 75% is a fair amount of CTS for benefits claimants to pay

I think it is fair that people are expected to make a reasonable contribution and not get it almost all paid for them. As someone who pays the full amount for many services from which I never benefit it doesn't seem fair to potentially place a greater tax burden on those who pay in full.

I think, that enough is already done in support of those on low incomes/benefits and that the increase, proposed in Option 1, a relatively small price to pay to secure/maintain day to day necessities and this basic standard of living. Also, I feel, that it is the right thing to do in that a) it would, hopefully, encourage people to be more self reliant and b) make them more socially aware and accountable so that the support goes to those who genuinely need it.

If people are less financially dependent on the council they are more likely to be able to see that they are financially better off in employment. There needs to be more regulation however. People on Income Support are usually caring for someone, caring for children under five, estranged young people in full time education or on Employment Support Allowance and too ill to work. These are the most vulnerable people who need the CTS. People on Job Seekers Allowance which is soon to be Universal Credit, are more able to support themselves and less likely to need CTS. It is these customers which need to see that they will be financially better off in employment.

I'm of the opinion that all should share the burden of council spending/government cuts

It is getting more difficult for everyone to meet their financial responsibilities, therefore it can not be right to increase the burden on everyone by increasing their payments to reduce the payments of others. As I understand it Council Tax is paid for services provided to the community as a whole and not to provide 'welfare benefit payments'.

Less than £5.00 per week is hardly a hardship

Maintain council services. Cut expenses for councillors

No more council tax rises, people on benefits get enough already

Parish council has now considered the options and the majority decision is to go for Option 1

People on benefits get enough help. What about people that work getting some help

People on benefits get more than enough money, they should maybe cut down on smoking, or cancel sky like the rest of us working people have to do when times get hard. Also its a good way to give more independence to the individual and make them understand, no the council does not pay your rent or has to re-house you if you get evicted!

People who are already in work and receiving no benefits are really feeling the pinch and there must be absolutely no increase in council tax for normal working people who are working hard and not claiming benefits.

Services (not just services offered by Wellingborough Council) are already being cut or have been cut. I do not wish to see any more cuts to services available.

The harder you make life for the poor people in the borough, the more chance they will stop this silly idea that politics is nothing to do with them and start voting Labour. While this borough continues to pay the electric bills for floodlighting churches and giving grants to churches when less than 5% of the population use them, the more the population will realise that Conservative governance wants to bring back pre-world-war11 conditions for the few in this society. Maybe then we will have a real revolution that will tear down this country.

The impact on those claiming CTS would not be significant

We are pensioners and finding our income reducing due to the economic climate, and feel already enough is being done for families on low incomes, i.e. low mortgage rates child support. no we do not wish further reduction in services or extra support given to shirkers

Whilst I have sympathy with those who require CTS, it is like all state funded support where a significant number of these claimants who will not manage their finances correctly expect the state to fund their luxuries whilst the worker who is earning just above the CTS threshold have to struggle to make ends meet by going without the luxuries until

they can genuinely afford them. Therefore it is not correct that the general taxpayer should have to receive a significantly reduced service in order to fund those on CTS. Those on CTS will have to seriously look at their priorities and reduce their spending on "luxuries" or move to a smaller property in order to reduce their CT liability. Regrettably, those applicants for CTS who fail to address their spending priorities will have to approach family, friends or charities to make up the shortfall. They cannot expect the Borough Council to subsidise their failures to manage their finances efficiently.

Why should working people have to pay more because of people on benefits. They get enough help.

Work full time and struggle to pay council tax. Councils need to save money they pay as benefits and switch some of the streetlights back on.

Comments from those supporting Option 2

I favour 2 but am not sure whether, with any of the options, means testing is involved. I personally believe that means testing is a perfectly legitimate way of assessing need and if held sensitively would enable a combination of all 3 options to be considered dependent on individual circumstances and this would be fairer in the long run. The options do not take into account what other support those entitled receive

Fairest

Fair for everyone

Fair to everybody

I prefer option 2. As someone whose household would not be eligible to claim, I don't think the burden should be passed on to the tax payer. In my personal circumstances, things are hard enough and just because we are not eligible for benefits does not mean we have the extra money to spend. At the same time, I do appreciate there are people out there in situations a lot worse than mine and I do feel that we have a responsibility to each other in this society. I think those of us who may be slightly better off do have an obligation to help those who are poorer. The only nagging feeling is that there are claimants who may be claiming dishonestly, and perhaps if these situations were addressed and managed, there would be more money in the system for those who truly need it. Therefore, with all of the above considered, I felt Option 2 to be a comfortable middle ground. Basically, I would like to make it easier for those who are struggling without putting myself in much of a worse position. Not entirely selfish, not entirely generous, but there you have it.

I reached this decision as it has the least impact on general tax payers and would hopefully stop major council tax increases. If council tax is increased then the percentage paid would also increase so option 1 has least impact overall.

Think its a happy medium for everyone . reasonable and affordable .

Comments from those supporting Option 3

Parish Council feel that the minimum amount should be requested from families that have little income

As a lone parent who is unable to work due to sickness having the maximum liability reduced to 75% would have a massive impact on my monthly finances. I already struggle to meet my living expenses and having to pay more towards council tax would make it even harder.

Because of the financial hardship facing the most vulnerable in Wellingborough, with below inflation benefit rises, low wages, insecure contracts and the cost of living being escalated by massive fuel prices. we are seeing more and more people -including those in work-having to use the food banks . Moreover many cannot afford to put on the oven-its eat or heat for many further i feel WBC should consider a full rebate for under 25's living independently and on benefits. This group of job searchers only get £57 a week to live on In comparison we tend to regard the retired/pensioners as among the most vulnerable/poor in society they however receive a minimum of £110 a week ,and with pension credit the minimum guarantee is £145 a week in my professional life i deal regularly with 16/17/18/19 year old homeless and these have been subject to(and had to prove) cruelty at home to qualify for benefits the lack of family to call upon makes their financial plight even more precarious

Cannot afford any more bills, struggling for food and bills (heating etc)

Cutting stuff

Get rid of the chief exec.

Hard enough as it is

Hard enough to cope

Hard enough to cope

Hard with water rates and rent and bills

Have to pay towards council tax and bedroom tax. No money left for anything. Cannot afford any more.

In my opinion, people of working age who are able bodied and not on disability should pay slightly higher than those who are on disability. It would be pretty simple to implement by requesting proof of receipt of Disability Living Allowance

No money left to pay anything else

Should not have to pay anything as on minimum income - £71 only and this is for food and bills

Tax is high enough as it is and added expense of police commissioner who is in my opinion complete waste of space

Those on benefits are on the minimum to live on. anything less than 100% rebate risks 1. real financial hardship-particularly given the massive fuel increases 2. costing the council money to chase debts people can't pay 3. legal action to recover debt will throw a further hurdle in the way of people seeking work-the effect on credit rating may mean they cant get credit for to buy an interview suit to secure work-this may push them to Wonga and such like as the money received will not reach to the next payday. i would ask WBC to consider a special exemption scheme for those under 25,particularly care leavers and those who were in hostels/supported accom previously , as these do not receive the full allowance of jsa until they turn 25,they recieve £15 a week less to live on . they face a very real threat of destitution the nature of how they came to be in care or a hostel demonstrates they do not have family to turn to in times of hardship .

To provide less financial burden and change on outgoing and living costs.

While there are no doubt a few 'scroungers' the majority of the working age people needing help with their council tax, will be the disabled, carers and those with young children. Asking those at the bottom of the pile to pay more to prop up the councils/countries finances is reprehensible.

Won't pay if changed any more

No option selected

Complicated, depends if can afford it i.e. disabled people should not have to pay

Equality Impact Analysis (EqIA) – full analysis

Appendix 3.3

LOCAL COUNCIL TAX SUPPORT 2014/15

1.0 Introduction

1.1 The Borough Council of Wellingborough (BCW) collects council tax from residents every year. This money pays for local services such as schools, community policing and refuse collections.

The Council Tax income, which is in the region of £35 million a year, is split three ways – the Borough Council receives 11% of the tax, the Police receive 14%, and the County Council receives 75%. In the Spending Review 2010, the Government localised financial support for Council Tax and reduced overall expenditure by 10%, which resulted in a reduction of £603,000 in the funding available for Wellingborough. In December 2012, a meeting of the Full Council approved our Council Tax Support Scheme (CTS) for 2013/14 which was subsequently eligible for transitional funding. Approximately 3,100 working age claimants were required to make a contribution of up to 8.5% of their Council Tax liability.

In 2013/14, councils whose schemes were designed so that the maximum amount was no less than 91.5% of the liability were given transitional funding, in order to reduce the impact of these changes in the first year of the scheme. BCW amended its scheme accordingly so that for 2013/14 only, the CTS scheme was based on a 91.5% liability. The agreed scheme reverted to 80% maximum liability in 2014/15 onwards.

There will be no further transitional funding for 2014/15 and the overall council grant from Government is being reduced by a further 13% in 2014/15 (provisional figures) The amount intended for CTS is no longer being separately identified.

As a result the council needs to make some difficult decisions; we can either meet this funding shortfall by; a) further reducing the level of support available under the scheme or b) Increasing council tax and/or reducing other council services.

Due to the legislative protection given to people of pension age, the proposed changes will only apply to working age people. The policy is being introduced to reduce overall expenditure in this area while at the same time encouraging people back into work.

The details of the overall grant BCW will receive from Government will not be confirmed until December 2013. The amount of this grant that is intended for CTS will no longer be specified.

As a result it is not possible to make accurate costings. Our initial findings are that even if Option 1 were adopted, the council may still need to find additional funding to meet the full cost of the scheme.

1.2 We are proposing three options. In order to keep the system as simple as possible, the only variable is the maximum percentage of a working age person's council tax liability that can be met under the CTS scheme. As well as keeping the scheme as simple as possible, these options pass the cut in funding equally to all but the statutory protected group (pensioners) and the Council considers that this is the most equitable way of dealing with the reduced budget whilst still supporting those most in need.

Analysis of the current CTS caseload, along with the other statistical sources listed in Part 3 of this analysis, has been undertaken. This has identified some areas of possible negative or positive impact, which are detailed below.

1.3 The proposed options are as follows:

Council Tax Support scheme 2014/15 - Proposed Options

OPTION 1: The default Council Tax Reduction Scheme will be adopted with the local amendment that only 75% of the Council Tax liability would be used in the entitlement calculation for working age customers.

Illustration 1:

A couple with children, living in a Band A property and in receipt of Income Support, have a Council Tax liability of £916.27. Under this option they would have to pay £229.07 per year or about £4.41 per week because their entitlement would be based on 75% of the Council Tax liability.

OPTION 2: The default Council Tax Reduction Scheme will be adopted with the local amendment that only 80% of the Council Tax liability would be used in the entitlement calculation for working age customers.

Illustration 2:

A couple with children, living in a Band A property and in receipt of Income Support, have a Council Tax liability of £916.27. Under this option they would have to pay £183.26 per year or about £3.52 per week because their entitlement would be based on 80% of the Council Tax liability.

The existing scheme defaults to 80% of liability for 2014/15, without the transitional funding. As a result this option does not require any substantial alteration to the existing scheme.

OPTION 3: The default Council Tax Reduction Scheme will be adopted with the local amendment that only 91.5% of the Council Tax liability would be used in the entitlement calculation for working age customers.

Illustration 3:

A couple with children, living in a Band A property and in receipt of Income Support, have a Council Tax liability of £916.27. Under this option they would have to pay £77.88 per year or about £1.50 per week because their entitlement would be based on 91.5% of the Council Tax liability.

This option would result in no change for CTS recipients. They would pay the same in 2014/15 as they did in 2013/14. However this would increase financial pressure on the scheme as there will be no transitional funding for 2014/15. The preceptors and billing authorities would need to absorb the financial pressures with in their revenue budgets as no further changes to the tax base through discounts and exemptions could be made to mitigate these pressures.

1.4 Whilst the above proposals will mainly affect Council Tax Support claimants, other groups will also be affected. If the amount of money that the council spends on CTS is not reduced, the Council will have a funding shortfall which will have to be met by increasing Council Tax and/or reducing services which will affect all Council Tax payers in the Borough. The proposed options pass the cut in funding to all but the statutory protected group (pensioners) and the Council considers that this is the most equitable way of dealing with the reduced budget whilst still supporting those most in need.

1.5 In undertaking this analysis we will take into account the following:

- Could this policy/activity and the way we deliver it '**adversely affect people who share a protected characteristic**' and thus contributing to discrimination, harassment and/or victimisation (negative impact)?
- Could this policy/activity and the way we deliver it '**advance equality of opportunity**' and/or '**foster good relations**' between people who share a protected characteristic and those who do not (positive impact)?

2.0 Background

2.1 At present 6,868 people in the Borough on low incomes are currently able to receive Council Tax Support to help them pay their bill.

The government has legislated to protect people of pension age from the changes so that they must retain the same level of support under any CTS scheme as they did under the old Council Tax Benefit scheme. This however means that the whole burden of the funding reduction will be borne by working age benefit claimants.

When designing local schemes, authorities are expected to have regard to vulnerable groups and their responsibilities in respect of child poverty, disabled people, and homelessness.

2.2 A full EqIA was carried out on the proposed options for the 2012/13 CTS scheme. This EqIA was based on a proposed scheme with a maximum liability of 80% of council tax liability. The move to a scheme based on 91.5% liability came after a post consultation offer of transitional funding from central government. If either Option 2 or Option 3 were adopted, the effects will be no worse than those identified in the initial screening and full EqIA carried out last year. If Option 1 were to be adopted, the impacts would be of a similar nature but of increased severity.

Age - Pensionable age claimants (44.7% of the caseload) will be nationally protected but working age claimants (55.3%) will be negatively affected. The Council has considered protecting this group; however this had to be balanced with the affordability of the scheme and the feasibility for other taxpayers.

Disability - Disabled people are not specifically protected under the scheme, and as it may be harder for this group to find work, they may be negatively affected. There are provisions built into the default rules, which are retained in the BCW CTS scheme, to provide additional support for disabled people (disability premiums, disregard of certain disability benefits etc) The Council has considered further protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.

Gender reassignment - unknown impact due to lack of data but this group may find it more difficult to find work and therefore may be negatively affected. The Council has considered protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.

Marriage/civil partnership and pregnancy/maternity - Disproportionately negative effect on lone parents, particularly women. The Council has considered protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.

Race - Disproportionately negative effect as national trends indicate minority groups are more likely to be unemployed. The Council has considered protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.

Sex - Disproportionately negative effect on women as more likely to be in low paid and part time work and more likely to be lone parents and carers. War pension widows are protected under government guidelines. The Council has considered protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.

Other considerations - may cause negative effect in areas of multiple deprivation, increase homelessness and child poverty.

2.3 As a result of the EqIA screening it was identified that a full Equalities Impact Analysis was required and consultation was commenced as detailed at section 4 below.

A copy of the initial EqIA screening is available on the council website.

3.0 Baseline data and research

3.1 As at 16th October 2013, there are 6,868 council tax benefit claimants in the Borough. Of these:

- 3070 (44.7%) are of pensionable age
- 3,798 (55.3%) are of working age
- Of the 3798 working age claimants, 1329 (35%) are male, and 2469 (65%) are female

3.2 National and local information has been gathered using various sources e.g. The Census, The Joint Strategic Needs Assessment (JSNA), Northamptonshire Observatory, NOMIS official labour market statistics, the Equality and Human Rights Commission (EHRC), Indices of Multiple Deprivation, BCW Benefits and Council tax databases, Department for Work and Pensions (DWP) data, Family Resource Survey.

From this information we know Wellingborough has a population of 75,356 living in 33,441 households. Of these 49.2% are male and 50.8% female. There are 12,334 people aged 65 and over – 16.3% of the population. (Census 2011) and it is predicted this will rise to 20% by 2020 (JSNA). There are 48,014 people (63.7%) aged between 16 and 64 (roughly working age).

In May 2010, approximately 4% of the population of Northamptonshire were claiming Disability Living Allowance (DLA). Today in Wellingborough 493 people are claiming the higher rate of DLA care and/or mobility either for themselves, their partner or for children or youths under the age of 19. There are 188 carers of working age in the Borough in receipt of Council Tax Support.

We also know Wellingborough is more ethnically diverse than the county average. 12.7% of the population are of Black and Minority Ethnic (BME) origin, which is comparable with some of the most diverse urban communities in the UK. As claimants do not have to indicate their ethnic origin we have no reliable statistics on the ethnicity of people in receipt of Council Tax Benefit in the Borough. However, the Annual Population Survey shows very different economic activity rates among ethnic minority groups. In Wellingborough, 85% of white people were economically active, compared to 52.2 % of ethnic minorities. The same study also shows that the percentage of economically active females is 79.2%. While this is higher than the England average of 67.6%, it is significantly lower than the male rate.

In Jan 2013 the rate of working age people (16-64) claiming JSA in Wellingborough was 4.5% (JSA claimant count) - considerably higher than the county rate of 3.5% and the England and East Midlands rates of 3.8% and 3.7% respectively. This equates to 2,039 people claiming JSA in Wellingborough, of which 555 were 18-24 year olds.

3.3 In Northamptonshire 14% of the population live in areas which are in the 20% most deprived nationally. 4% live within the 10% most deprived areas (JSNA 2012).

DWP figures for May 2010 show Lower Super Output Areas (LSOAs) in the top 20% most deprived in the country have, on average 8.5% of their working age population claiming JSA compared with 2.9% in SOAs outside the top 20%.

11.9% (8972) of Wellingborough residents live in income deprived households with below 60% of average incomes. Wellingborough ranks in the Indices of Multiple Deprivation at 138th out of 326 (where 1st is the most deprived). There is one LSOA in the town of Wellingborough which is in the top 5% of the most deprived areas nationally, (in Hemmingwell ward), 2 in the top 10% (in Brickhill and Croyland wards) and a further 7 in the top 20%. Wellingborough is the second most deprived local authority in the county. (Indices of Multiple Deprivation 2010)

Over 3000 children in Wellingborough are living in poverty (JSNA) and 17.1% of households live in fuel poverty. There are proven links between levels of deprivation amongst children and poor health and wellbeing outcomes for them as they grow up. Three quarters of children in poverty in the County live with a lone parent. Half the families in poverty in the County have a child under 4.

Whilst we have no statistics on lone parent claimants locally, it is reasonable to assume that the majority of lone parents will be female. The majority of our Council Tax Benefit claimants are female (65%). The ONS estimates that less than half of women lone parents work and most who do work, work part time and a greater proportion of income is spent on childcare.

4.0 Consultation undertaken

4.1 An eight week information and consultation period took place from 1st October to 26th November 2013. This consisted of the following:

Press releases explaining the impact of the changes.

A website consultation explaining the impact of the changes, including a web-based response form and equalities monitoring.

A leaflet explaining the impact of the changes, including a response form and equalities monitoring (Appendix A).

Face to face consultation with customers and benefit claimants in our receptions.

Face to face consultation with residents of the Borough at supermarkets and outside a shopping centre.

Letters to advocacy groups inviting responses (Appendix B - letter and list)

Letters to all precepting authorities (NCC, Police commissioner and all parishes. Appendix C)

5.0 Results of consultation and feedback

5.1 A total of 258 responses were received. The results and analysis are presented in full in the 'Council Tax Support scheme 2014/15. Results and Analysis' available on the council website

The overall result was as follows:

Option 1	45.0%	Option 2	26.4%	Option 3	28.7%
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5.2 Breakdown by receipt of Council Tax Support

In receipt of Council Tax Support	Option	Number	Percentage
	1 (75%)	4	6.1 %
	2 (80%)	15	22.7 %
	3 (91.5%)	47	71.2 %

NOT in receipt of Council Tax Support	Option	Number	Percentage
	1 (75%)	103	56.6 %
	2 (80%)	53	29.1 %
	3 (91.5%)	26	14.3 %

5.3 Breakdown by disability status

A little or a lot disabled	Option	Number	Percentage
	1 (75%)	7	18.9 %
	2 (80%)	4	10.8 %
	3 (91.5%)	26	70.3 %

NOT disabled	Option	Number	Percentage
	1 (75%)	68	41.7 %
	2 (80%)	59	36.2 %
	3 (91.5%)	36	22.1 %

5.4 Breakdown by respondent type

Online respondents	Option	Number	Percentage
	1 (75%)	30	69.8 %
	2 (80%)	5	11.6 %
	3 (91.5%)	8	18.6 %

Paper respondents	Option	Number	Percentage
	1 (75%)	86	40.0 %
	2 (80%)	63	29.3 %
	3 (91.5%)	66	30.7 %

5.5 Breakdown by gender

Male	Option	Number	Percentage
	1 (75%)	43	45.3 %
	2 (80%)	25	26.3 %
	3 (91.5%)	27	28.4 %

Female	Option	Number	Percentage
	1 (75%)	38	32.8 %
	2 (80%)	38	32.8 %
	3 (91.5%)	40	34.5 %

5.6 Breakdown by ethnicity and marital status

The sample was not large enough for these results to be broken down by ethnicity or marital status with any reasonable level of statistical significance.

5.7 Comments. Respondents were invited to comment on the proposals and many respondents did so. Many were general responses either in favour of, or against the proposals. Comments specific to particular elements of the proposals have been broken down as follows:

16 people responded that those receiving CTS were already on a very low income, and should not be expected to pay more towards council tax. Two of these stated that they were also affected by the bedroom tax and could not afford any more.

15 people responded that it was not fair on the general tax payer/working person to subsidise those on benefit.

11 respondents commented that the benefit system was already too generous.

7 respondents stated that this was the fairest option (6 of these selected option 2)

6 responded that the suggested £4 per week, was not much to contribute

5 commented that there must be no overall increase in council tax

5 responded that council services must be maintained, even if this was at the expense of reduced support from the CTS scheme.

5 people said that disabled people should be protected from any cuts

4 people said that the council should cut other expenditure first (One that the chief executive should go, one that the Police Commissioner should go, one that councillor expenses should be cut and one that we should not give any money to the county as our roads were in such a terrible state.

5.8 Responses from precepting authorities

(It should be noted that responses may have been received from bodies who have not identified themselves)

The Police & Crime Commissioner and Northants County Council (the major precepting authorities) have indicated support for Option 1 or 2.

There have been three identifiable responses from Parish Councils. Of these one selected Option 1, one Option 2 and one Option 3. The comments from Parish Councils are included in the full list of comments in the Consultation Results and analysis report.

5.9 Equalities monitoring information:

Age. Of those who answered this question, the numbers of respondents falling into each of the following age bands were as follows:

19 or under	14	20-24	11	25-29	24	30-44	63	45-59	53
60-64	24	65-74	20	75-84	5	85-90	1	90+	0

Disability – “are your day to day activities limited due to a disability that has lasted, or is expected to last, at least 12 months?” (Of those that answered the question)

	Number	Percentage
Limited a lot	11	5.1%
Limited a little	26	12.0%
No	167	77.0%
Prefer not to say	13	5.9%

Ethnicity

		Number	Percentage
White	British	173	80.1
	Irish	6	2.8
	Gypsy or Irish Traveller	2	0.9
	Other	4	1.9
Black or Black British	Caribbean	5	2.3
	African	1	0.5
	Other	2	0.9
Mixed	White & Black Caribbean	5	2.3
	White & Black African	0	0
	White and Asian	0	0
	Other mixed ethnicity	0	0
Asian or Asian British	Indian	10	4.6
	Bangladeshi	0	
	Pakistani	4	1.9
	Chinese	1	0.5

	Other	1	0.5
Other ethnic group	Arab	0	0
	Other	2	0.9

Gender

Male	98 (45.8%)
Female	116 (54.2%)
Transgender	0

Marital Status

Single	87	Widowed	11
Married	75	Separated	16
Divorced	19	Other	11
Civil partnership	0	Prefer not to say	13

6.0 Analysis of impact on individuals with 'protected characteristics'

6.1 The EqlA screening identified a number of adverse impacts on protected groups:

Age - People of pension age (currently 3070 (44.7%) claimants) are protected by the government from the changes.

People of working age (currently 3798 (55.3%) claimants) will be adversely affected and in order to protect older people will have to contribute proportionally more. In addition, due to predicted increases in the older population in the Borough this proportion is likely to increase as time goes on. The consultation has shown that residents of the borough are generally in favour of working age people contributing to their council tax payments and this group could not be exempted without resulting in a significant shortfall to the council's budget.

Children of lone parents, particularly disabled children and those under 5, are likely to be adversely affected due to the inability of parents to undertake paid work to increase income. The majority of our claimants are female (65%). There are 541 lone parents with a child under the age of 5 and 24 claimants have a severely disabled child in the household. From national statistics, it is reasonable to assume that the majority of these lone parents are female. This group could not be exempted without resulting in a significant shortfall to the council's budget.

Disability - People with disabilities are not explicitly protected from the changes and whilst it is accepted that some will be unable to work, others do work or are able to work. 21% of working age DLA recipients are in work (DWP FOI request 3438-2013)

People with disabilities are entitled to additional welfare benefits aligned to their needs. In total, 737 customers are entitled to a disability premium and 246 customers are entitled to the severe disability premium.

Pension age claimants receiving DLA will be fully protected. The government has not applied the same protection to working age people with disabilities in the default scheme, however income and capital are assessed and support adjusted to take into account individual circumstances. Income from certain other benefits e.g. DLA will be fully disregarded in this calculation. Income from War Disablement Pensions or War Widow's Pensions and the Armed Forces Compensation Scheme will continue to be locally fully disregarded. Some consultation

respondents have expressed the view that people with disabilities should not be included amongst those who will have to contribute - although the majority of those who have specifically commented on this element of the proposal consider themselves to have a disability. This group could not be exempted without resulting in a significant shortfall to the council's budget.

Gender reassignment - Whilst local figures are unavailable for transgender people, national statistics indicate that there is likely to be only a very small number in Wellingborough (approx 20). However adverse employment effects are likely whilst transgender people are changing their sexual identity. In light of the small numbers affected no exemption is proposed.

Marriage and civil partnership/pregnancy and maternity -

The changes will have a negative impact on lone parents, and whilst we do not have statistics on the numbers of our claimants who are lone parents, it is reasonable to assume that most of them will be women. Many will have children under 5 or with disabilities making it difficult for them to work. Overall, 65% of our claimants are women. Claimants in this category could not be exempted without a significant shortfall to the revenue budget.

Race - National trends indicate minority groups are more likely to be unemployed. The 2011 Census show that 12.7% of the population of the borough are from Black and Minority Ethnic backgrounds, so it is reasonable to assume that at least 400 claimants will fall into this category and could not be exempted without a significant shortfall to the revenue budget. There are also potential language and literacy barriers to people understanding the changes and this will need to be considered in developing the communication plan.

Sex - The changes will have a negative impact on lone parents and carers and it is reasonable to assume that most of them will be female, whose ability to work may be restricted due to their caring responsibilities. 65% of our claimants are female (compared to 50.8% of the borough population) and we have 199 working age claimants in receipt of Carers Allowance. Female claimants could not be exempted without a significant shortfall to the revenue budget.

Other - The changes may have unknown impacts on other groups who are likely to suffer from accumulative effects from this measure, such as those in receipt of other benefits which will also be reducing, those living in areas of multiple deprivation, and children in poverty. The changes may also lead to an increase in homelessness as people are increasingly unable to afford their housing costs.

6.2 Government policy is that the Council's grant will be reduced, meaning the shortfall has to be met either through reductions in council tax support and exemptions, or through increases in Council Tax and/or cuts in services which would affect all council tax payers in the borough. Whilst it is therefore accepted that some groups will be detrimentally affected by the changes, the Council has considered reasonable adjustments and has little alternative, but to implement a local scheme which does not offer the same level of support as the previous CTB scheme.

6.3 The results of the consultation indicate that the majority of the residents of the Borough are in favour of proposals 1 or 2, which reduce the level of support available in the CTS scheme.

7.0 How the impact will be addressed

7.1 Government guidelines advise that vulnerability should be taken into account in developing local schemes. There is, however, no central definition of vulnerability. By amending the default scheme, which offers the same provisions as Council Tax Benefit, the protections and principles required of a local scheme are embedded. Utilising the default scheme therefore addresses some of the impacts identified above. Income and capital are assessed and support adjusted to take into account individual circumstances. Premiums and allowances are awarded based on individual circumstances (family premium, disability premiums, child allowances etc) Income from certain disability benefits, e.g. Disability Living Allowance, is fully disregarded, thereby affording protection for working age disabled claimants. Income from War Disablement Pensions or War Widow's Pensions and the Armed Forces Compensation Scheme will continue to be locally fully disregarded. The proposed options equally pass the cut in funding to all but the statutory protected group (pensioners) and the Council considers that this is the most equitable way of dealing with the reduced budget whilst still supporting those most in need.

7.2 Statutory minimum levels of deduction will be applied in recovering payments due from affected claimants.

8.0 Performance and monitoring arrangements

8.1 The impact of the changes will be monitored through Performance Indicators. A report has been made to members about the impact of the change on those receiving CTS (e.g. collection rates, enforcement action taken etc) and this information can be provided again for the 2014/15 scheme.

8.2 There is an opportunity to review the local scheme annually

9.0 Publication of EqIA

The EqIA screening undertaken on 05 September 2013 which accompanies this EqIA report is published on the council website and can be accessed via the following web link:

This EqIA, the Report to the council's Resources Committee and the results of the consultation will be published on the council's website. They are also available on request (01933 229777) or by emailing equalities@wellingborough.gov.uk

Conclusions

10.1 The move to a Local Council Tax Support Scheme is government policy and as such the council has to implement it. The government has chosen not to award any further transitional funding and are cutting the council's overall funding by an estimated 13% in 2014/15. This means making some very difficult decisions. If this shortfall in funding is not met through reducing the level of support available under the CTS scheme, it will have to be done by increasing levels of Council Tax and/or reducing services.

10.2 The extensive consultation undertaken has indicated that 71.3% of the public are in favour of proposals 1 or 2, which reduce the level of support available in the CTS scheme.

10.3 Whilst adverse effects have been identified for some of the protected characteristics, by following the government's default scheme the effects have been minimised as far as possible.

10.4 The effects of the scheme will be mitigated by the use of discretion in the recovery process.

Please indicate the outcome of this EqlA:

1. **No change to the policy/activity no adverse impact identified.**
2. **Adjustments made to the policy/activity** to remove negative impact and/or advance equality of opportunity and good relations.
3. **Continue with no adjustments to the policy/activity** despite having identified some potential for adverse impact or missed opportunity to promote equality. (NB: you must have clearly justified your decision in the analysis above, and the decision must be in line with the duty to have 'due regard' to equality).
4. **Do not implement policy/activity or redesign policy/activity.** The EqlA has revealed significant negative impact and in the light of this it is necessary to either not implement the policy/activity at all or to extensively redesign the policy and carry out a further impact analysis.

Head of Service responsible for this EqIA: Liz Elliott

Lead officer conducting this EqIA:

Name:
David Kearney

Signatures:

Date: 30 November 2013

Others involved in the EqIA:

Nigel Robinson, Principal Revenues and Benefits Manager Jill Stewart, Council Tax Supervisor Carol Conway, Organisational Development Officer.
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This EqIA must be agreed by your Equalities Steering Group representative and signed off by your Head of Service or Director.

In the event of any queries, please contact the Organisational Development Officer on ext 1711 or e-mail equalities@wellingborough.gov.uk

Agreed by Equalities Steering Group representative:

Name:

Signature:

Date:

Agreed by Head of Service or Director:

Name:

Signature:

Date:

Important:

This EqIA provides documentary evidence to show that you **systematically considered** the potential impact that the policy/activity could have on equality groups in line with statutory obligations – the outcome of this analysis should be considered, **prior to** any final decisions being taken.

If the policy/activity is to be **approved/agreed by Members** then you will need to **indicate on the forward plan** that an EqIA accompanies the item and the **completed EqIA form must be appended to the committee report.**

Procedure for sign-off of EqlAs:

1. This EqlA should be scrutinised by members of your own service.
2. Email a copy of this EqlA, together with the document(s) to which it relates to equalities@wellingborough.gov.uk stating clearly in the title '**EQIA FOR QUALITY ASSURANCE**'
3. Your completed EqlA will then be circulated to members of the Equalities Steering Group (ESG) for scrutiny and will be returned to you with comments/amendments.
4. The revised version should then be checked by yourself and your ESG representative and signed off by your Head of Service or Director.
5. Email a copy of the final version of the EqlA to equalities@wellingborough.gov.uk stating clearly in the title '**EQIA FOR PUBLICATION**'. This will then be published on the website.
6. Send the signed paper copy of the final EqlA, together with the document(s) to which it relates, **to the Organisational Development Officer, Room F5, Swanspool Annexe**. This will be placed on a central file as evidence.
7. **PLEASE NOTE:** this EqlA is not deemed complete until all of the above stages have been carried out.

Insert EqlA screening as Appendix A

Equality Impact Analysis (EqIA) – action plan

Using the information from the EqIA, produce an action plan for the implementation of proposals to:

1. Lower the identified negative impact and/or
2. Ensure that the negative impact is legal under anti-discriminatory law and/or
3. Provide an opportunity to promote equality and foster good relations within equality target groups, ie, increase the positive impact.

Please ensure that you update your service plan with the equality objectives/targets and actions identified below:

Action	Protected characteristic(s) affected	Accountable Officer	Timescale	Measure of success/ Performance Indicator	Date Completed

Action Plan Sign off (Head of Service):

Date Service Plan updated:

Name:

Signature:

Date:
