

Report of:	Head of Finance
Contact Officer:	Bob Kean
Telephone No:	01543 464334
Portfolio Leader:	Leader of the Council
Key Decision:	Yes
Report Track:	Council 23/1/13

COUNCIL
23 JANUARY 2013
DETERMINATION OF COUNCIL TAX BASE and LOCAL COUNCIL TAX
REDUCTION SCHEME – YEAR COMMENCING 1 APRIL 2013

1 Purpose of Report

- 1.1 The purpose of this report is to afford members an opportunity to consider and to determine the tax base for the Council’s area and the several areas within the District subject to Parish Council precepts.
- 1.2 To adopt the Local Council Tax Reduction scheme.

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2 Recommendations

- 2.1 That Council as part of its Determination of the Council Tax Base for 2013-14 formally adopts the Local Council Tax Reduction Scheme reported to Cabinet on 17th January 2013 as shown in Appendix 2.
- 2.2 That Council notes the changes to the Council Tax Base arising from the Technical Reforms to Discounts for Empty Properties and Second Homes.
- 2.3 That Members approve the report and the associated calculation (as determined from Annex 1) of the Council’s tax base for the year commencing 1 April 2013 be approved.
- 2.4 That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by the Cannock Chase District Council as its tax base for the year commencing 1 April 2013 shall be the total equivalent Band D properties, and that for the various parts of the District, the amounts so calculated shall be as stated.

- 2.5 That subject to the calculation of the Council Tax Base being determined within existing policies the calculation of the Council Tax base which is of a technical basis within government regulations is delegated to the Head of Finance.

3 Key Issues and Reasons for Recommendation

- 3.1 The Council is required, by virtue of paragraph 7 (3) of the Levying Bodies (General) Regulations 1992, issued in accordance with Section 33 (5) of the Local Government Finance Act, 1992, to determine, between 1 December and 31 January following, the amount to be used as the basis for the calculation of the several amounts of Council Tax to be levied within the District in the financial year commencing on the next 1 April.
- 3.2 This does not mean that the charge has to be set at this time, but that the resource over which the budget requirement is to be spread must be calculated.
- 3.3 This report determines the amount to be used as the basis for the calculation of the Council Tax to be levied within the district for the financial year commencing 1 April 2013.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) The revenue budget reflects the agreed priorities of the Council as determined by the Delivering Change process and hence directly contributes to Council priorities.

5 Report Detail

- 5.1 The Council is required, by virtue of paragraph 7 (3) of the Levying Bodies (General) Regulations 1992, issued in accordance with Section 33 (5) of the Local Government Finance Act, 1992, to determine, between 1 December and 31 January following, the amount to be used as the basis for the calculation of the several amounts of Council Tax to be levied within the District in the financial year commencing on the next 1 April. The regulations for determining the Council Tax Base were updated in 2012 by the Local Authority (Calculation of Council Tax Base)(England) regulations 2012 to reflect measures contained in the Local Government Finance Act.
- 5.2 This does not mean that the charge has to be set at this time, but that the resource over which the budget requirement is to be spread must be calculated.
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- 5.3 This involves adjusting the valuation list figures to take account of reducing the banding of those properties eligible for disability relief, single occupancy and other discounts, exemptions, new and removed properties and any other appropriate adjustments. The Local Government Finance Act, including the abolition of Council Tax Benefit, was published on 19th December 2012 and this introduced the Localisation of Council Tax Support Scheme from April 2013. The Local Government Act 2003 introduced a number of changes that impact upon the council tax base and the General Fund Revenue Budget. These changes give local authorities the discretion to:
- reduce the existing council tax discount from 50% to a minimum of 10% for second homes,
 - remove or reduce the existing discount for unfurnished long term empty homes, and
 - Grant additional discounts or exemptions, to be borne locally, in response to local factors, for example flooding.
- 5.4 The implications of discounts for second homes and long term empty properties were considered in detail as part of determining the Council Tax Base for 2011-12 and Council determined to remove the discount on long term empty properties and as part of determining the Council Tax Base for 2012-13 the discounts for second homes was reduced to 10%, within the constraints of regulations at that date , with the removal of the full discount being dependent upon proposed Technical Reforms to the level of discretionary discounts available on Council Tax Liabilities . Cabinet at its meeting of the 15 November 2012 in considering the discounts in relation to Empty Homes recommended the removal of the remaining discount on second homes.
- 5.5 Cabinet on 15th November 2012 approved changes to the levels of Council Tax discount and exemption for empty homes, including the introduction of an “empty homes premium”. Appendix 2 of the report highlighted the policy which was agreed and the calculation of the council tax base takes account of this change.
- 5.6 The Local Government Act 2003 also introduced a local discount. This direction gives billing authorities the power to reduce the amount of Council Tax payable in respect of any chargeable dwelling in their area. This may be reduced to nil and can be applied either on an individual or class of dwelling basis. This effectively allows the authority the power to introduce local discounts and exemptions for unusual circumstances. For example, to give relief in the event of a natural disaster such as serious flooding in part of a council’s area, or to select, a class or group of taxpayers, such as pensioners, disabled etc.
- 5.7 However any such loss in revenue must be met by the billing authority and not passed onto the major precepting authorities and hence does not form part of the Council Tax Base calculation as such but is determined as part of the budget setting process with the billing authorities being required to transfer from its general fund to its collection fund the amount by which the council tax has been reduced by local discounts and exemptions.
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- 5.8 In determining the Council Tax Base it is also necessary to determine the appropriate allowance for losses on collection. As previously, it is possible, with extreme optimism, to predict an ultimate collection rate approaching 100 %, but reality indicates that a collection rate of 98.9% ought to be anticipated in the initial stages. It is therefore recommended that the collection rate estimate of 98.9% be agreed for the year commencing 1 April 2013.
- 5.9 On the assumption that this is acceptable to the Council, the attached schedules show the result of the above deliberations on each of the Parishes, the un-parished area and the District as a whole.
- 5.10 For the year 1993-94, the Council determined that, in respect of Special Expenses, any expenses incurred by the Council in performing, in part of its area, a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting, would not be treated as special expenses for the purpose of Section 35 of Local Government Finance Act, 1992, and that this resolution would remain in force for the current and successive financial years until expressly rescinded, and, as it is not suggested that this decision be changed, no further action is necessary.

Local Council Tax reduction Scheme

- 5.11 Cabinet on 17th January 2013 will consider a report in relation to the Local Council Tax Reduction Scheme and the recommendations as contained in the report, subject to approval by Council , forms part of the determination of the Council Tax Base for 2013-14.
- 5.12 The national Council Tax Benefit Scheme will be abolished with effect from 1 April 2013 and each Billing authority must replace this with its own local scheme. Government grant in respect of the local scheme will be 10% lower than the funding for the current Council Tax Benefit scheme
- 5.13 Local schemes will have significant impacts on individuals and will affect yield from Council Tax. Pensioners represent 48% of Council Tax Benefit expenditure in Cannock Chase, meaning that a 21% reduction will be required from working aged claimants.
- 5.14 The scheme will operate as a local discount scheme so the 10% reduction in the level of council tax will be made by making a reduction in the Council Tax base. The current projections of council tax benefit for 2012-13 of £7.8 million necessitates a minimum 10% reduction in the scheme. A saving requirement in the region of £780,000 is required in the creation of the Council's scheme. This saving is met by the District Council, the County Council, the Police and Fire Authorities and Local precepting bodies. The grant for this Council amounts to £934,043 and compensates for a lower Council tax base following the introduction of the discount scheme.
- 5.15 The grant in relation to Parish Councils amounts to £91,124 and a scheme is being developed to ensure security of funding for parishes by utilising the Gross Council Tax base for calculation purposes with precept payments including both Council tax raised and Grant funding to the level of the precept.
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- 5.16 Any shortfall against the required saving, for example as a result of increasing caseloads, will impact upon the Collection fund and so would be met by the Council and its Precepting Authorities.

Future Years Determination

- 5.17 The calculation of the Council Tax Base is effectively of a technical nature in accordance with regulations. A number of discretionary powers do exist within the regulations and are subject to Council determining the policy for this Council. Any changes that affect Policy will continue to be a separate report to Council however in order to enable the statutory deadlines to be met and to dovetail with the budget process it is recommended that the determination of the Council Tax Base, in accordance with agreed policy, is delegated to the Head of Finance.

6 Implications

6.1 Financial

In determining a scheme for consultation for the Local Council Tax Reduction four options were considered

- Increase Council Tax to meet the cost
- Reduce services to realise savings elsewhere
- Design a scheme to deliver the savings
- A mixture of the above.

The option to increase Council Tax was not applicable since the existing Medium Term Plan approved by Council in February 2012 contained increases in line with the maximum threshold as determined by Government. In addition the Referendum threshold was later amended from 2.5% to 2% amended requiring additional savings to provide a balanced budget.

The option to reduce services formed part of the deliberation of the Medium Term Budget and in light of the reductions in Government Funding highlighted in various Statement of Intents dating from May 2012 this option was not supported. In particular the Council anticipates to make savings of in excess of £400,000 in 2014-15 and a further £400,000 in 2016-17.

In consultation with other Major Precepting bodies, and after taking into account the respective impact of Council Tax Increases and /or reduction in services , the option of a discount scheme in line with the reduction in Government Funding was proposed.

The scheme will operate as a local discount scheme so the 10% reduction in the level of council tax will be made by making a reduction in the Council Tax base. The current projections of council tax benefit for 2012-13 of £7.8 million necessitates a minimum 10% reduction in the scheme. A saving requirement in the region of £780,000 is required in the creation of the Council's scheme. This saving is met by the District Council, the County Council, the Police and Fire Authorities and Local Precepting bodies.

On 16 October the DCLG made an announcement regarding an additional £100m “*transitional funding*” being made available nationally to councils “to help support them in developing well-designed council tax support schemes and maintain positive incentives to work”. This grant will be available to those councils whose schemes satisfy the following 3 criteria:-

- Those claimants who would receive 100% support under current council tax benefit arrangements pay between zero and no more than **8.5%** of their council tax liability;
- The taper rate (the rate at which support reduces, as a claimant’s income exceeds the minimum level) does not increase above **25%**; and
- There is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award.

Having considered this, and the qualifying conditions associated with the grant, it is recommended not to make an application for a share of the funding. The funding is for one year only and the first and third of the qualifying conditions, set out above, are not consistent with the proposed scheme upon which we have consulted.

The changes to the original scheme described in paragraphs 3.10 and 3.11 of the Report to Cabinet result from the evaluation of responses to the consultation and can be contained within the Council Tax Base discount scheme inclusive of associated Government Grant.

It is important that the tax base is estimated as accurately as possible since it will be used to calculate the level of Council Tax determined by Council at its February/March meeting. Any errors will have the following effects:

- a A too optimistic view of the base will mean that insufficient funds are raised to meet outgoings, whilst
- b A too pessimistic view will mean that the Council Tax charge will be set too high, requiring tax payers to have to contribute more than is necessary.

The Council Tax Base is estimated to be 26,203.57.

The draft Council Tax Base formed part of the draft General Fund Budget as utilised to determine a consultation budget and reported to Cabinet at its meeting of the 17 January 2013.

6.2 **Legal**

The Council is given a legal duty to create its own Local Council Tax Reduction Scheme, by Local Government Finance Act 2012.

The calculation of the council tax base are governed by Statutory Instrument 2012 No.2914 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

6.3 Human Resources

There are no direct resource implications arising from this report.

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report

Appendix 1 Council Tax Base Calculation

Appendix 2 Report on Local Council Tax Reduction Scheme

Previous Consideration

Background Papers

ITEM NO. 8.9

APPENDIX 1

Cannock Chase Council

Calculation of Council Tax Base 2013-14

Band	Band A Disabled	A	B	C	D	E	F	G	H	Total		
List (No. of Properties)		13,829	13,175	7,538	4,641	1,682	567	259	18	41,709		
Exemptions (incl students)		-428	-285	-128	-56	-22	-11	-7	-2	-939		
Diplomatic/Demolished		0	0	0	0	0	0	0	0	0		
Disabled - From Band		-52	-100	-70	-44	-13	-7	-14	-6	-306		
- To Band	52	100	70	44	13	7	14	6	0	306		
Chargeable Dwellings	(1)	52	13,449	12,860	7,384	4,554	1,654	563	244	40,770		
Discounts @ 25% (incl Single Occupancy)		14	6,385	4,199	1,816	746	259	80	27	13,528		
Discount at 25%	(2)	3.50	1,596.25	1,049.75	454.00	186.50	64.75	20.00	6.75	3,382.00		
Discounts @ 0%		0	168	87	45	21	14	3	0	338		
Standard Charge - not class A-U		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Discount at 0%	(3)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Discounts @ 50%		1	3	13	3	4	2	8	6	43		
No Chargeable Occupiers		0.50	1.50	6.50	1.50	2.00	1.00	4.00	3.00	21.50		
Discount at 50%	(3)	0.50	1.50	6.50	1.50	2.00	1.00	4.00	3.00	21.50		
Discounts @ 0%		0	39	29	15	6	4	0	4	97		
Second Homes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Discount at 0%	(4)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Total Discounts (2 + 3 + 4)	(5)	4.00	1,597.75	1,056.25	455.50	188.50	65.75	24.00	9.75	3,403.50		
Technical Adjustments :-		0.00	29.10	81.55	0.00	23.85	2.20	0.00	0.00	136.70		
New Properties, etc - fye		0.10	52.32	39.57	19.36	8.76	3.70	1.35	0.52	125.73		
Single Persons Discounts		0.00	73.34	57.16	32.60	13.97	7.95	4.16	3.70	192.88		
Long Term Empty from 6 months to 3 months		0.10	154.76	178.28	51.96	46.58	13.85	5.51	4.22	455.31		
Total Adjustments	(6)	0.06	103.17	138.66	46.19	46.58	16.93	7.96	7.03	366.68		
Equivalent Properties	(1 - 5 + 6)	48.00	11,851.25	11,803.75	6,928.50	4,365.50	1,588.25	539.00	234.25	37,366.50		
(Ratio to Band D)	(0.5556	0.6667	0.7778	0.8889	1.0000	1.2222	1.4444	1.6667	2.0000)		
Equivalent Band D Properties		26.65	7,900.84	9,180.70	6,158.68	4,365.50	1,941.19	778.56	390.43	16.00		
Technical Adjustments		0.10	154.76	178.28	51.96	46.58	13.85	5.51	4.22	0.05		
		26.75	8,055.60	9,358.98	6,210.64	4,412.08	1,955.04	784.07	394.65	16.05		
Total Base (Equivalent Band D Properties)										31,213.86		
Allowance										1.126 %	351.49	30,862.37
Local Council Tax Support at 99%										4,658.80		
Net Total Tax Base										26,203.57		

ITEM NO. 8.10

Report of:	Head of Finance
Contact Officer:	Rob Wolfe
Telephone No:	01543 464397
Portfolio Leader:	Health & Wellbeing
Key Decision:	Yes
Report Track:	Cabinet 17/1/13 Council 23/1/13

**CABINET
17 JANUARY 2013
LOCAL COUNCIL TAX REDUCTION SCHEME**

1 Purpose of Report

- 1.1 To update Cabinet on progress of the project to develop a Local Council Tax Reduction scheme, to become effective from 1 April 2013
- 1.2 To advise Cabinet of the outcome of the consultation process undertaken on the scheme proposed by Cabinet on 3 September 2012.
- 1.3 To summarise the content of the proposed scheme, at **APPENDIX A** to this report.
- 1.4 To recommend that Council be requested to formally adopt the Local Council Tax Reduction Scheme.

2 Recommendations

- 2.1 That Council as part of its Determination of the Council Tax Base for 2013-14 formally adopts the Local Council Tax Reduction Scheme (as amended in accordance paragraphs 3.10 and 3.11 below).

3 Key Issues and Reasons For Recommendation

- 3.1 Cabinet received reports relating to this issue at its meeting 3 September 2012. The main points from that report are summarised below.
- 3.2 The national Council Tax Benefit Scheme will be abolished with effect from 1 April 2013 and each Billing authority must replace this with its own local scheme.

- 3.3 Government grant in respect of the local scheme will be 10% lower than the funding for the current Council Tax Benefit scheme.
- 3.4 Cannock Chase Council's Council Tax Benefit subsidy in 2012/13 is expected to be £7.8M meaning that a saving of around £780,000 is required in 2013/14.
- 3.5 The Government has indicated that Council Tax support for pensioners should be protected at the level of the old scheme, thereby increasing the burden on other groups.
- 3.6 Local schemes will have significant impacts on individuals and will affect yield from Council Tax. Pensioners represent 48% of Council Tax Benefit expenditure in Cannock Chase, meaning that a 21% reduction will be required from working aged claimants.
- 3.7 A working party, lead by the Cannock Chase Revenues and Benefits Service, was created to endeavour, as far as is reasonably practicable, to create a common scheme for each of the district/boroughs in Staffordshire. The working party reports to the Staffordshire Chief Financial Officers Group and includes representatives from all 9 Billing Authorities and Staffordshire County Council.
- 3.8 Due to differing impacts on each district according to demographics, a single scheme across Staffordshire was not achievable. However a framework was agreed that provided similar schemes to be adopted, with parameters being varied according to each authority's need.
- 3.9 On 3 September Cabinet approved its proposed Council Tax Reduction Scheme and a formal stakeholder consultation was commenced. The consultation period ended on 16 November and the results of that process are given at **APPENDIX B**.
- 3.10 As a consequence of the consultation responses, a provision, equivalent to 1% of the 2012/13 Council Tax Benefit Subsidy is included in the proposed scheme to enable officers to exercise their discretion to increase the level of a Council Tax Reduction, where an applicant demonstrates exceptional circumstances.
- 3.11 Additionally the protection, whereby lone parents of children aged under 5 years could, depending on their circumstances, receive up to 100% support, has been extended to include all families with children aged under 5.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's 'Prosperity' priority by ensuring that the limited resources are best used to provide Council tax Support to the most vulnerable council taxpayers.

5 Report Detail

- 5.1 A consultation paper on the Localisation of Council Tax Support was published by Department for Communities and Local Government in August 2011. The paper arose from the 2010 Comprehensive Spending review, which highlighted the Government's intention to reduce expenditure on Council Tax Benefit by 10%

in 2013-14, and the Welfare Reform Bill, which proposed the abolition of Council Tax Benefit and its replacement with a localised scheme (the scheme being outside the “Universal Credit” scheme). The consultation paper stated that the scheme should be formulated on the following principles

- Local authorities to have a duty to run a scheme to provide support for council tax in their area.
 - For pensioners there should be no change in the current level of awards, as a result of this reform.
 - Local authorities should also consider ensuring support for other vulnerable groups.
 - Local schemes should support work incentives, and in particular avoid disincentives to move into work.
- 5.2 The proposed scheme is intended to operate based on a fixed, rather than demand led, allocation of grant but reflecting the reduced expenditure on Council Tax Support of 10%.
- 5.3 The scheme requires the current benefit scheme to be replaced by a discount scheme and determined in setting the Council Tax Base by 31 January 2013.
- 5.4 The consensus of responses from local authorities to this initial Government consultation paper emphasised that such a scheme was not deliverable within this timeframe and should, if implemented at all, be delayed by 12 months. This was addressed by DCLG on the basis that the implementation date was not movable and hence existing systems, processes and data should be “tweaked” in the first instance with local schemes then being developed in future years
- 5.5 The Governments response to the consultation response was published on 19 December 2011 and contained no material changes to the initial document. The Local Government Finance Bill, including the abolition of Council Tax Benefit, was published on the same day with the secondary legislation for the Localisation of Council Tax due to be passed in the Autumn. The Bill and enabling regulations have now received Royal Assent.
- 5.6 Consultation on the Council’s draft scheme was a crucial part of the implementation process. To that end, the county wide benefit group enlisted the support of the County Councils’ Corporate Community Engagement and Consultation Manager, who facilitated a comprehensive stakeholder consultation process. The consultation was supported by the Staffordshire Engagement Network, upon which all Borough/District Councils are represented.
- 5.7 The report of the results of the consultation process are given at **APPENDIX B** to this report. In summary the feedback received:
- Was generally supportive of the proposals put forward by Cabinet.
 - Was constructive, with a number of respondents describing their own circumstances.
 - Was balanced with a variety of comments being made in favour of, and in opposition to the proposals.

- Was informative. The responses highlighted the need for a contingency fund to be established in order that any exceptional or unforeseen circumstances can be accommodated.
- 5.8 As a consequence of the consultation responses, a provision, equivalent to 1% of the 2012/13 Council Tax Benefit Subsidy is included in the proposed scheme to enable officers to exercise their discretion to increase the level of a Council Tax Reduction, where an applicant demonstrates exceptional circumstances.
- 5.9 Additionally the protection, whereby lone parents of children aged under 5 years could, depending on their circumstances, receive up to 100% support, has been extended to include all families with children aged under 5.
- 5.10 On 16 October the DCLG made an announcement regarding an additional £100m “transitional funding” being made available nationally to councils “to help support them in developing well-designed council tax support schemes and maintain positive incentives to work”. This grant will be available to those councils whose schemes satisfy the following 3 criteria:
- Those claimants who would receive 100% support under current council tax benefit arrangements pay between zero and no more than **8.5%** of their council tax liability;
 - The taper rate (the rate at which support reduces, as a claimant’s income exceeds the minimum level) does not increase above **25%**; and
 - There is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award.
- 5.11 Having considered this, and the qualifying conditions associated with the grant, it is recommended not to make an application for a share of the funding. The funding is for one year only and the first and third of the qualifying conditions, set out above, are not consistent with the proposed scheme upon which we have consulted.

6 Implications

6.1 Financial

- 6.1.1 The implementation and operation of the Local Council Tax Support scheme will have significant financial implications as the Council is required to deliver a 10% reduction in the level of Council Tax Reduction, available under its local scheme. Confirmation of the grant available to the Council in support of Council Tax Reductions was made on 19 December 2012. The total grant including precepting bodies is based upon 2011-12 Subsidised Council tax Expenditure of £7.975 million and amounts to £7.065 million a reduction of 11.4%. The current projections for 2012-13 of £7.8 million necessitates a minimum 10% reduction in the scheme. A saving requirement in the region of £780,000 is required in the creation of the Council’s scheme. This saving is met by the District Council, the County Council, the Police and Fire Authorities and Local precepting bodies. The

grant for this Council amounts to £934,043 and compensates for a lower Council tax base following the introduction of the discount scheme.

6.1.2 The grant in relation to Parish Councils amounts to £91,124 and a scheme is being developed to ensure security of funding for parishes by utilising the Gross Council Tax base for calculation purposes with precept payments including both Council tax raised and Grant funding to the level of the precept.

6.1.3 Any shortfall against the required saving, for example as a result of increasing caseloads, will impact upon the Collection fund and so would be met by the Council and its Precepting Authorities.

6.2 Legal

The Council is given a legal duty to create its own Local Council Tax Reduction Scheme, by Local Government Finance Act 2012.

6.3 Human Resources

There are no direct Human Resources implications to this report.

6.4 Section 17 (Crime Prevention)

There are no direct Crime Prevention implications to this report.

6.5 Human Rights Act

There are no direct Human Rights Act implications to this report

6.6 Data Protection

This report contains no personal data and there are no direct Data Protection implications.

6.7 Risk Management

6.7.1 The Council has worked in partnership with a number of other authorities and external agencies to ensure that the financial risks to the Council and to local residents, of this significant scheme, are mitigated.

6.7.2 In common with other councils in Staffordshire, the Council has commissioned an external law firm to obtain an expert legal opinion on the scheme and the process followed in creating it. The aim of this is to mitigate the risk of the Council facing a Judicial Review of its scheme.

6.8 Equality & Diversity

6.8.1 A full Equality Impact Assessment (EqIA) has been undertaken and reviewed.

6.8.2 The proposed framework is in response to changes in National Legislation by which the responsibility for Council Tax Benefit is being transferred to Local Authorities. The potential for discrimination with regard to Age, Gender and Disability noted in the EqIA are considered to be unavoidable in the context of the background to the scheme. The proposals are based on the necessity for financial savings in the Council Tax support budget, and it is noted that some residents will be affected as the scheme is adapted to operate with reduced

resources. The public consultation undertaken has indicated broad support for a number of the proposals included in the scheme, and the mitigating factors introduced in response to some of the issues highlighted are considered to provide additional support for characteristics such as Gender, Maternity and Marriage and Civil Partnerships. As such the EqIA is subject to no major change.

6.9 Best Value

The Council has had regard for the principles of Best Value by working in partnership with other Billing Authorities and precepting bodies in creating and consulting upon its proposed scheme.

7 Appendices to the Report

Appendix A	Summary of Council Tax Reduction Scheme
Appendix B	Report of results of Consultation.
Appendix C	A copy of the full working policy document is available on the Council's Intranet and Members Portal.

Previous Consideration

Localisation of Council Tax Support Consultation	Cabinet	3 September, 2012
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Background Papers.
Available from Rob Wolfe, Local Taxation and Benefits Manager.

Local Council Tax Reduction Scheme 2013/14

The Council Tax Reduction Schemes (Default Scheme) (England) prescribe the Government's 'default scheme' which mirrors the previous Council Tax Benefit regulations.

The following table summarises the provisions of Cannock Chase District Council's Local Council Tax Reduction Scheme Policy, and particular highlights the areas where our scheme differs from the default scheme.

	Category of Claimant	CTB Scheme / Default Scheme	Cannock Chase DC Local Scheme
<u>Pensioner Claims</u>			
	No scope for changes within LCTRS	Up to 100% of CT Bill	Up to 100% of CT Bill
<u>Working Age Claimants</u>			
	Claims will be based on a maximum of 80% of Council Tax Liability	Up to 100% of CT Bill	Up to 80% of CT Bill
	Properties in bands higher than Band D will be based on 80% Band D Council Tax	Up to 100% of CT Bill	Up to 80% of band D rate
	Second Adult Rebate (see note A below)	Up to 25% of CT Bill	Nil
	Capital Cut off at £6,000 for claimants who are not in receipt of benefits processed by the DWP	Capital is taken into account on a tapered basis between £6,000 and £16,000	No LCTRS if capital exceeds £6,000
	Customers in receipt of Child Benefit (CB)	CB not included as income	CB included as income
	Customers in receipt of Maintenance payments	Maintenance not included as income	Maintenance included as income
	Customers in full or part time work	Variety of disregards according to claimant type	Flat rate of first £25 of earned income disregarded

Non-dependant deductions (see note B below)

	Non-dependants in various categories (eg out of work and under 25 or living with a disabled person)	CTB scheme prescribes a nil rate of non-dependant charges for some claimants	The current CTB criteria for nil charges, will be retained in the LCTS scheme
	Other Non-Dependants (not in work)	Variety of charges according to claimant type	£5 p/w
	Other Non-Dependants (in work)	Variety of charges according to claimant type	£10 p/w

Note A Second adult rebate

Some customers are not entitled to Council Tax Benefit in their own right because their own income is too high or they have too much in savings. However, they can claim a Second Adult Rebate, for a reduction of up to 25% off their bill, because they have another adult living with them who is on a low income.

Note B Non Dependants

Council Tax Benefit is assessed on the needs of the claimant, partner and dependant children. Other adults are expected to contribute towards the Council Tax bill depending on their income. These other adults are referred to as non-dependants.

It is proposed that the following categories of claimant will receive some protection from the above changes. This results in a reduction in the potential savings.

	Category of Claimant	CTB Scheme / Default Scheme	Cannock Chase DC Local Scheme
	Claimants Who Are Eligible to Severe Disability Premium (see Note C below)	Up to 100% of CT Bill	Up to 100% of CT Bill
	Families who have a child aged under 5	Up to 100% of CT Bill	Up to 100% of CT Bill
	Those in receipt of War pensions or War Widows Pensions.	War & war widows' pensions are disregarded	War & war widows pensions to continue to be disregarded
	Discretionary Fund available to support vulnerable claimants demonstrating exceptional circumstances	Not Applicable	1% of Council Tax Benefit Subsidy anticipated for 2012/13

Note C Severe Disability Premium

If a person receives Disability Living Allowance, a Care Component may be added if they require help with day to day tasks or if they need frequent personal care. A lower, middle or higher rate is paid depending on the care needs of the claimant. Single claimants that receive a middle or higher rate Care Component are classed as severely disabled and can attract a Severe Disability Premium too, as long as no one lives with them and no one receives a Carer's Allowance for looking after them. Couples can also receive this premium as long as they both are eligible for a middle or higher rate Care Component, no one lives with them and no one receives a Carer's Allowance for looking after either of them. Under the current scheme, claimants who are eligible to Severe Disability Premium can receive support for up to 100% of their Council Tax bill.

Localisation of Council Tax Consultation Final Report - Cannock Chase District November 2012

DOCUMENT DETAILS

This document has been produced on behalf of Cannock Chase District Council by the Staffordshire County Council Insight Team



Title	Localisation of Council Tax Consultation Final Report, Cannock Chase District Council
Date created	November 2012
Description	The purpose of this document is to provide Cannock Chase District Council with the consultation results on their proposals for localising their Council Tax Benefit Scheme.
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The degree of endorsement for the proposals was varied, with most support¹ being received for proposal 9 which ensures continued provision for those claiming a Severe Disability Premium. Least support¹¹ was received to proposal 6 under which Child Benefit payments would be included as income for all working age customers when calculating the claimant's Council Tax Support entitlement.

There was a **high** level of support for five out of the eleven proposals and these are outlined below:

- Continuing to protect those claiming a Severe Disability Premium (Proposal 9)
- Continuing to disregard childcare costs (Proposal 4)
- Disregarding a proportion of claimants earnings - new flat fee (Proposal 8)
- Protecting lone parents with children under the age of five (Proposal 11)
- Level of support for pensioners, claimants on DLA and lone parents (Proposal 1)

In addition, there was a moderate level of backing for the majority of the other proposals with just some support being received for Proposal 6, including Child Benefit as income. There was a general feeling that this money should be for the child's benefit and not be used for paying bills. Some were also concerned about financial difficulties and people's ability to pay should this proposal be implemented.

The results must be considered in the context of the respondents. The majority of respondents identified themselves as residents of Staffordshire and felt that the proposals would have a low impact on them personally or a low impact on the communities that they represent. Respondents overall were also of the view that everyone should pay something towards their Council Tax and supported the principle that people should be encouraged to work.

Responses for each proposal also reflect differences by claimant type and whilst these vary between the individual proposals, what is noticeable is the consistently lower level of support from respondents claiming Income Support (in five of the eleven proposals) and Job Seeker's Allowance (in six of the eleven proposals) and these are the proposals largely aimed at supporting working aged people and encouraging them into work. The views of vulnerable communities are vital and must be assessed as part of the decision making process. Additional vulnerable groups including carers, those on a low income, students and those who could be made homeless following the implementation of the proposals were also highlighted during the consultation period.

Those disagreeing with the proposals were most likely to voice their concerns and provide commentaries explaining their viewpoint. These raise interesting issues with themes, including that proposals should purely be based on people's ability to pay with means testing being the fairest way to ensure that those who can afford to pay do so, whilst those that need protecting the most, are duly protected.

Changes that are implemented should be publicised in advance and be phased in their approach; both allowing time for appeals and for concerns to be dealt with in a timely manner. The cost and time involved in following up non payments also needs to be considered at an early stage and it is key that they are efficient and are not costly to maintain to ensure the savings which need to be made can be achieved.

Employment opportunities and the availability of affordable housing additionally need serious consideration due to pressures which may arise should the proposals be implemented.

¹ Largest proportion of respondents that feel the proposal is 'reasonable'

¹¹ Largest proportion of respondents that feel the proposal is 'unreasonable'

Local Authorities currently deliver a national Council Tax Benefit scheme on behalf of the Government. This national scheme is being abolished and from April 2013 local authorities across the country will be expected to provide and deliver their own local Council Tax Support Scheme for working age people. The Government will still provide funding for localised schemes, but this will be reduced and in response to this the Council have developed a number of proposals designed to allow the Council to provide a localised scheme which costs less money than the current national scheme.

Cannock Chase District Council has consulted with residents, claimant organisations and other interested parties to ascertain views on the proposals to ensure that their views, and in particular the views of vulnerable residents, are used to shape the development of the future Localised Council Tax Support Scheme.

This report has been produced by Staffordshire County Council on behalf of Cannock Chase District Council and brings together analysis and key themes of all responses received. As this consultation has taken place across all local authorities in Staffordshire, it will be possible to place these results in wider context and identify local differences. This analysis will be made available in December, once all local consultation has closed.

2.2 METHODOLOGY

The methodologies used to capture views have been diverse and include telephone surveys, face-to-face interviews and online surveys. All fieldwork was conducted between 13th September and 22nd November 2012. This report brings together analysis from locally collected consultation responses as well as additional responses from telephone and face-to-face surveys undertaken by the market research company MEL.

A total of 50 responses were received through local consultation and 301 were received in response to the telephone and face-to-face surveys undertaken by MEL, resulting in a total of 351 responses. This is a statistically robust number of responses based on the population of Cannock, resulting in a confidence level of +/- 5.2 percentage points at a confidence interval of 95%.

Where the 'level of support' is quoted within this report, this is defined as:

- Low: 0% - 24% agree the proposal to be reasonable
- Some: 25% - 49% agree the proposal to be reasonable
- Moderate: 50% - 74% agree the proposal to be reasonable
- High: 75% - 100% agree the proposal to be reasonable

2.3 RESPONDENT PROFILE

Out of the 50 responses that have been received to the local consultation, the largest proportion of responses are from 'Residents of Staffordshire'. The profile of respondents is outlined below:

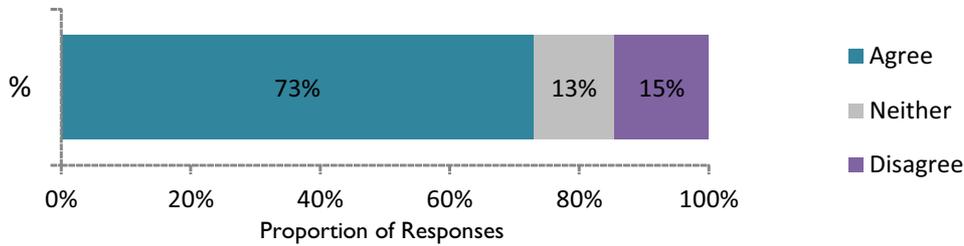
- Resident of Staffordshire (80%)
- None of these (8%)
- A relative of a Council Tax Benefit claimant (6%)
- Resident outside of Cannock Chase District / Other (4% each)
- Voluntary organisation / Housing association (2% each)

Full respondent profiles can be found in Appendix I.

Respondents were invited to state to what extent they agreed or disagreed with the following principles.

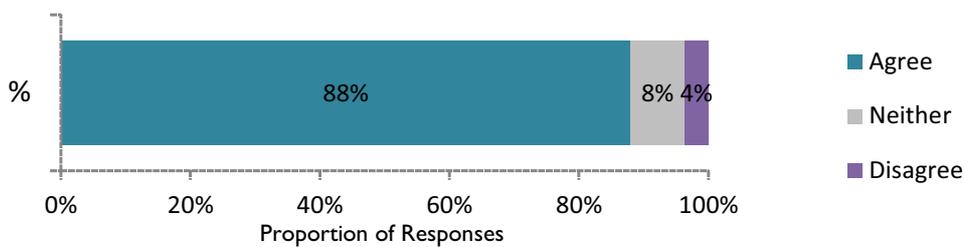
Key Principle 1: Every household with working age members should pay something towards their Council Tax Bill.

Consultation responses:



Key Principle 2: The Local Council Tax Support Scheme should encourage people to work.

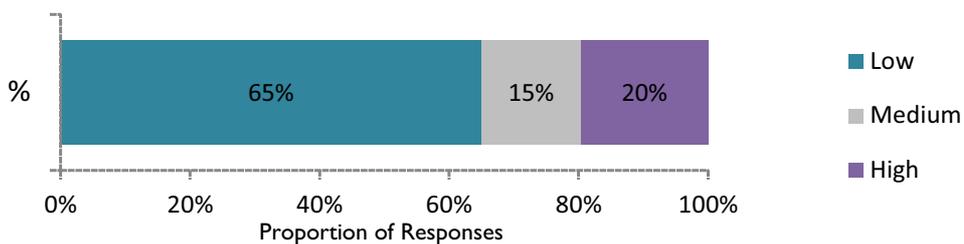
Consultation responses:



Financial Impact of Proposals

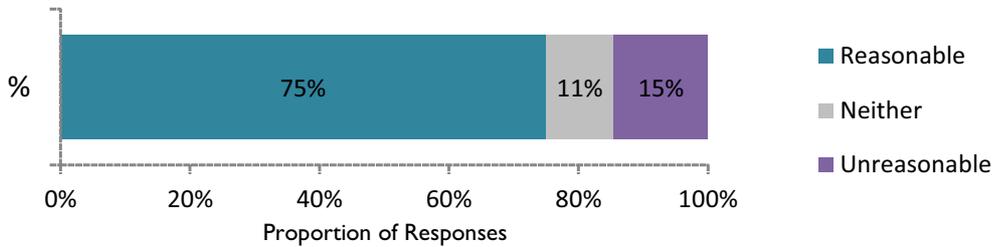
Respondents were also asked what impact the proposed changes would have to their financial situation, or the financial situation of those communities they represent.

Consultation responses:

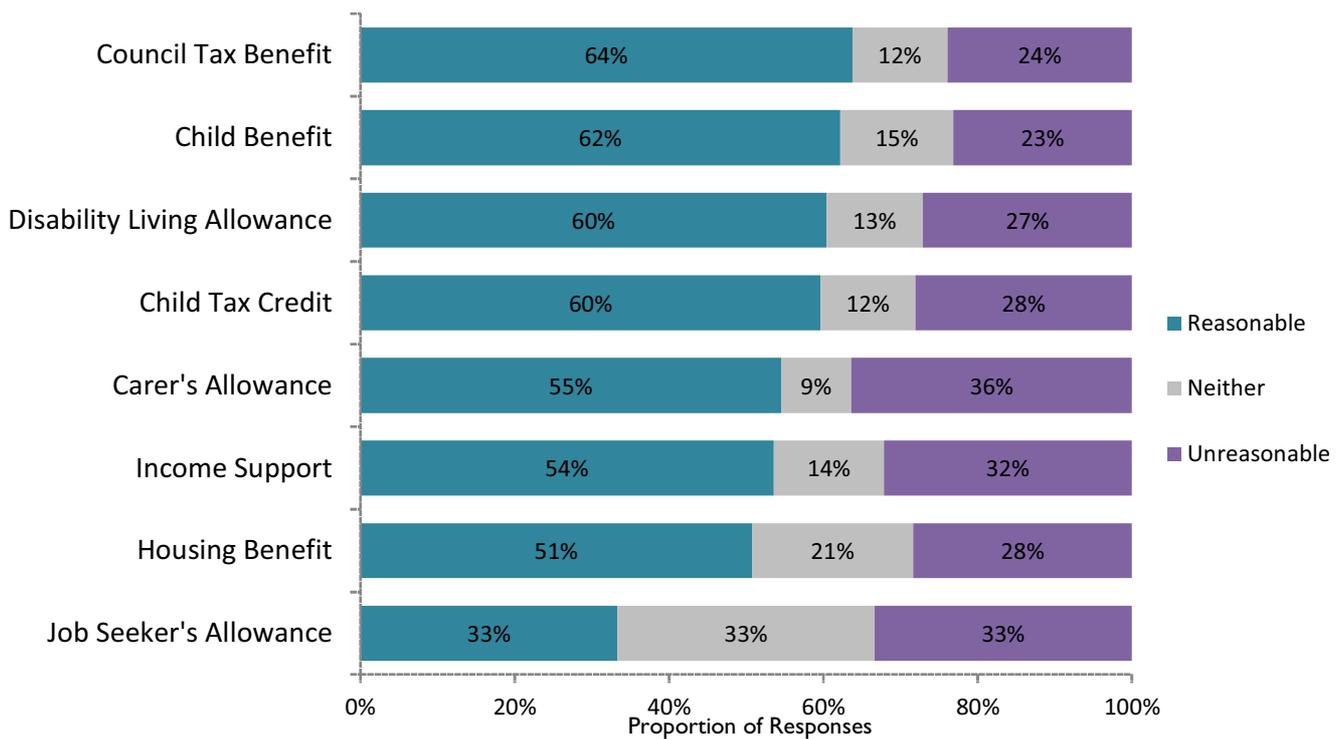


Proposal 1: Pensioners would continue to receive support for up to 100% of their Council Tax Bill as they will be protected by the Government under a national scheme. We propose to also protect working age claimants in receipt of a Disability Premium and lone parents with children under the age of 5. All other working age claimants would be expected to pay something towards their Council Tax Bill.

Consultation responses:



There was a high level of support for this proposal, however this level of support reduced depending on whether the recipients household was in receipt of various benefits¹. There was some support from recipients of Job Seeker’s Allowance, and moderate support from other types for benefit claimant.



¹ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a high level of support for this proposal and the views expressed by respondents were most likely to be in opposition to the proposal. Those who did feel it was acceptable, were most likely to say the proposal was acceptable so long as people were means tested and measured on their ability to pay. A few did also feel that *“everyone of working age should make a contribution towards local costs.”* Others raised questions and concerns about their personal circumstances and wanted to understand why some groups of people were being protected whilst others were not.

Lone parents with children under the age of five

Respondents questioned why lone parents with children under the age of five should get special treatment, with one single working mum with children under the age of five feeling that lone parents *“should pay something towards it”* especially as *“some lone parents have very high incomes.”*

Other vulnerable groups should also be considered and these include, *“families”* who may be encouraged to separate if it means they would be *“entitled to more benefits.”* The *“under 25’s who do not have access to a lot of money through benefits and who can barely afford to live on what they have now”*, should also be protected.

A few respondents did feel that *“single parents who work, but receive a low income should still receive support for up to 100%.”*

Working age claimants

Expecting working age claimants to pay was generally viewed as unreasonable through the comments that respondents shared. This was considered to be especially true in relation to those who were *“unemployed by way of redundancy.”*

Money is also tight for working age claimants in general and when it is *“so tight that you cannot afford to have the heating on”*, respondents questioned how they could be expected to find *“any extra money.”* Implementing this proposal will just serve to make *“the poor, poorer.”* They will be *“below the poverty line”* and there will be little that can be done to improve the situation as there are *“no jobs at all in Rugeley.”*

One who is currently in receipt of Employment and Support Allowance because of cancer, fears she will be back on Job Seeker’s Allowance soon and with *“rising costs for gas and electricity, water rates, TV licence and phone bills there is little left for food, clothing and toiletries.”* This payment would be an additional burden.

Disabled claimants

A few respondents felt that initially, claimants in receipt of this benefit should be assessed to ensure that they were *“genuine.”* Others were concerned about the affect this proposal would have on their personal circumstances with the implications for carers and their families being of particular concern. An example of this is outlined below.

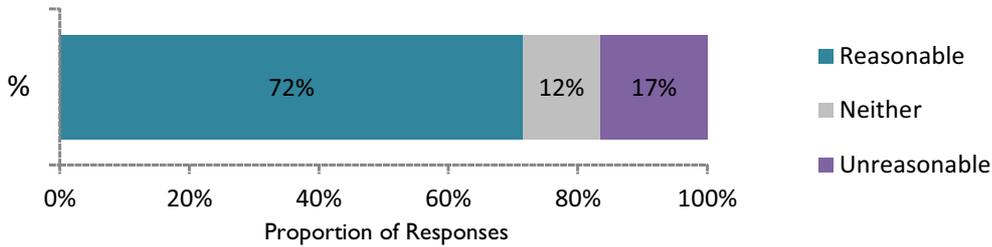
“What about me and all the other severely disabled people whose partners have given up their whole lives to care for us. We are being punished because we do not live on our own! There is no way I can get out of the house on a daily basis, never mind work, yet I’m not entitled to the Severe Disability Premium because my fiancé has given up EVERYTHING to care for me?! I’m disgusted at your proposals and it all adds up to this current Government attacking the GENUINELY sick and disabled and their families.”

Pensioners

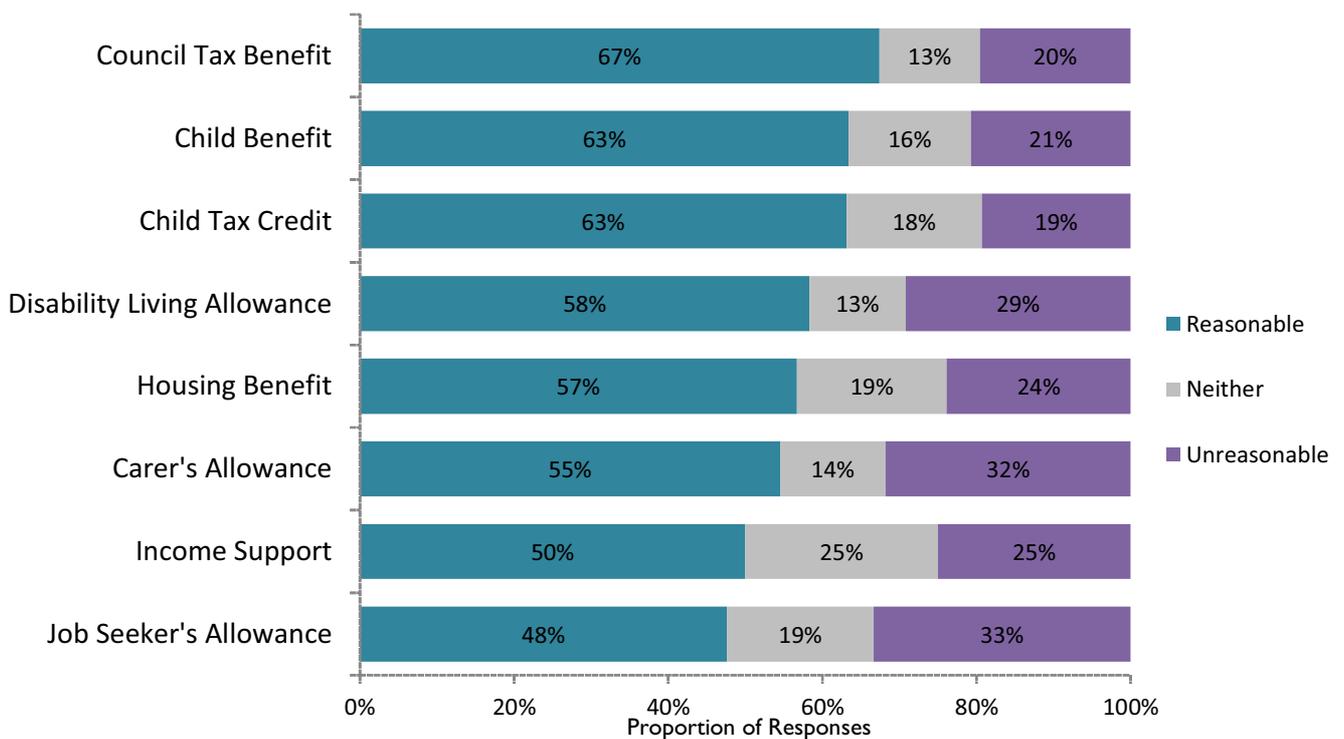
It’s a *“brilliant idea”* to protect the elderly and seems *“fair.”* Without this support, many pensioners would *“struggle”* as they don’t get *“a lot”* and *“can’t work”* so we should *“look after them.”* A few did feel that *“wealthy pensioners”* should contribute as they can afford to do so.

Proposal 2: We want to change this so Council Tax Support is limited to the level that would be given for a smaller house. We propose that for those groups not protected we limit the maximum support offered based on 80% of the Council Tax Bill for band D property, even if the claimant lives in a property with a higher banding than D.

Consultation responses:



There was a moderate level of support for this proposal, with almost three quarters of respondents agreeing that the proposal is reasonable. The level of support for the proposal was dependent on whether the respondent’s household was in receipt of various benefits², with less than half of recipients of Job Seeker’s Allowance agreeing that the proposal is reasonable, and a third believing it to be unreasonable.



² It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a moderate level of support for this proposal with respondents commenting on a wide range of themes. The most commonly mentioned concern was the assumption that people who live in larger houses have enough disposable income to be able to afford to pay more Council Tax.

House size

Some respondents felt that there was an *“assumption that people living in large houses have money”* and they were adamant that this *“is not always the case.”* One respondent had recently moved to a larger home because her son has *“a disability and needed more space.”* He was also *“taunted”* at their last home. As a single parent, she would have to *“move house again”* if required to pay *“100% Council Tax.”*

People may also live in expensive houses for historical reasons and still not be in a position to comfortably pay a higher level of Council Tax. *“Living in a larger house does not necessarily mean that a person has more disposable income.”*

Base proposals on housing need and not housing size

Looking at people’s housing needs was viewed as key and one respondent stressed that their home is their *“sanctuary”* and they questioned who would pay for them to move house. They were also concerned that if they were forced to move to a smaller house then their plans for *“another child would be stopped.”*

Redundancy

The ability to pay in times of redundancy was a key concern amongst respondents who felt that this proposal could *“penalise hard working families who have afforded to buy a bigger property then fallen on hard times beyond their control; such as illness or redundancy.”*

Everyone should pay

Some respondents were of the view that no-one living in a Band D property or above needs *“help towards their Council Tax”* and they should be responsible for paying their bill. In addition, some respondents could also see no reason why people with *“large private pensions shouldn’t contribute something towards their Council Tax.”*

Availability of housing stock

A few respondents commented on the suitability and availability of alternative housing stock should they need to move with one in particular asking, *“what happens to people who live in small houses/ bungalows and can’t move into anything smaller?”*

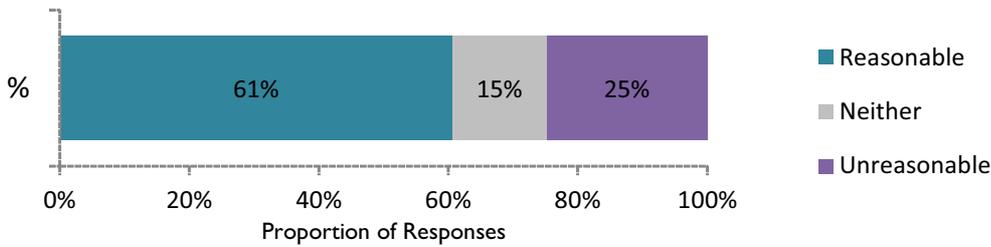
Additional comments

- *“It is a long time since banding was introduced and it should be upgraded to make Council Tax payments fair.” “The banding system was unfair when introduced. Housing market increases mean residents who have not moved and upgraded are caught in a banding / house value trap. Those who have moved have done so knowingly!”*
- *“This scheme hits middle income families and does not reflect those who haven't paid enough into the system.”*
- *“Proportional Council Tax fees should be applied where there are more rooms and more people.”*

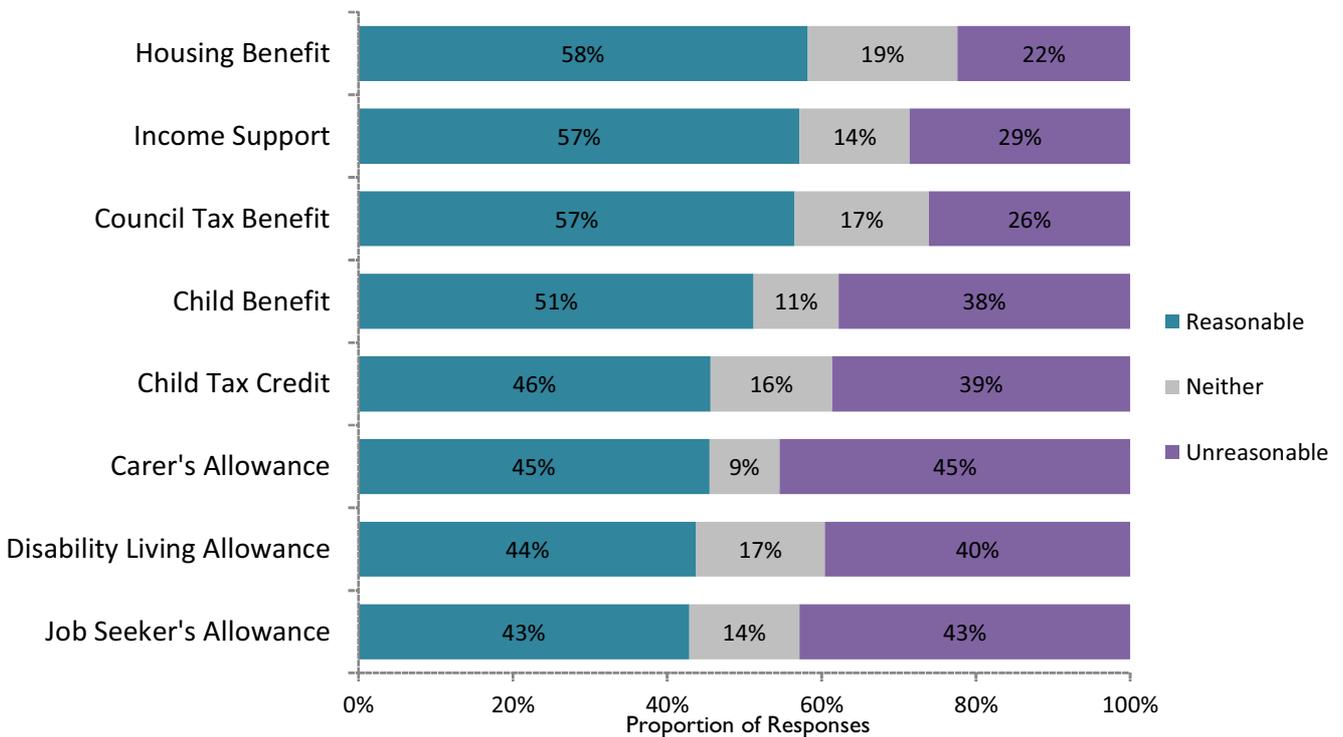
Proposal 3: Some customers are not entitled to Council Tax Benefit in their own right because their own income is too high or they have too much savings. However, they can claim a Second Adult Rebate, for a reduction of up to 25% off their bill, because they have another adult living with them who is on a low income.

We propose to remove the Second Adult Rebate under the new scheme which means that those of working age currently entitled to a Second Adult Rebate who are not pensioners will have to pay 100% of their Council Tax Bill.

Consultation responses:



There was a moderate level of support for this proposal, however a quarter of respondents believe it to be unreasonable. The level of support for the proposal varied depending on whether the respondent’s household was in receipt of various benefits³. There was some support from recipients of Child Tax Credit, Carer’s Allowance, Disability Living Allowance and Job Seeker’s Allowance.



³ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a moderate level of support for this proposal with respondents feeling that fairness and the total earnings of the household should be the deciding factors.

Fairness

The proposal was considered to be reasonable where there were *“two adults living in a household.”* In particular, *“if they are the bread earners”* and *“enjoy higher salaries than average, then they should pay the full bill!”*.

It is fair that *“it is the home owner's problem to sort out contributions to Council Tax and any other household expenses and therefore, if they can afford to pay the full amount because their income is high enough, they should do so.”*

Financial pressures and the ability to pay

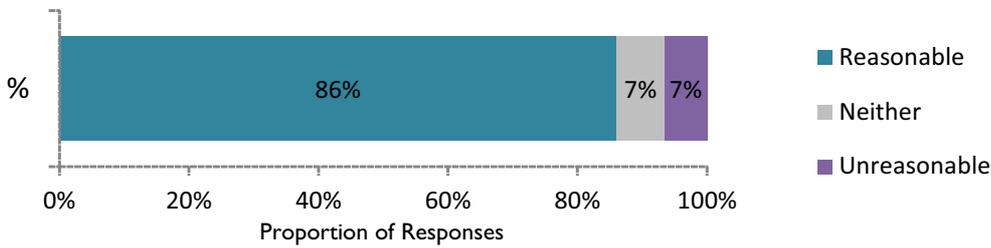
Others expressed concerns in relation to those who may be adversely affected by the proposal with some respondents of the view that the proposal just *“wouldn't work”*. It may affect *“working families”* and if the *“bread winner loses their job and can't afford to pay but the second wage earner has a low paid job, the total income in the house has been affected and it is not possible for a low wage earner to then find a job earning more.”* This is yet another way of *“hitting middle income families whom are paying for those who can't pay.”*

It's like the Poll Tax

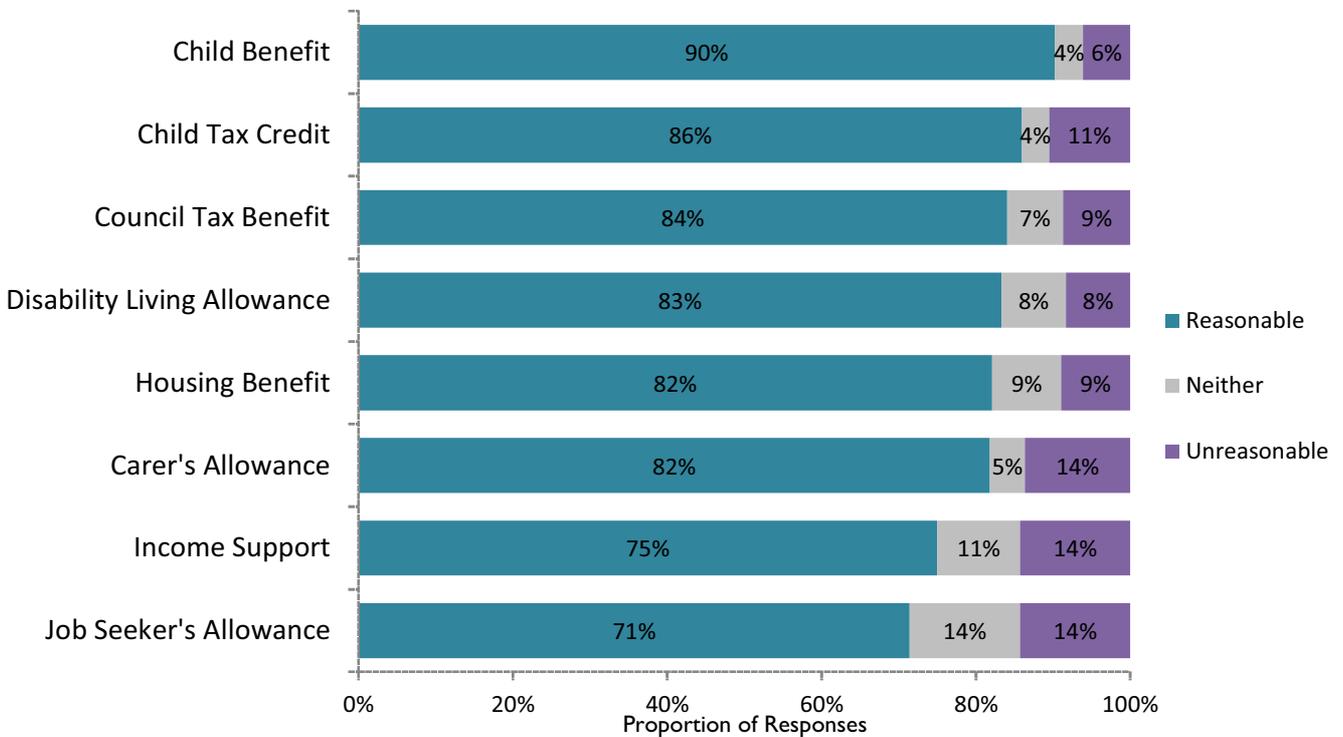
This is *“a back door return to the Poll Tax.”*

Proposal 4: We propose to keep disregarding childcare costs when calculating Council Tax Support. This does not contribute to any reductions but would provide an incentive for parents to stay in work or return to work.

Consultation responses:



There was a **high** level of support for this proposal, although this was dependant on whether the respondents household was in receipt of various benefits⁴. The highest level of support was from recipients of Child Benefit, however there was only moderate support from recipients of Job Seeker’s Allowance.



⁴ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a high level of support for this proposal and those in support of the proposal were of the opinion that *“childcare should never be disregarded”* and people should never be *“penalised for going to work.”* However, some did not feel that children should be supported if there were other key vulnerable groups who were excluded from support. These included the *“severely disabled who happen to live with carers”*.

Everyone should contribute

Some felt it was reasonable to include childcare costs as people who have children choose to have them and they should therefore *“pay for the services they need to use.”*

Improving the jobs market

Others questioned the *“incentive to stay in work”* considering the current jobs market. One who had lost their job, said that if they ended up being paid minimum wage to work they would *“struggle to pay bills and taxes.”* It was for this reason that they felt *“most people eventually end up back on benefits.”*

Parents need the help and children need to be protected

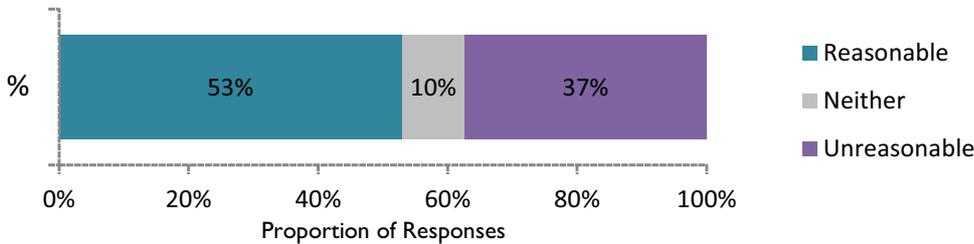
It was considered by some as important to *“protect children”* and one who was a lone parent and used a registered child minder, was concerned that if *“childcare costs were not taken off”*, she would have to *“give up”* her job as she would not be able to afford to *“work and pay costs.”*

Additional comments

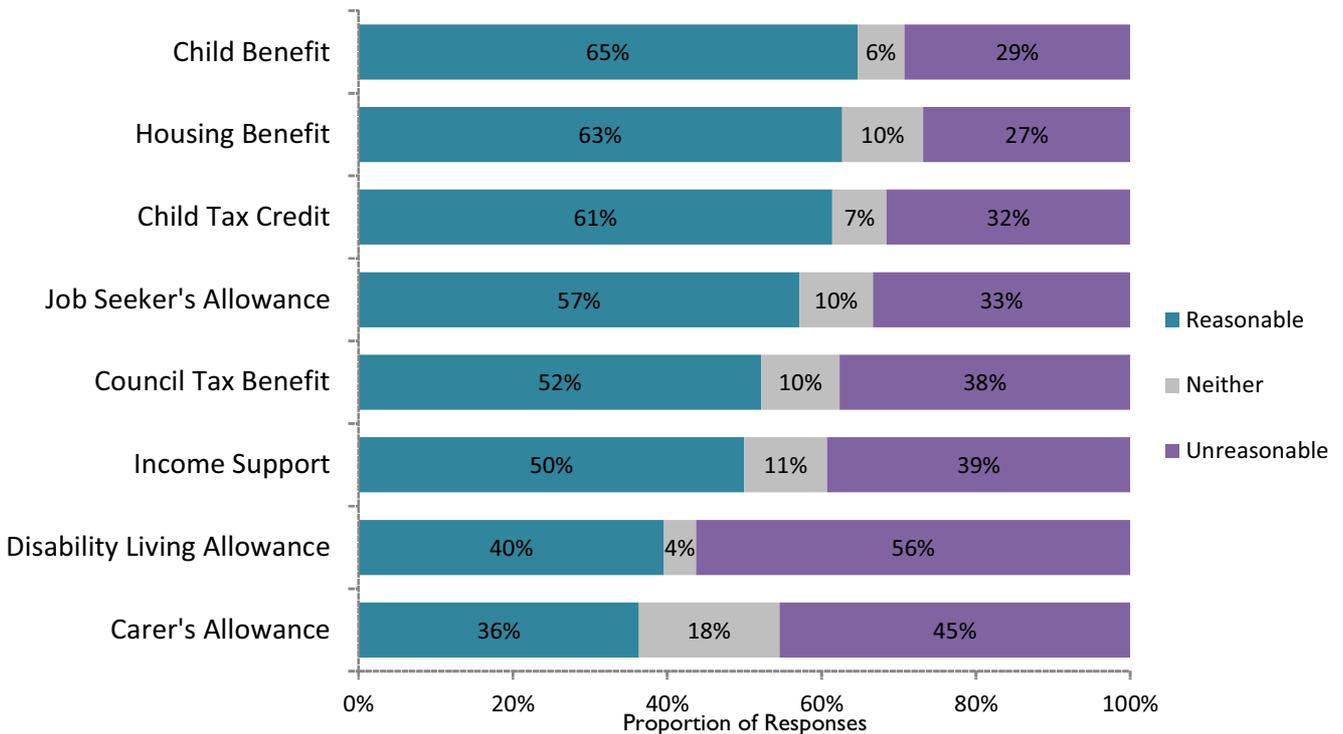
- One respondent could just afford to support her children and found it *“hard to swallow”* that this was *“the best proposal”* for their circumstances. Having *“worked continuously for 24 years”*, she did not need to be *“encouraged to work”* and just needed to know that support was available, when it was needed.

Proposal 5: Under the current scheme, claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax Bill. We propose to reduce this to £6,000. This means that working age claimants with savings that exceed £6,000 and are not on a pass-ported benefit, such as Income Support, Employment and Support Allowance (income related), Job Seekers Allowance (income based) or Pension Credit (Guarantee), would be expected to pay 100% of their Council Tax Bill.

Consultation responses:



There was a moderate level of support for this proposal, with just over half of respondents believing the proposal to be reasonable. More than a third believe it to be unreasonable. This support was dependant on whether the respondent’s household was in receipt of various benefits⁵. There was some support from claimants of Carer’s Allowance and Disability Living Allowance, however more than half of respondents to the latter believed the proposal to be unreasonable. The highest levels of support were from recipients of Child Benefit, Housing Benefit and Child Tax Credit.



⁵ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a moderate level of support for this proposal with those in support expressing the viewpoint that if people have savings then they can afford to pay their Council Tax. *“The idea of saving is that it is 'rainy day' money. In the unfortunate event that the 'rainy day' has arrived, the savings need to be used for regular survival purposes.”*

£6,000 is a reasonable amount to protect

Those who were in favour of the proposal also commented that if people can *“afford to pay the bill”* then they *“should pay the bill!”* Those who do have *“savings”* should have these taken into account when *“calculating any benefits.”* One felt that the only exemption should be in relation to an inheritance - *“as these are not based on the ability to save.”*

A few additional respondents also felt it was unfair to protect people's savings when *“severely disabled people who have carers... are not going to get one penny of help”* and these respondents were firmly of the view that *“people who can easily afford to pay the bill should pay the bill!”*

The limit should be higher or remain at £16,000

Some suggested that the proposal would be more reasonable if the savings threshold was raised to *“£10,000”* or *“left as it was at £16,000.”*

It's unfair on savers

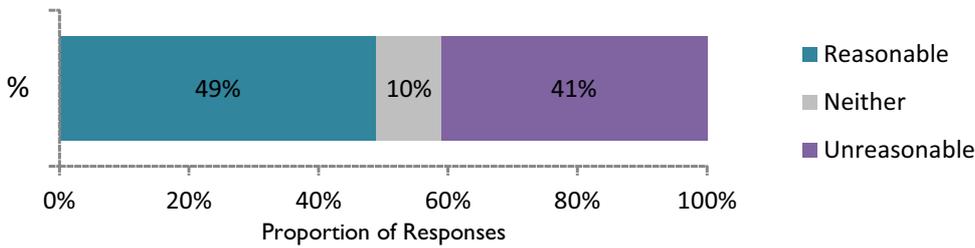
Others felt that people who have *“worked hard”* or *“saved”* all their lives and *“denied themselves luxuries”* should not suffer as a consequence of their good behaviour now. *“Savings should not be taken into account.”* In the future people may as well not have savings and become like those already *“abusing the system.”*

Debt and poverty

Some respondents were concerned in general that the implementation of this proposal will be *“forcing poverty”* onto more individuals. *“£6000 wouldn't last long at all”* and it was felt that the authorities seem to *“forget”* with all their plans for *“saving money”*, that *“energy bills are at an all time high”* and the cost of living has increased.

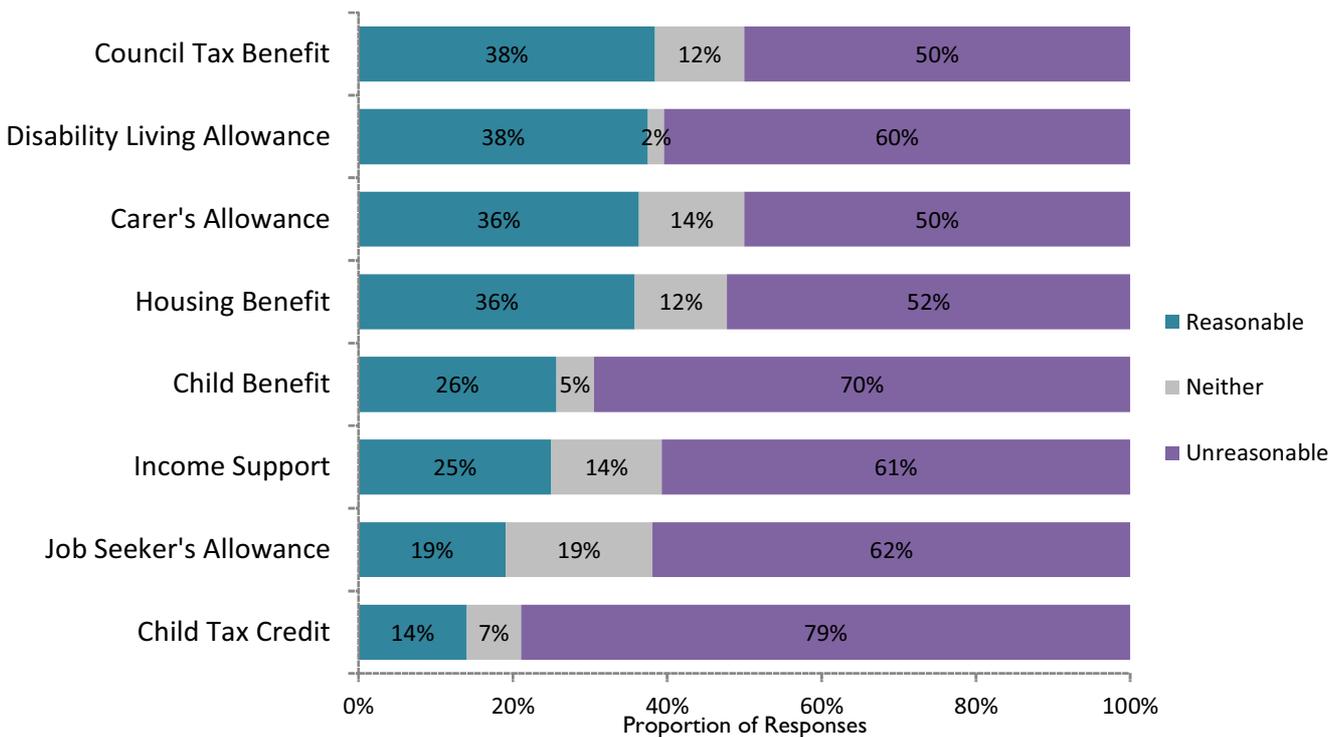
Proposal 6: For the new scheme, we propose to include Child Benefit payments as income for all working age customers when calculating the claimant's Council Tax Support entitlement.

Consultation responses:



There was **some** support for this proposal, however more than four in ten respondents believed the proposal to be unreasonable. The level of support decreased for respondents whose households were in receipt of various benefits⁶. This was the least popular proposal across Cannock Chase.

For benefit claimants, the largest proportion of respondents believed the proposal to be unreasonable, with the lowest support coming from recipients of Child Tax Credit, where almost eight out of ten respondents believed the proposal to be unreasonable.



⁶ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was some support for this proposal. One respondent commented that this proposal *“is not fitting unless HMRC are also calculating payment as income.”* They recognised that *“the Localism Act is making changes”* but stated that *“these are not constituted changes, not even locally.”* The respondent was of the view that the Council needs to *“reconfirm with the DCLG and HMRC as regards the validation of this proposal.”*

Many of the comments on this proposal reflected people’s concerns with respondents stating that this money should be for children and should not be used to *“pay bills.”* Some were additionally concerned about the implications for those on *“a low wage”* and the likelihood that the implementation of this proposal would undoubtedly lead to an increase in child poverty. There were some who supported Child Benefit being included as income. These were generally people without children who shared the view that people should be prepared to pay for their children.

Benefit is for the child’s welfare

Many respondents were of the view that *“Child Benefit isn’t income. It’s help for families who struggle!”* Respondents were concerned that this move to include Child Benefit would put people into *“serious poverty.”* It would also cause additional problems for single parents and is money which should be used to help provide *“food”* and *“clothes”* for children.

Financial difficulties and the ability to pay

Others who felt the proposals were unreasonable commented that this proposal could cause difficulties for people who are *“in work and on a low wage.”* As a result, children will suffer and there will be *“more child poverty”* and this is *“already on the increase in the UK”* which is *“bottom in terms of child poverty in Europe!”*

It should be treated as income

Some respondents were of the view that *“any source of household income should be included.”* The only exception should be *“child care because it is such a huge cost.”*

Parents should be prepared to pay for their children

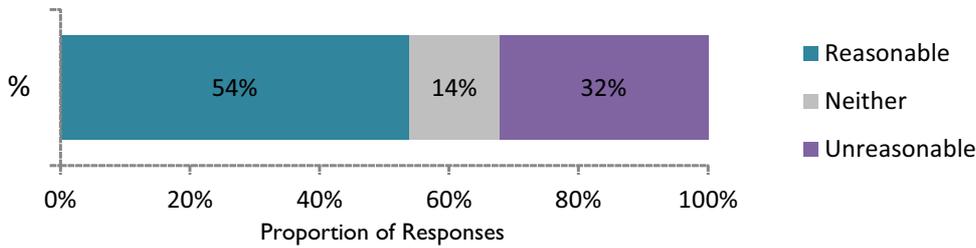
A few were of the opinion that *“if people have children”* then they should be *“prepared to pay for them.”* They also took this one stage further commenting that they should *“never have received Child Benefit in the first place.”*

Discourages people from having more children

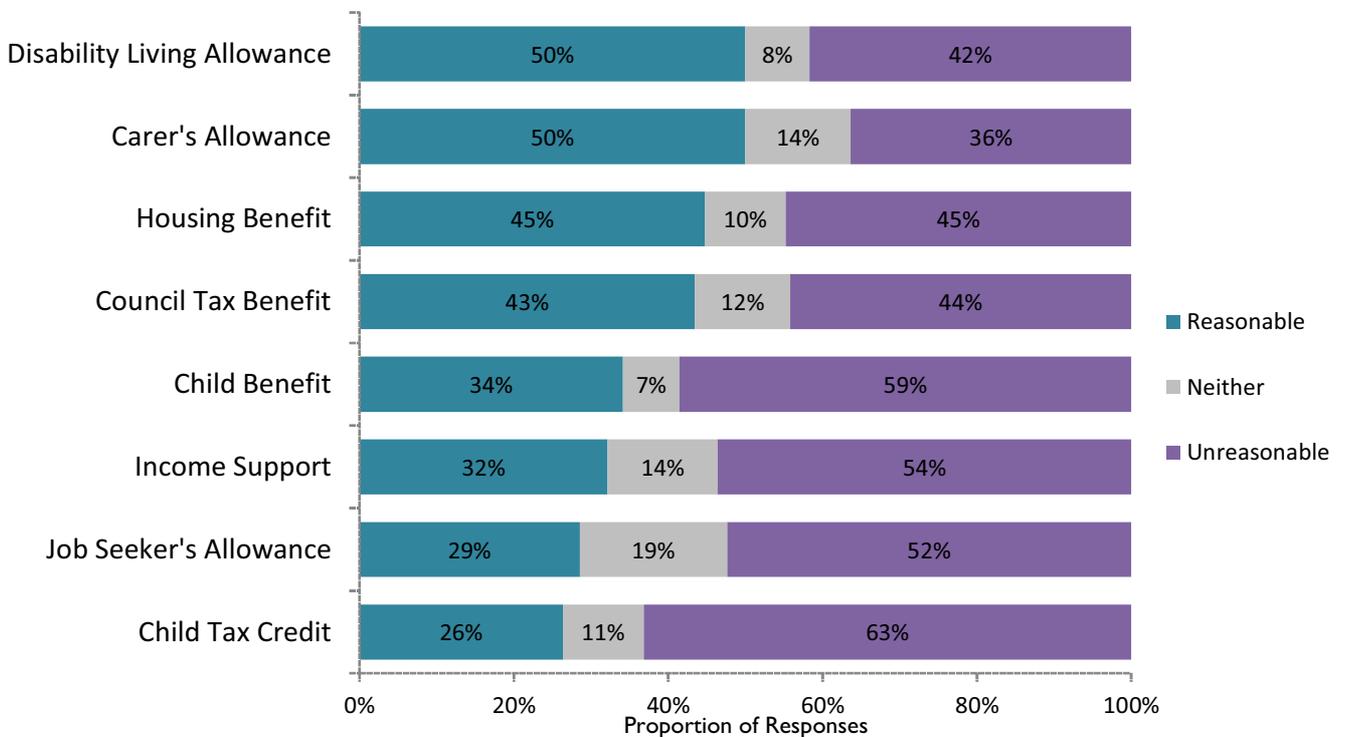
A few respondents commented that the implementation of this proposal may *“encourage some people to not have such large families.”*

Proposal 7: For the new scheme, we propose to include maintenance payments as income for all working age customers when calculating the claimant's Council Tax Support entitlement. **ITEM NO. 838**

Consultation responses:



There was moderate support for this proposal, however this level of support reduced depending on whether the recipients household was in receipt of various benefits⁷. A moderate level of support was also received from recipients of Disability Living Allowance and Carer's Allowance, however other benefit claimants provided some support, with the majority believing the proposal to be unreasonable.



⁷ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was moderate support for this proposal but it was most likely for respondents to disagree with this proposal (in their comments) principally for the reason that the money should be for *“the child’s welfare”* and should be used to *“give them a better life.”* Some did also feel that support for this proposal would largely depend on people’s *“ability to pay”* and this would depend on the reliability of the maintenance payments with respondents concerned about what would happen if maintenance was included and then payments became irregular or stopped. Concerns were raised because child maintenance is not taken into account with any other benefits so it was considered *“unfair”* to include it with Council Tax.

The money is for the child’s welfare

It was common for respondents to agree that the proposal was unreasonable on the basis that this money is for the *“upkeep of the child”* and is not an income to support *“the mother and the father.”*

It depends on the circumstances

Some respondents agreement was dependent upon the *“fairness”*, *“regularity”* and *“conditions”* of the maintenance payments.

Initially support would be provided for the proposal on the condition that *“maintenance payments had been calculated fairly in the first place”* and secondly it would depend upon the regularity of the payments, with some expressing concern that payments can be irregular. Where this is deemed to be the case then maintenance should not be included. Payments would also have to be assessed as mandatory as *“voluntary payments”* could *“cease”* at any time.

Financial difficulties and the ability to pay

Some were also concerned that the implementation of this proposal would cause *“parental hardship”* for some. It was considered to be *“unfair”* for *“low paid families”* and there were concerns that parental relationships could become increasingly strained and it is likely that *“the children”* will be the ones who *“suffer the most.”*

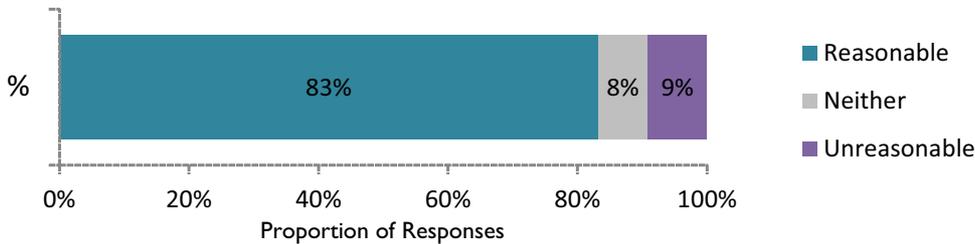
All income should be included

There were a minority of respondents who were of the view that *“income is income”* and *“all income”* should be included. One respondent who was a single mother commented that *“no allowances should be made.”* She had *“survived”* and was of the view that everyone else should be treated the same as she had been. A few also felt that there may be some who receive large payments from their *“ex’s”* to *“bring up children”* and they felt that in such cases, this *“income”* should be *“included”* and *“means tested.”*

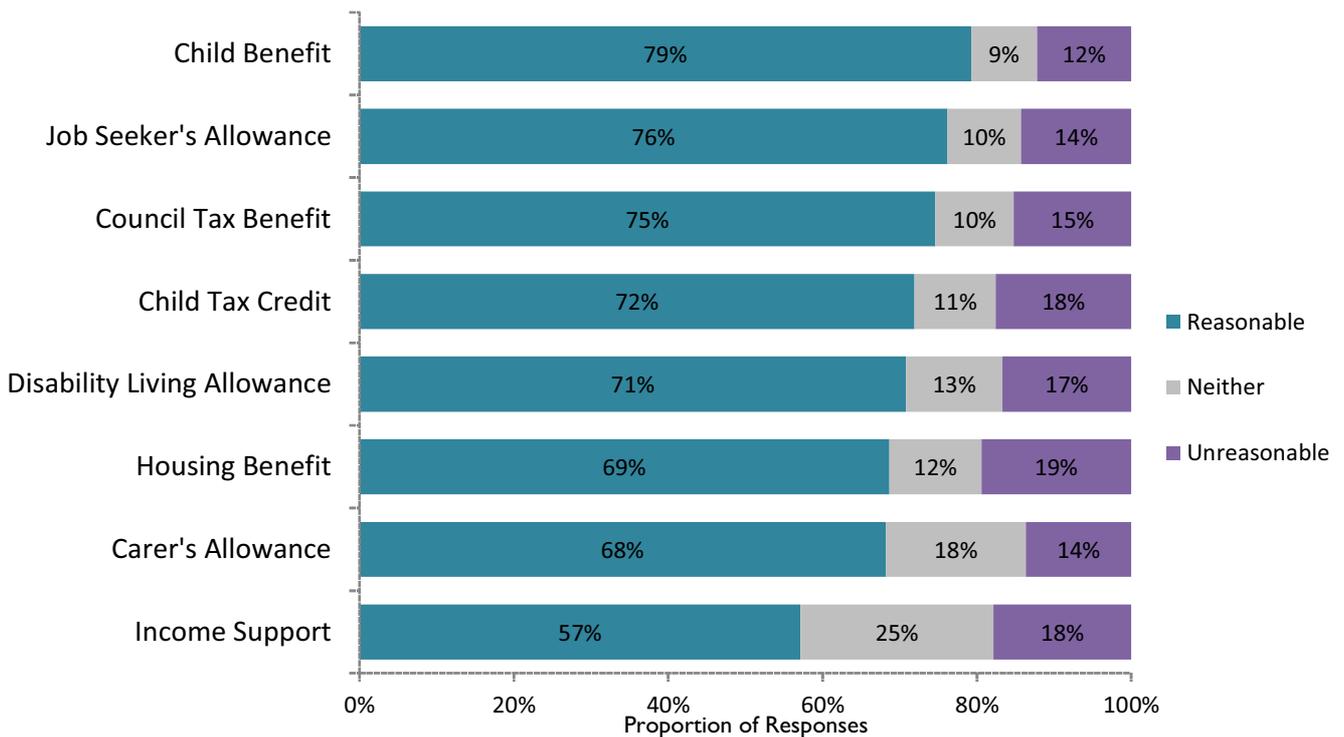
ITEM NO. 8.40

Proposal 8: To provide an incentive for working, we disregard a certain proportion of working claimant's earnings so they will be better off than someone on the same level of income who does not work. Under the current scheme, this is £5 for single claimants, £10 for couples and £25 for lone parents. To make the new scheme simple and fair, we propose to introduce a flat rate of £25. This means, we would disregard the first £25 of earnings for all our working claimants.

Consultation responses:



There was a high level of support for this proposal, with fewer than one in ten respondents believing the proposal to be unreasonable. The level of support decreased for respondents whose households were in receipt of various benefits⁸. Recipients of Child Benefit, Job Seeker’s Allowance and Council Tax Benefit showed a high level of support, with recipients of all other benefits expressing moderate support.



⁸ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a high level of support for this proposal and those who felt this proposal was reasonable commented that this was “*fair*” and the first “*good*” proposal they had read. Respondents appreciated the fact that this would act as “*an incentive*” and “*reward*” for people who work. Most were supportive of a flat rate, some felt it could be even “*higher*” and some did have concerns for single and lone parents, feeling that more could be done to “*support*” this vulnerable group of people.

It’s good to reward working people

As well as acting to “*encourage people into work*”, this proposal is “*fair*” as it will ensure that working people are “*rewarded*.” Everything is “*expensive*” and if this proposal gives people that extra “*incentive*” to work, then it is “*good*.” It could also be used to pay for “*the cost of travel to get to work*” and will clearly support people on “*a low income*.” Other respondents commented that it’s good to give them “*a bit more support*.”

Different groups of people need to be treated differently

In particular, respondents highlighted lone parents as a group that needed to be treated differently. For them, a flat rate was viewed as “*unfair*” and it was felt that “*lone parents should get more help*.” They only have “*one income coming in*” and would have to “*find child care before being able to take up a job*.”

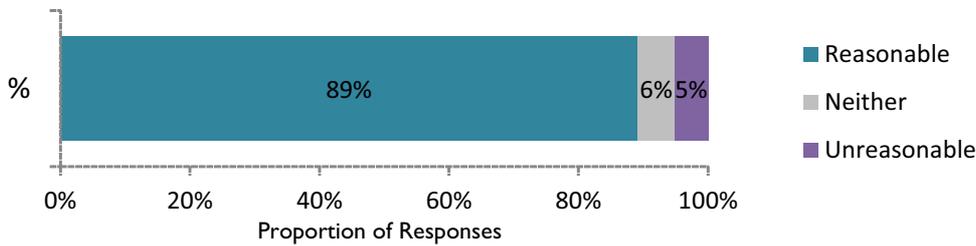
Additional comments

- How often will the payments be made — “*is it weekly?*”
- One who disagreed with the proposals felt that they were being “*punished*” for being unable to work. They commented that their “*fiancé*” has given up their “*whole life*” to “*care*” for them and questioned why they were being punished because they “*live together but cannot work?*”

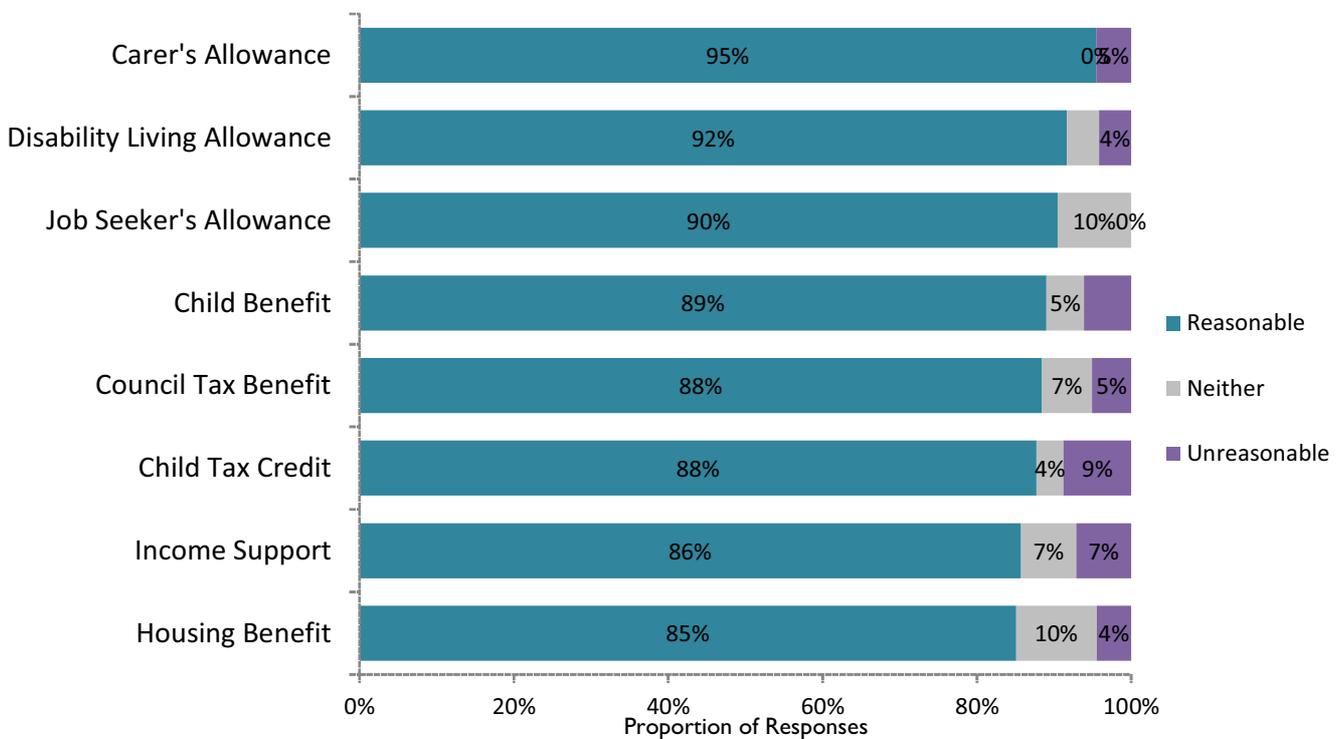
ITEM NO. 8.42

Proposal 9: We propose to protect people who receive a Severe Disability Premium so that they may receive Local Council Tax Support of up to 100% of their liability.

Consultation responses:



There was a high level of support for this proposal, and whilst the level of support varied depending on whether the recipients household was in receipt of various benefits⁹, the support was still universally high. This was the most popular of all proposals in Cannock Chase.



⁹ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a high level of support from the majority of respondents and commentators were generally of the view that it was “fair,” “a good idea” and “acceptable” so long as claimants are checked to ensure they are on “the right level of benefit.” This was principally because some were concerned that there is currently “too much fraud.” There were some who felt that “everyone should pay something” and those receiving a Severe Disability Premium can often have a higher income and receive more in the way of additional benefits and savings.

Protect disabled people and others who are vulnerable

“We have to protect the most vulnerable,” it’s “our duty”, and it was considered “a good idea” to protect those who are severely disabled. “Disabled people should get protection or help.” Many commented that it was key for this group to be protected because many of them are “very ill”, “they can’t work” and “it’s not their fault.” Some felt the proposals could go further to include “all people who receive any rate, even the lower rate care, but only if they get the higher rate for mobility as well.”

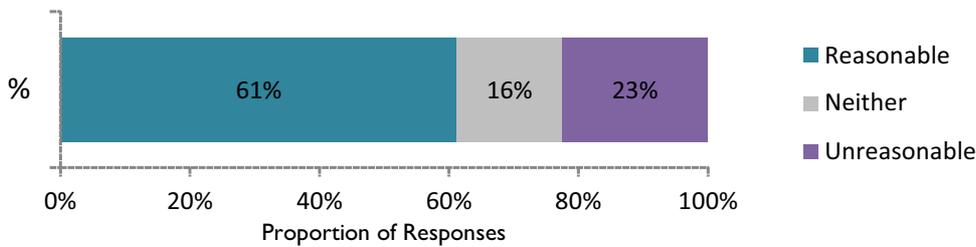
Everyone should pay something

Some were of the view that everyone should pay something and these respondents tended to feel that everyone should be paying “the same flat rate,” regardless of whether someone is claiming “Disability Living Allowance or Job Seeker’s Allowance.” These respondents were also of the view that “disability payments can exceed low income earnings” and “disabled people have so many facilities and so many benefits.” They commented that the level of support provided should be dependent upon “the income and savings” of this group. This group should be helped but they should not be provided with “a higher living standard than the majority of the workforce.”

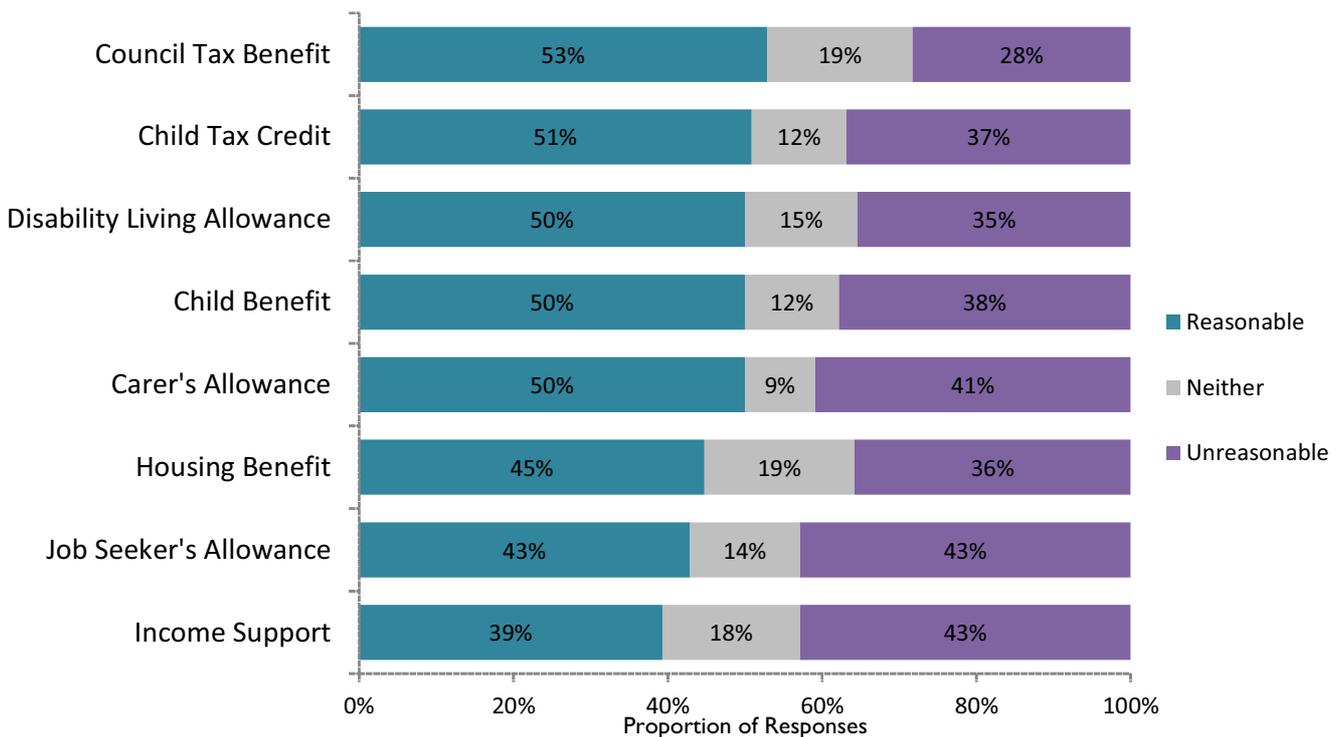
ITEM NO. 8.44

Proposal 10: Council Tax Benefit is assessed on the needs of the claimant, partner and dependant children. Other adults are expected to contribute towards the Council Tax Bill depending on their income. This could change so that these adults contribute more towards the Council Tax Bill. We propose that for all working age customers, any non-dependant living in the claimant's household would be expected to contribute towards the Council Tax Bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be £10 per week.

Consultation responses:



There was a moderate level of support for this proposal, however this level of support reduced depending on whether the recipients household was in receipt of various benefits¹⁰. There was some support from recipients of Income Support, Job Seeker’s Allowance and Housing Benefit. The highest level of support was received from claimants of Council Tax Benefit.



¹⁰ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a moderate level of support for this proposal and whilst some were not sure about the implications of this proposal, many others who provided comments, indicated that it was “fair” with the view that “everyone should contribute something” being commonly expressed.

Everyone should contribute something

Respondents were clear that this proposal was “fair” and felt that “anybody receiving amenities should pay the same.” Asking all household members to contribute was also seen as a positive move in terms of encouraging young people to “learn and understand about paying bills.” It would also encourage them to develop “more sense of responsibility.” It may also act to encourage those who are out of work to “get a job.” Some felt that the proposal was reasonable if it focused on those who are working and in such cases “then a 50-50 split would be reasonable.” The householder should encourage non dependents to “contribute as they see fit” and if they refuse to pay then they should be asked to “move out.”

Difficult for low earners / unemployed

There were some complications with this proposal and respondents who commented were most concerned about those who were not working or those who were low earners. It was considered “wholly unfair” for people who are “low paid.” “People are already being financially squeezed and £5 per week is the difference between basic food for a week and starvation for some people.”

One suggested that “those not working shouldn’t pay and those who are, could pay up to £15.”

A few respondents also felt that this proposal was harsh on “young people who are in education and trying to better themselves.”

It will be difficult to administer and police

A few respondents were concerned about how the money would be collected feeling that it would be “difficult to get these people to actually pay.”

It’s like the old Poll Tax

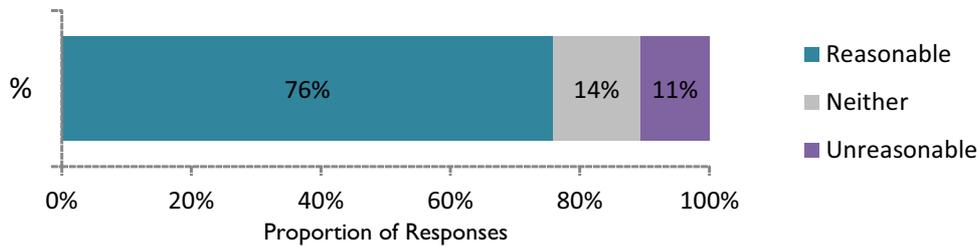
One respondent commented that Council Tax has always been “unfair” and they felt that it was time to bring back “the Poll Tax.”

Additional comments

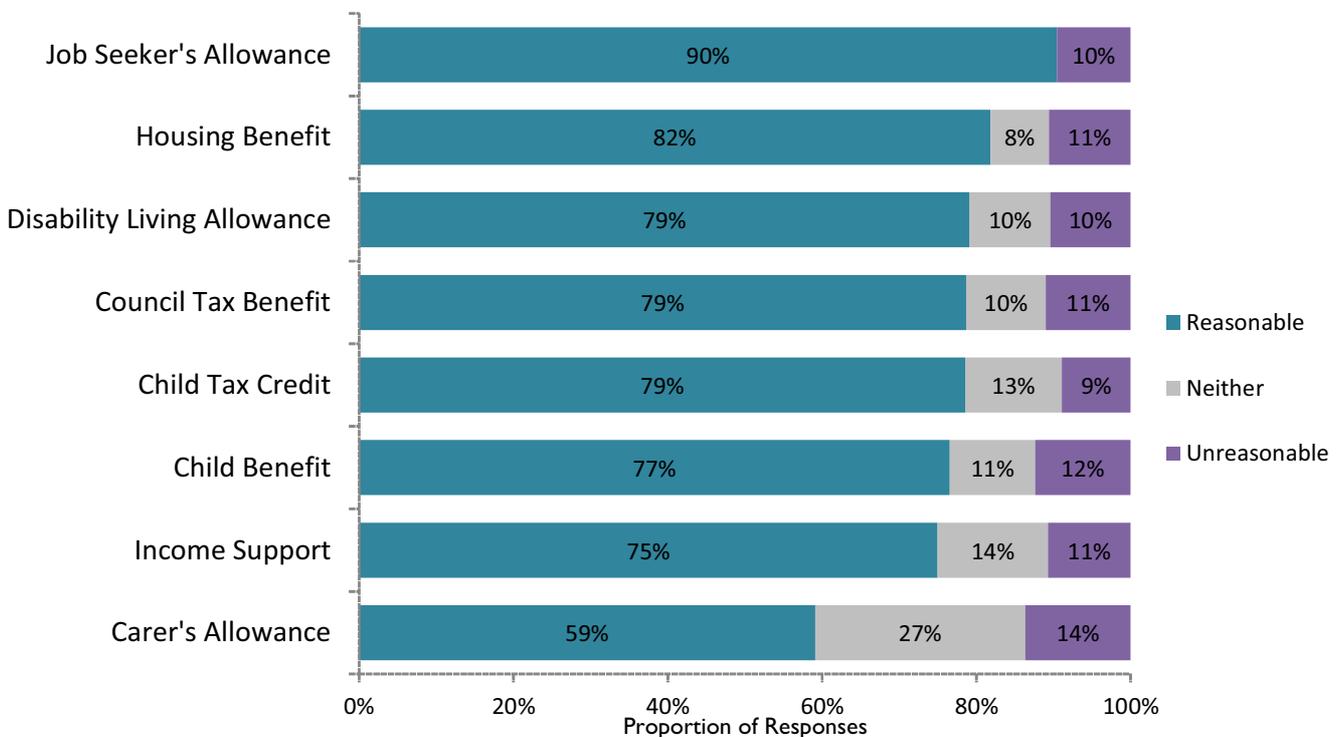
- “Why don't you get those on benefits to work for payments instead. This is just blatant robbery and unacceptable to hard working families. Get the work shy working for their community.”
- “My daughter is a student so how would it work?”

Proposal II: We propose to protect lone parents with a child under 5, so that they may receive Local Council Tax support of up to 100% of their liability.

Consultation responses:



There was a **high** level of support for this proposal, with more than three quarters of respondents believing the proposal to be reasonable. This level of support was largely consistent for claimants whose household was in receipt of various benefits¹¹, however recipients of Carer’s Allowance exhibited moderate support.



¹¹ It should be noted that households can be in receipt of multiple benefits. See the Appendix for numbers of respondents in receipt of each type of benefit. Recipients of Attendance Allowance have been omitted due to a low response rate.

Comments

There was a high level of support for this proposal and those who were in support felt that the proposal was fair and that lone parents should be protected and get the support they need. It was considered common that they often have *“some financial difficulties”* and for this reason, the proposal was considered reasonable. There were some who felt that the proposal didn't go *“far enough”* and that children *“over the age of five”* and also *“families with children”* should also be protected. Some who disagreed with the proposal also commented and it was common for them to say that *“everyone should make a contribution”* towards their Council Tax Bill.

Children must be protected

Respondents commented that *“most single parents deserve it”* and they also considered that it was *“necessary”* and *“needed”* up to the point when *“the child is able to go to school and the parent is able to work.”* Some however were of the view that the proposals should be widened to cover all children. *“It will help them to stay comfortable in their homes if the parents don't have to worry about Council Tax Support.”* It was also felt by some that this support would be of more benefit to children over the age of five as *“they need more than children who are under the age of five.”* Some respondents also felt that the proposals should apply to *“all families”* as well as *“lone parents.”*

Everyone should contribute something

Those who were of the view that everyone should contribute felt that everyone, including lone parents should participate, *“even if it is only a minimal amount”* and those in *“full time employment”* or on *“a high salary”* should be means tested to decide how much they should contribute.

Some also felt that people who have children should be *“responsible for their actions”* and should *“pay in full to support their children”* and *“if they can't afford to have children they should not have them.”*

Additional comments

- *“Is there any limit on the number of children/ time this can apply for?”*
- *“As the government proposed age 7—how can the Council lower this?”*

Financial impact upon individuals or upon the communities that they represent

65% of respondents felt that the changes would have a low financial impact on them personally or on the groups that they represent, with 15% feeling they would have a medium impact and a further 20% feeling they would impact highly upon them or upon the communities that they represent.

Groups who may be affected by the proposals

Many of the groups who are likely to be affected are those which have already been highlighted during the consultation. These include the unemployed and those on a low wage and in particular, seasonal and agency workers who do not always have a consistent and reliable income were highlighted. Young people and families including adult children would also be affected.

Other groups, not specifically mentioned during the consultation period and who may also be affected included *“couples where one is disabled and the other is a carer”*, *“foster parents”*, *“lone parents with children over the age of five”*, *“students”* and *“people who have been serving in the armed forces.”*

Likely affects of the changes

These ranged from minor to major affects and were generally negative in their nature. The affects would vary from individual to individual depending upon their unique circumstances. However, on a general level it would be expected that most people would see a drop in their *“standard of living.”* Some already *“struggle”* to pay their *“household bills”* and others were *“unsure”* where they would get the money from with one being convinced they would need to *“sell”* their *“home”* to make ends meet.

On a positive note, one respondent felt that there could be a positive affect of the proposals being implemented and it is likely that the changes would *“encourage more people into work.”* Another provided their support and recognised that the Council *“does need to save money.”*

What can be done to ensure a smooth transition into the new scheme for those people affected by the proposed changes?

A few respondents were firmly of the view that *“an easy transition”* into the new scheme would just *“not be possible”* and they felt the changes would clearly *“tip a lot of people into debt and poverty.”* A few felt that the proposals should not be implemented and that the savings should be *“found from elsewhere.”*

The majority of those who did comment, provided suggestions on how to ensure a smoother transition into the new scheme. Initially respondents felt it was key to raise *“awareness”* amongst those who would be *“affected the most.”* Notifying people who would be affected *“sooner rather than later”* was important and ensuring that they have adequate time to *“comment”* and *“influence”* the proposals was considered to be of fundamental importance. Holding meetings which are *“accessible to all including the disabled where people can share their views”* was considered important as part of this process.

“Time slots” with an *“advisor”* or *“a help line”* should also be offered to those who would be directly affected by the proposals to help them to understand more about the implications of the implementation of the proposals and this should include *“breaking it down so people know what they will have to pay.”*

“More” and *“better”* information including information in *“the local media”* should also be made available and information should be provided in a *“clear and simple”* format. This was considered especially important for those from Cannock with *“low levels of literacy.”*

Finally respondents felt that the proposals should be phased and implemented slowly over a long period of time, for example *“three years”*, to allow those who would be affected the time to adjust to the changes.

Are you a resident of Cannock Chase?

Response	No' of Responses	%
Yes	346	99%
No	3	1%

Does your name appear on the council tax bill for your household?

Response	No' of Responses	%
Yes	302	87%
No	34	10%
Don't Know	10	3%

Are you submitting your views as? *proportion of local responses

Response	No' of Responses	%
Voluntary organisation	1	2%
Community group	0	0%
Housing association	1	2%
Private landlord	0	0%
A relative of a Council Tax Benefit claimant	3	6%
A friend of a Council Tax Benefit claimant	0	0%
Nationally or locally elected member/MP	0	0%
Partner organisation	0	0%
Resident of Staffordshire	40	80%
Resident outside of Cannock Chase District	2	4%

Does your household receive any of the following benefits?

Response	No' of Responses	%
Attendance Allowance	1	0%
Carer's Allowance	22	7%
Child Benefit	82	25%
Child Tax Credit	57	17%
Disability Living Allowance	48	15%
Housing Benefit	67	21%
Income Support	28	9%
Job Seeker's Allowance	21	6%

Does any of the following describe your household?

Response	No' of Responses	%
A family with one or two dependant children	82	23%
A family with three or more dependant children	17	5%
A lone parent household	32	9%
A household with full and/or part-time workers	57	16%
A household that includes someone who is disabled	27	7%
A single person household or a couple without children	130	36%
None of these	18	5%

Do you regularly provide unpaid support caring for someone?

Response	No' of Responses	%
Yes	41	12%
No	307	88%

Age:

Response	No' of Responses	%
18-24	28	8%
25-34	42	12%
35-44	59	17%
45-54	85	24%
55-64	59	17%
65-74	55	16%
75+	19	5%
Prefer not to say	1	0%

Disability or long term health condition?

Response	No' of Responses	%
Yes	97	28%
No	250	71%
Prefer not to say	4	1%

Are you receiving a Retirement Pension or Pension Credit?

Response	No' of Responses	%
Yes	64	18%
No	284	81%
Prefer not to say	2	1%

Gender:

ITEM NO. 8.50

Response	No' of Responses	%
Female	184	53%
Male	161	46%
Prefer not to say	2	1%

Ethnic origin:

Response	No' of Responses	%
Asian or Asian British	2	1%
Black or Black British	0	0%
Chinese	0	0%
Mixed Heritage	0	0%
White - British	311	90%
White - Other	6	2%
Prefer not to say	21	6%
Other	5	1%

Disability: If yes, please specify condition:

Response	No' of Responses	%
Communication	0	0%
Mobility	4	21%
Hearing	0	0%
Physical	5	26%
Learning	0	0%
Visual	0	0%
Mental health	2	11%
Other	8	42%

What is your relationship status?

Response	No' of Responses	%
Single	111	32%
Living as a couple	42	12%
Married	171	49%
Civil Partnership	3	1%
None of these	22	6%
Prefer not to say	1	0%