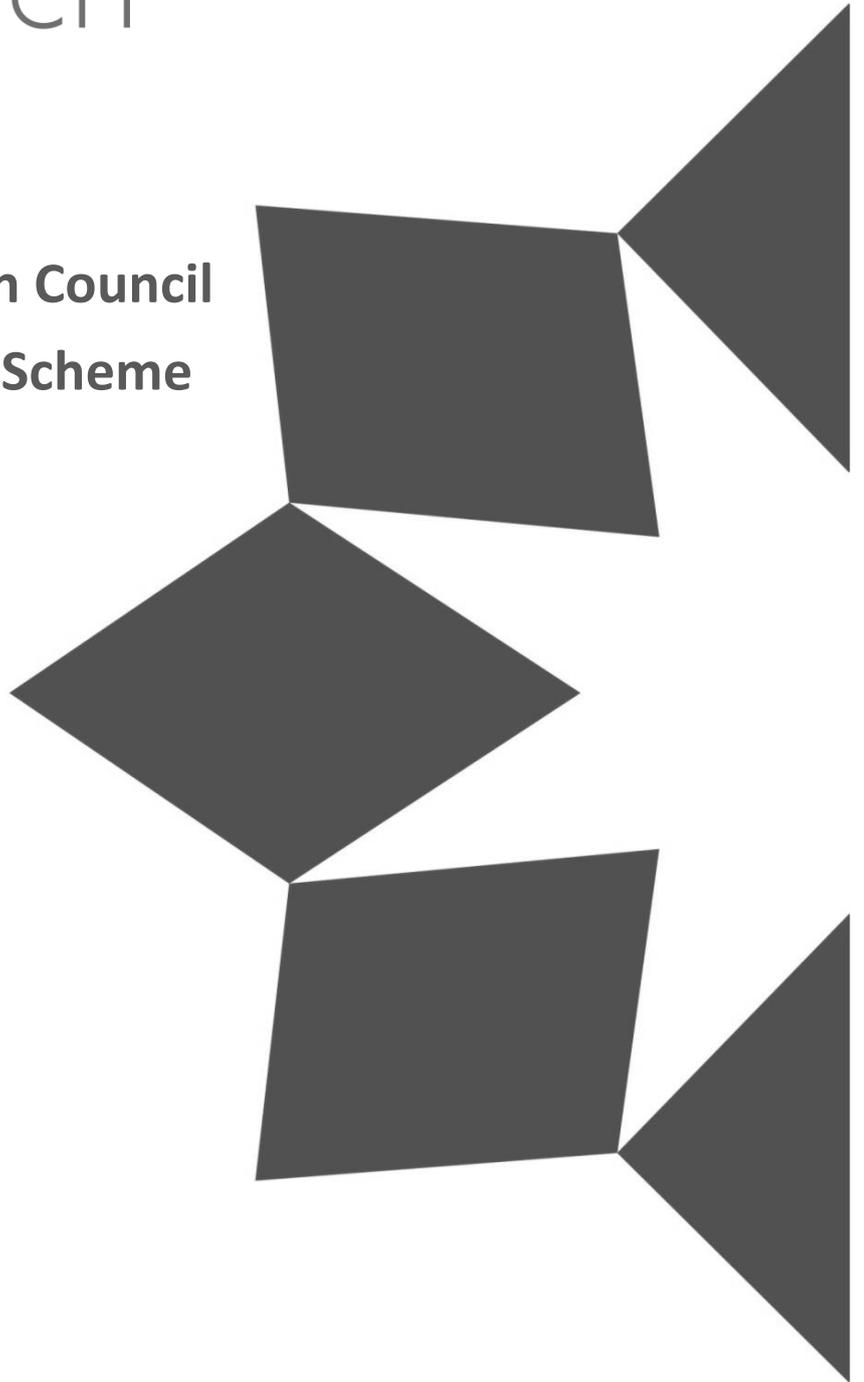




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**City of Wolverhampton Council
Council Tax Reduction Scheme
2019/2020**

**Final Report
December 2018**



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Project details

Title	Council Tax Reduction Scheme Consultation
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Executive Summary

Introduction

- City of Wolverhampton Council designed an online survey to gather responses to the Council Tax Support Scheme consultation 2019/2020. Hard copies in other formats (e.g. large print) were also available on request.
- The consultation took place between 28th August 2018 and 19st November 2018 inclusive.
- A total number of 70 responses were received: 69 online surveys and 1 paper survey.
- The Council commissioned M·E·L Research to undertake the analysis and reporting elements of the consultation.

Proposal one: Introducing minimum charge rule

- Almost two thirds (64%) agreed with the Council's proposal to introduce a minimum charge rule.
- Residents were given the opportunity to comment on this proposal. Out of the 15 comments received, the most frequently mentioned theme related to concerns about reduced support or difficulties with budgeting (9 mentions).
- Half of respondents (50%) felt £3 was reasonable amount for the Council to use when deciding whether to apply a change.
- Any residents that felt that £3 was **not** a reasonable amount were asked what the rate should be. Over half (55%) felt that it should be more than £3. Around a third (34%) thought it should be less than £3 and a further 11% felt it should be nil.
- Residents were given the opportunity to comment if they did not feel £3 was a reasonable amount. Seven residents provided a comment with three people expressing concerns with affordability (and the impact on those with low incomes) and a further two respondents felt the amount should be based on income (i.e. means tested).

Proposal two: Using financial and household information to assess Council Tax Support Entitlement

- Around a half of residents (54%) agreed with the Council's proposal to use financial and household information when assessing council tax support.
- 11 residents provided a comment. The most frequently mentioned theme related to the fact that some people would feel penalised if this proposal was to go ahead.

- Finally, residents were asked to suggest ways that would help minimise the impact on those who would receive less support if the proposal went ahead. The most popular suggestion was to offer discretionary payments or other financial assistance.

Introduction

Background

Since the Government stopped council tax benefit in April 2013 each Council has introduced its own council tax support scheme. The Government continues to set the rules for pensioners and so the local scheme applies to working age households only.

In December 2017, the housing benefit scheme closed for most new claims in Wolverhampton. Support with housing costs is now provided through Universal Credit, administered by the Department for Work and Pensions. The Council continues to help with council tax through its local scheme, but the number of housing benefit claims administered by the Council will decrease as people transfer to Universal Credit.

Under the current council tax support scheme, each time there is a change in the amount of Universal Credit received; the council tax support must be adjusted. Every month there could be a recalculation of council tax support even for very small changes and an amended council tax bill issued. This could cause confusion for customers if they regularly need to change their payment arrangements. It also increases the Council's administration and postage costs. The move to Universal Credit is now a key factor that needs to be considered when looking at the Council Tax Support Scheme for 2019/2020 and beyond.

As a result of this, the Council has developed the following two proposals:

- Proposal 1: Introduction of a minimum charge rule when an award of council tax support increases or decreases for working age customers;
- Proposal 2: Using financial and household information to determine council tax support entitlement;

The Council has gathered views on their two proposals to determine whether they should be included in the Council Tax Support Scheme from 1st April 2019. The findings from this consultation are outlined in this report.

Methodology

City of Wolverhampton Council designed an online survey, hosted on the council website, to gather responses to the Council Tax Support Scheme consultation 2019/2020. Hard copies in other formats (e.g. large print) were also available on request. The Council used the following mechanisms to promote the consultation amongst stakeholders and residents in the local area:

- The Council wrote to their combined authority members;
- A briefing note was emailed to all ward councillors;
- An article was published in their regular newsletter.

Contact was also made with a variety of local support groups including:

- Citizens Advice
- The Refuge and Migrant Centre
- Access 2 Business
- Job Change
- Transforming Communities Together
- Social Housing Providers
- Private Landlords

In addition, Wolverhampton Homes included a link to the consultation on their website, the Council emailed Wolverhampton Voluntary Sector Council to advise them that the consultation was taking place and invited them to a workshop about the consultation and the Welfare Rights service sent emails to their extensive list of members to direct them to the consultation.

The consultation was further promoted via digital notice boards in the civic centre and libraries, posters in the three main Jobcentre Plus offices, press articles, the Council's 'City People' page, social media (i.e. Facebook and Twitter) and Wolverhampton today. The communications team estimated that these posts reached 40,000 people, with 287 people clicking on the survey link.

The consultation took place from 28th August 2018 until 19st November 2018 inclusive. The total number of responses to the consultation survey was 70 responses: 69 online surveys and 1 paper survey. Details of the achieved sample profile are provided in **Appendix A**.

This report includes the findings from the consultation survey. City of Wolverhampton Council also provided M·E·L Research with a transcript of the discussions they had with Wolverhampton Homes,

Accord, the Citizens Advice Bureau and Wolverhampton's Revenue and Benefits Service. Quotes from these discussions are also included in the report where appropriate.

Notes on analysis

Please note: Due to the relatively small sample size, this report includes top line results only.

Owing to the rounding of numbers, percentages displayed visually on graphs in the report may not always add up to 100% and may differ slightly when compared with the text.

Open ended responses have been coded into broad themes and these, together with the number of mentions for each theme are presented in the corresponding tables. The total number of mentions might differ from the total number of valid comments, because some residents may have mentioned more than one theme in their comments.

Finally, given the small sample size, all results in this report should be treated as indicative only.

Consultation findings

Proposal 1: Introducing a minimum change rule

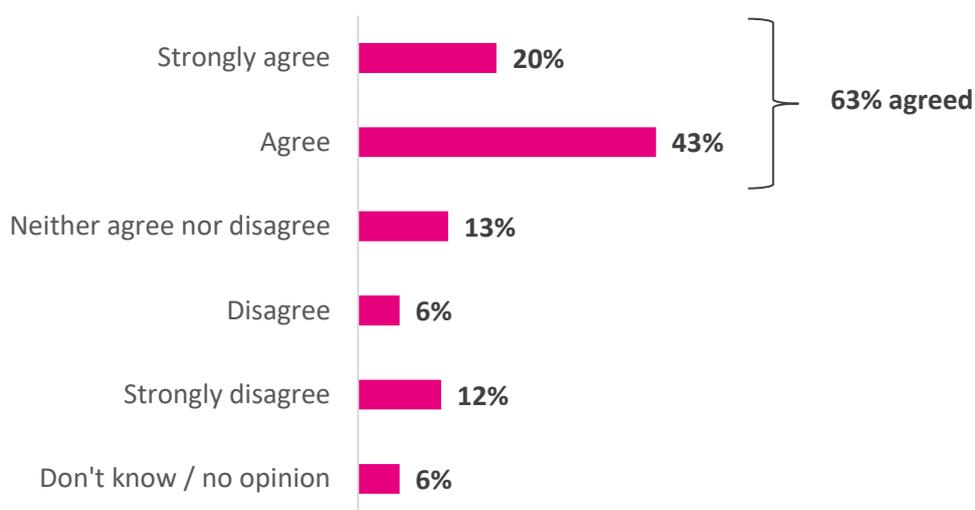
This section outlines the findings from the Council's first proposal; introducing a minimum change rule.

City of Wolverhampton Council is proposing to introduce a minimum charge rule when an award of Council Tax support increases or decreases for working age customers. The level of council tax support applied to council tax bills is dependent on income and household circumstances. However, incomes can fluctuate, for example people who are on zero-hour contracts or who receive Universal Credit may have changes to their income each month and would therefore need a new bill sent even if the changes are minimal. To avoid this confusing situation, the Council is proposing to only make changes to bills if the amount of council tax support changes by £3 or more per week. If nothing else changes during the year, the Council will wait until they calculate the Council Tax Support for the following year to apply the change.

All residents were asked to what extent they agreed or disagreed with the Council's proposal to introduce a minimum charge rule. Almost two thirds (64%) agreed and nearly one fifth (17%) disagreed. A further fifth said they did not know or had no opinion on the proposals (13% said neither and 6% did not know).

Figure 1: Levels of agreement with proposals to introduce a minimum change rule

Percentage of respondents- base size 69



The results above were also reflected during the discussion with stakeholders. One stakeholder who took part said, *“The proposals make sense as changes in money to pay; causes more confusion for customers than changes in the amount of money received”*.

Residents were also given the opportunity to provide their comments on the proposal. A total of 15 respondents responded to this question. **Please note: some respondents provided comments which covered more than one theme and therefore the number of mentions is higher.** The most common theme related to concerns about reduced council tax support and the difficulties this may cause when budgeting (9 mentions).

This was also reflected in the stakeholder discussion. One attendee mentioned that, *“We are very concerned that ongoing instalments must be affordable, it becomes harder as the financial year progresses as there is less time to collect and the Council still wants full payment by the 31st March”*.

Table 1: Comments relating to the proposal to introduce a minimum change rule

Key themes	No of mentions
Concerned about reduced council tax support/ budgeting	9
Changes in income should be considered/means tested	3
Need to take administration costs into account	2
Undertake assessments at different times (e.g. every 6 months/next tax yr.)	2
Council should calculate any changes quicker	1
Process is less confusing	1
Other (e.g. council does not provide VfM)	1
TOTAL	19

Example quotes from residents (Concerns about reduced council tax support/budgeting)

When working with tenants on low incomes, multiple bills with varying different payment amounts make it hard to budget.

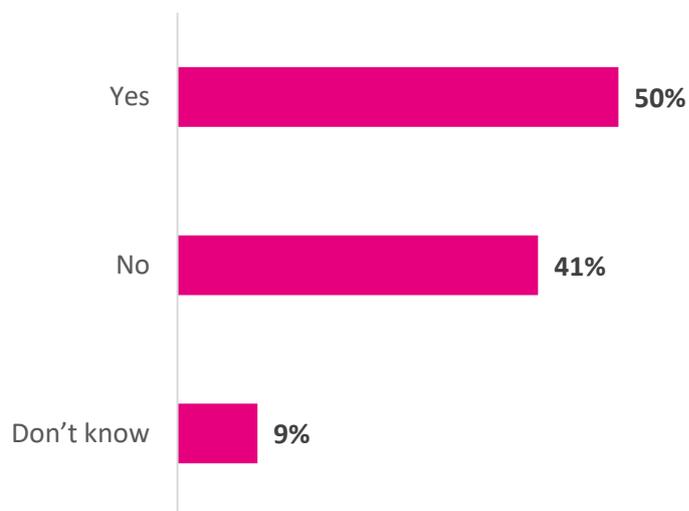
Tenants get very confused with council tax bills changing all the time and also towards the end of the financial year it can sometimes be unaffordable to pay as the amounts change so much within a financial year.

Deciding when to apply charge

Residents were then asked if they felt £3 per week was a reasonable amount to use when deciding whether to apply a charge. Figure 2 below shows that a half of respondents (50%) felt this amount was reasonable but 41% did not. The remaining 9% did not know.

Figure 2: Whether £3 per week was a reasonable amount when deciding whether to apply a charge?

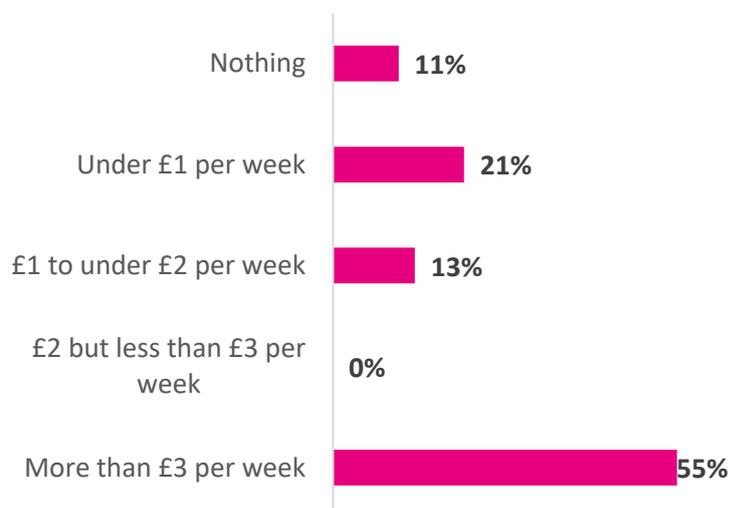
Percentage of respondents- base size 66



Any residents that felt that £3 was not a reasonable amount; were asked what the rate should be. Over half (55%) felt that it should be more than £3. Around a third (34%) think it should be less than £3 and a further 11% felt it should be nothing.

Figure 3: Respondent views on what the minimum charge rate should be

Percentage of respondents- base size 66



Respondents who felt £3 was not a reasonable amount were given the opportunity to comment. Seven residents provided a response. The key themes are highlighted in Table 2 below.

Table 2: Comments from respondents who thought £3 is not a reasonable amount

Key themes	No of mentions
Concerns around affordability/impact on those with low incomes	3
Should be means tested/based on income	2
Other (e.g. council tax should be scrapped)	2
TOTAL	7

Example quotes from residents (Concerns about affordability & impact on those with low incomes)

It has to be a fine line between pushing someone into debt due to large unforeseen rises in Council tax.

To some claimants that extra 3 pound a week in help means an extra meal.

Proposal 2: Using financial and household information to determine council tax support entitlement

This section outlines the findings from the Council's second proposal; using financial and household information (same as with Universal Credit) to determine residents' council tax support entitlement.

The Department for Work and Pensions collect income details for people who are claiming Universal Credit and sends these to the Council so they can calculate council tax support. However, this information does not include information about how many hours a person has worked.

In the current council tax support scheme, all working households have part of their net earnings ignored when calculating council tax support. This is called an **earnings disregard**.

In addition to this disregard there is a further amount that is ignored when calculating council tax support if residents work more than 16 hours and have children or they work more than 30 hours per week and do not have children.

Because the Council does not have information about the number of hours the Council worked, the Council is proposing to remove the additional earnings disregard from the Council Tax Support Scheme for people in receipt of Universal Credit from April 2019 and beyond. The other disregards outlined above will continue to be applied.

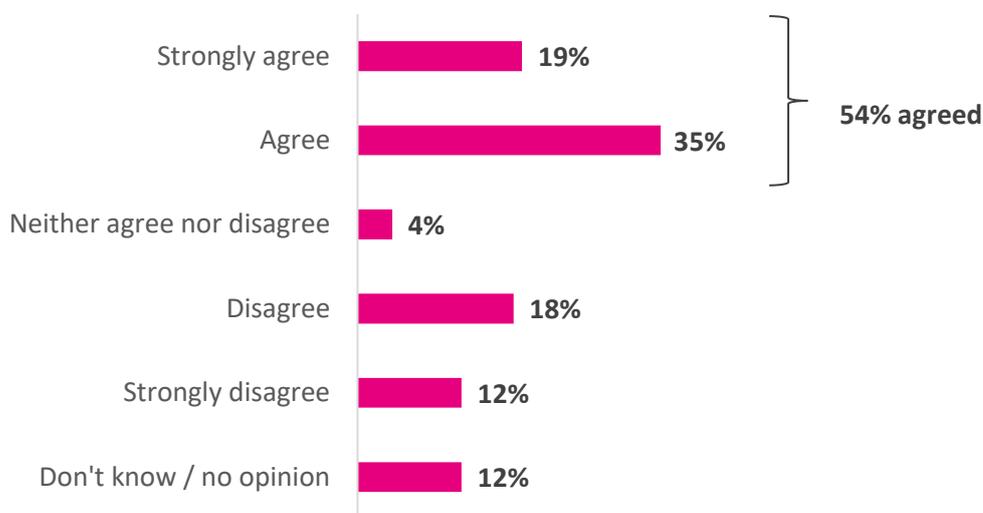
Assessing Council Tax Support

All residents were asked to what extent they agreed or disagreed with the Council's proposal to use the same financial and household information used to assess Universal Credit; to determine their council tax support.

Figure 4 overleaf shows that just over a half agreed (54%). This compares to nearly a third disagreeing (30%). A further 16% said they neither agreed nor disagreed (4%) or they did not know (12%).

Figure 4: Levels of agreement with using financial and household information to assess Council Tax Support Entitlement

Percentage of respondents- base size 57



All respondents were given the opportunity to comment on the Council’s second proposal to use financial and household information to assess council tax support. 11 residents provided a valid response (excludes responses from two residents who were unsure how the system would work or did not understand the explanation given). Table 3 below indicates that six respondents felt they would be penalised if the proposal went ahead.

Table 3: Comments on Council’s proposal to use financial and household information to assess

Key themes	No of mentions
Certain people will be penalised	6
Reduced support would be given	1
Should be means tested	2
Needs to be similar to Universal Credit rules	2
TOTAL	11

Example quotes from residents (Certain people will be penalised)

It very much sounds like the council is money grabbing from whatever source it can and lots of people will be penalised in this scheme.

These people are already penalised by the taper in council tax - they are offered no protection and now you want to take away more.

Impact on customers

Finally, the Council asked residents to suggest ways to reduce the impact on customers if the proposal was agreed. 18 residents provided a valid response (excluding don't know, could not understand form, no comment etc). The most common suggestion related to offering residents discretionary payments or other financial support if they experienced any financial difficulties.

Table 4: Comments on the impact on residents

Key themes	No of mentions
Offer discretionary payments/financial assistance	9
Protect customers until circumstances change	4
Reduce support slowly or defer change for one year	2
Give residents advance notice	1
Keep system as it is	1
Encourage people to work	1
TOTAL	18

Example quotes from residents (Offer discretionary payments)

Possibly a DHP pot to help people in financial difficulties who would have assistance prior to the disregard.

Allow those affected to have an extended payment arrangement if they are in difficulty or set up a hardship fund. Do not start court proceedings for small amounts owed.

The suggestion to have a small discretionary fund available was also mentioned during the stakeholder discussions. Although, their concern concentrated mainly on single people and couples (rather than families with children) as they were often the groups that struggled the most with low incomes.

Appendix A: Respondent profile**Appendix B: Questionnaire**

Appendix A: Respondent profile

Gender

Gender	Number of respondents	% of respondents
Female	10	19%
Male	40	77%
Prefer not to say	2	4%
Totals	52	100%

Gender (same as assigned at birth)

Gender	Number of respondents	% of respondents
Yes	48	92%
No	1	2%
Prefer not to say	3	6%
Totals	52	100%

Ethnic origin

Ethnic Origin	Number of respondents	% of respondents
White	39	78%
BME	11	22%
Totals	50	100%

Disability

Disability	Number of respondents	% of respondents
Yes	6	11%
No	42	79%
Prefer not to say	4	8%
Not sure	1	2%
Totals	53	100%

Sexual Orientation

Sexual Orientation	Number of respondents	% of respondents
Heterosexual / Straight	41	82%
Gay man	0	0%
Gay woman	1	2%
Bisexual	0	0%
Other	0	0%
Prefer not to say	8	16%
Totals	50	100%

Religion

Religion	Number of respondents	% of respondents
No religion	14	28%
Christian	23	46%
Buddhist	0	0%
Hindu	1	2%
Jewish	0	0%
Muslim	1	2%
Sikh	1	2%
Any other religion	1	2%
Prefer not to say	9	18%
Totals	50	100%

Age

Age	Number of respondents	% of respondents
16-24	1	2%
25-34	12	23%
35-44	19	37%
45-54	8	15%
55-64	10	19%
Over 65	2	4%
Totals	52	100%

Appendix B: Questionnaire