CABINET

Council Tax Reduction Scheme 2015/16

Officer Contact: Interim Borough Treasurer, Anne Ryans

Portfolio Holder: Cabinet Member for Finance and HR, Councillor Jabbar

17th November 2014

Report Author: Suzanne Heywood
Ext. 4905

Purpose of Report

The purpose of the report is to seek approval of the Council Tax Reduction Scheme for 2015/16.

Executive Summary

From the 1st April 2013 the Council introduced a localised Council Tax Reduction Scheme to replace Council Tax Benefit for those of working age, the scheme was revised from 1st April 2014 to increase the level of support provided. The requirement for the Council to develop a local scheme was set out in the Local Government Finance Act 2012. A revision to the scheme was approved by full Council on 18th December 2013.

The legislation as detailed in the Local Government Finance Act 2012 places a requirement that each year a Collection Authority must formally consider revising its Council Tax Reduction Scheme. Before undertaking any revision legislation requires consultation to take place, this year consultation began on 25th July 2014 and ended on 30th September 2014.

Consultation took place on two options:

- Option 1: Leave the current Council Tax Reduction scheme unchanged for 2015 onwards.
- Option 2: Increase the level of Council Tax Reduction should the financial position of the council be able to support the change.

Feedback from the consultation has been analysed and is included within this report.

With the current scheme only having been in place since 1st April 2014 it is difficult to estimate what the exact percentage collection rate might be. However, an early
indication is that the collection rate for the extra amount billed in 2014/15 will be higher than originally estimated at between 65% and 75%. Equally this may change in the remainder of the year.

Recommendations

It is recommended that:

1. Option 2 is agreed and commended to Council to implement a Council Tax Reduction Scheme from 1st April 2015 for all applicants of working age which would:
   - Increase the maximum amount of reduction available to 85% of a Band A rate of Council Tax.
   - Maintain other changes introduced in the 2014/15 Oldham Council Tax Reduction scheme

2. The scheme at Appendix 2 will be subject to any changes resulting from prescribed requirements issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992 and any changes from time to time to the figures prescribed by central government for welfare benefits purposes.
1 **Background**

1.1 From the 1st April 2013 the Council introduced a Council Tax Reduction Scheme to replace the national Council Tax Benefit scheme for those of working age. The requirement for the Council to do this was set out in the Local Government Finance Act 2012. Financial responsibility for this support was transferred from the Department of Work and Pensions (DWP) to the Department of Communities and Local Government (DCLG). The DCLG would pay those bodies affected by the change a direct grant as part of its overall financial settlement with a reduction of 10% on the overall estimated cost. This was as part of the overall savings on welfare expenditure. Any reduction in actual benefit could only be passed onto claimants of working age.

1.2 In devising the 2013/14 scheme it was assumed by the Council that 50% of the extra Council Tax levied under the scheme would be collected in year. On this basis the maximum amount of reduction available to working age claimants was 75% of the Band A rate of Council Tax. However, the expected collection rate was exceeded which led to revision of the scheme for 2014/15. The current years scheme offers a higher level of support with the maximum amount awarded being 80% of the Band A rate of Council Tax this is based on an anticipated collection rate of 60%.

1.3 The legislation confers an obligation on the Council to consider whether to review this scheme on an annual basis. This consideration needs to be given by full Council on a date before 31st January 2015. The last Council meeting before this date is 17th December 2014.

1.4 In order to develop and recommend whether or not to introduce a revised scheme to full Council, it was necessary to undertake a formal consultation. For the four weeks beginning 25th July, there was consultation with the major preceptors and from 21st August 2014 to 30th September 2014 there was a public consultation exercise.

2. **Current Position**

2.1 There is an obligation upon the Council within the legislation, to consider whether to review this scheme on an annual basis and if the Council wants to revise the scheme, any such revision for 2014/15 must be approved by full Council on a date before 31st January 2015.

2.2 Early indications are that collection rates on the debt due from the scheme may be higher than the estimated 60%. It was also recognised that the number of recipients of working age has reduced from 16,206 when the scheme was agreed by Council in December 2013 to 15,729 as at October 2014. Based on these factors, the Council may therefore be in a position to offer increased financial support through the scheme. Alternatively, given the uncertain and volatile nature of the Council's finances and the major budget
reductions required in future years, the Council could choose to leave the scheme unaltered until there is greater certainty in a number of areas.

2.3 On this basis it was agreed that the Council should undertake an 8 week consultation with two options:

- Option 1: Leave the current Council Tax Reduction scheme unchanged for 2015 onwards.

- Option 2: Increase the level of Council Tax Reduction should the financial position of the council be able to support the change.

2.4 Consultation on the options outlined above took place during the period 25th July 2014 to 30th September 2014. The consultation was a web based consultation through Oldham’s Consultation Portal in line with the approach adopted by other AGMA authorities. A paper copy of the consultation was available on request. The consultation used open and closed questions to capture residents’ views.

2.5 A total of 134 residents responded to the consultation, 133 through the portal and one by requesting a paper survey. A summary of the responses are included below, please note the figures may not add up to 100% due to rounding.

In relation to the two proposed options:

- Option 1: Leave the current Council Tax Reduction scheme unchanged for 2015 onwards, just over half (53%) disagreed with the proposal and just under half (47%) agreed with the proposal.

- Option 2: Increase the level of Council Tax Reduction should the financial position of the council be able to support the change, just over half (54%) agreed with the proposal and just under half (46%) disagreed with the proposal.

2.6 In order to better understand the views of those responding to the consultation we asked a number of additional questions to gauge the impact of the CTR.

- 75% of respondents were not in receipt of CTR, 19% were whilst 5% of respondents were unsure.

- 67% of all respondents stated that CTR had no financial impact on their household. Of those in receipt of CTR, 65% stated that CTR had a ‘great deal’ (28%) or a fair amount of financial impact on their household. Around one third stated that the change had not had very much impact on their families.'
2.7 A brief summary of the respondents profile as follows:

- A slight majority of respondents were female (56%, n =74) compared to men (44%, n=58), 2 did not answer the question; 14 women and 1 man said they received CTR

- 86% (n=110) respondents were White British, respondents from BME groups accounted for around 13% of respondents (n=18). The rest did not answer the question. This is broadly representative of Oldham’s population. 22 White British respondents were in receipt of CTR, while 2 BME respondents said they received the reduction

- 31% of respondents stated their income as being between £252 and £511 per week. 15% stated their income to be under £168 per week. One in five (20%) have an income of over £743 per week

- Over half of all respondents are in full time paid employment, this compares to around 17% of those in receipt of Council Tax Reduction

- Of the 19% (n=25) who stated that they were in receipt of CTR, nearly two-thirds (64%) have been in receipt for over 12 months, with 36% being in receipt for 12 months or less.

2.8 Further details of the consultation can be found in the feedback summary report at Appendix 1.

2.9 As part of the consultation, a report outlining the two options for the scheme was considered by the Overview and Scrutiny Performance and Value for Money Select Committee on the 25th September 2014.

2.10 A further element of the consultation process, was the request for comments from the Office of the Police and Crime Commissioner for Greater Manchester and the Greater Manchester Fire and Rescue Authority.

2.11 Responses to the consultation have been considered in the development of the recommendations contained within this report.

2.12 As at the 10th October 2014 from the 15,729 taxpayers receiving Council Tax Reduction the collection remain higher than originally estimated and may reach 65% to 75%. It is expected that this could result in the collection of an extra £500,000 in Council Tax receipts for 2014/15. However attention is drawn to the financial implications in section 6.

3 Options/Alternatives
3.1 There are two options to be considered in line with the consultation questions asked by the Council and taking into account the financial information detailed in Section 6 of this report, the options are as follows:

Option 1 - Leave the current Council Tax Reduction scheme unchanged for 2015 onwards.

Option 2 - Increase the maximum amount of reduction available to 85% of a Band A rate of Council Tax, in line with the scheme document at Appendix 2.

3.2 For both options there would be a requirement to maintain other changes introduced by the 2014/15 Oldham Council Tax Reduction scheme and to allow for the scheme document at Appendix 2 to be subject to any changes resulting from prescribed requirements issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992 and any changes from time to time to the figures prescribed by central government for welfare benefits purposes.

4 Preferred Option/Recommendation

4.1 It is recommended that:

a) Option 2 is agreed and commended to the Council to implement a Council Tax Reduction Scheme from 1st April 2015 for all applicants of working age which would:

- Increase the maximum amount of reduction available to 85% of a Band A rate of Council Tax, in line with the scheme document at Appendix 2.

- Maintain other changes introduced by the 2014/15 Oldham Council Tax reduction scheme

b) The scheme document at Appendix 2 is subject to any changes resulting from prescribed requirements issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992 and any changes from time to time to the figures prescribed by central government for welfare benefits purposes.

5 Consultation

5.1 Details of the consultation are included within the body of the report and a consultation feedback summary report can be found at Appendix 1.

6 Financial Comments
6.1 The direct grant paid by the Department of Communities and Local Government for Council Tax Reduction Support has now been subsumed within the Council’s Revenue Support Grant figure (RSG). In 2013/14, the last time the Local Government Finance Settlement identified this grant independently; the Council’s allocation was £17.418m including support for parishes but excluding the major preceptors (the GM Fire and Rescue Authority and the Office of the Police and Crime Commissioner for Greater Manchester). The 2014/15 Local Government Finance Settlement prescribed that the level of council tax reduction support would remain unchanged; however the overall level of RSG has reduced by £15.546m. The DCLG’s intentions for 2015/16 are unclear, although the indicative settlement for 2015/16 has advised that the RSG will again reduce.

6.2 As at the 10th October 2014, 76% of claimants had made some payments towards their 2014/15 Council Tax bills, suggesting a collection rate above that of the estimated 60%. As outlined above, data is not available to assess how many of these claimants making payments will fall into arrears during the year, however, it is envisaged that proactive collection methods implemented by the Unity Partnership will enable the Council to collect an amount between of between 60% and 75% of the amount due in 2014/15. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection. One perceived risk at this stage is that the present collection rate will reduce throughout the remainder of the financial year as the Government’s welfare change programme is phased in. The amount of disposable income many of the scheme claimants will have available to meet Council Tax and other financial commitments is likely to reduce. This will have the impact of increasing the risk of arrears from those who are currently paying their Council Tax.

6.3 Using the same assumptions upon which the 2014/15 scheme was based, the Council estimates it needs to generate additional Council Tax income of £1.976m (60% of £3.293m as highlighted in the table below) to offset the reduction in the level of Government grant support.

This would therefore mean that the scheme would be self-financing by there being no call on resources outside those intended to support the scheme, namely:

a) The Government grant to recompense the Council for Council Tax Benefit.

b) Council Tax income from the technical reform of the Council Tax system which has increased the Council’s ability to charge when properties are empty.

c) Council Tax received from recipients of awards under the Council Tax Reduction scheme.
6.4 The table below summarises the impact of potential revised schemes in comparison to the current 2014/15 scheme based on a 60% collection rate.

<table>
<thead>
<tr>
<th>Collection Rate</th>
<th>Reduction in support to make the scheme self-financing</th>
<th>Average impact on individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>£m</td>
</tr>
<tr>
<td>Current scheme</td>
<td>60</td>
<td>3.293</td>
</tr>
<tr>
<td>Revised scheme options</td>
<td>65</td>
<td>3.040</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>2.822</td>
</tr>
</tbody>
</table>

Assuming the scheme is designed around a higher estimated collection rate of 70% and that this can be achieved, the income generated would be equivalent to the requirement of £1.976m (70% of £2.822m). On average this would reduce the claimant support by £3.24 per week when compared to the base Council Tax Benefit position prior to the start of the localisation initiative. However, there would be an increase in support of £0.54 per week based on the current 2014/15 scheme (the average impact on individuals would decrease from £3.78 per week to £3.24 in terms of the reduction in the level of Council Tax Benefit).

6.5 Taking into account the above information the Council has the option to increase the maximum amount of reduction available to 85% of a Band A rate of Council Tax. However, it should be noted that there is a significant level of risk associated with basing proposals for an amended scheme on historic collection rates. There could be a fall in collection rates over the remainder of the current financial year; in addition the scheme assumes the trend in the first part of 2014/15 will be mirrored in the whole of the financial year 2015/16. The Council will however be working with colleagues in the Unity Partnership to ensure collection rates are maintained by using existing recovery options and devising alternative recovery methods to support vulnerable council tax payers.

7 Legal Services Comments

7.1 The legislation states that each year an authority must give consideration to whether to revise its Council Tax Reduction scheme.

7.2 The revision of a scheme is a decision that the legislation reserves to full council. Any revision to apply to the scheme for the following year must be made by 31st January.

7.3 No revision of a scheme can occur unless the authority has, in the following order:
1) Consulted with major precepting authorities (fire and police)
2) Published a draft proposed scheme
3) Consulted with others likely to have an interest in the scheme

7.4 The authority has undertaken consultation as above and is therefore able to revise its scheme should it choose to do so

7.5 If following consultation it is proposed that no revision is made it is still recommended that the matter goes to full Council. The legislation does not expressly state that the consideration of whether to revise a scheme, as opposed to actual revision, is reserved to full Council. Given the lack of clarity in the legislation, authorities would be wise to approach the matter with caution even if no revision is proposed.

7.6 In order to discharge its duties under the Equality Act 2010 the authority will need to consider the effects of proposals on people with a protected characteristic as defined by the act, which can be done by way of an equality impact assessment as happened before the present scheme was made. Further detail on this aspect is provided at 14 below.

7.7 The scheme to be implemented by the Council shall apply from 1\textsuperscript{st} April 2015 and shall be in terms of the Oldham Council Tax Reduction Scheme at Appendix 2 of this report, subject to:

- Any changes resulting from prescribed requirements from time to time issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992
- Any changes from time to time to the various figures in Appendix 2 that are figures prescribed by central government for welfare benefits purposes.

(Bill Balmer)

8 Human Resources Comments

8.1 There are no human resource comments.

9 Risk Assessments

9.1 There are a number of risks to be managed in this process:

- Ensuring the revised scheme is not subject to a legal challenge on the basis of equality legislation.
- Developing a scheme which is both fair and affordable to the Council for 2015-16 particularly as it will only be based upon limited collection rates information early in the financial year and assumptions on grant funding previously made.
- Linking in Council Tax Collection Processes to the Council’s Corporate Fair Debt Policy. (Mark Stenson)
10 **IT Implications**

10.1 There are no IT implications.

11 **Property Implications**

11.1 There are no property implications.

12 **Procurement Implications**

12.1 There are no procurement implications.

13 **Environmental and Health and Safety Implications**

13.1 There are no Environmental and Health and Safety implications.

14 **Equality, community cohesion and crime implications**

14.1 In taking financial decisions the Council must demonstrate that it has given “due regard” to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

14.2 Demonstrating that “due regard” has been given involves:

- Assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision making process - so that it informs the development of policy and is considered before a decision is taken;
- Ensuring that decision makers are aware of the equality duties and any potential equality issues when making decisions.

NB – having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately, it means that we must be clear where this is the case, and must be able to demonstrate that we have consulted, understood and mitigated the impact.

14.3 To ensure that the process of impact assessment is robust, it needs to:

- Be specific to each individual proposal;
- Be clear about the purpose of the proposal;
- Consider available evidence;
- Include consultation and involvement with those affected by the decision, where appropriate;
- Consider proposals for mitigating any negative impact on particular groups;
- Set out arrangements for monitoring the actual impact of the proposal.
14.4 As with the 2013/14 and 2014/15 schemes, an Equality Impact Assessment is being undertaken to try to and identify any potential disproportionate adverse impacts arising from the proposed scheme and also identify any actions which might mitigate these impacts. (Jennifer Barker)

15 Equality Impact Assessment Completed

15.1 An Equality Impact Assessment has been undertaken and can be found at Appendix 3

16 Key Decision

16.1 Yes, any revisions to the localised Council Tax Reduction scheme can only be agreed by full Council.

17 Forward Plan Reference

17.1 CFHR-17-14

18 Background Papers

18.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

19 Appendices

19.1 Appendix 1 Consultation Feedback Summary Report

Appendix 2 Oldham Council Tax Reduction Scheme 2015/16.

Appendix 3 Equality Impact Assessment
Consultation on Council Tax Reduction options in Oldham

1 October 2014
1 Introduction

1.1 In response to potential options for the provision of Council Tax Reduction (CTR) in Oldham for the years 2015/16, Oldham Council conducted a resident consultation.

1.2 The consultation ran from 21 August 2014 to 30 September 2014 via the Oldham Council Consultation portal. The online survey was promoted via the Oldham Council website. A printed hard copy of the survey was made available on request. A full communications plan was in place to promote the consultation and to signpost to hard copies of the consultation.

1.3 A total of 134 responses were received, of these 25 stated that they are in receipt of CTR. A further seven were unsure.

2 Key findings

2.1 In total, 134 residents responded to the consultation. The main findings of the consultation are outlined below.

- Of the 134 residents who completed the questionnaire, all but one completed the survey online.
- 19% indicated that they were in receipt of support through the Council Tax Reduction Scheme, 100 (75%) said they were not, while 5% were unsure.

2.2 In relation to the two proposed options:
- Option 1: Leave the current Council Tax Reduction scheme unchanged for 2015 onwards, just over half (53%) disagreed with the proposal and just under half (47%) agreed with the proposal.
- Option 2: Increase the level of Council Tax Reduction should the financial position of the council be able to support the change, just over half (54%) disagreed with the proposal and the just under half (46%) agreed with the proposal.

2.3 Respondents were also asked whether the Council Tax Reduction scheme revised as of April 2014 had an impact on their lives, the findings suggest that:

- Over two thirds (67%) of all respondents stated that changes in CTR had no financial impact on their household.
- Of those in receipt of CTR, 65% five stated that changes in CTR had a "great deal" (28%) or a fair amount of financial impact on their household. A third stated that the change had not had very much impact on their families’ finances.
- Around half of respondents in receipt of CTR (48%) declared that CTR had impacts other than financial on their household; a further 12% stated that they may feel such impacts within the next 12 months.

\[1\] figures may not add up to 100% due to rounding
2.4 About the respondents

The respondents profile is as follows: (A further breakdown can be found at the end of the report)

- A slight majority were female (56%, n=74) compared to men (44%, n=58); 2 did not answer the question. 14 women and 1 man said they received CTR.

- 86% (n=110) respondents were White British, respondents from BME groups accounted for around 13% of respondents (n=18). The rest did not answer the question. This is broadly representative of Oldham’s population. 22 White British respondents were in receipt of CTR, while 2 BME respondents said they received the reduction

- 25 (19.7%) have a limiting long term illness or disability that affects their daily life, with 9 saying they were in receipt of CTR;

- Four in ten (42%) report suffering from nervous trouble or depression in the last 12 months, 24% have seen a doctor about this issue; Of those who have CTR and responded (24) 13 have nervous trouble or depression (54.16%) and 11 (45.83%) do not.

- A quarter of respondents are in full time paid employment, with a further 14% in part time paid employment. Of those in receipt of CTR, 17% are unemployed and 12% unable to work due to sickness and or disability;

- Three in ten (31%) respondents stated their income as being between £252 and £511 per week. 15% stated their income to be under £168 per week. One in five (20%) have over £743 per week.

2.5 Receipt of Council Tax Reduction

Only 25 (18.9%) stated that they are in receipt of Council Tax reduction. One hundred respondents stated that they do not receive Council Tax Reduction support and seven were unsure with 2 not responding.

Figure one below indicates the length of time Council Tax Reduction support has been received by these 25. It shows that nearly two thirds (64%) have been in receipt for over 12 months.

![Figure one: Length of time in receipt of Council Tax Reduction.](image-url)
3 Impacts of CTR

3.1 The financial impact of Council Tax Reduction on the household

Participants were invited to tell us about the financial impact on their household of the revised Council Tax Reduction scheme which was introduced in April 2014 (giving an extra 5% support).

![Figure two: % financial impact of Council Tax Reduction. Source: Council Tax Reduction 2015/16 online consultation.](image)

- Figure two illustrates the comparative responses of those in receipt of Council Tax Reduction and those not. Over a quarter (28%) of those in receipt of Council Tax Reduction stated that the new scheme had a great deal of impact on their household financially; a further 36% stated that it had a fair amount of impact.

- Interestingly, one in five respondents not in receipt of Council Tax Reduction stated that the scheme had some financial impact.

- Further to the questions around the financial impact of the introduction of the revised Council Tax Reduction scheme in April 2014, respondents were asked if there had been any other impacts on their households. Figure three below shows that nearly half (48%) of those in receipt of Council Tax Reduction felt that there had been an impact other than financial, a further 12% felt their may be an impact in the next 12 months.
Figure three: % Non Financial impact of Council Tax Reduction.
Source: Council Tax Reduction 2015/16 online consultation

3.2 Payment Options

Payment options used now or in the future

Respondents were asked to consider the different payment options designed to make paying Council Tax easier. Of the 131 responses, over half (54%) stated that they either do or would pay via direct debit. A further 22% do or would pay online. Less than one percent (0.6%) stated they do or would use the Jam Jar budgeting account offered by Oldham Credit Union. 3 respondents did not answer this question.
4  CTR Options for 2015/2016

4.1 Future options for CTR

Participants were asked to consider two options for the Council Tax Reduction scheme.

1. Maintaining the current level of Council Tax reduction from 1 April 2015
2. Increase the level of Council Tax Reduction should the financial position of the council be able to support the change.

![CTR Options for 2015/16](image)

Figure five: % Response Council Tax Reduction Options for 2015/16: Source: Council Tax Reduction 2015/16 online consultation

Figure five shows that support for both options is similar, however there is slightly stronger opposition against the possible increase of Council Tax Reduction support should the Council’s position support it.

For those currently in receipt of Council Tax Reduction, 56% felt the current scheme should remain unchanged. 80% stated that it should be increased should the Council’s financial position allow it to.

5. Priority service areas

![Areas of Service to prioritise if possible](image)

Figure six: % Response Council Tax Reduction priority service areas 2015/16: Source Council Tax Reduction 2015/16 online consultation
Those who responded in the negative to option two were asked to consider which areas of service the Council should prioritise. This is shown in figure two.

- A third (32.7%) felt that there should be more investments in children’s social care.
- Similar proportions felt that there should be increased investment in Highways (21.5%) and Adult Social Care (20.6%)

6 What you told us

Two free text questions were included in the survey; these covered the financial impacts faced by individuals relating to the CTR scheme and impacts faced by communities and local businesses.

A total of 47 comments were received to both questions. Details of respondents:

- 64% female
- 36% male
- Age range of respondents: 24-70; 77% were aged 40 or over
- 60% were in full or part-time employment

The majority of respondents (85%) identified themselves as British.

Comments have been collated under the question headings below:

6.1 Financial impacts of change

18 free text responses were received to how households were affected financially by the change:

- 6 Positive comments
- 11 Negative comments
- 1 Not Relevant

Positive comments in the main related to the financial benefits provided by having access to the CTR scheme. These included:

- Being able to meet payments of other utility bill increases due to the reduction in CT paid
- Increase in disposable income
- Being able to meet other expenses such as school dinners and travel expenses
- Being able to afford to eat

"The changes have made some financial assistance to me and my children which have helped me as my daughter has started secondary school and I have to give her my financial support with school dinners and travel expense."

"We can eat."

"It's definitely a good change if it saves me money”

Negative comments seemed to indicate dissatisfaction in the amount of relief being paid however it was not clear from the comments made if this related to a reduction in CTR relief being received or the increase in CT generally. Comments included:

- Insufficient reduction in amount to be paid
• Inability to save the extra amount that was required to be paid
• Inability to meet other household costs

Although the change has helped a little, I still cannot afford house insurance or life insurance, I cannot afford to get my soffit boards and fascias done and I need a new boiler.

Participants with health conditions and disabilities also raised some concerns as demonstrated in the quotes below:

“Being in band D, I am required to pay a far greater amount than those in receipt of the same amount of money in a lower band. This is manifestly unfair. If there is to be a reduction in the amount of benefit it should be spread equally. The unemployed can find work to better their situation, but the disabled can’t, thus make this effectively a punishing discrimination against the disabled.”

“This change has devastated me financially. I am very ill with a spinal condition. I have no money to pay this extra tax. And I’m receiving threats as I am late in paying this.”

6.2 Impacts on local community and business

Question 5 asked about any impacts that CTR scheme may have affected their local community or businesses. 41 free text comments were received these included:

• 9 responses indicating no impact
• 24 negative responses
• 4 positive responses
• 3 responses indicating they did not claim CTR or were not eligible
• 1 response relating to recommendations

Positive comments included an increase in disposable income and a general support for the CTR scheme.

“More money to go round.”

“It made life slightly easier and if it carried on I think I’d definitely benefit more - I don’t know how it affected any businesses or community”

“I think its introduction has meant an affordable level of Council Tax has been set for the poorest people in our town. I think it’s a good principle that everyone should pay something according to their means as it gives households a stake in the decisions made and ownership of the services provided.”

Negative comments covered the following points:

• The amount of relief not being considered as sufficient to make any impacts
• A reduction in household income and having to make cuts in fuel use
• Considered unfair that CTR does not take into account household income
• The reduction not being fair across all groups and some individuals have to pay more council tax than others
• Perceptions that poorer people are being favoured
• Feeling that lower income groups were being penalised
• Whether the council should be providing CTR in the first instance given it has to make savings

“It's not good for people on claiming benefits and if they don't live in the lowest band they have to pay the difference.”
“This impacts everything how can people who pay nothing pay this. How can people buy things with no money? This evilness has a devastating impact on all of us.”
“As a result of having less money I have had to cut back on gas & electric. If the cut had been fairly spread this might not have been needed.”

In addition it was indicated that the CTR scheme should not just cover lower band properties and that financial pressures are faced by all groups.

“I feel the reduction scheme should go across all bands, it is not just the lower bands struggling to pay their bills. Those at the higher end have mortgages, children and nursery fees to pay for and we are all feeling the pinch.”

Only 2 comments related to impacts on businesses. This included the potential for CTR to encourage business growth in Oldham and concerns of the impacts if CTR was to be reduced.

“Support with council tax will hopefully give new businesses an incentive to open in Oldham and existing business the support to maintain themselves. More business means more jobs which mean less worklessness....Support with council tax definitely has a positive impact on all people throughout Oldham”
“I believe any reduction to the level of support offered will have negative impact for local communities and local businesses as there would be less money available to spend in the local economy.”

7 Respondent profile

• A total of 134 responses were received for this latest consultation into the Council Tax Reduction Scheme, around options for 2015/2016.
• 44% were male and 56% female.
• 86% respondents are White British, the remainder consisting of various BME groups. (Pakistani 5%, Bangladesh 3% with remaining ethic groups on less than 1%)
• 19.7% have a long term illness or disability which limits their daily activities or work.
• One in five (20%) provide between 1 and 19 hours per week of help and support to friends, family or neighbours due to a long term physical or mental ill health or disability. Ten respondents (7.7%) provide 20 hours or more
• Over half of respondents stated that they are in full time paid employment, with a further 14% stating they are in part time employment.
• 68%of respondents own their own property, 24% of who own their property outright.
Three in ten respondents (31%) live in rented property managed by either First Choice Homes (11.5%), private landlord (11.5%) or from another housing association (8.4%).

Over one in five (21.7%) respondents live alone and 11% described themselves as a one parent family. 29.5% respondents stated that they live with their husband, wife or partner (no children). A quarter (24%) stated they lived in a two parent family.

Income level of respondents
- 14.6% on less than £168 per week.
- 19.5% on between £168 and £251 per week.
- 31% respondents stated their income as being between £252 and £511 per week.
- 14.6% on between £512 and £742 a week
- 20% on £743 or over per week.

**Employment Status**

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>% Respondents</th>
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</thead>
<tbody>
<tr>
<td>In full time paid employment (30+ hours a week)</td>
<td>51.9%</td>
</tr>
<tr>
<td>In part time employment (less than 30 hours a week)</td>
<td>14.5%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>7.6%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>6.3%</td>
</tr>
<tr>
<td>Retired</td>
<td>9.9%</td>
</tr>
<tr>
<td>Permanently sick or disabled and unable to work</td>
<td>12.5%</td>
</tr>
<tr>
<td>Unemployed but I have worked previously</td>
<td>2.3%</td>
</tr>
<tr>
<td>Not in paid work - looking after home / family</td>
<td>0.8%</td>
</tr>
<tr>
<td>Not working for some other reason</td>
<td>0.8%</td>
</tr>
<tr>
<td>I have never had a paid job</td>
<td>0.8%</td>
</tr>
<tr>
<td>Employed part time less than 16 hrs per week</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**Figure seven: Current Employment Status.**

*Source: Council Tax Reduction Consultation 2015/16.*

Figure seven above shows the current employment status of respondents to the consultation and those in receipt of Council Tax Reduction. It shows that:

- Over half of all respondents are in full time paid employment, this compares to around 17% of those in receipt of Council Tax Reduction.
- A quarter of those in receipt of Council Tax Reduction are self employed, compared to 12% of those who are not.

Over one in ten (12%) of those in receipt of Council Tax Reduction are permanently sick, disabled and unable to work. This compares to three percent of those not in receipt.
Appendix 2

Oldham Council Tax Reduction Scheme 2015/16
Stage 1: Initial screening

<table>
<thead>
<tr>
<th>Lead Officer:</th>
<th>Suzanne Heywood</th>
</tr>
</thead>
<tbody>
<tr>
<td>People involved in completing EIA:</td>
<td>Suzanne Heywood, Amanda Cawdron, Yvette Maguire, Dominic Coleman</td>
</tr>
<tr>
<td>Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>An EIA on the 2013/14 scheme accompanied the scheme for approval to Council on 12 December 2013. An EIA was also completed for the review of the scheme for 2014/15. This EIA is for the scheme for 2015/16 onwards.</td>
</tr>
</tbody>
</table>

General Information

1a Which service does this project, policy, or proposal relate to? This project relates primarily to the revenue and benefits section of the Customer Service Team. There are also close links into the finance team on this project.

1b What is the project, policy or proposal? The project is the approval of Oldham’s Council Tax Benefit Scheme is for 2015/16 onwards.

From 2013/14, all local authorities were put under a duty to agree a localised Council Tax Support Scheme at full Council to replace Council Tax Benefit by 31st January. Previous to this, the Council Tax Benefit Scheme was administered nationally. There was additionally complexity in developing a scheme given that the resources envelope in which we had to deliver any scheme was 10% smaller than the funding we had received to cover CTB the previous year. The Councils desire was to ensure the scheme was self-financing to ensure no additional burden to the authorities’ financial position.

There is an obligation within the legislation on the council to consider whether to review this scheme on an annual basis and if the Council wants to revise the scheme, any revised scheme for 2015/16 needs to be approved by full Council on a date before 31st January 2015. The Council consulted on two options:
• Option 1: Leave the current Council Tax Reduction scheme unchanged for 2015 onwards
• Option 2: Increase the level of Council Tax Reduction should the financial position of the council be able to support the change

Please see 1d and 1h for more information.

1c What are the main aims of the project, policy or proposal?

1. To implement a scheme that is affordable
As in 2014/15, Oldham is once again aiming to put in place a scheme that is affordable. Last year, the council tax reduction scheme was calculated to offset budget pressures of approximately £1.975million. The 2014/15 council tax reduction assumed a collection rate of 65%. We estimate that the budget pressure is likely to be the same in 2015/16, however recent historical data seems to suggest that a higher collection rate is achievable, thus resulting in the Council having the opportunity to explore the potential of making the council tax reduction scheme more beneficial to Oldham citizens.

Against the backdrop of needing to find £60 million of savings in order to balance the budget over the next two financial years and already having taken over £140m out over the last 5 years, Oldham Council still cannot afford to fund any further shortfalls. We are therefore once again looking to introduce a local scheme that is affordable and balance the impact against the cost of providing a local council tax support scheme.

2. To implement a scheme that limits the financial impact across all Council Tax benefit recipients
As in previous years there is a mandatory requirement to protect pensioners meaning that any changes to awards can only be applied to those of working age. Initial guidance also suggested we should consider how to protect vulnerable groups and provide incentives to work. Whilst not providing a specific definition for vulnerable groups, the Government did advise that authorities should consider their duties under specific legislation when designing a scheme, namely:

• The Equality Act 2010
• Child Poverty Act 2010
• The Housing Act 1996

Whilst we have no legal duty to protect people on low incomes (this was revoked in December 2010), as a borough with a number of deprived areas, Oldham still
chooses to continue considering the impact of any decisions on this group.

We are now even more informed about the scale of the impact of welfare reforms on Oldham and its people than we were last year, which we will need to consider when identifying those who are most vulnerable under the scheme.

3. To design a scheme that will enable the Council to collect as much Council Tax as possible, whilst supporting residents to meet their payments

To date, Oldham’s collection rate in relation to CTR is higher than anticipated and it is hoped that the Council will continue to achieve collection rates of between 65 and 75%. The good collection rate was due in no small part to a number of the actions we have continued to put in place through last year’s EIA to reduce the impact of the scheme. Flexible funding options, partnerships with the Credit Union, and co-operative campaigns such as the Energy Switch have helped a number of families to be able to make their payments.

Once again, through this process we will endeavour to do things differently, to do things co-operatively, which will help the residents of Oldham and in doing so, enable the Council to collect the funds it needs to continue to provide services. We are acutely aware that shortfalls in Council Tax mean creating a budget pressure that has the potential to require further savings to be made from within council services.

The proposal for the 2015/16 scheme is to either maintain or increase the support provided through the scheme, on this basis it felt that there will be no detrimental impact from the scheme.

1d | Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how? |
---|---|
| The proposal for the 2015/16 scheme is to either maintain or increase the support provided through the scheme, on this basis it felt that there will be no detrimental impact from the scheme.

1e. Does the project, policy or proposal have the potential to disproportionately impact on any of the following groups? If so, is the impact positive or negative?

<table>
<thead>
<tr>
<th>None</th>
<th>Positive</th>
<th>Negative</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled people</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>Particular ethnic groups</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>Men or women (include impacts due to pregnancy / maternity)</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>People of particular sexual orientation/s</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment | ☒ | ☐ | ☐ | ☐
People on low incomes | ☐ | ☒ | ☐ | ☐
People in particular age groups | ☐ | ☒ | ☐ | ☐
Groups with particular faiths and beliefs | ☐ | ☒ | ☐ | ☐
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal? | ☐ | ☒ | ☐ | ☐

1f. What do you think that the overall NEGATIVE impact on groups and communities will be? | None / Minimal | Significant
--- | --- | ---
| ☒ | ☐ |

1g. Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal? | Yes | No
--- | ---
| ☐ | ☒ |

1h. How have you come to this decision? | The proposal for the 2015/16 scheme is to either maintain or increase the support provided through the scheme, on this basis it felt that there will be no detrimental impact from the scheme and that individuals will have the same or more money in their household finance. The information we have used to reach this decision is included in Appendix 1 and we had an Action Plan on going to help mitigate the impact of the 2014/15, see Appendix 2. The actions in this plan will be rolled forward.

1i. Review date | October 2015

Signature

Lead Officer: Amanda Cawdron Date: 23.10.14
Approver signature: Suzanne Heywood Date: 23.10.14
EIA review date:
The source of all data contained within this appendix is the live benefit database as at 11th September 2014 unless otherwise stated.

What we know about those currently claiming Council Tax Reduction?

Current Council Tax Reduction claimants

As of 8th September 2014 the number of claimants was 25,702

The breakdown of claims by council tax band is as follows:

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>U</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of claimants</td>
<td>20,050</td>
<td>3,103</td>
<td>1,898</td>
<td>437</td>
<td>131</td>
<td>37</td>
<td>16</td>
<td>2</td>
<td>28</td>
</tr>
</tbody>
</table>

This data shows that the overwhelming majority of CTR claimants live in Band A properties.

Potential impact on people of a particular age

The breakdown of claims by claimant type is as follows:

<table>
<thead>
<tr>
<th>Type of Recipient</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
<td>9,805</td>
<td>38%</td>
</tr>
<tr>
<td>Working age - passported benefits</td>
<td>10,286</td>
<td>40%</td>
</tr>
<tr>
<td>Working age – other</td>
<td>5,611</td>
<td>22%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25,702</td>
<td></td>
</tr>
</tbody>
</table>

This shows that those people of working age (62% of the entire claimant group) are adversely affected, particularly since there is a mandatory requirement to protect those on pension credit i.e. those claimants in the elderly bracket. Therefore the number of claimants of working age is 15,897

Potential impact on men or women (including maternity or pregnancy considerations)

The breakdown of claims by gender of the claimant is as follows:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Working Age</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>6754</td>
<td>42%</td>
</tr>
<tr>
<td>Female</td>
<td>9143</td>
<td>58%</td>
</tr>
<tr>
<td>Total</td>
<td>15897</td>
<td></td>
</tr>
</tbody>
</table>
The demographic information shows a 42/58 split in terms of men and women in the population, so this would indicate that slightly more women than men are affected by the scheme. It is likely that this is down to the number of lone parents with dependent children included in this group, 90% of which are women.

**Impact on those on low incomes**

In a borough that has 3 areas within the top 1% most deprived in the country, there is a real risk that maintaining or reducing the levels of support could drive people over the financial edge and have a major impact on their quality of life. An increased level of support will have a positive effect for such people. Analysis shows that claimants living in (Lower Super Output) Areas in the wards of Coldhurst and St. Mary’s, particularly the Barker Street and St. Mary’s Estates, will be most likely to be cumulatively impacted by welfare reforms (i.e. those neighbourhoods with the highest volumes of claimants of all benefit types). Other wards and neighbourhoods where there are high volumes of individual benefits likely to be affected by the changes include Werneth, Hollinwood (particularly Limeside Village), Alexandra (particularly Alt and Holts), St. James’ (particularly Sholver), Medlock Vale and Waterhead. However, impacts will be felt in all but a few areas of Oldham.

The table below shows claimant types by ward and those wards mentioned above are highlighted. There is clear read across between those wards mentioned in the extract above and those with the largest number of claimants of working age. Therefore it is reasonable to suggest that those people with low incomes would potentially be disproportionately adversely affected by the scheme.

<table>
<thead>
<tr>
<th>Ward</th>
<th>Working Age</th>
<th>Elderly</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandra</td>
<td>1650</td>
<td>607</td>
<td>2257</td>
</tr>
<tr>
<td>Chadderton Central</td>
<td>501</td>
<td>378</td>
<td>879</td>
</tr>
<tr>
<td>Chadderton North</td>
<td>588</td>
<td>456</td>
<td>1044</td>
</tr>
<tr>
<td>Chadderton South</td>
<td>725</td>
<td>533</td>
<td>1258</td>
</tr>
<tr>
<td>Coldhurst</td>
<td>1872</td>
<td>731</td>
<td>2603</td>
</tr>
<tr>
<td>Crompton</td>
<td>328</td>
<td>482</td>
<td>810</td>
</tr>
<tr>
<td>Failsworth East</td>
<td>476</td>
<td>482</td>
<td>958</td>
</tr>
<tr>
<td>Failsworth West</td>
<td>620</td>
<td>536</td>
<td>1156</td>
</tr>
<tr>
<td>Hollinwood</td>
<td>1209</td>
<td>707</td>
<td>1916</td>
</tr>
<tr>
<td>Medlock Vale</td>
<td>1169</td>
<td>543</td>
<td>1712</td>
</tr>
<tr>
<td>Røyton North</td>
<td>348</td>
<td>445</td>
<td>793</td>
</tr>
<tr>
<td>Røyton South</td>
<td>418</td>
<td>428</td>
<td>846</td>
</tr>
<tr>
<td>Saddleworth North</td>
<td>152</td>
<td>252</td>
<td>404</td>
</tr>
<tr>
<td>Saddleworth South</td>
<td>127</td>
<td>305</td>
<td>432</td>
</tr>
<tr>
<td>Saddleworth West and Lees</td>
<td>325</td>
<td>411</td>
<td>736</td>
</tr>
<tr>
<td>Shaw</td>
<td>574</td>
<td>483</td>
<td>1057</td>
</tr>
<tr>
<td>St. James'</td>
<td>967</td>
<td>429</td>
<td>1396</td>
</tr>
<tr>
<td>St. Mary's</td>
<td>1528</td>
<td>547</td>
<td>2075</td>
</tr>
<tr>
<td>Waterhead</td>
<td>1073</td>
<td>586</td>
<td>1659</td>
</tr>
<tr>
<td>Werneth</td>
<td>1247</td>
<td>464</td>
<td>1711</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,897</strong></td>
<td><strong>9,805</strong></td>
<td><strong>25,702</strong></td>
</tr>
</tbody>
</table>
Impact on those people from particular ethnic groups

We do not currently collect ethnicity data in relation to CTR claimants, however, the demographic data shows the following information about ethnicity in the wards highlighted above. This shows that three of the wards (Coldhurst, St. Mary’s and Werneth) identified as being most impacted have a high proportion of people from a BME background (over 50% of residents). It also shows that another three (Alexandra, Medlock Vale, and Waterhead) have significant numbers of people from BME backgrounds (over 15% of residents), whilst Hollinwood and St. James are primarily made up of residents from non-BME backgrounds.

Whilst we cannot confirm that people from particular ethnic backgrounds would be disproportionately adversely affected by maintaining or reducing the levels of support under the scheme, the demographic data suggests that this might be the case.

<table>
<thead>
<tr>
<th>Ward</th>
<th>% White</th>
<th>% Pakistani</th>
<th>% Bangladeshi</th>
<th>% Other non-white</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandra</td>
<td>63.4</td>
<td>22.8</td>
<td>3.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Chadderton Central</td>
<td>88.3</td>
<td>2.2</td>
<td>5.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Chadderton North</td>
<td>78.4</td>
<td>2.1</td>
<td>15.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Chadderton South</td>
<td>91.1</td>
<td>2.2</td>
<td>1.7</td>
<td>5.0</td>
</tr>
<tr>
<td>Coldhurst</td>
<td>27.1</td>
<td>3.7</td>
<td>60.2</td>
<td>9.0</td>
</tr>
<tr>
<td>Crompton</td>
<td>96.0</td>
<td>0.5</td>
<td>1.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Failsworth East</td>
<td>95.9</td>
<td>0.8</td>
<td>0.2</td>
<td>3.1</td>
</tr>
<tr>
<td>Failsworth West</td>
<td>95.1</td>
<td>0.6</td>
<td>0.2</td>
<td>4.1</td>
</tr>
<tr>
<td>Hollinwood</td>
<td>86.9</td>
<td>5.6</td>
<td>2.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Medlock Vale</td>
<td>61.5</td>
<td>22.8</td>
<td>6.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Royton North</td>
<td>97.4</td>
<td>0.3</td>
<td>0.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Royton South</td>
<td>93.5</td>
<td>0.8</td>
<td>2.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Saddleworth North</td>
<td>97.3</td>
<td>0.4</td>
<td>0.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Saddleworth South</td>
<td>97.5</td>
<td>0.4</td>
<td>0.2</td>
<td>1.9</td>
</tr>
<tr>
<td>Saddleworth West and Lees</td>
<td>97.0</td>
<td>0.6</td>
<td>0.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Shaw</td>
<td>94.0</td>
<td>1.0</td>
<td>2.8</td>
<td>2.2</td>
</tr>
<tr>
<td>St. James'</td>
<td>94.4</td>
<td>0.5</td>
<td>0.3</td>
<td>4.7</td>
</tr>
<tr>
<td>St. Mary’s</td>
<td>34.0</td>
<td>49.1</td>
<td>8.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Waterhead</td>
<td>76.8</td>
<td>16.1</td>
<td>1.3</td>
<td>5.7</td>
</tr>
<tr>
<td>Werneth</td>
<td>23.4</td>
<td>48.6</td>
<td>17.8</td>
<td>10.3</td>
</tr>
<tr>
<td>Oldham</td>
<td>77.5</td>
<td>10.1</td>
<td>7.3</td>
<td>5.1</td>
</tr>
<tr>
<td>England</td>
<td>85.4</td>
<td>2.1</td>
<td>0.8</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Impact on people of a particular faith / belief

Whilst we cannot confirm that people with particular faiths / beliefs would be disproportionately adversely affected by maintaining or reducing the levels of support under the scheme, the demographic data suggests that this might be the case because of the link to the evidence displayed relating to ethnicity.
Impact on those with a disability
Of the 15,897 working age claimants, 3,274 (23%) have a disability premium within their benefit calculation. Whilst this indicates that the individual is considered to have some form of disability, it does not tell us the nature or extent of the disability.

For 2013/14 council tax of the 4,283 claimants currently under the recovery process due to non-payment, 863 are in receipt of a disability premium, this is 20% of those on recovery.

For 2014/15 council tax of the 3,298 claimants currently under the recovery process due to non-payment, 694 are in receipt of a disability premium, this is 21% of those on recovery.

Of the claimants under recovery action in both 2013/14 and 2014/15, 585 are in receipt of a disability premium.

The evidence shows that whilst the majority of claimants who are in receipt of a disability premium are managing to make their payments, however there is a core number of claimants who are not. Additionally, there are still some changes to Disability Living Allowance to be made in terms of changing onto Personal Independence Payments. This impact is unknown so the potential impact on those in receipt of disability premiums is something we are keen to keep under review.

Collection rates
As of 29th September 2014, the collection rate for council tax in relation to 2014/15 CTR accounts is 39%. In comparison the collection in September 2013 was 42%.

There is a possibility in a decline in the collection rate due to ongoing recovery for those claimants who have council tax arrears for 2013/14 and 2014/15.

For council tax reduction arrears remaining from 2013/14, 2027 deductions from benefit are in place, of those 3279 are also undergoing recovery in 2014/15.

Recovery Activity
Of those claimants who received Council Tax Reduction in 2013/14 4304 accounts are now on recovery action. As of 10th September 2014 of those claimants who receive council tax reduction in 2014/15 3279 accounts are on recovery action.

The breakdown below shows those accounts broken down by property band.
<table>
<thead>
<tr>
<th>Band</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14 Number</td>
<td>3686</td>
<td>370</td>
<td>178</td>
<td>53</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>4304</td>
</tr>
<tr>
<td>2014/15 Number</td>
<td>2803</td>
<td>288</td>
<td>126</td>
<td>51</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3279</td>
</tr>
</tbody>
</table>

These figures are proportionately in-line with the overall number of claimants in each band, which indicate that since the local council tax reduction scheme was introduced people in higher bands are not finding it more difficult to pay than those in lower bands.

Other financial impacts

We have previously highlighted a number of potential impacts from wider welfare reforms, which whilst not the subject of this EIA do have a bearing on overall impact on people's ability to pay their Council Tax.

It is notable that Oldham was ranked 26th worst affected out of the 379 local authorities in Great Britain with the overall annual impact of welfare reform changes being estimated at £90.1m, once the changes are fully implemented. This equates to a loss of £637 a year per working-age adult. This is a key finding for Oldham from the Centre for Regional Economic and Social Research (CRESR, Sheffield Hallam University) recently published report: “Hitting the poorest hardest – The local and regional impact of welfare reform”. This one-off, large-scale study was completed in 2013. Whilst no comparable research has been conducted since at this scale, we are not aware of any evidence to suggest Oldham’s position has significantly changed.

Further findings and more information is presented in the Impact of Welfare Reform report that went to Full Council on 22 October 2014, these documents are available at:


A number of actions identified in developing the 14/15 scheme were intended to mitigate the impact of CTR and the wider welfare reform, below are the actions with an update under each.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Update</th>
</tr>
</thead>
</table>
| Continue to promote existing flexible payments method | Social media:  
- Between September – December 2013, we used memes but these didn't have great levels of engagement.  
- We have continued with the social |
<table>
<thead>
<tr>
<th>Task</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review effectiveness and take up of current payment methods and introduce new payment options where appropriate</td>
<td>As at 24th October 2014 the number of CTR recipients paying by Direct Debit is 3,624, which equates to 23.05% of the caseload. 264 are paying by fortnightly Direct Debit which was introduced as a new payment method in 2013.</td>
</tr>
<tr>
<td>Continue to deliver energy switching campaigns and auctions</td>
<td>We will not be pursuing any further energy switching campaigns this year. Work is continuing on the Warm Homes Oldham programme, part of which offers advice to residents on switching. We will also continue to promote energy saving measures both through our own website, and by signposting to the Greater Manchester Energy Advice team who can offer a wide range of advice for residents.</td>
</tr>
<tr>
<td>Identify and establish referral arrangements to a wider range of support services</td>
<td>We are exploring the process of referrals to Step Change national debt charity to refer vulnerable residents to them. We have also used the Personal Budgeting Support team (PBS) to support residents with money management and debt advice.</td>
</tr>
<tr>
<td>Further develop the Welfare Rights Service to support residents to maximise their income</td>
<td>The team was initially set up with two officers, the team was expanded to 4 officers in April 2013 using funding from LWP for the two additional officers. The two temporary posts have been made permanent and a commitment has been made to maintain the team going forward to ensure that we maximise the benefits claimed by residents. The team has seen a significant rise in referrals since March 2013 and secured an additional £3m of benefits in 2013/2014 and is on target to exceed this in 2014/15</td>
</tr>
<tr>
<td>Work with partner organisations to provide targeted support to residents</td>
<td>Dedicated welfare reform and financial inclusion working groups are in place,</td>
</tr>
<tr>
<td>Task</td>
<td>Description</td>
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<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Continue to monitor the collection rates on a weekly basis</td>
<td>This allows swift action to be taken if collection slows.</td>
</tr>
<tr>
<td>Monitor the collection rates in relation to those in receipt of a disability premium</td>
<td>There has been no significant change in the collection rate since last year. Personal Independence Payment (PIP) was rolled out in Oldham in June 2013 to replace Disability Living Allowance. DWP data for Oldham shows 427 claimants (in July 2014).</td>
</tr>
<tr>
<td>Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected Identify and support those affected by the future changes to welfare reform, particularly the benefit cap and Universal Credit</td>
<td>Universal Support Delivered Locally (USDL) is the new name for the Local Support Services Framework (LSSF) and it will promote new models of partnership working to support UC claimants. A series of Greater Manchester pilots and links with Public Service Reform to 'make work pay' and support the most vulnerable (e.g. Troubled Families) are currently being considered</td>
</tr>
<tr>
<td>Review approach to debt collection by the Council and seek to develop single view of the debts an individual owes to the Council</td>
<td>The Corporate debt policy has been reviewed.</td>
</tr>
<tr>
<td>Link to Get Oldham working initiatives</td>
<td>Key achievements for Get Oldham Working between May 2013 and May 2014 have included:</td>
</tr>
<tr>
<td></td>
<td>• 2,246 job opportunities pledged.</td>
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<td></td>
<td>• 401 job opportunities created and 196 filled.</td>
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<td>• 158 apprenticeships created and 68 filled.</td>
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<td>• 101 traineeships created and 51 filled.</td>
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<td>• 255 work experience placements created and 188 filled.</td>
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<td>• 221 clients provided with in-work support.</td>
</tr>
<tr>
<td>Undertake an annual review of the Council Tax Reduction scheme</td>
<td>The scheme will continue to be reviewed.</td>
</tr>
<tr>
<td>Identify how the breadth and quality of the data collected can be improved</td>
<td>We are currently looking at Destin solutions which is a software programme designed to further analyse the data and to identify vulnerability to enable a more proactive approach</td>
</tr>
<tr>
<td>No</td>
<td>Action</td>
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<td>----</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Continue to promote existing flexible payments method</td>
</tr>
<tr>
<td>2</td>
<td>Review effectiveness and take up of current payment methods and introduce new payment options where appropriate</td>
</tr>
<tr>
<td>3</td>
<td>Work is continuing on the Warm Homes Oldham programme, part of which offers advice to residents on switching.</td>
</tr>
<tr>
<td>4</td>
<td>Identify and establish referral arrangements to a wider range of support services</td>
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<td>Further develop the Welfare Rights Service to support residents to maximise their income</td>
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<td>Continue to monitor the collection rates on a weekly basis</td>
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<td>Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected</td>
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<td><strong>12</strong></td>
<td>Link to Get Oldham working initiatives</td>
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<td><strong>13</strong></td>
<td>Undertake an annual review of the Council Tax Reduction scheme</td>
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<td><strong>14</strong></td>
<td>Identify how the breadth and quality of the data collected can be improved</td>
</tr>
</tbody>
</table>