

Evidence Paper: Welfare Reforms

Local Council Tax Support - Impacts and Mitigations

Produced by Corporate Research, Corporate Strategy and Communications Team, Borough of Poole. October 2012



Introduction

This paper provides information on impacts and mitigations relating to the Local Council Tax Support Scheme for Poole.

A separate Equality Impact Assessment has been produced with Bournemouth Borough Council and Dorset County Council and is available at www.boroughofpoole.com/counciltaxsupport.

Consultation is currently open on the proposed changes. Details of the consultation are available at www.boroughofpoole.com/counciltaxsupport.

Summary

Approximately 12,000 households claim Council Tax Benefit (September 2012).

Of those about half are pensioner households which will not be affected by the change to a Council Tax Support Scheme.

The Council proposes that a further 1,500 vulnerable claimant households (including those with a disability and recognised caring responsibilities) will also be protected.

Therefore approximately 4,500 claimant households are expected to be affected by the change to a local Council Tax Support Scheme.

The average (median) weekly financial impact for affected claimant households will be £1.38 per week, £70.72 per annum.

The primary impact will be a reduction in disposable income for households where income is already sufficiently low enough to entitle them to Council Tax Benefit. Some of these households are concentrated in small areas of Poole. In these areas there are likely to be local economic impacts, with a reduction of spending in local shops and businesses. About £1.1 million per annum will be removed from Poole's local economy as a result of the change to a local Council Tax Support Scheme.

The mitigations for affected households will be to increase income by obtaining paid employment, working increased hours or obtaining higher paid employment.

As the responsible local authority for Poole, the Council already takes action to support vulnerable people and communities. The Council will seek to mitigate the effects of reducing disposable income by providing support for those who want to find paid employment, helping to develop the local economy and the creation of new jobs and supporting those communities where the impact of these changes are concentrated. Alongside these actions the Council continues to support the provision of services designed to help people manage on low incomes.

Equalities Characteristics

We have analysed our administrative data to help us understand local impacts. Administrative data is not available to assess the impact of people by ethnicity, faith or sexuality. Claimant households with a recognised disability are protected from the changes. Pensioner Households are also protected. Therefore the focus for this

impact assessment is on social inequalities including local area impacts, age and gender.

A consultation survey is being undertaken that will collect personal data on equalities characteristics (not sexuality or faith). In addition all equalities groups are being consulted for their views on the impacts of changes via our network of known agencies.

An early provisional analysis of 827 responses to the survey up to 8th October 2012) shows that;

67 percent are women, we know 70 percent of affected claimants are women

55 percent are aged 45 years and over

10 percent are from Black and Minority Ethnic (BME) groups

52 percent have a Limiting Long Term Illness

The Borough of Poole has previously published and maintains a series of [Equalities Reviews](#) that will inform the mitigating actions.

Financial Impact

The average (median) weekly financial impact will be £1.38.

The weekly financial impact ranges from 1p to £3.94.

For 1 in 10 claimant households the financial impact will be less than 0.61p per week.

The financial impact will be more than £2.10 for 1 in 10 claimant households.

Work status

Approximately 2 in every 5 (38 percent) affected claimants have earned income from employment.¹

When we match affected claimants to Mosaic lifestyle data we find that one in four are from just one of the 15 Mosaic Groups². Group H (Couples and Young Singles in Small Modern Starter Homes). Typically most are owner-occupied and their household finances are often stretched. Most households in this group will have someone in employment.

607 (13 percent) affected claimants are unemployed and claiming Job Seekers Allowance (JSA) and are therefore available for and seeking employment³.

Families with Children

1,728 children under five years old live in claimant households that will be affected by the change to Council Tax Support. That is 1 in 5 (21 percent) of all children under five years old living in Poole⁴.

About two thirds (2,978) of affected claimant households have children. 2,088 of these are lone parents. Lone parents account for nearly half (45%) of all claimants.

878 claimant households are lone parents with one or more children under 5 years of age⁵. Lone parents who have at least one child aged less than five years account for

¹ Datatank © and Borough of Poole 3rd September 2012

² More information about Mosaic Public Sector is available [here](#).

³ Datatank © and Borough of Poole 3rd September 2012

⁴ Datatank © and Borough of Poole 3rd September 2012 and 2010 Mid Year Population Estimates.

⁵ Datatank © and Borough of Poole 3rd September 2012

19 percent (1 in 5) of all affected claimant households⁶. More than 1 in 5 (22 percent) of these have earned income from employment⁷.

Childcare costs continue to be an issue for parents⁸. The numbers of households who don't use childcare because "it is too expensive" increased between 2007 and 2010. These households were more likely to be from the more deprived areas in Poole, and to have children aged less than 5 years. Childcare costs are one of the main reasons for dissatisfaction with childcare, both in this survey, and as stated by parents in the [childcare focus groups](#).

7 out of 10 claimants are women (70 percent) and nearly all single parent claimants are women (99 percent). The cost of child care combined with low pay especially for women will make it a difficult choice to take up paid employment.

Median pay (full time) for women resident in Poole is around 84% of that for men in Poole. The gross weekly pay for resident full-time workers in Poole during 2011 was £517.90 for males and £435.56 for females.

The Council has identified 153 families which meet Government criteria for 'troubled families' (locally referred to as 'families with futures'). Of this cohort, 75 will be affected by the change to a Council Tax Support Scheme.

Families with futures are those that meet at least two of the following criteria:

- Young people involved in crime or anti-social behaviour

- Household affected by truancy or exclusion from school

- Have an adult on Department of Work and Pensions (DWP) out of work benefits

- Have a child with assessed emotional or behavioural difficulties

Area impacts

Nearly half (43 percent) of the affected claimants are residents in the four Wards of Alderney, Poole Town, Newtown and Hamworthy West. Poole has 16 Wards in total⁹. The four Wards with the lowest number of claimants are Broadstone, Canford Cliffs, Merley and Branksome East, together they account for 12 percent of claimant households¹⁰.

Local impact can also be measured for Lower Layer Super Output Areas (LLSOAs - which for ease of reading, will be referred to as 'small areas' in this report). There are 91 'small areas' in Poole, which are communities of approximately 1,500 households.

11% of the affected claimants live in Poole's three most deprived 'small areas'. These areas are Turlin Moor in Hamworthy West Ward, part of Poole Town Ward and Bourne Estate in Alderney Ward. A small area adjoining Bourne Estate in Alderney Ward also has a large number of claimants.

⁶ Datatank © and Borough of Poole 3rd September 2012

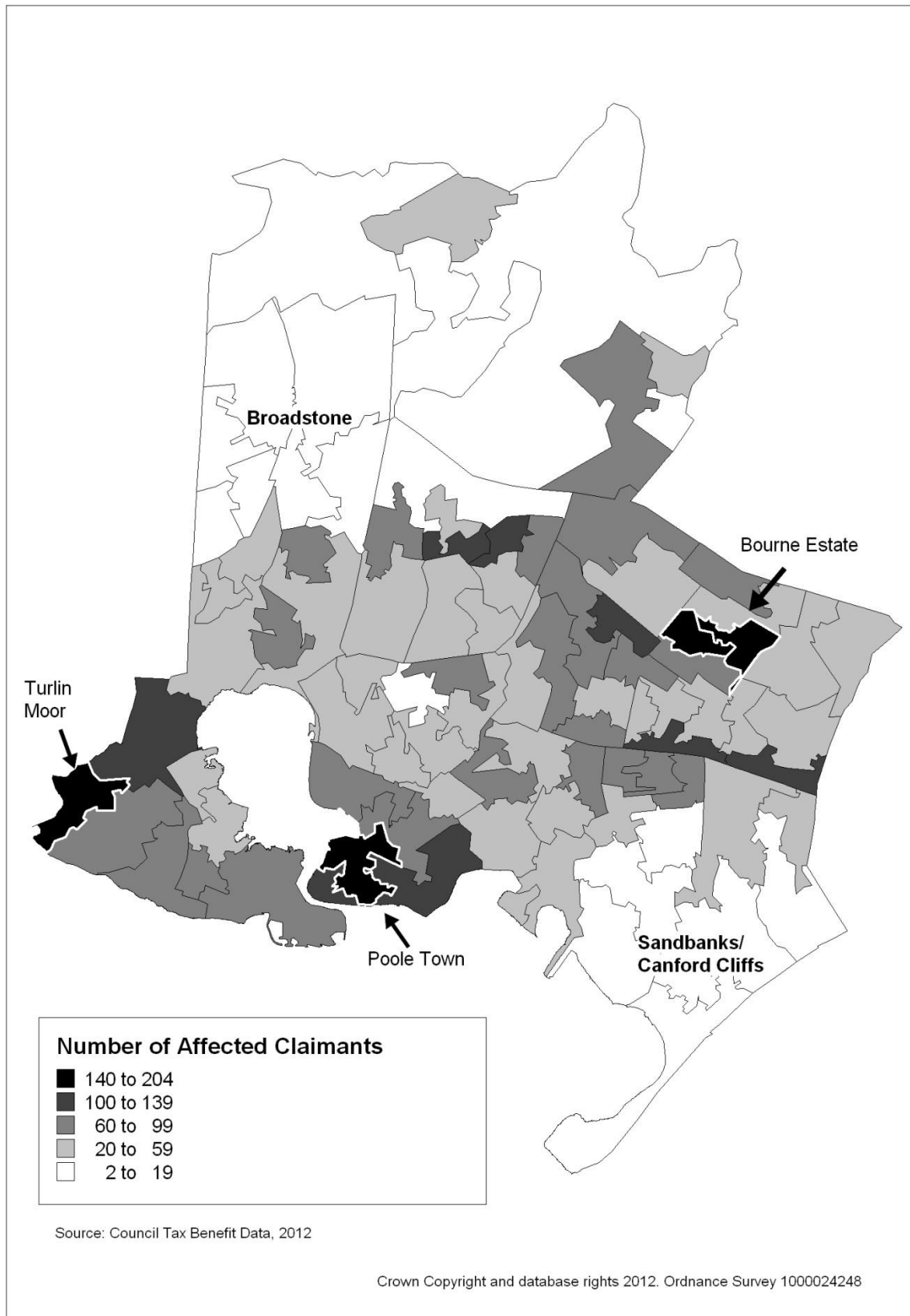
⁷ Datatank © and Borough of Poole 3rd September 2012

⁸ [Childcare Sufficiency Study 2010](#) Corporate Research Team, Borough of Poole, on behalf of Children's Services.

⁹ Datatank © and Borough of Poole 3rd September 2012

¹⁰ Datatank © and Borough of Poole 3rd September 2012

Map showing the number of affected claimants by small area (LLSOA).



The table below shows the estimated annual loss for those four ‘small areas’, assuming Council Tax Support can be claimed on 80% of the Council Tax bill.

Annual financial loss per claimant and for area¹¹

(Figures have been rounded to nearest pound)

Area (LLSOA Code)	Number	Minimum	Maximum	Average	Area total
Part of Poole Town Ward (E01015469)	204	£6	£419	£152	£31,134
Turlin Moor in Hamworthy West Ward (E01015430)	160	£15	£258	£168	£26,839
Area adjoining Bourne Estate in Alderney Ward (E01015382)	153	£3	£258	£157	£23,949
Bourne Estate in Alderney Ward (E01015384)	140	£28	£358	£183	£25,600

The English Indices of Deprivation report is also available for ‘small areas’ in Poole¹². The areas identified above are some of the most deprived small areas in England.

- Turlin Moor and part of Poole Town Ward are within the most deprived 10 percent of all ‘small areas’ in England for Multiple Deprivation.
- Part of Poole Town Ward is within the most deprived 10 percent in England for the Employment Deprivation domain (involuntary excluded from labour market).
- Turlin Moor is within the most deprived 10 percent of all ‘small areas’ in England for Income Deprivation Affecting Children sub-domain (living in income deprived households).
- Bourne Estate is in the most deprived 10 percent in England for the Skills Deprivation sub-domain (low or no qualifications) and for Income Deprivation Affecting Children sub-domain (living in income deprived households).

Children with the poorest outcomes and the most complex needs are concentrated in some of the same small areas of the Borough¹³. The priority areas of need for children and young people are: Bourne Estate (Alderney); Turlin Moore (Hamworthy West); Sherbourne Crescent Area (Canford Heath East); and Poole Town Centre (Poole Town).

Impact Mitigation

The Council has for some time been aware of the impact of the rising cost of living coupled with the relatively low wage economy in Poole. A number of programmes have been initiated by the authority and by other agencies which will help mitigate the impact of the change in the Local Council Tax Support Scheme. These mitigations are summarised here under the two main headings of, ‘supporting people to obtain employment’ and ‘supporting people with low incomes’.

¹¹ Capita © July 2012

¹² [Deprivation Report, 2011, Corporate Research Team, Borough of Poole](#)

¹³ Children and Young Peoples Needs Analysis 2008/09 Report
<http://www.boroughofpoole.com/your-council/how-the-council-works/research/children-and-young-peoples-needs-analysis-2008-09/>

Supporting People to Obtain Employment

Welfare to Work Schemes

There are a number of 'welfare to work' schemes operating in Poole which aim to help people who have been living on benefits to move into sustainable employment. These range from 'Get Britain Working' which is managed by Job Centre Plus, to the 'Work Programme' which is a 'payment by results' programme managed in Poole by Bournemouth and Poole College. Through the Employment and Skills Board of the Local Enterprise Partnership, a mapping exercise is being completed to ensure that the various schemes are meeting needs in the area and that specific groups are receiving effective support. In addition, the Council is now working on creating pathways to ensure it is easy for people who need support to navigate through what is a complex range of services in a way which most effectively meets their needs.

The Department for Work and Pensions launches 'Universal Jobmatch' in November. This new free online service matches jobseekers CVs and skills to jobs. The system includes a number features to speed up the job search and recruitment processes, including a notification process for employers to see jobseekers that match their requirements.

Families with Futures

Families with Futures will work with the most complex families in the Borough to help them to address their own difficulties in a positive and sustainable way. Accessing employment is a key outcome identified by Government and will attract a results payment. The Council, along with its partners on the Poole Partnership, has given this programme a high priority and additional funding. The programme is focused on helping families find and keep jobs – 'Working Families Everywhere' assigns assertive key workers to families to help remove barriers to employment and a European Social Fund project run in Poole by a private sector company will support families to develop employability skills through training. Families impacted by welfare changes have been identified and will be prioritised through the programme.

Families with Children

Poole Partnership and Poole Children's Trust have produced a Child Poverty Strategy¹⁴. The aim of Poole Child Poverty Strategy is to reduce the effects of child poverty in targeted areas and among targeted vulnerable groups. The strategy tasks identified agencies including the Borough of Poole with specific actions that will support people to obtain skills and employment, maximise income and improve family and life chances.

One of the Borough of Poole actions within the Child Poverty Strategy is to support parent's return to work by maintaining sufficient childcare provision to meet the needs of families returning to employment. The Poole Childcare Sufficiency Action Plan 2011- 2014¹⁵ details progress against delivery of specific actions designed to ensure there is sufficient childcare of right type and quality to meet the needs of Poole residents. This includes the provision of funded childcare places. The priorities and action plan are informed by a comprehensive assessment of childcare supply and demand¹⁶.

¹⁴ [Reducing the Impact of Child Poverty in Poole 2011 to 2014](#).

¹⁵ [Childcare Sufficiency Action Plan](#), Borough of Poole. 2011

¹⁶ [Childcare Sufficiency Assessment](#), Borough of Poole. 2011

Children and Young People Integrated Services are developing the web based Family Information Directory to include a section on money and welfare. This will be used by family outreach, pastoral care, special educational needs coordinators and parent champions to support families affected by welfare reforms. All these front line staff are being made aware of the welfare reforms and their likely impacts and will ensure this knowledge is shared with others working with children and families. The web based Directory will be available to those who have access to the internet.

Employment and Worklessness Action Group

There is a significant amount of activity designed to help Poole residents into employment. To ensure the various actions, services and initiatives have maximum possible effect a task and finish group of senior Borough of Poole Officer and relevant external agencies has been established to;

Develop a better coordinated approach to helping people obtain support to access employment.

Build a sound understanding of gaps in service provision and produce proposals to address these gaps.

Supporting People with Low Incomes

In addition to supporting people to find employment, Poole Housing Partnership (PHP) has led on a financial inclusion project which has supported people living on a low income. Through the 'Your Money' project they have helped more than 1,200 households in Poole to maximise their income and reduce outgoings. The project helps ensure people are claiming their entitlement to benefits, including improving access to financial products through, for example, promoting the Credit Union. The estimated annual gain to Poole residents from the 'Your Money' project is £113,470. The Council also invested with PHP in solar panels which provide practical cost savings on energy bills for people on limited incomes on their energy costs. The Council has continued to support the Citizens' Advice Bureau which has seen demand for its services rise significantly over the past few years with additional funding provided this year to support people impacted by changes to their benefits.

Area Impacts

In addition to the support provided to individuals and families, the Council recognises the need to support communities where the impact of these changes is concentrated. The Council and Poole Partnership have been proactive in funding a neighbourhood management project in one of the most deprived communities in Poole. The Bourne Estate Neighbourhood Management Project has encouraged community members to become more active and built confidence and resilience within the community. The Council continues to invest in community development support for other areas of deprivation including Poole Town and Turlin Moor.

Monitoring

Ongoing monitoring of the new Council Tax Support Scheme will be required to ensure the Council can respond with the right support to the right people at the right time. Going forward it will be important to monitor our Council Tax Support administrative data so we know;

who is applying for Council Tax Support

who no longer requires Council Tax Support

who requires more or less Council Tax Support

With this information we will know if our mitigation actions are effective for all, some or none of the affected groups.

This work is in addition to the monitoring of specific actions referred to in this report that are already being monitored for their effectiveness.

Further Details

For further details or queries about this report, please contact Pete Stratford, Corporate Strategy and Communications Team, Borough of Poole. Tel 01202 633306, or email p.stratford@poole.gov.uk.

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