

Equality Impact Assessment Council Tax Reduction Scheme

Authority:	Sevenoaks District Council
Date EqIA commenced:	23 May 2016
Date first stage EqIA finalised for pre-consultation decision:	24 May 2016
Date second stage EqIA finalised after consultation closed, prior to final decision being taken:	To be completed
Job titles of officers involved in completing the EqIA:	Chief Finance Officer Head of Transformation and Strategy Head of Revenues & Benefits West Kent Equalities Officer

Summary of decision to be made

Since 1 April 2013, the Council has maintained a local Council Tax Reduction Scheme. The Council has the ability to determine the level of reduction given to working age applicants only. The scheme for pension age applicants is determined by Central Government.

We have decided to complete a full review of the scheme. The objectives of the review are to:

- Accurately target support to those working age claimants who most need it.
- Align the scheme with proposed changes to Housing Benefit and introduction of Universal Credit.
- Address potential shortfalls in funding due to the continued reduction in Central Government grants.
- Maintain a common approach to the design of local schemes across Kent.

Scope of this equality impact assessment

1. Review of the current scheme, introduced on 1 April 2013.
2. Proposed changes to the scheme from 1 April 2017.

How is the decision relevant to the three aims of the Public Sector Equality Duty?

The need to ensure that the scheme is not unlawfully discriminatory is relevant to the first aim of the duty to eliminate discrimination, harassment and victimisation

The need to consider how we can take steps to meet the needs of people with protected characteristics and whether people with disabilities may need to be treated more favourably, in how the scheme is designed, is relevant to the second aim of the duty to advance equality of opportunity.

The proposed service changes could also be relevant to fostering good relations with regard to maintaining the confidence and trust in the local authority by people with protected characteristics who may use our services.

Review of the current scheme, introduced on 1 April 2013

The current scheme requires all working age claimants to pay 18.5% of their council tax liability. Transitional funding meant claimants were only required to pay 8.5% in the first year of the scheme.

The current scheme was subject to a comprehensive equality impact assessment in 2012. That assessment identified that our Council Tax Reduction Scheme had the potential to have a negative impact on working age people with disabilities, carers, women and younger age groups. To mitigate these potential impacts it was agreed that we would continue to treat people with disabilities, carers and households with young children more favourably by disregarding some income, giving them a higher council tax reduction. The impact on working age groups was as a result of the Government protecting pension age people from any changes. However, transitional funding was intended to reduce the extent of the impacts in the first year of the scheme.

The equality impact assessment was reviewed by Full Council in October 2014 and found that the impact of the 18.5% reduction on people with disabilities had not altered significantly, that the impact on carers was more significant than initially anticipated and that the impact on females was less significant than initially anticipated. The scheme continues to disregard some income for people with

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disabilities, carers and families with children, resulting in a higher council tax reduction. No further mitigating actions were identified.

Current claimant data is provided in Annex 1. Findings from the data are summarised below.

Disability

Working age people with disabilities make up a high proportion of the working age caseload at 21%. Working age people with disabilities receive more per week, than working age people without disabilities, on average.

Carers

There is a roughly equivalent proportion working age claimants with a carer in the household, than there are carers in the population overall. Working age claimants with a carer in the household receive more per week, on average, than working age claimants without a carer in the household.

Age

Those aged 18-24 make up a lower proportion of the caseload than the population overall. Those aged 25-34 make up a higher proportion of the caseload than the population overall. Other age groups broadly reflect the overall population. Those aged 55-64 currently receive the highest weekly amount, on average. Those aged 18-24 currently receive the lowest weekly amount, on average.

Sex

Females make up a high proportion of the caseload at 71%. Although, there is a small difference between the average amounts females and males receive per week, this is due to factors relating to circumstances which directly affect the calculation of council tax reduction, and is not linked to a claimant's sex.

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. No new data is available, following the consultation in 2012.

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion of belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Proposed changes to the scheme from 1 April 2017

There are eight recommendations being presented for consultation. Current claimant data, for each of the recommendations, where available, is provided in Annex 1. Where an option applies to new claimants, we have provided data for current claimants as an indication of the possible impacts as it is not possible to predict who may apply after 1 April 2017. Findings from the data can be summarised as follows:

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Disability

There is a potential impact on people of working age with a disability of the following recommendations:

- Recommendation (b)(i): increasing the minimum contribution rate for working age claimants to 20% or (up to) 25% (would affect all working age claimants, of which 21% have a disability).
- Recommendation (b)(iii): removing second adult rebate (26% of working age claimants in this category have a disability).

Carers

There is a potential impact on people of working age with a carer in the household of the following recommendations:

- Recommendation (b)(i): increasing the minimum contribution rate for working age claimants to 20% or (up to) 25% (would affect all working age claimants, of which 11% have a carer in the household).
- Recommendation (b)(ii): introducing a band cap at a band D (16% of working age claimants in this category have a carer in the household).
- Recommendation (b)(iii): removing second adult rebate (19% of working age claimants in this category have a carer in the household).
- Recommendation (b)(vii): aligning regulations of the current council tax reduction scheme with housing benefit and (prescribed) pension age council tax reduction scheme (13% of working age claimants who receive non-dependent deductions have a carer in the household).

Age

As claimants of pension age are protected, there is a potential impact on other age groups, of the following recommendations:

- Recommendation (b)(i): increasing the minimum contribution rate for working age claimants to 20% or (up to) 25% (would affect all working age claimants).
- Recommendation (b)(ii): introducing a band cap at a band D (34% of claimants in this category are aged 45-54 and 26% are aged 55-64).
- Recommendation (b)(iii): removing second adult rebate (45% of claimants in this category are aged 45-54 and 36% are aged 55-64).
- Recommendation (b)(iv): reducing the capital limit to £6000 (31% of claimants in this category are aged 45-54 and 38% are aged 55-64).
- Recommendation (b)(v): including child benefit and child maintenance in the assessment of income (40% of claimants with child maintenance are aged 35-44; 32% of claimants with child benefit are aged 25-34 and 37% are aged 35-44).
- Recommendation (b)(vi): introducing a minimum income floor for self-employed claimants (37% of claimants in this category are aged 35-44).
- Recommendation (b)(vii): aligning regulations of the current council tax reduction scheme with housing benefit and (prescribed) pension age council tax reduction scheme:
 - 44% of current claimants who receive family premium in this category are aged 35-44 and 32% are aged 45-54, however the proposal would apply to new claims only.
 - 48% of current claimants who receive non-dependent deductions are aged 45-54 and 28% are aged 55-64, however the proposal would apply to new claims only.

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- 56% of current claimants who receive awards for over two dependents are aged 35-44, however, the proposal would only apply to claimants who have a subsequent or third child after 1 April 2017.

Sex

There is a potential impact on working age males and females of the following recommendations:

- Recommendation (b)(i): increasing the minimum contribution rate for working age claimants to 20% or (up to) 25% (would affect all working age claimants, of which 71% are female and 29% are male).
- Recommendation (b)(iii): removing second adult rebate (86% of working age claimants in this category are female).
- Recommendation (b)(iv): reducing the capital limit to £6000 (41% of working age claimants in this category are male).
- Recommendation (b)(v): including child benefit and child maintenance in the assessment of income (97% of working age claimants with child maintenance are female; 84% of working age claimants with child benefit are female).
- Recommendation (b)(vi): introducing a minimum income floor for self-employed claimants (36% of working age claimants in this category are male).
- Recommendation (b)(vii): aligning regulations of the current council tax reduction scheme with housing benefit and (prescribed) pension age council tax reduction scheme:
 - 83% of current claimants who receive family premium are female, however the proposal would apply to new claims only
 - 80% of current working age claimants who receive non-dependent deductions are female, however the proposal would apply to new claims only
 - 74% of working age claimants who receive awards for over two dependents are female, however, the proposal would only apply to claimants who have a subsequent or third child after 1 April 2017).

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. The Census (2011) shows that people from Minority Ethnic backgrounds are more likely to be economically active and less likely to be self-employed, than people from a White background. We have no evidence to indicate that working age people with different ethnic backgrounds would be affected differently. However, we will ask people to identify their ethnic group, when responding to the consultation.

Armed Forces Community

This is considered in this equality impact assessment as part of the commitments within the Community Covenant. Armed forces personnel deployed on operations overseas, who normally pay council tax, benefit from a tax-free payment on the cost of council tax paid directly by the Ministry of Defence. Following the announcement by the Chancellor in his 2012 Budget statement, Council Tax Relief will be worth just under £600 (based upon 2012/13 council tax) for an average six-month deployment based on the average Council Tax per dwelling in England. This will continue to be paid at a flat rate to all eligible personnel. More information is available at www.mod.uk. We also disregard income from war disablement pensions, providing eligible claimants with a higher council tax reduction.

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Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion of belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Recommendation (b)(vii) to align the regulations of the current council tax reduction scheme with housing benefit and (prescribed) pension age council tax reduction scheme (which includes limiting the number of dependents to two) would affect any female claimants who are pregnant before 1 April 2017. Otherwise, there is no evidence to indicate that working age people with these protected characteristics would be affected differently to claimants overall.

We have not provided a breakdown of claimants with protected characteristics for recommendations that affect a minimal number of claimants overall. These relate to aspects of aligning the regulations of the current council tax reduction scheme with housing benefit and (prescribed) pension age council tax reduction scheme (recommendation (vii) and include:

- Reducing backdating to one month.
- Reducing the period for which a person can be absent from Great Britain and receive Council Tax Reduction to 4 weeks.
- Remove the award of a Work Related Activity Component
- Remove entitlement to Council Tax Reduction for a claimant classified as ‘Person from Abroad’ or subject to Immigration control.

Summary of initial findings prior to consultation

1. Review of the current scheme, introduced on 1 April 2013

All working age claimants, including those with protected characteristics, have received a reduction in their benefit amount. Pension age claimants, who also have protected characteristics, have not received a reduction as they are protected from any changes by Central Government. For example, 37% of claimants of pension age have a disability, 3% are carers and 61% are female.

The data shows that we currently provide higher reductions to working age people with disabilities and carers. There is no evidence to suggest that this is insufficient to mitigate the impacts of the scheme overall. The calculation of the reduction amount is not related to a claimant’s sex or age (with the exception of those of pension age who are protected). Any differences between the average weekly amounts received by males, females and working age groups is likely to be as a result of other factors. The analysis has not taken account of any council tax increases year on year so it is not possible to make comparisons between amounts across years.

2. Proposed changes to the scheme from 1 April 2017

A summary of the potential impact of each of the consultation options on the protected characteristics, identified from claimant data and other considerations, is provided in the table below. All options could impact on working age claimants with

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one or more of the protected characteristics of disability, age, sex or race. The extent of these impacts will be considered further following the consultation.

Recommendations (paragraph b)	Protected characteristic (potential for impact identified from Stage 1 of the EqlA)			
	Disability (inc. carers)	Age	Sex	Race
Increasing minimum contribution rate for working age claimants to 20% or (up to) 25%	Yes	Yes	Yes	Yes
Introducing a band cap at a band D	Yes	Yes		
Removing second adult rebate	Yes	Yes	Yes	
Reducing the capital limit		Yes	Yes	
Including child benefit/maintenance		Yes	Yes	
Introducing a minimum income floor		Yes	Yes	
Aligning the regulations with housing benefit.	Yes	Yes	Yes	

Actions to mitigate any identified impacts

The possible introduction of an exceptional hardship scheme has been included as an option for consultation. The potential impact on working age claimants with protected characteristics will be taken into account, together with the consultation findings, when deciding which options will be taken forward. The need for any additional mitigating actions will be identified at that stage.

It is possible that individual claimants may be affected by more than one of the options presented for consultation. We will carry out data modelling to identify categories of claimants who may be affected by any options taken forward.