

Equality Impact Assessment Council Tax Reduction Scheme

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Summary of decision to be made

Since 1st 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

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

Conclusions - review of the current scheme (2016-17)

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.

Proposed changes to the scheme from 1st April 2017

There are nine potential options to adjust the scheme. Current claimant data for each of the options, where available, is provided in Annex 1. Where an option applies to new claimants, we have provided data for current claimants (where available) as an indication of the possible impacts as it is not possible to predict who may apply after 1st April 2017. Findings from the data are summarised below.

Disability

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

- reducing the maximum level of support for working-age claimants from 81.5% to 80%
 - Existing claimants with disabilities (678 people) would lose 33 pence per week, on average, compared to claimants without disabilities, who would lose an average of 30 pence per week. Claimants with disabilities would continue to receive £1.76 per week more than claimants without disabilities, on average.
 - This option was supported by 25.7% of people with disabilities who responded to the consultation, compared with 41.3% of respondents without a disability.

Mitigation: we would continue to treat people with disabilities more favourably by disregarding income received from certain disability benefits. The Exceptional Hardship Policy allows for ill-health and disabilities to be considered when deciding whether to award a payment. An Exceptional Hardship Policy was supported by high proportions of people with disabilities and people without disabilities, who responded to the consultation.

Impact of other options affecting existing claimants

- The proportion of those that are likely to be affected by the minimum income level for self-employed is less than the proportion of people with disabilities in the caseload overall. This option was supported by 43.2% of people with disabilities who responded to the consultation, compared with 27% of respondents without a disability.
- We are not able to forecast the impacts of reducing the period a person can be absent from Great Britain or excluding foreign nationals with limited immigration status. These options were supported by high proportions of people with disabilities and people without disabilities, who responded to the consultation.

Mitigation: an exemption for temporary absence due to medical treatment would reduce any potential impact on claimants with a disability; a range of other council tax disregards are available for those absent from home to receive or provide care due to ill health.

Impact of other options affecting new claimants

- For options affecting new claimants: removing family premium, reducing backdating to one month, removing the work related activity component and limiting the number of dependents to two children, we cannot predict what proportion of people with disabilities may apply for council tax reduction in 2017. However, for those options where data is available, the proportion of current claimants within these categories is in line with, or less than, the proportion of people with disabilities in the caseload overall. People with disabilities, who responded to the consultation, were more likely to support the removal of family premium (40.5%) than people without disabilities (31.8%). People without disabilities (58.7%) were more likely to support reducing backdating to one month than people with disabilities (41.9%) who responded to the consultation. Low proportions of people with disabilities and people without

disabilities, who responded to the consultation, supported removing the work related activity component. High proportions of people with disabilities and people without disabilities were in favour of limiting the number of dependents to two children.

Mitigation: not required at this stage. We will monitor the impact of these options on new claimants and consider whether any further action may need to be taken to mitigate any impacts.

Carers

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

- reducing the maximum level of support for working-age claimants from 81.5% to 80%.
 - Carers (344 people) would lose 36 pence per week, on average, compared to claimants who are not carers, who would lose 30 pence per week, on average. Carers would continue to receive £3.31 per week more than claimants who are not carers, on average.
 - We did not collect details of carers from the consultation.

Mitigation: we would continue to treat carers more favourably by disregarding income received from certain carer benefits. The Exceptional Hardship Policy allows for any other occupants of the claimant's home to be considered when deciding whether to award a payment.

Impact of other options affecting existing claimants

- The proportion of those that are likely to be affected by the minimum income level for self-employed is less than the proportion of carers in the caseload overall.
- We are not able to forecast the impacts of reducing the period a person can be absent from Great Britain or excluding foreign nationals with limited immigration status.

Mitigation: a range of council tax disregards are available for those absent from home to receive or provide care due to ill health.

Impact of other options affecting new claimants

- For options affecting new claimants: removing family premium, reducing backdating to one month, removing the work related activity component and limiting the number of dependents to two children, we cannot predict what proportion of carers may apply for council tax reduction in 2017. However, for those options where data is available, the proportion of current claimants within these categories is in line with, or less than, the proportion of carers in the caseload overall.

Mitigation: not required at this stage. We will monitor the impact of these options on new claimants and consider whether any further action may need to be taken to mitigate any impacts.

Sex

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

- reducing the maximum level of support for working-age claimants be reduced from 81.5% to 80%.
 - Although a higher proportion of females (71%) would be affected than in the caseload overall, males would lose more (32 pence per week, on average) compared to females (30 pence per week, on average).
 - A low proportion of female and male respondents to the consultation supported this option, with males more likely to disagree than females.

Mitigation: we will monitor the impact of this option on claimants. Female and male claimants, who are facing exceptional hardship, will be able to apply for assistance with their payments.

- Remove the Family Premium for all new working-age claimants.
 - 83% of existing claimants in this category are female and 17% are male. We cannot predict what proportion of males and females may apply for council tax reduction in 2017 but all new claimants would receive an average of £3.49 less than current claimants.
 - 30.3% of females and 41.2% of males who responded to the consultation agreed with this option.
Mitigation: we will monitor the impact of this option on new claimants. The Exceptional Hardship Policy allows for any dependents to be considered when deciding whether to award a payment.
- Limit the number of dependent children to a maximum of two for new claimants.
 - 74% of existing claimants in this category are female and 26% are male. We cannot predict what proportion of males and females may apply for council tax reduction in 2017.
 - 57.6% of females and 70.6% of males who responded to the consultation agreed with this option.
Mitigation: not required at this stage but we will monitor the impact of this option on new claimants.

Impact of other options affecting existing claimants

- The proportion of males and females affected by introducing a minimum income level for self-employed (recommendation (a)(iv)) is roughly in line with the caseload overall. These claimants would receive an average of £15.41 less per week, than they do now. 34.3% of females and 45.1% of males who responded to the consultation agreed with this option.
- We are not able to forecast the impacts of reducing the period a person can be absent from Great Britain or excluding foreign nationals with limited immigration status. These options were supported by high proportions of males and females, who responded to the consultation.

Impact of other options affecting new claimants

- For other options affecting new claimants: reducing backdating to one month and removing the work related activity component, we cannot predict what proportion of males and females may apply for council tax reduction in 2017. 44.4% of females and 51% of males who responded to the consultation supported reducing backdating to one month. Low proportions of males and females, who responded to the consultation, supported removing the work relating activity component.

Combined impacts and mitigation

As there are a high proportion of female claimants overall, there is potential for a negative impact on female claimants who may be affected by more than one option. The combined effect of these options may be significant for new claimants in 2017. Female and male claimants, who are facing exceptional hardship, will be able to apply for assistance with their payments. High proportions of males and females who responded to the consultation supported an Exceptional Hardship Policy.

Age

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

- Reducing the maximum level of support for working-age claimants from 81.5% to 80%.
 - The proportion of age groups affected by this option is in line with the caseload overall. There is a difference of 2 pence in the amounts each age group would lose per week, on average.
 - A higher proportion of those aged 25-34 (50%) who responded to the consultation, supported this option than those aged 35-44 (14.7%), 45-54 (34%) and 55-65 (33.3%).

Mitigation: see combined impacts and mitigation (page 8).

- Introducing a minimum income floor for self-employed claimants).
 - Affects a higher proportion of claimants aged 35-44(37%).
 - Those aged 45-54 (44%) and 55-65 (37.3%) who responded to the consultation, were more in favour of this option than those aged 35-44 (29.4%) and those aged 25-34 (33.3%).

Mitigation: see combined impacts and mitigation (page 8).

- Remove the Family Premium for all new working-age claimants.
 - There are a higher proportion of current claimants aged 35-54 currently under this criteria.
 - We cannot predict what proportion of age groups may apply for council tax reduction in 2017 but all new claimants would receive an average of £3.49 less, per week, than current claimants.
 - Those aged 55-65 (47.1%) and 25-34 (44.4%) who responded to the consultation, were more in favour of this option than those aged 35-44 (20.6%) and those aged 45-54 (26%).

Mitigation: see combined impacts and mitigation (page 8).

- Limit the number of dependent children to a maximum of two for new claimants.
 - There are a higher proportion of current claimants aged 35-44 (56%)under this criteria.
 - We cannot predict what proportion of age groups may apply for council tax reduction in 2017 but all new claimants would receive an average of £2.83 less, per week, than current claimants.
 - Those aged 25-34 (72.2%) 45-54 (72%) and 55-65 (60.8) who responded to the consultation, were more in favour of this option than those aged 35-44 (50%).

Mitigation: see combined impacts and mitigation (page 8).

Impact of other options affecting existing claimants

- We are not able to forecast the impacts of reducing the period a person can be absent from Great Britain and excluding foreign nationals with limited immigration status. These options were supported by a high proportion of all age groups who responded to the consultation.

Impact of other options affecting new claimants

- For other options affecting new claimants: reducing backdating to one month and removing the work related activity component, we cannot predict what proportion of age groups may apply for council tax reduction in 2017. Those aged 25-34 (61.1%) were most in favour of reducing backdating to one month followed by those aged 35-44 (47.1%) 55-65 (45.1%) and 45-54 (42%). The removal of the work related activity

component was supported by low proportions of all age groups, with the exception of those age 25-34 (50%).

Combined impacts and mitigation

As the government has protected pensioners, the impact will fall on working age groups. This impact is as a result of national legislation, and is not within our discretion to mitigate. Within working age groups, although the impact on individual age groups may differ for each option, calculation of council tax reduction is not related to a person's age so it is difficult to mitigate any potential adverse impacts on the basis of age alone. Any differences in entitlement are likely to be as a result of other factors e.g. whether the claimant has a disability, is a carer or has children in the household. Options for reducing the impacts based on these factors have been suggested. However, we can continue to monitor the impact of any changes on age groups to identify whether there are any particular needs relating to age groups that we may need to meet.

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 received a very small number of responses from people from a Minority Ethnic Background, to the consultation. We have no evidence to indicate that working age people with different ethnic backgrounds would be affected differently.

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.

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

The option limit the number of dependents to two children would affect any female claimants who are pregnant before 1st April 2017. Otherwise, there is no evidence to indicate that working age people with these protected characteristics would be affected differently to claimants overall.

Conclusions - proposed changes to the scheme from 1st April 2017

All options will result in working age claimants, including those with protected characteristics, paying more towards their Council Tax bill from 2016-17. Pension age claimants, who also have protected characteristics, will not be affected as they are protected from any changes by Central Government.

Some working age claimants will be affected by more than one of the options. It is not possible to model any cumulative impacts but the possibility that some claimants may be adversely affected by more than one option should be taken into account when deciding which options will be taken forward. Some options will affect existing claimants and some will affect new claimants from 2017.

When deciding which options to take forward, the potential severity of impacts on claimants with protected characteristics needs to be weighed up against any potential financial savings to the Council. Options resulting in higher savings to the Council are likely to impact on more claimants or result in some claimants paying higher amount towards their Council Tax bill.

In complying with our obligations under the Public Sector Equality Duty, we must have 'due regard' to the following:

- Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
 - In deciding which options to take forward, we must ensure that the Council Tax Reduction Scheme does not unlawfully discriminate against any protected characteristics. This can be achieved by using the findings of this equality impact assessment to inform the decision about which options are taken forward.
- Advance equality of opportunity between people from different groups.
 - In deciding which options to take forward, we must consider how we can minimise disadvantage experienced by people with protected characteristics, take steps to meet the needs of people with protected characteristics and encourage people who share a relevant protected characteristic to participate in public life. The Public Sector Equality Duty does not prevent us from taking a decision about our Council Tax Reduction Scheme. Should we decide to take forward any options that may put people with protected characteristics at a disadvantage, we should consider taking action to mitigate those impacts. The Equality Act allows us to treat some people more favourably than others in meeting their needs. This would allow us to protect some income received by people with disabilities and carers, provide exemptions for some claimants with protected characteristics or take the needs of people with protected characteristics into account within an Exceptional Hardship Policy.
- Foster good relations between people from different groups.
 - In deciding which options to take forward, we may wish to consider whether our decision could impact on wider community relations between people with protected characteristics.

Finally, we will monitor the impact of the Council Tax Reduction Scheme on claimants with protected characteristics from 2017. We will provide reports to indicate whether the impacts are in line with our predictions or whether any further action may need to be taken to mitigate any impacts.

Equality Impact Assessment
Annex 1 - Claimant data

Appendix D

Options affecting existing claimants												
Current claimants (working age only)	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number - all claimants	3174	678	2496	344	2830	2256	919	137	722	836	850	629
Percentage		21%	79%	11%	89%	71%	29%	4%	23%	26%	27%	20%
Average weekly CTAX reduction	£16.58	£17.99	£16.20	£19.58	£16.21	£16.30	£17.26	£15.76	£15.80	£16.61	£17.00	£17.04
Reducing the maximum level of support to 80%												
Estimated average weekly loss	£0.31	£0.33	£0.30	£0.36	£0.30	£0.30	£0.32	£0.29	£0.29	£0.31	£0.31	£0.31
Use of a minimum level of income for self-employed earners (data is for after 1 year)												
Claimants under this criteria (No.)	304	12	292	14	290	196	108	6	59	113	85	41
Claimants under this criteria (%)	5%	4%	96%	5%	95%	64%	36%	2%	19%	37%	28%	13%
Average reduction under this criteria	£16.77	£19.12	£16.67	£19.24	£16.65	£16.16	£17.88	£14.19	£17.05	£17.82	£16.03	£15.35
Estimated average weekly loss	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41	£15.41
Reducing the period which a person can be absent from Great Britain												
No data available												
Excluding foreign nationals with limited immigration status												
No data available												

Options affecting new claimants from 2017 - data for existing claimants within these categories has been provided, where possible, to give an indication of possible impacts. We cannot estimate data for new claimants.												
	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Removing the family premium												
Current claimants under this criteria (No.)	554	0	554	1	553	459	95	4	102	246	178	24
Current claimants under this criteria (%)	9%	0%	100%	0%	100%	83%	17%	1%	18%	44%	32%	4%
Average weekly CTAX reduction under this criteria (current)	£14.34	£0.00	£14.34	£16.94	£14.33	£13.50	£18.35	£10.39	£13.19	£14.52	£14.53	£16.57
Estimated weekly loss (new claimants)	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49

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Annex 1 - Claimant data

Appendix D

Options affecting new claimants from 2017 - data for existing claimants within these categories has been provided, where possible, to give an indication of possible impacts. We cannot estimate data for new claimants.												
	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Reducing backdating to one month												
No data available												
Removing the Work Related Activity Component												
No data available												
Limiting the maximum number of dependent children to two												
Current claimants under this criteria (No.)	34	0	34	0	34	25	9	0	7	19	8	0
Current claimants under this criteria (%)	1%	0%	100%	0%	100%	74%	26%	0%	21%	56%	24%	0%
Average weekly CTAX reduction under this criteria (current)	£14.03	£0.00	£14.03	£0.00	£14.03	£13.26	£16.18	£0.00	£12.23	£14.48	£14.54	£0.00
Estimated weekly loss (new claimants)	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83	£2.83
Introducing a scheme to help applicants suffering exceptional hardship												
No data available												

Protected characteristics of claimants of pension age - not affected (for information)							
Pension age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male
Current number of claimants	2845	1057	1788	85	2760	1744	1101
Proportion of claimants		37%	63%	3%	97%	61%	39%
Current average CTAX reduction (weekly)	£19.73	£20.52	£19.26	£23.78	£19.60	£19.53	£20.04

Notes: Claimant data is based on the lead applicant so the actual impacts will also depend on household composition.
Ethnicity, religion/belief, sexual orientation, pregnancy & maternity, marital and civil partnership and gender reassignment data is not collected from claimants as it is not relevant to the calculation of Council Tax Reduction.