

Equality Impact Assessment

<p>Summary of decision to be made:</p>	<p>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.</p> <p>We have decided to complete a full review of the scheme and proposed the introduction of an income grid model. The objectives of the review are to:</p> <ul style="list-style-type: none"> - Address the problems posed by full service Universal Credit - Simplify the claiming process for all applicants. - Improve the speed of processing - Maximise entitlement to every applicant. - Maintain council tax collection rates 		
<p>Lead Officer (job title):</p>	<p>Benefits Manager</p>		
<p>Date the final decision is due to be made:</p>	<p>20/11/2018</p>	<p>Date this assessment commenced:</p>	<p>01/10/2018</p>
<p>Is the decision relevant to the aims of the Public Sector Equality Duty to:</p>			
<p>Eliminate discrimination, harassment and victimisation</p>	<p>Yes</p>		
<p>Advance equality of opportunity</p>	<p>Yes</p>		
<p>Foster good relations</p>	<p>Yes</p>		
<p>Background</p> <p>The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013. Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.</p> <p>The current scheme (2018/19) for working age applicants is based on the previous Council Tax Benefit means test, but has been amended since 2013. The following rules currently apply to working age applicants only:</p> <ol style="list-style-type: none"> a. All working age applicants are required to pay a minimum of 20% towards their Council Tax liability; b. If a person is self-employed, a minimum income floor may be imposed where a person’s income is less than expected after two years of trading, this could be based on 35 hours x National Living Wage. There are some exemptions to this. <p>The scheme has been amended each year for general changes in applicable amounts (primarily in relation to disability premiums) and for non-dependant deductions.</p> <p>In view of the problems being experienced with Universal Credit, the Council Tax Reduction schemes for Sevenoaks has been fundamentally redesigned to address;</p> <ol style="list-style-type: none"> a. The problems with the introduction of full service Universal Credit; and 			

Equality Impact Assessment

b. The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.

Work has been undertaken since January 2018 on a new scheme which is now completed and been subject to consultation. If accepted by Council, the new scheme will be implemented from 2019/20. The new scheme has a number of features as follows:

- a. The overall expenditure (cost) of the scheme will remain broadly as at present;
- b. The changes can **only be made to the working age schemes** as the current scheme for pensioners is prescribed by Central Government;
- c. The current means - tested scheme will be replaced by a simple income grid model
- d. It is recommended that the highest level of discount will be set at current maximum level of liability (80%) and all current applicants that are in receipt of a 'Passported Benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- e. All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- f. The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- g. Limiting the number of children used in the calculation of support to two for all working age applicants. This will bring the scheme in line with Universal Credit;
- h. Where an applicant had non-dependants living with them, no deduction shall be made from any entitlement. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- i. To remove Second Adult Rebate;
- j. To encourage work, a standard £25 per week disregard will be provided against all earnings for all applicant types. This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a child care disregard (for child care costs not paid for by Central Government schemes), this has been allowed for within the income levels in the 'grid scheme';
- k. Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded and, in addition, the Support Component of Employment and Support Allowance and Carer's Allowance will also be disregarded, again providing additional protection with the scheme
- l. Where an applicant is disabled, they have a disabled child or receive the Support Component of the Employment and Support Allowance, the amount they receive as a premium under the existing scheme will be replaced by an equivalent income disregard (in addition to the disregard of disability benefits as outlined in k. above)

Equality Impact Assessment

- m. The total disregard on war pensions and war disablement pensions will continue;
- n. The capital limit under the new scheme will be £6,000. This is a reduction from the current level of £16,000. Any capital below this level will not have any effect on the applicant's entitlement to Council Tax Reduction;
- o. Removes the conditions that prevent certain students from claiming Council Tax Reduction;
- p. Removing extended payment provision;
- q. Changing the CTRS claiming process for all applicants who receive Universal Credit;
- r. Making , all changes in circumstances which change any entitlement to Council Tax Reduction on a daily basis rather than the current (benefit based) weekly basis;
- s. Where a request is made to backdate entitlement, the current scheme requires the applicant to prove 'good cause'. The new scheme will replace 'good cause' with a general discretion to backdate, and
- t. The scheme will have a minimum award of £1.00 per week

The impact assessment considers the cumulative effect of these changes, as the new scheme, on all working age applicants for a reduction in their council tax. The impact assessment is modelled on data from existing customers in receipt of a council tax reduction.

Relevance to 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.

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Disability	<p>It should be noted that 62% of current applicants are on ‘passported benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1. This will include a proportion of disabled applicants.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to those with a disability is £875.90 per year. Under the new scheme this would reduce to £839.00 per year. This is a reduction of £36.90 per year, the equivalent of £0.71 per week.</p> <p>Under the current scheme the average council tax reduction payable to those without a disability is £730.15 per year, which would increase by £15.41 per year (£0.30 per week) to £745.56 per year under the new scheme.</p> <p>It is estimated that 10 applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £824.05 in council tax discount. This is as a direct result of the proposal to reduce the capital limit to £6,000.</p>	<p>Under the current scheme, data shows that on average an applicant with a disability receives £145.75 more in discount on their council tax bill per year than an applicant without a disability.</p> <p>Under the new scheme an applicant with a disability would receive £93.43 more in discount on their council tax bill per year than an applicant without a disability.</p> <p>On average a disabled applicant will receive 71 pence per week less in council tax discount than under the proposals for the new scheme.</p> <p>This is explained by the level of household income being applied to the grid model reducing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Carers	<p>It should be noted that 62% of current applicants are on ‘passport benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1. This will include a proportion of carers.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to those that are carers is £879.36 per year. Under the new scheme this would increase to £915.62 per year. This is an increase of £36.26 per year, the equivalent of £0.70 per week.</p> <p>Under the current scheme the average council tax reduction payable to those that are not carers is £738.50 per year, which would increase by £7.35 per year (£0.14 per week) to £745.85 per year under the new scheme.</p> <p>It is estimated that 2 applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £493.78 in council tax discount. This is as a direct result of their income exceeding</p>	<p>Under the current scheme, data shows that on average an applicant that is a carer receives £140.86 more in discount on their council tax bill per year than an applicant that isn’t a carer.</p> <p>Under the new scheme an applicant that is a carer would receive £169.77 more in discount on their council tax bill per year than an applicant that isn’t a carer.</p> <p>On average a carer will receive 70 pence per week more in council tax discount under the proposals for the new scheme.</p> <p>This is explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

	the levels set out for Band 5 of the income grid model.		
--	---	--	--

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Sex	<p>It should be noted that 62% of current applicants are on 'passport benefits' and under the proposed new scheme will see their entitlement to discount protected at Band 1.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to female applicants is £720.75 per year. Under the new scheme this would increase to £739.79 per year. This is an increase of £18.98 per year, the equivalent of £0.37 per week.</p> <p>Under the current scheme the average council tax reduction payable males is £826.84 per year. Under the new scheme this would decrease to £809.61 per year. This is a decrease of £17.23 per year, the equivalent of £0.33 per week.</p> <p>It is estimated that 54 female applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £646.49 in council tax discount. This is as a direct result of their capital exceeding the proposed limit of £6,000, the removal of the second adult rebate or their income exceeding the levels set out for Band 5 of the income grid model.</p>	<p>Under the current scheme, data shows that on average a male applicant receives £106.09 a year more in discount on their council tax bill per year than a female applicant.</p> <p>Under the new scheme a male applicant would receive £69.88 more, on average, in discount on their council tax bill per year than a female applicant.</p> <p>The sex of the claimant is not a material consideration in the calculation of council tax discount. The variation in the amounts payable is linked directly to individual circumstances rather than a particular feature or aspect of the scheme. For example a single male with the same costs, income and capital as a single female applicant would receive exactly the same level of discount. This would equally be the case if the applicants had children of the same age.</p> <p>However the proposals under the scheme would reduce the average variance between male and female claimants. This is explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital, second adult rebate or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

	<p>It is estimated that 26 male applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £830.00 in council tax discount. This is as a direct result of their capital exceeding the proposed limit of £6,000, the removal of the second adult rebate or their income exceeding the levels set out for Band 5 of the income grid model.</p>		
--	--	--	--

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Age (also consider dementia)	<p>It should be noted that 62% of current applicants are on 'passport benefits' and under the proposed new scheme will see their entitlement to discount protected at Band 1.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable by age band is shown below: 18-24: £584.94 25-34: £699.47 35-44: £772.96 45-54: £758.40 55-65: £765.56</p> <p>Under the new scheme the average council tax reduction payable by age band, and the average change from the existing scheme is estimated to be: 18-24: £702.53 (+ £117.59/year or £2.26/week) 25-34: £684.30 (+ £15.17/year or £0.29/week) 35-44: £726.00 (-£46.96/year or £0.90/week) 45-54: £818.40 (+£60.00/year or £1.15/week) 55-65: £816.33 (+£50.77/year or £0.98/week)</p> <p>The number of applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme are shown by age band below, with the current average amount they receive in council tax discount.</p>	<p>Under the current scheme, data shows that on average that older age groups receive more in discount than those in younger age groups. The gap between the lowest average discount of £584.94 (18-24 year olds) to the highest average discount £772.96 (35-44 year olds) is £188 per year, the equivalent of £3.62 per week.</p> <p>Under the new scheme this broadly continues to apply. However the gap between the lowest average discount of £684.30 (25-34 year olds) and the highest average discount (45-54 year olds) is reduced to £134.11 a year, the equivalent of £2.58 per week.</p> <p>The age of the claimant is not a material consideration in the calculation of council tax discount. The variation in the amounts payable is linked directly to individual circumstances rather than a particular feature or aspect of the scheme. For example a single female aged 25 with the same costs, income and capital as a single female applicant aged 57 would receive exactly the same level of discount. This would equally be the case if the applicants had children of the same age.</p> <p>However the proposals under the scheme would reduce the average variance between age groups. This is</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital, second adult rebate or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

	<p>18-24: 3 applicants, average discount £466.12 25-34: 17 applicants, average discount £657.07 35-44: 22 applicants, average discount £673.75 45-54: 17 applicants, average discount £750.35 55-65: 21 applicants, average discount £778.23</p> <p>The majority of those in age groups from 18 to 44 would not qualify for a discount as a direct result of their income exceeding the levels set out for Band 5 of the income grid model.</p> <p>The majority of those in age groups from 45 to 65 would not qualify for a discount as a directly result of their capital exceeding the proposed limit of £6,000.</p>	<p>explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	
<p>Race Religion / Belief Sexual Orientation Pregnancy / Maternity Marital or Civil Partnership Status Gender reassignment Armed Forces Community</p>	<p>No data is held on these protected characteristics of applicants for a discount on their council tax.</p>	<p>The Council does not collect information about these protected characteristics from claimants as it is not relevant to the calculation of council tax reductions.</p>	<p>Not applicable.</p>

Equality Impact Assessment

Please tick the outcome of this assessment:	No impact	Adjust the policy	Continue the policy ✓	Stop and remove the policy
Please explain why you have come to the outcome of your assessment:	<p>The objectives of the comprehensive review of the local council tax support scheme are to:</p> <ul style="list-style-type: none"> – Address the problems posed by full service Universal Credit; – Simplify the claiming process for all applicants; – Improve the speed of processing; – Maximise entitlement to every applicant; and – Maintain council tax collection rates. <p>The income grid scheme proposed ensures that overall spending on council tax discount to support residents will remain in line with the amount spent under the current scheme.</p> <p>Alongside this measures to ensure that all passported benefits claimants maintain the highest level of discount and simplifying the claiming process ensure that the objectives are being met.</p> <p>It is recognised that within this proposal there will be applicants that will receive more discount as a result of the new scheme and there will be applicants that will either receive less discount or no discount at all. The principles on which the scheme are designed ensure that those with the least income and the least amount of savings (capital) are entitled to greater levels of discount.</p> <p>Reasonable adjustments have been proposed to the scheme to support those that would be worst affected. Firstly, the income grid bands have been revised post-consultation to ensure the scheme delivers on its aim to maintain current spending and to support those on lowest incomes more greatly. Secondly, it is proposed to amend the Exceptional Hardship Policy ensuring it remains accessible to claimants who were in receipt of a discount within the last six weeks. The current Policy is only open to applicant’s currently in receipt of a discount and it is recognised this would be insufficient when introducing new scheme rules.</p>			
When will you review this assessment:	31/10/2019			