

## **EQUALITIES IMPACT ASSESSMENT**

### **Name of Policy/Strategy/Service/Function Proposal**

The Council Tax Reduction Scheme for 2017/18 – Dover District Council

### **The Aims, Objectives and Expected Outcomes:**

Since 1st April 2013, the Council has maintained a local Council Tax Reduction scheme. This replaced the national Council Tax Benefit scheme, which ended on 31st March 2013. Council Tax Reduction helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.

The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.

When Council Tax Reduction was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1st April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.

After the original consultation, the Council decided to introduce a Council Tax Reduction scheme that differed from the original Council Tax Benefit in that instead of granting a maximum level of support of 100% it would limit the maximum support to 94%.

### **Changes since 2013**

Since the introduction of Council Tax Reduction, the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts and non-dependant charges being uprated as well as minor changes being made to mirror changes to the Housing Benefit scheme. Central Government has also continued to uprate changes to applicable amounts for pension age applicants, again to mirror the changes in Housing Benefit.

### **The Proposed Scheme for 2017/18**

It has now been decided by the Council that a full review should be undertaken as to the effectiveness of the current Council Tax Reduction scheme and a public consultation has been undertaken to gather views as to whether the current scheme should be changed. A summary of the results of the consultation are provided together with this Equality Impact Assessment. The Council is minded to make changes the working age scheme to meet the following:

- The more accurate targeting of support to those working age applicants who most need it;
- The need to change the scheme, not only to align with proposed changes to Housing Benefit, but also to align the scheme with the approach taken by the Department for Work and Pensions in the creation, introduction and roll out of Universal Credit; and
- To address potential shortfalls in funding due to the continued reduction in Central Government grants.

*It should be noted that the changes, if made, would only apply to the working age scheme although the consultation will be open to all Council Taxpayers.*

**The main proposals of the scheme are as follows. Any changes if adopted will be effective from 1st April 2017:**

Option 1 – Reducing the maximum level of support for working age applicants from 94% to 90%

Option 2 – Reducing the maximum level of support for working age applicants from 94% to 85%

Option 3 – Using a set income for self-employed earners after 1 year’s self-employment

Option 4 - Reduce the capital limit from the existing £16,000 to £6,000

Option 5 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependents resident with them

Option 6 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

Option 7 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C charge

Option 8 - Removing the Family Premium for all new working age applicants

Option 9 - Reducing Backdating to 1 month

Option 10 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Option 11 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants

Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

Option 14 - To take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

The Council also consulted on whether they should maintain the current scheme for working age applicants or whether it should consider the following alternatives: Increase the Council Tax; or find the additional income by cutting other services; or use reserves to provide the income

### **Scope of the Equality Impact Assessment**

The following identifies the potential impact on claimants and particularly groups of claimants. It should be noted that Pensioners will continue to be protected under the rules prescribed by Central Government. These broadly replicate council tax benefit scheme, which existed prior to 1st April 2013.

Central Government has not been prescriptive in how it does this but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.

Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

A review of the impact of the current CTR Scheme in April 2016 is based on a 6% reduction of the original council tax benefit. Data has been analysed for those protected characteristics where we hold data: disability, carers, sex and age. The review has found that:

- 37% of claimants have a disability.

- 3% of claimants have a carer in the household.
- 64% of claimants are female and 36% are male.
- 8% of claimants are aged 18-24, 24% are aged 25-34, 24% are aged 35-44, 26% are aged 45-54 and 19% are aged 55-64.

Pension age claimants have not been included in the analysis as they are protected.

### **Disability and Carer Characteristics**

- All claimants (including those with protected characteristics) have received a reduction in their benefit amount.
- People with disabilities now receive more per week, on average, than people without disabilities.
- Claimants with a carer in the household continue to receive more per week, on average, than claimants without a carer in the household.

These factors are probably as a result of our scheme treating people with disabilities and carers more favourably by disregarding some incomes, resulting in a higher council tax reduction.

### **Sex and Age Characteristics**

- Eligibility for council tax support is not based on a person's sex or age. Any differences between the average weekly amounts received by these claimant groups are likely to be as a result of other factors.
- Males continue to receive more per week, on average, than females.
- The difference in average weekly amounts received across age groups appears to have reduced.
- Those aged 55-64 receive the highest weekly amount, on average.

- Those aged 18-24 receive the lowest weekly amount, on average.

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

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

#### **Actions to mitigate any identified impacts**

The possible introduction of an Exceptional Hardship Scheme has been included as an option for consideration by the Council. The design of the Exceptional Hardship Scheme is that it will allow any claimant to apply for additional support. It will examine their overall circumstances; examine both income and expenditure with a view to determining whether exceptional hardship exists. Under the scheme, claimants will potentially be able to receive additional support up to the full level of their Council Tax.

#### **Appendix A – Full Analysis of the effects of proposed changes**

The following tables provide details of the expected effects of the changes (where available) on the working age claimants within the Council's area.

#### **Population data from Census 2011**

<b>Population data - Working Age (Census 2011)</b>	Female	Male	20-24	25-34	35-44	45-54	55-64
Number	32,000	31,400	5,800	11,600	14,200	16,100	15,500
Proportion (of working age)	51%	49%	9%	18%	22%	26%	25%

*There is a known discrepancy from the Office of National Statistics between the gender totals and the age group totals*

#### Ethnicity data from Census 2011

White: English/Welsh/Scottish/Northern Irish/British	White: Irish	White: Gypsy or Irish Traveller	White: Other White	Mixed/multiple ethnic group: White and Black Caribbean	Mixed/multiple ethnic group: White and Black African	Mixed/multiple ethnic group: White and Asian	Mixed/multiple ethnic group: Other Mixed	Asian/Asian British: Indian
103,848	572	234	3,312	281	133	360	255	397
Asian/Asian British: Pakistani	Asian/Asian British: Bangladeshi	Asian/Asian British: Chinese	Asian/Asian British: Other Asian	Black/African/Caribbean/Black British: African	Black/African/Caribbean/Black British: Caribbean	Black/African/Caribbean/Black British: Other Black	Other ethnic group: Arab	Other ethnic group: Any other ethnic group
40	151	274	1,169	265	85	36	65	197

#### 2015/16 CTS caseload overview

<b>Working Age</b>	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	5544	2057	3487	194	5350	3569	1975	428	1308	1340	1436	1032
Proportion of claimants		37%	63%	3%	97%	64%	36%	8%	24%	24%	26%	19%
Average benefit paid (per week)	£16.67	£18.26	£15.87	£18.42	£16.06	£16.54	£16.91	£15.56	£15.96	£16.80	£17.15	£17.20
Differences between groups		£2.39		£2.36		£0.37						

The difference in average level of support between men and women is due to the fact that there are considerably more female claimants. What this means is that the higher individual entitlements do not have as big an impact on the overall average for females as they do for males which has the effect of skewing the averages to suggest that men receive more support than women.

#### Option 1 – Reducing the maximum level of support for working age applicants from 94% to 90%

Any increase would apply equally to all working age recipients, in line with the current scheme

#### Option 2 – Reducing the maximum level of support for working age applicants from 94% to 85%

Any increase would apply equally to all working age recipients, in line with the current scheme

#### Option 3 – Using a set income for self-employed earners after 1 year’s self-employment

Awards with self-employed income												
Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with self-employed income	346	33	313	19	327	202	144	5	85	107	96	53
Proportion of claimants		10%	90%	5%	95%	58%	42%	1%	25%	31%	28%	15%
Average benefit paid (per week)	£17.03	£19.72	£16.74	£20.04	£16.85	£16.75	£17.41	£12.35	£17.56	£18.31	£16.34	£15.27
Differences between groups		£2.98		£3.19		£0.66						

#### Option 4 - Reduce the capital limit from the existing £16,000 to £6,000

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	56	19	37	3	53	34	22	0	5	6	20	25
Proportion of claimants		34%	66%	5%	95%	61%	39%	0%	9%	11%	36%	45%
Average benefit paid (per week)	£14.75	£18.16	£14.27	£10.57	£14.99	£13.89	£16.18	N/A	£15.04	£15.68	£14.94	£14.32
Differences between groups		£3.89		£4.42		£2.29						

**Option 5 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependents resident with them**

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Non-Dep Deduction	244	51	193	12	232	169	75	1	8	68	101	66
Proportion of claimants		21%	79%	5%	95%	69%	31%	0%	3%	28%	41%	27%
Average benefit paid (per week)	£15.96	£17.64	£15.55	£16.05	£15.96	£15.22	£17.63	£11.81	£15.97	£16.60	£14.79	£17.17
Differences between groups		£2.09		£0.09		£2.41						

**Option 6 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge**

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants (above band D)	96	25	71	8	88	48	48	1	8	33	26	28
Proportion of claimants		26%	74%	8%	92%	50%	50%	1%	8%	34%	27%	29%
Average benefit paid (per week)	£27.26	£30.50	£26.46	£22.60	£27.68	£26.30	£28.21	£35.32	£21.94	£26.87	£26.78	£29.39
Average difference between actual CT liability and notional Band D liability (per week)	£6.04	£9.28	£5.24	£1.38	£6.46	£5.08	£6.99	£14.10	£0.72	£5.65	£5.56	£8.17
Differences between groups		£4.04		£5.08		£1.91						

**Option 7 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C charge**

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants (above band C)	283	84	199	19	264	172	111	2	44	86	93	58
Proportion of claimants		30%	70%	7%	93%	61%	39%	1%	16%	30%	33%	20%
Average benefit paid (per week)	£23.37	£26.32	£22.34	£22.51	£23.32	£21.89	£25.40	£28.42	£19.14	£23.52	£23.24	£25.88
Average difference between actual CT liability and notional Band C liability (per week)	£4.53	£7.48	£3.50	£3.67	£4.48	£3.05	£6.56	£9.58	£0.30	£4.68	£4.40	£-7.04
Differences between groups	£18.84	£3.98		£0.81		£3.51						



### Option 8 - Removing the Family Premium for all new working age applicants

The table below shows the total number of claimants with the Family Premium but this option applies to new claimants only so would not affect this many people.

Working Age	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claimants	1482	99	1383	101	1381	1120	362	77	563	550	250	42
Proportion of claimants		7%	93%	7%	93%	76%	24%	5%	38%	37%	17%	3%
Average benefit paid (per week)	£14.34	£19.27	£13.98	£18.21	£14.05	£13.53	£16.85	£11.53	£13.61	£14.79	£15.25	£17.95
Differences between groups		£5.29		£4.16		£3.32						

With this in mind a more accurate number of claimants likely to be affected by this option is 27% of new working age claims. The number of new working age claims for 2015/16 was 1,479. Therefore an estimated 399 new working age claimants will not receive the £17.45pw Family Premium that existing claimants continue to receive as part of their entitlement. This should not be considered as a loss to the claimants as they have not received this for it to be taken away, but it can be considered as a saving.

Working Age	Yearly impact
Estimated <b>loss to existing</b> claimant regardless of whether or not they currently receive the Family Premium	£0.00
Estimated <b>loss to existing claimant</b> if they previously received the Family Premium, had a break in the claim and reclaimed	£181.48

### Option 9 - Reducing Backdating to 1 month

Taking an assumed average period of backdating for 2015/16 as 8 weeks and an average weekly CTS entitlement of £16.29, a claimant would currently receive backdating totalling £130.32. By reducing the period of backdating to 1 month that claimant would now receive £70.59 resulting in a loss of £59.73. In 2015/16 there were 268 backdated claims meaning that based on these assumptions there could be a saving of just over £16,000.00 by reducing the period of backdating to 1 month.

Working Age	Yearly impact
Estimated <b>loss to existing</b> claimant that doesn't have a break and doesn't have to claim backdating in future	£0.00
Estimated <b>loss to new</b> claimant that applies for backdating or existing claimant that has a break and has to reclaim in future	£59.73

**Option 10 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks**

Taking an assumed average absence of 10 weeks, a claimant would currently continue to receive a total of £162.90 in CTS whilst being absent from Great Britain. Under the reduced period of 4 weeks a claimant would instead receive £65.16 which would result in a loss of £97.74. There were an estimated 28 claims for which CTS was paid for a temporary absence (0.5% of claims) meaning that based on these assumptions there could be a saving of around £2,700.00 for reducing temporary absence to 4 weeks.

Working Age	Yearly impact
Estimated <b>loss to existing</b> claimant that doesn't have a temporary absence from Great Britain of more than 4 weeks	£0.00
Estimated <b>loss to all</b> claimants that have one period of temporary absence from Great Britain of more than 4 weeks	£97.74

**Option 11 - To remove the element of a Work Related Activity Component in the calculation of the current scheme for new ESA applicants**

Working Age	Yearly impact
Estimated <b>loss to existing</b> claimant that doesn't receive ESA or receives ESA but doesn't receive this component	£0.00
Estimated <b>loss to new</b> claimant that receives ESA and would have received this component	£0.00

**Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two**

Taking an assumed average weekly CTS entitlement of £14.05 based on a family of five with one adult working and three dependants they would currently receive annual CTS of £730.60. However if this family made a new claim and only two of the three dependants were included in the calculation then they would not be entitled to any CTS.

<b>Working Age</b>	Yearly impact
Estimated <b>loss to existing</b> claimant with or without dependant children, irrespective of the number of dependant children	£0.00
Estimated <b>loss to existing claimant</b> with more than two dependant children, <b>only if there is a break</b> in the claim and they have to reclaim in future	£730.60

**Option 13 – To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship**

Available to all recipients of council tax reduction subject to a successful application

**Option 14 - To take any Child Benefit or Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction**

**Child Benefit**

<b>Working Age</b>	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Child Benefit	1266	95	1171	72	1194	1089	177	69	503	468	199	27
Proportion of claimants		8%	92%	6%	94%	86%	14%	5%	40%	37%	16%	2%
Average benefit paid (per week)	£13.75	£16.30	£13.54	£17.14	£13.54	£13.47	£15.46	£11.83	£13.22	£14.25	£14.44	£14.58
Differences between groups		£2.76		£3.60		£1.99						

**Child Maintenance**

<b>Working Age</b>	All Claimants	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number of claims with Child Maintenance	205	7	198	10	195	201	4	2	69	88	43	3
Proportion of claimants		3%	97%	5%	95%	98%	2%	1%	34%	43%	21%	1%
Average benefit paid (per week)	£12.93	£14.30	£12.88	£14.02	£12.88	£12.91	£14.07	£14.98	£11.16	£13.56	£14.52	£10.88
Differences between groups		£1.42		£1.14		£1.16						