

# Equality Impact Assessment – Council Tax Support Scheme 2016/17

<b>Lead Officer</b>	Dawn Menzies-Kelly – Revenues and Benefits Manager
<b>Service</b>	Financial Services
<b>Proposed change to service</b>	Develop a revised Council Tax Support Scheme(CTSS) for 2016/17
<b>Reasons for service change</b>	<p>The Council Tax Benefit scheme (CTB) was abolished by the Welfare Reform Bill with effect from April 2013. This was replaced with a local Council Tax Support Scheme (CTSS). The Council introduced a CTSS, which was very similar to the previous CTB system. Two changes were applied: firstly to limit the amount eligible for CTS to 92% of the Council Tax liability; secondly to include child benefit and maintenance for children as income instead of applying a 100% disregard as with CTB.</p> <p>The Council's original overall budget for CTS had been cut by Central Government with further cuts experienced over the last two years and confirmed to continue. It is for local councils to determine how to manage any funding gaps and any cuts can only be made to a CTS scheme for working age recipients. This is due to the strict guidelines from government to ensure support for pensioners' remains at the same level as previously applied with CTB. This is delivered through a national framework of criteria and allowances.</p> <p>The Government is also continuing with a national programme of welfare reform and it is appropriate to consider whether some of the changes to other welfare systems should be reflected in the Council's local CTSS.</p> <p>Rushmoor Borough Council needs to annually review its CTSS. The scheme must be set each year by 31<sup>st</sup> January.</p> <p>Any proposed changes must be fully consulted on as well as alternative options to funding changes.</p>
<b>Information about users, research or other evidence</b>	<p>Rushmoor Borough Council has the option of not changing the scheme or designing a revised scheme, which closes the funding gap, incentivises work and supports the benefit welfare reform.</p> <ol style="list-style-type: none"> <li>1. Develop a new local CTS scheme. The preferred option would be to continue a means tested scheme aimed at helping those in greatest need. This has been the case since April 2013 where Rushmoor's scheme has been based on the CTB model. To avoid passing on increased costs of the support, further changes would need to be applied.</li> <li>2. Changes being considered under the proposed scheme are: <ol style="list-style-type: none"> <li>a) Calculating award based on a maximum eligible council tax of 90%</li> <li>b) Calculating the award on CTS on a property Band D restriction</li> </ol> </li> </ol>

	<p>c) Reduction of the capital limit from £16,000 to £6,000  d) Replicate changes in Housing Benefit from 2016 relating to the Family Premium and backdating</p> <p>In order to establish options for change, the Council has established a Welfare Reform Task and Finish Group of cross party elected Members. The Group has met on six occasions during the calendar year of 2015 and considered a vast weight of evidence in relation to:</p> <ul style="list-style-type: none"> <li>▪ Current recipients</li> <li>▪ Affordability and Council Tax payment rates</li> <li>▪ Impact on different groups within the scheme</li> <li>▪ Comparisons with other similar local authorities within the County, those bordering and those in our Audit family</li> <li>▪ Various scheme designs, both locally and nationally</li> <li>▪ Comparisons on collection rates according to scheme design</li> </ul> <p>Full details of this evidence base and detailed claimant profiles lye within the supporting documentation for the Member group’s meetings.</p>
<p><b>Stakeholder consultation and involvement</b></p>	<p>Following publication of the draft scheme, a formal consultation period ran between 9<sup>th</sup> November 2015 and 21<sup>st</sup> December 2015. General awareness was raised via press releases and the on-line through the Council’s website. A postal survey was carried out which entailed sending 3,000 paper forms to Council taxpayers selected at random and a form to all current working age recipients of CTS. There was also an on-line questionnaire available on our website throughout the consultation.</p> <p>Other stakeholders were consulted via general publicity and email to explain the basic outline of the proposals and directing them to the on-line consultation. There were displays in the Council offices and an article in the Council’s Arena magazine on 8<sup>th</sup> December. These stakeholders included:</p> <ul style="list-style-type: none"> <li>▪ Citizens Advice</li> <li>▪ Housing Associations</li> <li>▪ Community groups and voluntary sector</li> <li>▪ Precepting authorities</li> <li>▪ Elected Members and staff</li> </ul>

**Impact of change – Who will be affected. How the change will impact on equality groups. Any positive and negative impacts of the changes on users. Actions taken to avoid or lessen any negative impacts.**

- As at 9<sup>th</sup> November 2015, there were a total of 39,137 properties liable for Council Tax in Rushmoor.
- 13 % were receiving CTS and of these, 2,718 (7% of properties) were working age households.
- The changes being considered within the scheme proposals will affect working age people only.

☐ Further analysis of the equality strands are:

Age	Positive	Negative
<p>Profile data available from the current scheme. This covers all those in receipt of CTS</p> <p>Working age = 2,718 Pension age = 2,374</p>	<p>People of pension age are protected and will not be subject to change under the new scheme.</p> <p>Could incentivise people back into work as earnings disregards and extended payments apply.</p> <p>Our scheme has a hardship fund that provides a safety net so that additional support can be provided for those in exceptional need.</p> <p>We have a track record of providing proactive and tailored support for those working age customers who struggle to make payments. We will continue to ensure our recovery procedures identify cases where additional support might be required.</p>	<p>The scheme will discriminate on the grounds of age because of the Central Government requirement to protect pensioners. The National Pensioner Scheme treats them more favourably because allowances are more generous and 100% maximum support applies where entitled.</p> <p>Working age people receive less CTS therefore have more Council Tax to pay.</p>

Disability	Positive	Negative
<p>Profile data available from current CTS claims. In this instance, a person is defined as disabled if they are in receipt of Disability Living Allowance or a Personal Independence payment.</p>	<p>Disability benefit income is disregarded in full when calculating entitlement.</p> <p>Higher allowances are awarded when calculating support for those receiving disability benefits.</p> <p>Our scheme has a hardship fund that provides a safety net so that additional support can be provided for those in exceptional need.</p> <p>We have a track record of providing proactive and tailored support for those working age customers who struggle to make payments. We will continue to ensure our recovery procedures identify cases where</p>	<p>Working age people receive less CTS, therefore have more Council Tax to pay. No further specific negative impact is identified for those with disabilities.</p>

	additional support might be required.	
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<b>Marital status, family circumstances or caring responsibilities</b>	<b>Positive</b>	<b>Negative</b>
<p>Single person household</p> <p>Couple with no children</p> <p>Families with children</p> <p>Household with carer</p>	<p>Higher allowances will be awarded in the calculation of support for carers.</p> <p>The scheme builds in additional premiums for existing claims where there are children.</p> <p>Our scheme has a hardship fund that provides a safety net so that additional support can be provided for those in exceptional need.</p> <p>We have a track record of providing proactive and tailored support for those working age customers who struggle to make payments. We will continue to ensure our recovery procedures identify cases where additional support might be required.</p>	<p>The changes to legislation, within Housing Benefit from April 2016 regarding removing the Family Premium for new HB claims, are proposed for the CTS scheme. This means working age people with children will have their CTS calculated without a Family Premium. Therefore, this will only affect those with a new claim.</p> <p>All people in this group who currently receive CTS will have more Council Tax to pay.</p> <p>Child Benefit and Maintenance have been treated as income since April 2013. Analysis over the last two years shows a minor detrimental impact in terms of small increases in Council Tax arrears. This applies to around 37% of the affected group of 531 cases. 336 cases have no current arrears.</p>

<b>Sex (gender)</b>	<b>Positive</b>	<b>Negative</b>
	The scheme will not treat people of different genders any differently.	All people in the working age group who currently receive CTS will pay extra Council Tax.

<b>Race/Ethnicity/Religion/Belief/Sexual Orientation</b>	<b>Positive</b>	<b>Negative</b>
We do not hold any specific data for this category.	The scheme will not treat people in different race, belief or sexual orientation groups any differently.	All people in the working age group who currently receive CTS will pay extra Council Tax.

<b>Proposed changes</b>	<b>Positive</b>	<b>Negative</b>
Increase to a minimum contribution of 10% or 12%.	Incentivise people to try to locate paid work or extra hours.	All people in the working age group who currently receive CTS will pay extra Council

		<p>Tax.</p> <p>2,715 people are affected, which is all Working Age recipients of Council Tax Support.</p>
<p>Restrict support for those living in properties above Band D to the Band D support level.</p>		<p>This affects 42 people who live in bands above Band D as follows:</p> <ul style="list-style-type: none"> <li>▪ Band E = 34 claims</li> <li>▪ Band F = 7 claims</li> <li>▪ Band G = 1 claim</li> </ul> <p>The various financial impacts of this restriction are illustrated in the table attached to the report at Appendix 5.</p>
<p>Removal of the Family Premium for new claims.</p>	<p>This brings this feature of the Scheme in line with Housing Benefit changes that will be effective from 1/4/16. This enables customers to be treated the same in respect of both Scheme calculations.</p>	<p>Reduces support for people with families who will have to pay more Council Tax. There are no figures at the moment as this change will only apply to new claims. Estimates are that around 300 new claims could be affected by this change during 16/17.</p>
<p>Reduction in capital limit from £16,000 to £6,000.</p>		<p>Penalises those who have accrued savings.</p> <p>Sharp cliff edge reduction £5,999 savings means you get CTS and £6,000 means you do not.</p> <p>30 people are affected as they have capital over £6,000.</p> <ul style="list-style-type: none"> <li>▪ 9 people will lose £1 - £10per week</li> <li>▪ 17 people will lose £10 - £20per week</li> <li>▪ 4 people will lose over £20per week</li> </ul>
<p>Backdating reduced from 12 weeks to 4 weeks.</p>	<p>This brings this feature of the Scheme in line with Housing Benefit changes that will be effective from 1/4/16. This enables customers to be treated the same in respect of both Scheme calculations.</p> <p>This may encourage customers to claim and receive support that they</p>	<p>People who do not make their claim on time will have a shorter period to obtain arrears of benefit.</p> <p>This is difficult to predict in terms of numbers potentially affected as the measure may only serve to speed up applications. Had the change been in effect during the</p>

	need earlier.	2015/16 financial year, around 70 people would have suffered potential impact.
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### Issues, Recommendations and Mitigations

- To protect the most vulnerable, or those adversely affected by changes, Rushmoor Borough Council has maintained a Hardship Fund to act as a safety net. It is recommended that this Fund be continued and appropriate capacity be created for it within the Council's budget setting process for 2016/17.
- From April 2016, the effects of the final scheme will need to be carefully monitored and any negative effects minimised. It is recommended that this oversight continue to be provided by the Council's cross party elected Member Welfare Reform Task and Finish Group.
- Specific attention should be given at the earliest opportunity to the potential 30 people affected by the change in the savings threshold and to the 42 affected by the restriction of support to Band D level. It is recommended to mitigate the transition for these groups that the individually affected customers be contacted at the earliest opportunity for a holistic review of their circumstances. Particular attention will be paid to any customers that are affected by more than one change.
- In view of the on-going adverse impact for those affected by a reduction in support due to Child Benefit and Child Maintenance income being taken into account in calculations, it is recommended that this group continues to receive specific monitoring.
- It is recommended that all customers affected by the changes receive clear explanations, offers of advice and sign posting towards further assistance as soon as is practical following the decision to set a scheme for 2016/17. The Council's on-line information should also reflect the general issues identified within this EIA as soon as practical.