

# Equality Impact Assessment – Draft Council Tax Support Scheme 2018/19

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| <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 2018/19  |
| <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).</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.</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> <p>In order to establish options for change, the Council has established a Welfare Reform Group of cross party elected Members. The Group has met on six occasions during the calendar year of 2017 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 can be found within the supporting documentation for the Member group's meetings.</p>   |

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| <p><b>Stakeholder consultation and involvement</b></p> | <p>Rushmoor Borough Council has been reviewing its council tax support scheme for 2018/19 and decided to consult on four options.</p> <ul style="list-style-type: none"> <li>▪ Option one: Increase the minimum amount of council tax that working age people pay from 10% (90% discount). This increase ranged from 12% (88% discount) up to 25% (75% discount).</li> <li>▪ Option two: To exclude the new bereavement support payment when we calculate council tax support.</li> <li>▪ Option three: Limit the number of dependent children to two when we calculate council tax support.</li> <li>▪ Option four: Other ways of meeting the shortfall in the council's funding. Including increasing council tax, reducing spending on other services or increasing income and using council reserves.</li> </ul> <p>6 week consultation period (6th November – 17th December)<br/>                 2,566 working age Council Tax Support (CTS) claimants were sent letters about the consultation<br/>                 Letters were also sent to the 1,458 people who have received a CT discount because they had an empty property in the last five years<br/>                 3,688 people who have signed up via email to receive news or information about consultations, were sent and email informing them of the consultation with a link to fill in the survey<br/>                 Paper copies were available at the Council Offices and Citizen Advice Rushmoor<br/>                 There were 482 surveys returned (479 online and 3 paper surveys). 110 respondents received CTS (these included pensioners who receive CTS) and 9 respondents receive a CT discount because they had an empty property</p> |
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**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 19<sup>th</sup> December 2017, there were a total of 39,900 properties liable for Council Tax in Rushmoor.
- 13% (5187) were receiving CTS and of these, 57% (2995) (7.5% 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  |
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| <p>Profile data available from the current scheme. This covers all those in receipt of CTS</p> <p>Working age = 2,995<br/>                     Pension age = 2192</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</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</p> |

## APPENDIX 3

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|  | <p>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>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> |
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| 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 additional support might be required.</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> |

| Marital status, family circumstances or caring responsibilities | Positive   | Negative |
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| <p>Single person household</p> <p>Couple with no children</p>   | <p>Higher allowances will be awarded in the calculation of support for carers.</p> |          |

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| <p>Families with children</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 2017 regarding the maximum two children rule, are proposed for the CTS scheme. This means working age people with more than two children who make a new claim for CTS after 1 April 2018 will have their CTS calculated on a maximum of two children's allowances regardless of the number of children they actually have.</p> <p>All people in this group who currently receive CTS will have more Council Tax to pay if they have a third or subsequent child.</p> <p>We are unable to provide any data on who might make a new claim and be affected by this change.</p> |
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| <b>Sex (gender)</b> | <b>Positive</b>   | <b>Negative</b>  |
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|                     | <p>The scheme will not treat people of different genders any differently.</p> | <p>All people in the working age group who currently receive CTS will pay extra Council Tax.</p> |

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

| <b>Proposed changes</b>  | <b>Positive</b>  | <b>Negative</b>   |
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| <p>Increase to a minimum contribution of 12%,15%, 20% or 25%</p> | <p>Incentivise people to try to locate paid work or extra hours.</p> | <p>All people in the working age group who currently receive CTS will pay extra Council Tax.</p> <p>2995 people are affected, which is all Working Age recipients of Council Tax Support.</p> |

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| Disregard the new Bereavement Support payment                               | Will mean this payment will not affect the amount of support they receive   | No negative impact                                   |
| To limit the amount of support paid in respect of a maximum of two children | Will only apply to new claims from 1 April. However if an existing claimant has a third or subsequent child they will be affected | Working age claimants affected will receive less CTS |

### 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 2018/19.
- From April 2018, 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 Group.
- 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 2018/19. The Council's on-line information should also reflect the general issues identified within this EIA as soon as practical.