### Equality Impact Assessment

**Validation Decision Notice**

<table>
<thead>
<tr>
<th>EIA Reference Number</th>
<th>209</th>
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<tbody>
<tr>
<td><strong>Service, policy, or strategy</strong></td>
<td>209 – Council Tax Scheme options 2014/15 – pre-consultation</td>
</tr>
<tr>
<td><strong>Element(s) assessed</strong></td>
<td>Change to CTS and removal of Second Adult Rebate</td>
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<tr>
<td><strong>Titles of Assessors</strong></td>
<td>Research and Policy Officer, Policy Officer, Assistant Manager Customer Relations – Housing and Benefits.</td>
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**Consider:**

Was discrimination or disadvantage identified?

Disadvantage was identified for certain groups, however, the following groups are proposed to be protected: pensioners, households with children under 5, and those in receipt of disability benefit or Carers Allowance. Consideration has been given to other potentially vulnerable groups and action points put in place to mitigate the impact of the changes as much as possible.

Was the service promoting equality?

Due regard has been paid to the Public Sector Equality Duty (Equality Act 2010).

Could the service be improved in promoting equality? See Stage 2 and Action Points from Stage 5 and 6.

Are the customers' needs understood and met? See Stages 2 and 6.

Is there good evidence and/or reasoning to support the decisions on whether groups are/aren't affected? See Stages 2 and 6.

Does the summary report properly reflect the key findings of the assessment?

Is the summary report clear and easy to understand?

If improvements have been identified, do they reflect and deal with the key findings? See Stage 5 and 6.

**The decision is to:**  
Valide  
Not validate

The reason/s for the decision are: This EIA has been validated, based on the information presented including in-depth equalities analysis and statistical evidence.

Validation given – information correct

Not validated – decision not to proceed as EIA incorrect
Not validated - screening error
Not validated – research/consultation error
Not validated – improvement error

Signed

[Signature]

Name
UNA RA TAYLOR

Designation
DIRECTOR

Date
27/6/13
Equity Impact Assessment

Stage 1

STAGE 1 – Briefing Note

<table>
<thead>
<tr>
<th>EIA ID (Sinbad reference number)</th>
<th>209 – Council Tax Scheme options 2014/15 – pre-consultation</th>
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<tr>
<td>Date of meeting</td>
<td>06.06.13</td>
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<tr>
<td>Job Titles of assessors</td>
<td>Research and Policy Officer, Policy Officer, Assistant Manager Customer Relations – Housing and Benefits.</td>
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The Assessment

Overview

This Equality Impact Assessment (EIA) considers the impact of the proposed Council Tax Scheme (CTS) options on the protected characteristics and other groups, in line with the Public Sector Equality Duty (PSED). Where any adverse impact is identified, mitigating actions will be considered.

Also under consideration is the proposal to protect households with children under 5 and those in receipt of disability benefit or Carers Allowance from the changes, the removal of the ‘second adult rebate’ and the proposed extension to CTS support for those who move into work from four to eight weeks.

This initial assessment will inform a report to the Economic Prosperity and Performance (EPP) Committee, which will ask committee members to comment on the planned consultation and the options to publish for public consultation.

The assessment will be re-visited once the consultation results are received and the results of the post-consultation review will be used to inform a decision on the final option for the CTS.

Background

With effect from 2013/14 district councils have been required to operate a localised Council Tax Support (CTS) scheme to provide assistance to people on low income. CTS replaced the previous Council Tax Benefit scheme that was administered by the council on behalf of the Department for Work and Pensions (DWP). Councils are responsible for the design and implementation of these schemes and need to consider whether they are to be revised or replaced on an annual basis. Any CTS scheme must protect pensioners at the existing level of support and incentivise return to work.
Stage 1

In 2012 the council decided not to change the CTS for 2013/14; however this is being revisited for the year 2014/15 and onwards.

This year, a range of options for the CTS are under consideration and alongside this, the council is looking at the possibility of removing the second adult rebate. Options considered include:

- Option 1 – no change to the current scheme.
- Options 2, 3, 4 and 5 – all propose a reduction in CTS support to differing degrees through reducing the Council tax liability on which the CTS assessment is based.

Also under consideration is the proposal to remove the ‘second adult rebate’ and the proposed extension to CTS support for those who move into work from four to eight weeks.

The evidence and findings from the original EIA and modelling exercise that were investigated in line with the initial proposal by Government to localise the CTS in 2012, will be used to inform this year’s assessment.

The Equality and Human Rights Commission guidance ‘Making Fair Financial Decisions’ has also been consulted as part of this process.

Assessment Findings

The equalities assessment briefing session concluded that:

- Any reduction in the level of support given will have a differentially negative impact on customers who, by virtue of the fact that they qualify for benefit, are already on a very low income and may have other needs which prevent them from working or increasing their working hours or salary.

- There is the potential that the options that propose to reduce support could also have a differentially negative impact on those with caring responsibilities, lone parents and some disabled people, who in some instances may find it more difficult to obtain work that would enable them to meet any reduction in the level of council tax support they receive. However, it has been proposed that those in receipt of disability benefit or carers allowance and households with children under 5 should be protected from any changes.

- There was concern that the employment opportunities available to those affected by any reduction in CTS are extremely limited in the current economic climate.

- Any information sent out for consultation should be made accessible to everyone involved.

- It is necessary to take into account the vulnerable groups identified by the Department for Communities and Local Government including the protected characteristics groups,
Equality Impact Assessment

Stage 1

veterans/ex-service personnel, those included in the Child Poverty Act and the Homelessness Act.

Potential mitigation

Currently the council and partners are working together to assist those affected by wider welfare reforms.

During the initial briefing discussion, it was noted that two other possible steps could be taken to mitigate the potential adverse impact of the change to the CTS on some groups. These are:

- A bespoke policy on the collection of small council tax debts and write-offs, which specifically covers when someone’s CTS has been reduced.

- Paragraph 5 (4) of the new Schedule 1a of the Local Government Finance Act states that “…any replacement scheme, which reduces or removes a reduction to which any class of persons is entitled must include such transitional provision relating to that reduction or removal as the authority sees fit”. This means that there may be other options to phase in the changes, or consider other funding possibilities such as a hardship fund.

Next Steps

Once the range of options has been commented on and confirmed by EPP and the consultation has been carried out, there will be a need to re-assess the possible impacts on the protected characteristics and other groups.

The results from this final review will be used to inform a decision on the final option for the CTS.

Justification

A Stage 2 screening and scoping exercise will be undertaken to consider the specific impact of the proposed options 2, 3, 4 and 5.

Option 1 proposes no change to the existing scheme, which currently takes into account the potential vulnerabilities experienced by older people, families, carers and disabled people (through additional “premiums”). It was concluded that the “no change” option would be a positive outcome for all, particularly for the afore-mentioned groups. Consequently, Stage 2 will not consider this option. However, reference to the removal of Second Adult Rebate continues in Stage 2 as it is proposed as part of Option 1 that this is removed.

The initial briefing concluded that a full impact assessment is required.
The Assessment

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Also under consideration is the proposal to protect households with children under 5 and those in receipt of disability benefit or Carers Allowance from the changes, the removal of the ‘second adult rebate’ and the proposed extension to CTS support for those who move into work from four to eight weeks.

This initial assessment will inform a report to the Economic Prosperity and Performance (EPP) Committee, which will ask committee members to comment on the planned consultation and the options to publish for public consultation.

The assessment will be re-visited once the consultation results are received and the results of the post-consultation review will be used to inform a decision on the final option for the CTS.

Background

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In 2012 the council decided not to change the CTS for 2013/14; however this is being revisited for the year 2014/15 and onwards.

This year, a range of options for the CTS are under consideration and alongside this, the council is looking at the possibility of removing the second adult rebate. Options considered include:

- Option 1 – no change to the current scheme.
Stage 6

- Options 2, 3, 4 and 5 – all propose a reduction in CTS support to differing degrees through reducing the Council Tax liability on which the CTS assessment is based.

The evidence and findings from the original EIA and modelling exercise that were investigated in line with the initial proposal by Government to localise the CTS in 2012, will be used to inform this year’s assessment. The Equality and Human Rights Commission guidance ‘Making Fair Financial Decisions’ has also been consulted as part of this process.

Customer Group

The main customer group are those who are currently in receipt of, or would be likely to be in receipt of, Council Tax Benefit. Any change in support may have an impact on all residents of the Borough at some point.

Consultation and Research

This EIA has been informed by the following research: trends in current claimant data for Council Tax Benefit and other benefits, a review of the profile of the local borough equality and diversity population profile, Office for National Statistics figures on lone parents, unemployed and aging population, the Council’s Child Poverty and Homelessness Strategies, ex-service personnel data etc. (a full list of references are noted in Stage 4 of this EIA). The planned public consultation will further inform this evidence base.

Key Individuals and Organisations Involved

EIA scrutiny group, Equality Working Group, Equality Strategy Group, other departments (e.g. Benefits, Housing, Legal) and Project Manager, responsible for informing Councillors on the changes to CTS process.

The public consultation will involve a wide range of people including: those who currently receive Council Tax Benefit, community and voluntary groups, local representative groups, Housing Associations etc.

Assessment Findings

This assessment considered the impact of the proposed options for change to the CTS on different groups. Informed by a modelling exercise and other data, the group considered the potential differential positive and negative impacts of the possible changes to the Scheme and the ability of different customer groups to find work or increase working hours and thereby improve their financial position or lessen the impact of a reduction in council tax support. Stage 4 involved further research to inform this EIA. Key findings include:

- The modelling exercise carried out provided information about which groups could be more adversely affected by the changes to the current Council Tax Scheme (CTS). Based on this initial evidence, and current child protection legislation, the proposal is to protect individuals in receipt of disability benefit or Carers Allowance, and households with children under 5 (along with pensioners already protected by Government legislation). This means that the Scheme will have a differentially positive impact on these groups.
Stage 6

- Any reduction in the level of support given will have a differentially negative impact on customers who, by virtue of the fact that they qualify for benefit, are already on a very low income and may have other needs which prevent them from working or increasing their working hours or salary.

- There is the potential that the options that propose to reduce support could also have a differentially negative impact on disabled people and carers not in receipt of benefits and lone parents and families with children over five, who in some instances may find it more difficult to obtain work that would enable them to meet any reduction in the level of council tax support they receive.

- There was concern that the employment opportunities available to those affected by any reduction in CTS are extremely limited in the current economic climate.

- It was identified that adults aged 25-64 on benefits/a low income will be differentially negatively affected by the proposed changes to the CTS. Equalities analysis revealed that this group would be likely to be adversely affected by the changes to the Scheme due to the combined impact of the reduction of council tax benefit and other benefits as a result of Welfare Reform.

- With regards to the protected characteristic of pregnancy and maternity, a possible negative impact of the changes to CTS on this group is that it could put pressure on women to return to work earlier than planned to cover any shortfall.

- The proposal to extend support for those who move into work from four to eight weeks is differentially positive for those of working age.

- There was no differential impact of the changes to the CTS identified on the grounds of gender (with the exception of lone parents), race, religion and belief, sexual orientation, marriage and civil partnership, for those living in a rural area and the self-employed.

- The removal of the Second Adult Rebate (2AR) will be differentially negative on single people who have a second non-dependent adult move in, however 2AR is not means tested and does not necessarily support those who are financially vulnerable.

Recommendations

To mitigate the potential adverse impacts identified and promote equality, the following points were noted:

Protection and disregard:
- Proposed protection for households with children under 5 and those in receipt of disability benefit or Carers Allowance (in addition to pensioners) would have a positive impact on these groups.
- The 100% disregard (and not just the statutory £10 per week) for those receiving a War Pension (including War Disablement Pension, War Pension (mobility supplement), War Widows Disability Pension, War Widows Pension, War Widows Pension Pre 73, Victoria Cross and George Cross) has a positive impact on these groups.
Stage 6

Summary

Partnership work:
- The 'Welfare Reform Steering Group', which is a partnership of agencies to support people through the changes to Welfare, should continue its work.
- Other partnership work with agencies that support people into work (e.g. Job Centre Plus) to continue.

Communication:
- Consultation information should be provided in accessible formats and use a range of formats to consult on the proposed options for the CTS.
- Any other information about the CTS to be clearly communicated in Plain English to ensure that information published is understood.

Monitoring:
- The impacts of the changes in the CTS to be monitored, initially on an annual basis (to be reviewed) to ensure that any unexpected impact is assessed and addressed. Key points to include in the monitoring and review process are:
  - The actual impact of the changes on lone parents with children over 5 years old on a low income, those people who are disabled but do not qualify for Disability Living Allowance anymore, carers who are not in receipt of Carers Allowance, those with health conditions not covered by disability benefit and people on long-term sick leave.
  - The impact of the implementation of the revised Scheme, and local levels of unemployment, on different age groups, transgender individuals, Black and Minority Ethnic groups, and any other potentially vulnerable groups that are identified.

Further possible mitigating actions:
During the EIA process, information was also provided regarding the following mitigating actions, which, although not specifically assessed as part of the EIA, could be considered as part of the proposed changes to the CTS:
- The possibility of phasing in the reductions.
- The development of a bespoke policy on the collection of small council tax debts and write-offs, which specifically covers when someone's CTS has been reduced.