

Equality Impact Assessment

Council Tax Reduction Scheme 2021-22

The proposal is to amend the current Council Tax Reduction Scheme to introduce a Banded Income Scheme.

Background

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.

The current scheme for working age claimants is means-tested and based on the following:

- claimants may receive up to a maximum of 80 per cent discount on their Council Tax;
- restricting the maximum level to the equivalent of a Band D charge;
- fixed-rate non-dependant deductions of £10 per week for working-age claimants; and
- the minimum income floor applies to claimants in receipt of Universal Credit and claimants in receipt of legacy benefits.

Scope of this equality impact assessment

This equality impact assessment considers the impact of introducing a Banded Income Scheme from 2021-22. In developing the scheme, three models were considered.

Model one – allowing for a maximum of 80 per cent discount to Council Tax.

Model two – allowing for a maximum of 80 per cent discount to Council Tax but also included a 5 per cent uplift in support for those households in receipt of a disability or illness benefit.

Model three – allowing for a maximum of 80 per cent discount to Council Tax where a household was in receipt of a disability or sickness benefit only. All other households would receive a maximum of up to 70 per cent discount on their Council Tax.

The proposal for the Banded Income Scheme will include elements of the current scheme which were subject to an equality impact assessment at the time they were introduced. These will not be revisited within this assessment.

Following a public consultation, model one has been identified as the preferred option for introducing a Banded Income Scheme and is being presented to Full Council for approval. This assessment considers the impact of the preferred option.

Models one and two are based on a maximum Council Tax discount of 80 per cent under the current scheme, which was subject to an equality impact assessment in 2016. That equality impact assessment concluded that a maximum Council Tax discount of 80 per cent would see a reduction in the amount of discount received across all working age claimants but people with disabilities and carers would continue to be treated more favourably. It was also noted that female claimants would be more likely to experience negative impacts as there were high proportions of females within the caseload overall. In addition, as the government has protected pensioners from any changes to their Council Tax discount, it was noted that the impact will fall on working age groups. To mitigate any potential impacts an Exceptional Hardship Policy was introduced in 2017.

Data and information

Policy and Practice were commissioned to model the three Banded Income Schemes and a report was presented to Cabinet prior to the public consultation. The report is available at:

<https://democracy.tunbridgewells.gov.uk/meetings/ieListDocuments.aspx?CId=118&MId=4649&Ver=4>

The findings of the public consultation are being reported to Cabinet and Full council as part of the report recommending the introduction of a Banded Income Scheme.

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 confidence and trust in the local authority by people with protected characteristics who may use our services.

Protected Characteristics

	Summary of available data, statistics or consultation findings.	How will the proposal impact on people?	What action will be taken to reduce or mitigate any potential negative impacts?
Disability	<p>The report by Policy in Practice indicates that households in receipt of disability benefits would not be disproportionately affected compared to households who are not in receipt of disability benefits, under model one when compared to retaining the current scheme.</p> <p>The findings from the public consultation showed that a significantly greater proportion of respondents without a disability placed model one first with 54 per cent responding this way compared to 35.5 per cent of non-disabled respondents.</p>	<p>Where claimants would lose support this is because their earnings fall outside of the earnings threshold.</p> <p>Model one treats claimants with disabilities more favourably by maintaining a range of additional allowances and income disregards.</p> <p>A case study has been produced which illustrates that a disabled claimant's income banding would not be negatively affected by any disability payments they may receive on top of their earned income.</p>	<p>An Exceptional Hardship Policy remains in place for those who might experience severe financial hardship. This has been reviewed to ensure it is fit for purpose. It is recommended that:</p> <ul style="list-style-type: none"> a) A standard approach for identifying eligible claimants and notifying them of the Policy is put in place by the Head of Revenues and Benefits. b) Rates and circumstances of successful and unsuccessful applications are monitored by the Benefit Manager and the data is reviewed annually by the Head of Revenues and Benefits.

	Summary of available data, statistics or consultation findings.	How will the proposal impact on people?	What action will be taken to reduce or mitigate any potential negative impacts?
Carers	<p>The report by Policy in Practice indicates that carer households would be disproportionately affected compared to non-carer households, under model one when compared to retaining the current scheme. The report also notes that carer households are more likely to be female households.</p> <p>The findings from the public consultation did not show any significant difference between how carers and non-carers ranked the models.</p>	<p>Where claimants would lose support this is because their earnings fall outside of the earnings threshold.</p> <p>At the time of writing this assessment, more work is required to understand the impact on carer households.</p>	<p>An Exceptional Hardship Policy remains in place for those who might experience severe financial hardship. This has been reviewed to ensure it is fit for purpose. It is recommended that:</p> <ul style="list-style-type: none"> a) A standard approach for identifying eligible claimants and notifying them of the Policy is put in place by the Head of Revenues and Benefits. b) Rates and circumstances of successful and unsuccessful applications are monitored by the Benefit Manager and the data is reviewed annually by the Head of Revenues and Benefits. <p>The Head of Revenues and Benefits will analyse the impact on carer households further and will, in consultation with the</p>

	Summary of available data, statistics or consultation findings.	How will the proposal impact on people?	What action will be taken to reduce or mitigate any potential negative impacts?
			<p>Portfolio Holder, consider any mitigations deemed appropriate for the scheme.</p> <p>These may include amendments to the Exceptional Hardship Policy or signposting claimants to other support and advice.</p>

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Race	<p>The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.</p> <p>Respondents from Black and Minority Ethnic Groups were slightly under-represented in the public consultation and it was not possible to test the responses for significance based on ethnicity.</p>	<p>We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.</p>	<p>Not required.</p>
Sex	<p>The report by Policy in Practice indicates that female lone parents and single female households would be disproportionately affected compared to male lone parents and single male households, under model one when compared to retaining the current scheme.</p> <p>The findings from the public consultation did not show any significant difference between the way male and female respondents ranked the models.</p>	<p>Where claimants would lose support this is because their earnings fall outside of the earnings threshold.</p> <p>At the time of writing this assessment, more work is required to understand the impact on female households.</p>	<p>An Exceptional Hardship Policy remains in place for those who might experience severe financial hardship. This has been reviewed to ensure it is fit for purpose. It is recommended that:</p> <p>a) A standard approach for identifying eligible claimants and notifying them of the Policy is put in place by the Head of Revenues and Benefits.</p>

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			<p>b) Rates and circumstances of successful and unsuccessful applications are monitored by the Benefit Manager and the data is reviewed annually by the Head of Revenues and Benefits.</p> <p>The Head of Revenues and Benefits will analyse the impact on female households further and will, in consultation with the Portfolio Holder, consider any mitigations deemed appropriate prior to the introduction of the scheme. These may include amendments to the Exceptional Hardship Policy or signposting claimants to other support and advice.</p>

	Summary of available data, statistics or consultation findings.	How will the proposal impact on people?	What action will be taken to reduce or mitigate any potential negative impacts?
Age	<p>The report by Policy in Practice indicates that households aged 35-44 would be disproportionately affected compared to the overall working-age cohort, under model one when compared to retaining the current scheme.</p> <p>The findings from the public consultation showed that while there were significant differences in the scores between age groups for models one and three, the scores for model two were statistically similar.</p> <p>Those aged 18-34 had the greatest proportion ranking model one as third at 52.4 per cent. This was significantly higher than the proportion responding in the same way for the age groups up to 64 years.</p> <p>Respondents aged 35 to 44 years and 45 to 54 years were less likely to rank model three highly compared to the other age groups, with over 70 per cent of these groups placing model three last.</p>	<p>As the government has protected pensioners from changes to their Council Tax discount, the impact will fall on working age groups.</p> <p>Whilst those aged 35-44 may receive less support under model one this is because they are earning more and fall into income bands 4-5.</p> <p>Although the impacts may differ by age group, calculation of council tax reduction is not related to a person's age so it is not feasible to mitigate any potential adverse impacts on the basis of age alone. Any differences in entitlement are likely to be as a result of other factors e.g. whether the claimant has a disability, is a carer or has children in the household.</p>	<p>An Exceptional Hardship Policy remains in place for those who might experience severe financial hardship. This has been reviewed to ensure it is fit for purpose. It is recommended that:</p> <ol style="list-style-type: none"> a) A standard approach for identifying eligible claimants and notifying them of the Policy is put in place by the Head of Revenues and Benefits. b) Rates and circumstances of successful and unsuccessful applications are monitored by the Benefit Manager and the data is reviewed annually by the Head of Revenues and Benefits.

	Summary of available data, statistics or consultation findings.	How will the proposal impact on people?	What action will be taken to reduce or mitigate any potential negative impacts?
Religion/ Belief	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.	Not required.
Sexual orientation	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.	Not required.
Pregnancy/ maternity	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.	Not required.
Marital or civil partnership status	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.	Not required.

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Gender reassignment	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	We have no evidence to indicate that there would be a differential impact on claimants with this protected characteristic.	Not required.
Armed forces community	The Council does not collect information about this protected characteristic from claimants as it is not relevant to the calculation of council tax reductions.	Council Tax Relief is provided by the Ministry of Defence. Disablement pensions will continue to be disregarded when determining income for the Banded Income Scheme.	Not required.

Conclusions

This equality impact assessment has identified that more work is required to understand the impact on carer households and female claimants, from the introduction of the Income Banded Scheme. Further work will be carried out to analyse these impacts by the Head of Revenues and Benefits and consider any mitigations deemed appropriate for the scheme in consultation with the Portfolio Holder.

This equality impact assessment has identified that disabled households are unlikely to be disproportionately affected by the introduction of the Income Banded Scheme under model one, when compared with non-disabled households. Disabled households will continue to be treated more favourably by maintaining a range of additional allowances and income disregards.

Whilst this assessment indicates that the impacts may differ by age group, calculation of Council Tax reduction is not related to a person's age so it is not feasible to mitigate any potential adverse impacts on the basis of age alone. Any differences in entitlement are likely to be as a result of other factors e.g. whether the claimant has a disability, is a carer or has children in the household.

The Exceptional Hardship Policy has been reviewed to ensure it is fit for purpose and will remain in place to provide short-term help to allow people to adjust to unforeseen circumstances.

Data is not collected for religion/belief, sexual orientation, pregnancy/maternity, marital or civil partnership status and gender reassignment as it is not relevant to the calculation of council tax reductions. We have no evidence to indicate that working age claimants would be affected differently based on these protected characteristics to claimants overall.

Outcome: Adjust the policy.

When will you review this equality impact assessment: As and when any further reviews of the Council Tax Reduction Scheme are carried out, which must be approved by Full Council each year.