

## Equality Impact Assessment

"I shall try to explain what "due regard" means and how the courts interpret it. The courts have made it clear that having due regard is **more than having a cursory glance** at a document before arriving at a preconceived conclusion. Due regard requires public authorities, in formulating a policy, to give equality considerations the weight which is **proportionate in the circumstances**, given the potential impact of the policy on equality. It is not a question of box-ticking; it requires the equality impact to be **considered rigorously and with an open mind.**"

**Baroness Thornton, March 2010**

**What are you completing the Impact Assessment on (which policy, service, MTFP reference etc)?**

Changes to the Council Tax Reduction Scheme from April 2020

**Version**

1

**Date**

29.11.2019

### **Section 1 – Description** of what is being impact assessed

Section 13A (2) of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised Council Tax Reduction Scheme in accordance with Section 1A of the act.

In April 2013 Council Tax Benefit was replaced by a new Council Tax Reduction scheme.

Council Tax Benefit had been funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay.

The Council Tax Reduction scheme is determined locally by District Councils rather than the Department of Work and Pensions. Although the Government initially provided funding for the scheme, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to councils. From 2020 no funding will be provided for the scheme.

Universal Credit is replacing legacy benefits such as Income Support, Tax Credits and Housing Benefit. Universal Credit has increased the workload for local authorities, revenues and benefits departments. Nationally local authorities have developed a new income banded scheme to make administering Council Tax Support easier for themselves and the customer.

A separate Central Government scheme is retained for people of pension age so the new changes will only affect working age residents.

Mid Devon District Council along with other Devon Billing Authorities are proposing a revised scheme using Income Bands from 01 April 2020.

**Section 2A** – People or communities that are **targeted or could be affected** (taking particular note of the Protected Characteristic listed in action table)

The scheme works across the community, however it does look at working age people who will be expected to pay something towards their Council Tax.

Pension age customers will not be affected by the change.

**Section 2B** – People who are **delivering** the policy or service

The scheme will be delivered by the Revenues and Benefits Service.

**Section 3** – **Evidence and data** used for the assessment (Attach documents where appropriate)

**Proposal 1 – to introduce an Income Grid scheme, replacing the current scheme for applicants of working age**

At present there are 2129 working age Council Tax Reduction claims which will be affected by the proposal to change to an income grid scheme from April 2020. The proposal will also affect any new working age applications from April 2020 onwards.

**Proposal 2 – to limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of two for all applicants**

110 claims with 3+ dependent children (does not include passported claims which will not be affected).

20 of those will gain CTR of an average of £2.88 per week

90 of those will lose CTR of an average of £9.22 per week (56 of those losers are in receipt of Universal Credit so would lose anyway).

**Proposal 3 – to remove non-dependant deductions from the scheme**

235 working age claims have a non-dependant present in the household

61 have non-dependant deductions. These 61 claims will gain from not having a deduction taken.

**Proposal 4 – to replace the current earnings disregards with a standard £25 disregard**

Breakdown of affected claims:

**Single** - 132 earnings cases – 57 gain on average £3.48 per week – 56 lose on average £4.11 per week

**Couples** – 43 earnings cases – 5 gain on average £4.09 per week – 38 lose on average £12.46 per week – 32 of those claims are in receipt of UC

**Family with 1 or 2 children** – 129 earnings cases – 23 gain on average £3.87pw, 89 lose on average £9.75 per week.

**Proposal 5 – to disregard a further £50 per week where the applicant, partner or dependant receives Disability Living Allowance (DLA) or Personal Independence Payment (PIP)**

This proposal would help protect those with a disabled person in the household against reductions in their entitlement.

There are 186 claims with a disabled person in the household (excluding passported claims and those in the lowest income bands as they will already receive the maximum 85% discount).

The average increase for these claims is £5.03 per week.

**Proposal 6 – to disregard Carer's Allowance which is currently taken into account as income**

119 claims have Carer Premium at present and so would gain solely based on this proposal.

However, once other proposals are applied the effects would be:

Single – 20 claims – 6 gain an average of £3.11pw, 13 lose an average £8.31pw

Couples – 22 claims – 3 gain an average of £3.31pw, 18 lose an average of £11.05pw

Family with 1 child – 14 claims – 5 gain an average of £10.40pw, 8 lose an average of £11.61pw

Family with 2 or more children – 63 claims – 15 gainers an average of £3.06pw, 45 lose an average of £12.17pw

**Proposal 7 – to remove the Extended Payment provision**

The current scheme allows for a four-week 'extended payment period' (EPP) when their entitlement to certain legacy benefits ends due to starting work (and other specific conditions are met). Customers entitled to an EPP receive a further four weeks' full entitlement to Council Tax Reduction following the end of their legacy benefit.

In the 2018/19 subsidy year, a total of 68 claims were eligible for an EPP. This number will reduce due to the gradual introduction of Universal Credit. Customers moving from Housing Benefit to Universal Credit are entitled to a different extended payment period.

**Proposal 8 – Any change in circumstances which affects Council Tax Reduction entitlement will be made from the date on which the change occurs, rather than on a weekly basis as at present**

This proposal will affect all working age customers and will simplify the current scheme. Any changes to the customer's circumstances affecting their entitlement will take effect from the date of the change, as opposed to the Monday following the date of the change.

### **Proposal 9 – to reduce the capital limit to £6,000**

43 working age CTR claims have over £6000 in capital and so will lose all their entitlement (an average loss of £15.90 per week).

Affected groups: Passported – 30 claims, Singles – 6 claims, Couples – 1 claim, Family with 1 child – 2 claims, Family with 2 or more children – 4 claims.

19 claims affected have someone in the household with a disability.

### **Proposal 10 – Remove the one calendar month limit for back date requests**

This proposal will only serve to benefit customers as there will be no limit on backdated Council Tax Reduction.

### **Analysis of point 4 of the covering report**

185 claims are lost due to not already being entitled 31.03.20, Capital being over £6000 or their weekly income is above the band limit for the household.

They are lost in the following areas:

Passported = 30

Single = 48

Couple = 23

Fam + 1 = 19

Fam +2 = 65

The new banded scheme shows a total of 1889 working age claims with 1459 gainers and 430 losers.

The losers are made up as follows:

Passported = 0

Single = 170

Couple = 20

Fam + 1 = 105

Fam +2 = 135

### **Couples**

Having looked at all the Couple claims there are 14 biggest losers of over £10+ per week – this is due to the current scheme using the gross Universal Credit award as the applicable amount. All claims had a net income after disregards between £130.00 and £191.00 per week which puts them into the 65% or 45% categories. If Universal Credit had not been awarded the standard allowance used for a couple is £114.85 per week. All the biggest losers have a weekly income of more than this.

## **Singles**

There are 41 claims which lose £10+ per week. These are all Universal Credit claimants. Income ranges are between £121.00 and £219 per week. The current allowance for a single claimant is £73.10 per week and these customers are all above this amount. A majority of these claimants also have other benefits such as personal independence payments and carers allowance of which are all disregarded under the new scheme.

Those that lose less than £10 per week have incomes ranging from £76.55 to £216.16 per week.

## **Fam +1**

There are 2 claims which lose over £10+ per week, the income after disregards is £300.30+ per week they are both lone parents. There are 103 claims which lose less than £10 per week and their incomes range from £283.00 to £335.52 per week. Of the 105 claims 104 are Universal Credit customers.

11 claims have a partner present, 94 are lone parents. 3 claims have a disabled child. 69 claims have earnings.

## **Fam +2**

There are 30 claims which lose over £10+ per week of which 27 are Universal Credit customers. The income range of these 27 is £310.41 to £408.80 per week.

12 claims are lone parents with 2 or more children and all in receipt of Universal Credit.

The weekly income of these customers range from £362.57 to £408.80 per week. Of these 12 claims 4 have disabled dependants. 3 claims have earnings.

18 claims have a partner present and 4 have a disabled dependant. The income ranges from £310.41 to £401.52 per week. 15 claims have earnings.

**Section 4 – Conclusions** drawn about the equalities impact (positive or negative) of the proposed change or new service/policy

The Revenues and Benefits Service constantly monitors the issues affecting customers in receipt of Council Tax Reduction (CTR). The proposed income grid scheme has been developed to support our most vulnerable customers in the ever changing landscape of welfare reform, whilst remaining cost neutral.

Since the roll out of Universal Credit, it has become evident that the number of changes in circumstances issued by the Department for Work and Pensions (DWP) has increased significantly. Subsequently, this has placed an increasing demand on the administration required from council officers and a complex system for customers. In addition to this, due to the way that Universal Credit income is taken into account under the current CTR scheme rules the amount of CTR paid out by Mid Devon District Council is increasing.

The impact of the new scheme has been reviewed and modelled for the 2020/2021 financial year. It is apparent that unless changes are made to the scheme, the increased administration will continue to cause confusion for customers due to the high number of bills they are sent and this could have implications for collection rates.

Having reviewed our scheme and taking into consideration funding cuts, Council Tax arrears, Universal credit and the impact of wider welfare reform changes on our residents we are proposing to change Mid Devon's Council Tax Reduction scheme from 1 April 2020.

Identified issue drawn from your conclusions	Actions needed – can you mitigate the impacts? If you can how will you mitigate the impacts?	Who is responsible for the actions? When will the action be completed?	How will it be monitored? What is the expected outcome from the action?
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**Age**

<p>Working age customers suffer disproportionately due to the requirement to protect pensioners from financial loss.</p> <p>This could driver working age people out of the area because of the increased burden arising from Devon having a higher number of pensioners than other parts of the UK.</p> <p>Working age customers in Devon are already disadvantaged by low wages and seasonal work, rurality and poor ICT connectivity.</p>	<p>The new scheme is supplemented by a hardship relief policy. Those adversely affected by the changes can apply for additional help.</p>	<p>The new scheme will be monitored and treated as work in progress. Managers will have regular discussions to make sure any issues are flagged and worked through.</p>	<p>As this is a new approach, issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when required.</p>
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**Disability**

<p>Schemes must have regard to their statutory duties under The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people.</p> <p>The proposed CTR scheme as part of our ongoing commitment to support disabled people will disregard Carer’s Allowance and the support element of Employment Support Allowance as well as continuing to disregard Disability Living Allowance,</p>			
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<p>Personal Independence Payments and War Disablement Payments.</p> <p>All working age people will lose out and this could continue to affect some people with a disability if they are not part of the protected group.</p>	<p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p>	<p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through</p>	<p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p>
<p><b>Gender Reassignment</b></p>			
<p>The Banded Scheme works on the basis of “working age” people not gender.</p> <p>There are no known equality issues within this group</p>	<p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p>	<p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p>	<p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p>
<p><b>Marriage and Civil Partnership</b></p>			
<p>No issues identified</p>	<p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p>	<p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p>	<p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p>

<b>Pregnancy and Maternity</b>			
No issues identified.	The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.	The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.	Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.
<b>Race</b>			
Whilst information is held on 'race' the scheme looks at income only.  No issues identified	The new scheme will be monitored and concerns are raised the policy will be corrected as required.	The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.	Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.
<b>Religion and Belief</b>			
We do not hold details of religion or belief. The scheme is an income/household based reduction and so will not treat people of different religion or belief differently.	The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.	The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.	Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.

<b>Sex</b>			
Same as race question?			
<b>Sexual Orientation</b>			
We do not hold details of sexual orientation. The scheme is an income/household based reduction.	The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.	The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.	Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take

<b>Other</b> (including caring responsibilities, rurality, low income, Military Status etc)			
<b>Rurality</b>			
The proposed changes will not have any impact on those customers living in rural areas in comparison with those living in towns.	<p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p> <p>Issues with regards connectivity can be overcome by a home visit. Customers can also call Customer Services or Revenues and Benefits</p>	<p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p> <p>Any issues raised will be reviewed and a way forward discussed on a case by case basis.</p>	<p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p>

**Section 6** - How will the assessment, consultation and outcomes be published and communicated? E.g. reflected in final strategy, published. What steps are in place to review the Impact Assessment?

General publicity via the website, social media channels, individual letters to those existing customers affected and face-to-face with customers on a case by case basis. We are also engaging with local agencies such as CHAT and Citizen's Advice.

<b>Completed by:</b>	Revenues & Benefits Leadership
<b>Date</b>	29/11/2019
<b>Signed off by:</b>	Dean Emery (GM)
<b>Date</b>	29/11/2019
<b>Compliance sign off Date</b>	
<b>To be reviewed by:</b> (officer name)	
<b>Review date:</b>	