

Equality Impact Assessment – West Devon Borough Council

Council Tax Reduction Scheme 2014/15

Lead Officer	Darren Cole – ICT & Customer Services Manager
Service	ICT and Customer Services
Proposed change to service	Develop a revised Council Tax Reduction scheme for April 2014
Reason for the service change	<p>The Council Tax Benefit scheme was abolished by the Welfare Reform Bill from April 2013. This was replaced with a local Council Tax Reduction scheme. The Council implemented a Council Tax Reduction scheme which was very similar to the previous Council Tax Benefit system. The only change applied was to abolish Second Adult Rebate claims for working age claimants. The shortfall in funding was covered by council tax technical reform changes rather than reducing the level of support provided in Council Tax Reduction.</p> <p>The Council's overall budget has been cut by Central Government with further cuts expected over the following two years. It will be for local councils to determine how to manage the funding gap and any cuts should be made to the current Council Tax Reduction scheme for working age customers.</p> <p>There are strict guidelines from the Government to ensure support for pensioners will remain at the same level as now and will be delivered through a national framework of criteria and allowances.</p> <p>West Devon Borough Council will need to design a new policy. The scheme must be in place by 31st January 2014 failure to do so will result in the Council having to continue with the existing scheme which does not produce any savings.</p>
Information about users , research or other evidence	<p>West Devon has the option of not changing the scheme and therefore allowing the shortfall to be taken from the General fund, and ultimately the tax payers, or designing a revised scheme which incentivises work and supports the benefit welfare reform</p> <ol style="list-style-type: none"> 1. Develop a new Local Council Tax Reduction scheme .The preferred option would be to continue a means tested scheme aimed at helping those with greatest need. This would be similar to current Council Tax Benefit. To avoid passing on the cost of the reduction to taxpayers further changes would need to be applied Changes being considered under the proposed scheme: <ol style="list-style-type: none"> a) Calculating award based on % of maximum eligible council tax e.g. 75% b) Property Band D restriction c) Reduction of capital limit from £16,000 to £6,000 d) The creation of a exceptional hardship fund to help those most in need

	<p>2. Do nothing</p> <p>a) Continue with the current scheme as agreed for 2013/2014. With no transitional funding from central government and a 1% welfare benefit uprating which would leave a significant gap in funding.</p> <p>b) Bridge the funding gap through a reduction in spending in other areas which could impact on front line services.</p> <p>c) By doing this, the projected budget for 2015/16 would require the implementation of a severe scheme from day 1 allowing customers no time to adjust their finances.</p>									
<p>Stakeholder consultation and involvement</p>	<p>Following publication of the draft scheme, a formal consultation period ran between 12th August 2013 and 7th October 2013. General awareness was raised via press releases and a series of outreach events run by West Devon Connect. An online questionnaire was available on our website throughout the consultation.</p> <p>Current Council Tax Benefit Claimants</p> <table border="1" data-bbox="488 837 1482 958"> <thead> <tr> <th></th> <th>Pensioners (exempt)</th> <th>Working age</th> </tr> </thead> <tbody> <tr> <td>Number of claimants</td> <td>2067</td> <td>1968</td> </tr> <tr> <td>%</td> <td>51%</td> <td>49%</td> </tr> </tbody> </table> <p>Other stakeholders were consulted via general publicity and mail to explain basic outline and directing them to online consultation, draft scheme documents, drop in sessions, permanent displays in council offices, press releases giving and other engagement events and forums. These stakeholders included:</p> <ul style="list-style-type: none"> Future benefit claimants Residents of West Devon Housing organisation Landlords Community groups and voluntary sector Precepting authorities Staff and Members 		Pensioners (exempt)	Working age	Number of claimants	2067	1968	%	51%	49%
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Impact of change- Who will be affected. How the change will impact on equality groups . Any positive and negatives impacts of the changes on users. Actions taken to avoid or lessen any negative impacts

As caseload data is continually changing analysis and effects will continue

As at July 2013 there were a total of 24,792 properties liable for Council Tax in West Devon.

16 (%) were receiving Council Tax Reduction of these 1968 working age households would receive less entitlement towards their Council Tax Bill

The changes being considered affect Working Age only. By applying a standard deduction across all working age claimants the impact of the cuts are minimised.

Further analysis of Equality strands are;

AGE	Positive	Negative																
<p>Profile data available from current CTB claims. This covers all people in the CTB household</p> <table border="0"> <tr> <td>0-15 yr old</td> <td>1804</td> </tr> <tr> <td>16-17</td> <td>213</td> </tr> <tr> <td>18- 24</td> <td>520</td> </tr> <tr> <td>25-34</td> <td>757</td> </tr> <tr> <td>35-49</td> <td>1250</td> </tr> <tr> <td>50-64</td> <td>1209</td> </tr> <tr> <td>65 and over</td> <td>2390</td> </tr> <tr> <td>Total</td> <td>8143</td> </tr> </table>	0-15 yr old	1804	16-17	213	18- 24	520	25-34	757	35-49	1250	50-64	1209	65 and over	2390	Total	8143	<ul style="list-style-type: none"> • People of pension age are protected and will not be subject to change under the new scheme. • Could incentivise customers back into work. • Earnings disregards will be in applied when calculating income. • Customers moving into work extended periods will exist to help transition into work • Support will be provided by a dedicated advisor in money management and maximising customer’s income. Ensure customer has claimed all available council tax discounts, exemptions and disabled band reductions. Proactive monitoring of council tax payments through our recovery procedures to identify cases where additional support may be required. This may include setting up payment arrangements which are tailored to customer’s individual circumstances • Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need 	<ul style="list-style-type: none"> • The scheme will discriminate on the grounds of age because of Central Government requirement to protect pensioners. The national pensioner scheme treats them more favourably because allowances are more generous. • Working age people in this group who currently receive CTR will have extra Council Tax to pay. • For some customers this will be the first time they have had to make any contribution towards their council tax.
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DISABILITY	Positive	Negative
<p>Profile data available from current CTB claims. In this instance person is defined as disabled if they are in receipt of Disability Living allowance</p> <p>Members of CTB household</p>	<ul style="list-style-type: none"> • Disability Benefit income will be disregarded when calculating entitlement. • Higher allowances will be awarded in the calculation of support for those receiving disability 	<ul style="list-style-type: none"> • <u>All</u> working age people in this group who currently receive CTR will have extra council tax to pay. • For some customers this will be the first time they have had to make any

<p>Under 18 = 69 Over 18 = 960</p>	<p>benefits</p> <ul style="list-style-type: none"> • Support will be provided by a dedicated advisor in money management and maximising customer's income. Ensure customer has claimed all available council tax discounts, exemptions and disabled band reductions. • Proactive monitoring of council tax payments through our recovery procedures to identify cases where additional support may be required. This may include setting up payment arrangements which are tailored to customer's individual circumstances • Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need 	<p>contribution towards their council tax.</p>
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MARITAL STATUS, family circumstances or caring responsibilities	Positive	Negative
<p>Single person Household. Couple with no children Families with children Household with Carer</p>	<ul style="list-style-type: none"> • Higher allowances will be awarded in the calculation of support for carers • The scheme builds in additional premiums for households with children as Child Benefit and child maintenance is disregarded • Support will be provided by a dedicated advisor in money management and maximising customer's income. Ensure customer has claimed all available council tax discounts, exemptions and disabled band reductions. • Proactive monitoring of council tax payments 	<ul style="list-style-type: none"> • All people in this group who currently receive CTR will have extra Council Tax to pay. • For some customers this will be the first time they have had to make any contribution towards their council tax. • Families in large properties may have the difference between their larger property banding and a Band D to pay as well as an extra 25% contribution to their council tax payments

	<p>through our recovery procedures to identify cases where additional support may be required. This may include setting up payment arrangements which are tailored to customer's individual circumstances</p> <ul style="list-style-type: none"> • Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need 	
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SEX(gender)	Positive	Negative
<p>Sex (gender) for Household</p> <p>4511 are female 3632 are male</p>	<ul style="list-style-type: none"> • The scheme will not treat people of either sex any differently • No changes have been made to the treatment of Income and savings of women expecting children 	<p>All people in this group who currently receive CTR will have extra council tax to pay.</p>

Race/Ethnicity Religion/Belief Sexual Orientation	Positive	Negative
<p>No CTR data held for these</p>	<ul style="list-style-type: none"> • The scheme will not treat people in these groups any differently 	<ul style="list-style-type: none"> • All people in this group who currently receive CTR will have extra council tax to pay.

General	Positive	Negative
<p>Change 1a. Reduce maximum Liability to 75%</p>	<ul style="list-style-type: none"> • Encourage some households to move to smaller, more affordable accommodation • Incentivise customers to try and locate work or extra hours. 	<ul style="list-style-type: none"> • All working age will have extra council tax to pay. • Customers in rented accommodation and in receipt of housing benefit may have already been affected by welfare reform changes made in April 13.
<p>Change 1b. Band D Property Band Restriction</p>	<ul style="list-style-type: none"> • The scheme will not be contributing to the cost for customer who choose 	<ul style="list-style-type: none"> • Could impact households with a large number of family members

	<p>to live in larger properties.</p> <ul style="list-style-type: none"> The scheme is consistent with benefit welfare changes such as size criteria, benefit cap and local housing allowance. 	
Change 1c. Reduction of capital limit from £16,000 to £6,000	<ul style="list-style-type: none"> Those people with money in reserve pay more 	<ul style="list-style-type: none"> Penalises those who have acquired savings Substantial decrease from £16,000 to £6,000. Reducing the limit by a lesser amount does not realise any significant saving. Penalises those who are trying to save for retirement or to keep the family afloat during difficult times.
Change 1d. The creation of a exceptional hardship fund to help those in financial need	<ul style="list-style-type: none"> Will ensure there is funding available for those experiencing temporary hardship. 	

Submissions from Interested parties ;

Consultation exercise will give further details

Community and Voluntary organisations were invited to respond.

General publicity for all residents e.g press releases, West Devon Connect sessions, static displays, website.

Issues and Recommendations

From April 2013 Council Tax Reduction is a local scheme and therefore the council must agree a scheme each year by council by 31st January.

Funding for Council Tax Reduction is now included within the business rate retention formula grant.

The Government have decided that pensioners must be protected and have regulated the approach in calculating future support for them. Therefore any local scheme will impact on working age claimants only.

West Devon have consulted with Devon County Council, the Fire and Police as major preceptors and they have been unable to fund the shortfall therefore the support for working age claimants would need to be reduced

To protect the most vulnerable West Devon will have some kind of vulnerability/hardship fund to act as a safety net. This would allow for individual circumstances to be taken into account when appropriate.

A full evaluation of responses from the consultation will be carried out before the final scheme is agreed

From April 2014 the effects of the final scheme will need to be carefully monitored and any negative

effects minimised

Action Plan & Review.

October 2013	Full evaluation of responses from consultation to be carried out
December 2013	Results from consultation and options for final scheme will be considered by Members
April 2014 onwards.	Once final scheme in place further monitoring will be required to minimise any negative effects. Procedures for assisting customers who have problem paying shortfall may need to be revised Scheme and funding will need to be fully reviewed and agreed for 2015/16