

## Equality Impact Assessment (Appendix 2) – West Devon Borough Council Council Tax Reduction Scheme 2019/20

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Service	Housing, Housing Benefit and Revenues COP
Proposed change to service	Council Tax Reduction scheme for April 2019
Reason for the service change	<p>It is an annual requirement for Councils to review their existing Council Tax Reduction scheme and make a decision as to whether to replace or revise it.</p> <p>The Revenues and Benefits service constantly monitors the issues affecting claimants on Council Tax Reduction. The banded scheme has been developed to support our most vulnerable customers in the ever changing landscape of welfare reform, whilst keeping the cost of the scheme cost neutral.</p> <p>Since the roll out of Universal Credit it has become evident that the number of changes in circumstances issued by the Department of Work and Pensions (DWP) has increased significantly, this in turn has had a direct impact on Council Tax Reduction scheme and the amount recipients receive.</p> <p>The impact has been reviewed and modelled for the 2019/20 financial year. It is apparent that unless changes are made to the scheme the increased number of change of circumstances will result in higher volumes of bills and correspondence being issued to customers, which will lead to confusion for customers due to the reissue of bills on one or more occasions; this will in turn increase the costs of administrating the scheme and it is expected that this will impact on Council Tax collection rates.</p> <p>Having reviewed our scheme and taken into consideration funding cuts, Council Tax arrears, Universal Credit and the impact of wider welfare reform changes on our residents and we are proposing to change our Council Tax Reduction scheme for 2019/20.</p>
Information about users , research or other evidence	<p>The current Council Tax Reduction scheme is a means-tested discount administered by the council. There are different rules for Pensioners and Working Age claimants, however in general the calculation is based on:</p> <ul style="list-style-type: none"> <li>• Household</li> <li>• Income – subject to certain disregards i.e. Disability Living Allowance is disregarded in the calculation of income.</li> <li>• Capital (Savings) – Capital limits and tariff income.</li> <li>• Non-dependants are taken into account – deductions are made from the calculated support based upon the non-dependants income. However, there are some categories and circumstances where non-dependant deductions are not taken.</li> <li>• Applicable amount calculated (what the government says a person or family needs to live on), which includes personal allowances and</li> </ul>

additional premiums depending upon circumstances i.e. disability, lone parents and Carers.

Household income is compared to Applicable Amounts, if household income is the same or less than the Applicable Amount, or the claimant or partner are in receipt of a passported benefit such as Income Support, Job Seekers Allowance (income based) or Employment Support Allowance (income related) , the maximum amount of Council Tax Reduction is awarded (subject to Non-dependant deductions).

If household income is more than the Applicable Amount – they have ‘excess income’ and the award/reduction to the bill is apportioned.

Council Tax Reduction is currently limited to 80% of Council Tax liability, meaning all working age people will have a minimum of 20% of their council tax liability to pay.

For 2019/20 West Devon Borough Council has the option of changing to a new banded scheme or continuing with the current scheme. Having reviewed our current scheme and taken into consideration funding cuts, Council Tax arears, Universal Credit and the impact of wider welfare reform changes on our residents, officers are recommending that we change to a new scheme for 2019/20.

We are proposing to introduce a banded scheme which will assess the maximum level of Council Tax Reduction for working-age people based on the net income of the claimant and partner. Pensioners will not be affected by this scheme.

To keep the scheme simple where a customer receives passported benefit, they will automatically receive maximum support being placed in the top band of the scheme. Therefore the income bands that will be used in the schemes are as follows:-

Council Tax Reduction Level	Pass ported	Single Income Band Weekly £	Couples' Income Band Weekly £	Family with one child Weekly £	Family with two or more children Weekly £
<b>Band 1 – 85%</b>	Relevant Benefit	0.00 - 75.00	0.00 - 115.00	0.00 - 200.00	0.00 - 335.00
<b>Band 2- 80%</b>	N/A	75.01 - 110.00	115.01 - 150.00	200.01 - 235.00	335.01 - 370.00
<b>Band 3 - 50%</b>	N/A	110.01 - 160.00	150.01 to 200.00	235.01 – 285.00	370.01 – 420.00
<b>Band 4 - 25%</b>	N/A	160.01 - 205.00	200.01 to 245.00	285.01 - 330.00	420.01 – 465.00

The following is a summary of the main elements of our proposed working age Council Tax Reduction scheme:-

- Working-age people will receive a % discount of either 85%, 80%, 50% or 25% depending on the level of their income and the income band they fall into.
- Net earnings will be taken into account when calculating Council Tax Reduction.
- Introduction of £6,000 capital cap.
- Update earnings disregard to £5.00 for single people, £10 for couples and £20 for lone parents.
- Where the Universal Credit payment includes the calculation of earnings, earnings to be taken in account.
- The housing element of Universal Credit to be ignored.
- Deductions taken from Universal Credit by the DWP will not be removed.
- Abolition of non-dependant deductions
- Introduction of Minimum income level for self-employed
- To continue to disregard Disability Living Allowance, Personal Independence Payments and War Disablement Benefits.
- To continue to disregard Child Benefit and Child Maintenance payments.
- Introduction to disregard Carers Allowance payments.
- Introduction to disregards the support element of Employment and Support Allowance
- Introduction to increase backdate period to six months.
- Introduction to only make payment of Council Tax Reduction if over £1 per week.

Those affected by this change are working age people, on low incomes, living within the district that have a liability to pay Council Tax.

**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**

This is an on-going process and impacts may change over time.

Further analysis of Equality strands are;

AGE	Positive	Negative
	<p>The Government continues to protect low-income pensioners (who are eligible for assistance with their council tax liability) from any reduction in support as a result of reforms. The Government wants to ensure pensioners, who would struggle to pay council tax without additional funds and who the Government does not expect to work to increase their income, will continue to support their council tax liability. Schemes must have regard to their statutory duties under Child Poverty Act 2010. (The Act imposes a duty on local authorities to have regard to, reduce and mitigate the effects of child poverty in their local area).</p>	<p>Working age customers suffer disproportionately due to the need to protect pensioners from financial loss.</p> <p>Could drive 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>

DISABILITY	Positive	Negative
	<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>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>More likely to be in receipt of CTR.</p>

	<p>The proposed CTR scheme as part of our ongoing commitment to support disabled people will disregard Carers allowance and the support element of Employment Support Allowance as well as continue to disregard Disability Living Allowance, Personal Independence Payments and War Disablement Payments.</p>	<p>May find it difficult to understand information and not know if they are entitled to claim CTR.</p>
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MARITAL STATUS, family circumstances or caring responsibilities	Positive	Negative
	<p>The scheme will disregard Carers Allowance.</p> <p>There is an Exceptional Hardship fund to assist those families affected by the new scheme.</p>	<p>The scheme does not discriminate against marital status however it will have a negative impact on families with more than 2 children.</p>

SEX(gender )	Positive	Negative
	<p>The scheme does not discriminate against gender</p> <p>There is an Exceptional Hardship fund to assist those people affected by the new scheme.</p>	<p>Historically, women tend to be main carers and possible single parent. The scheme may have a negative impact on them, especially if they have more than 3 children.</p>

Race/Ethnicity Religion/Belief Sexual Orientation	Positive	Negative
	<p>No CTR data held for these groups, however the scheme is an income/household based reduction so will not treat people in these groups any differently.</p>	

General	Positive	Negative

**Submissions from Interested parties ;**

General publicity for all residents e.g. press releases, flyers and website.

**Issues and Recommendations**

All working age claimants should pay something towards their Council Tax Liability, however Officers recommend that we increase the discount from 80% to 85% for working age people on passported benefits or low incomes. Pensioners are not affected by this scheme.

To protect the most vulnerable West Devon Borough Council have an exceptional hardship fund to act as a safety net. This will allow for individual circumstances to be taken into account when appropriate.

**Action Plan & Review.**

January/February 2019	Full Council sign off
January/March 2019	New scheme input into test system and full testing
Early March 2019	Go live