

## Equality Impact Assessment (Appendix A) – South Hams District Council Council Tax Reduction Scheme 2016/17

Lead Officer	Isabel Blake – Housing, Revenue & Benefits Community of Practice
Service	ICT and Customer Services
Proposed change to service	Council Tax Reduction scheme for April 2016
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. From April 2013 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>From April 2014 and after public consultation the following scheme was agreed:</p> <p><b>80% maximum liability restriction</b> meaning that working age claimants paid a minimum of 20% towards their Council Tax bill.</p> <p><b>A property valuation band D restriction</b> meaning that working age claimants living in larger properties did not receive greater levels of support than those living in small properties</p> <p><b>An exceptional hardship fund</b> to help those claimants experiencing severe financial difficulties</p> <p>The Council's overall budget has continued to be cut by Central Government. It is for local councils to determine how to manage the funding gap and whether any further 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>South Hams District Council will need to agree the scheme which will be affective from April 2016 by 31<sup>st</sup> January 2016. If no scheme is approved the Council will continue with the scheme as agreed for April 2015.</p>
Information about users , research or other evidence	<p>South Hams District Council has the option of developing a new scheme, continuing with the current scheme. By default if no scheme is agreed for 2016/17 then the current scheme will continue.</p> <ol style="list-style-type: none"> <li><b>1. Continue 2015/16 scheme for 2016/17.</b> The preferred option would be for The Council to agree to continue with the current scheme for 2016/17 which still includes a means tested element aimed at helping those with greatest need.</li> </ol>

	<ul style="list-style-type: none"> <li>a) The Council to adopt and agree to continue the scheme for 2016/17 with benefit uprating applied</li> <li>b) Funding gap will continue to be met by implementing the same scheme.</li> </ul> <p><b>2. Develop a new Local Council Tax Reduction scheme for 2016/17</b></p> <ul style="list-style-type: none"> <li>a) Full public consultation would be required</li> <li>b) Customers have already incurred many central government benefit changes over the last few years. Customers have adapted well to the revised scheme initially implemented in 2014/15</li> <li>c) Devon Authorities are largely making no scheme changes for 2016/17</li> </ul> <p><b>3. Do Nothing/no agreement</b></p> <ul style="list-style-type: none"> <li>a) The current scheme for 2015/16 would be applied.</li> </ul>									
Stakeholder consultation and involvement	<p>As the preferred proposal is for no scheme amendments there is no requirement for a full consultation. Impacts of the current scheme have been monitored through any impacts on the collection rate and Exceptional Hardship Fund. Regular updates on customer impacts have been reported and discussed across the Devon wide group including all preceptors.</p> <p><b>Current Council Tax Reduction Claimants</b></p> <table border="1" data-bbox="504 1032 1501 1153"> <thead> <tr> <th></th> <th>Pensioners (exempt)</th> <th>Working age</th> </tr> </thead> <tbody> <tr> <td>Number of claimants</td> <td>3016</td> <td>2363</td> </tr> <tr> <td>%</td> <td>56%</td> <td>44%</td> </tr> </tbody> </table>		Pensioners (exempt)	Working age	Number of claimants	3016	2363	%	56%	44%
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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 September 2015 there were a total of 43,275 properties liable for Council Tax in the South Hams area.

12.5(%) are receiving Council Tax Reduction of these 2363 working age households would continue to receive the same level of entitlement towards their Council Tax Bill.

Further analysis of Equality strands are;

AGE	Positive	Negative																
<p>Profile data available from current CTR claims. This covers all people in the CTR household</p> <table border="0"> <tr> <td>0-15 yr old</td> <td>2487</td> </tr> <tr> <td>16-17</td> <td>346</td> </tr> <tr> <td>18- 24</td> <td>714</td> </tr> <tr> <td>25-34</td> <td>943</td> </tr> <tr> <td>35-49</td> <td>1680</td> </tr> <tr> <td>50-64</td> <td>1903</td> </tr> <tr> <td>65 and over</td> <td>3191</td> </tr> <tr> <td><b>Total</b></td> <td><b>11,264</b></td> </tr> </table>	0-15 yr old	2487	16-17	346	18- 24	714	25-34	943	35-49	1680	50-64	1903	65 and over	3191	<b>Total</b>	<b>11,264</b>	<ul style="list-style-type: none"> <li>• People of pension age remain protected and will not be subject to the scheme.</li> <li>• Could incentivise customers back into work.</li> <li>• Earnings disregards will be applied when calculating income.</li> <li>• Customers moving into work extended periods will exist to help transition into work</li> <li>• Support will continue to 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</li> <li>• Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
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DISABILITY	Positive	Negative
<p>Profile data available from current CTR claims. In this instance person is defined as disabled if they are in receipt of Disability Living allowance</p>	<ul style="list-style-type: none"> <li>• Disability Benefit income will continue to be disregarded when calculating entitlement.</li> </ul>	

<p>Members of CTR household  Under 18 = 107  Over 18 = 1398</p>	<ul style="list-style-type: none"> <li>Higher allowances will be awarded in the calculation of support for those receiving disability benefits</li> <li>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.</li> <li>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</li> <li>Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need</li> </ul>	
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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"> <li>Higher allowances will be awarded in the calculation of support for carers</li> <li>The scheme builds in additional premiums for households with children as Child Benefit and child maintenance is disregarded</li> <li>Support will be provided by a dedicated advisor in money management and maximising customer's income. Ensure customer has claimed all available</li> </ul>	<ul style="list-style-type: none"> <li>Families in large properties may have the difference between their larger property banding and a Band D to pay as well as an extra 20% contribution to their council tax payments</li> </ul>

	<p>council tax discounts, exemptions and disabled band reductions.</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Our scheme has an Exceptional Hardship fund that provides a safety net so that additional support can be provided for those in exceptional need</li> </ul>	
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SEX(gender )	Positive	Negative
<p>Sex (gender ) for Household</p> <p>6708 are female 5119 are male</p>	<ul style="list-style-type: none"> <li>• The scheme will not treat people of either sex any differently</li> <li>• No changes have been made to the treatment of Income and savings of women expecting children</li> </ul>	

Race/Ethnicity Religion/Belief Sexual Orientation	Positive	Negative
No CTR data held for these	<ul style="list-style-type: none"> <li>• The scheme will not treat people in these groups any differently</li> </ul>	

General	Positive	Negative
Change 1a. Reduce maximum Liability to 80%	<ul style="list-style-type: none"> <li>• Encourage some households to move to smaller, more affordable accommodation</li> <li>• Incentivise customers to try and locate work or extra hours.</li> </ul>	<ul style="list-style-type: none"> <li>• All working age customers will continue to pay at least 20% towards council tax.</li> </ul>

Change 1b. Band D Property Band Restriction	<ul style="list-style-type: none"> <li>• The scheme will not be contributing to the cost for those who choose to live in larger properties.</li> <li>• The scheme is consistent with benefit welfare changes such as size criteria, benefit cap and local housing allowance.</li> </ul>	<ul style="list-style-type: none"> <li>• Could impact households with a large number of family members</li> </ul>
Change 1c. The creation of a exceptional hardship fund to help those in financial need	<ul style="list-style-type: none"> <li>• Will ensure there is funding available for those experiencing temporary hardship.</li> </ul>	

**Submissions from Interested parties ;**

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

**Issues and Recommendations**

Since April 2013 Council Tax Reduction has been a local scheme and therefore the council must agree a scheme each year by council by 31<sup>st</sup> January.

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

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

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

**Action Plan & Review.**

December 2015                      Options for final scheme will be considered by Members

April 2016 onwards.              Monitoring on customer impact will continue through the year

Scheme and funding will need to be fully reviewed and agreed for 2017/18

