

## EQUALITY ANALYSIS

Please refer to Part 2 of the Equality Analysis Guidance

### Name of Policy/Decision/Project/Activity:

Localised Council Tax Support Scheme

#### Equality Analysis completed by:

Name / Job Title  
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Date: Dec 2015

#### Responsible Officer:

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Date: Dec 2015

**Is this a:** Policy (  ) Strategy ( ) Function ( )  
Service ( ) Project ( ) Other ( )

**Is it:** New/Proposed ( )  
Changing/Being Reviewed (  ) Other ( )

## 1. Purpose and Scope

### Purpose

In this section outline briefly what the policy, decision or activity is, what the intended outcomes/benefits (linked to the Corporate Outcomes Framework) are and over what period of time will the outcomes be achieved. Why does it need to be implemented or revised?

In 2012 the Welfare Reform Act, which received Royal Assent on 8 March 2012, set out some of the most significant proposed changes to the welfare system in decades. A key change in the Act was the Government decision to abolish the national Council Tax Benefit system and replace it with the Local Council Tax Support scheme from 1 April 2013. Responsibility for the scheme was transferred from central to local government and at the same time the government cut the level of grant support to local authorities by an average of 10 % nationally in 2013. The main change was that CTB was to be treated as a discount.

The Government's two underlying principles are that localised schemes should:

- provide support for the most vulnerable, including protecting pensioners by legislating that they should be no worse off under the new local scheme; and
- assist with lifting the poorest people off benefits and supporting them into work in line with the principles set out under Universal Credit i.e. incentivising people to move from benefit into work.

Although the change in responsibility and reduced budget has been dictated by Government, the aims are considered to link with Corporate Outcomes Framework (COF) 'Organisational Philosophy' in the areas of:

- reduction in the total resources needed to run services (while retaining quality);
- percentage of residents who consider the council to give good value for money; and
- increasing trust, reputation & satisfaction with the council

The scheme has been considered for 2016/17 only. DCLG are undertaking a review of the localisation of Council Tax Support in early 2017 and any outcomes from this will be taken into account when considering future changes to the scheme from 2017/18 onwards including the impact of any changes to welfare benefits e.g. tax credits.

## Scope

In this section consider who or where the target for the policy or activity is, this could be specific groups of people or organisations, individual wards, neighbourhoods or communities or the entire city. Links to, and overlap with, wider, local, sub-regional, regional or national priorities or activities should also be considered.

The target group is all of the City's residents that are liable for Council Tax.

Financial support for low income council tax households has become fully integrated into the council tax system, with support being offered as reductions on council tax bills rather than benefit awarded against their full council tax liability. This means that local decisions, about which vulnerable groups should qualify for council tax support, including the reduction on income grounds, need to be taken as part of the council tax-setting process.

## Intelligence and Information

What sources of information have been used to inform this assessment/analysis? This should include but is not limited to consultations, resident/service user feedback and statistical data and intelligence.

Statistical data used in the design of the proposed scheme has been taken from CT records.

It should be noted that as Government has legislated that pensioners must not be adversely affected by the changes, any assessment will be regarding **working age recipients only**

The Sunderland scheme for 2015/16 was:

- To continue with a reduction in Council Tax Support (CTS) by 8.5% for all working age claimants** (e.g working age on lowest income paid £1.10 per week (single people), and £1.47 per week (couples/families), whilst also taking into account the changes detailed below
- No second adult rebate (SAR).** This was a reduction of up to 25% of the Council Tax liability for customers who were ineligible to claim single person discount because of the presence of other adults in the household or because their income was too high. They may have qualified for SAR if the non-dependants were not working or in receipt of a low income. Like many councils Sunderland abolished this discount.
- A further reduction (up to £1) in council tax support for non-dependants** A non-dependant is an adult who lives with a council tax payer who is not their partner but can typically be grown up children, friends or relatives. If a council tax payer is in receipt of CTS and has a non-dependant living with them, weekly deductions are made from CTS for each non-dependant. The amount of the deduction depends upon the income of the non-dependant. There is no non-dependant deduction made for those non dependants on a very

low income. In the scheme, all non-dependant charges were increased by up to £1. This change helped to spread the cost of the cuts.

iv) **Information held in respect of Housing Benefit was used to calculate Council Tax Support.** This reduced the need for additional applications to be submitted by the customer.

v) **In line with Housing Benefit Regulations non-dependants serving in the Armed Forces on operations were disregarded.**

vi) **Pensioners who were of pension age were treated under pensioner rules even if they were available for work**

Last year neighbouring authorities implemented the following schemes:

South Tyneside – reduced council tax support by 30% for working aged claimants

Newcastle – reduced council tax support by 20% for working aged claimants

Gateshead – reduced council tax support by 8.5% for working aged claimants

North Tyneside – reduced council tax support by 7% for working aged claimants

#### Consultation process

An online consultation on the scheme for 2016/17 ran from 23<sup>rd</sup> October 2015 to 13<sup>th</sup> December 2015 and included the following:

- an on-line questionnaire accessed via the council's webpage, with supporting information
- workshops with the public across the city inviting people to share their views

The aim of the formal consultation was to ensure that all of the City's residents had the opportunity to comment on the proposed scheme by completing the on-line questionnaire themselves or with support. The consultation period was considered to allow enough time for feedback and review, prior to finalisation of the scheme, whilst still meeting the 31 Jan 2016 deadline for approval.

Headline results of the consultation are as follows:

There were 444 respondents to the survey, which included people across the protected characteristic groups (those who did not wish to disclose/no response are not included).

<i>Gender:</i>	<i>Sexuality:</i>	<i>Race/Ethnicity:</i>	<i>Age:</i>
Male 42%	Heterosexual 78%	White British 88%	16-24 1%
Female 45%	Gay/Lesbian 3%	Other 3%	25-34 9%
			35-44 24%
			45-54 26%
<i>Religion/Belief:</i>			55-64 18%
Christian 55%			65-74 9%
Other 3%			75+ 8%
No religion 26%			

The responses to the specific changes to the scheme, and additional comments made by respondents, were analysed to see if there may be any unfair and unintended impact upon any particular group.

Results of the consultation exercise are shown below:

Of the current scheme 48% agreed that the council tax support scheme should remain the same and 30% disagreed with 21% either not responding or having no views either way. Respondents were also asked in the event that they disagreed with the current scheme whether the minimum payment should be raised to 10% or 12.5%. Of the 198 responses, 38.19% indicated that the minimum payment should be raised to 10% and 61.81% indicated that it should be raised to 12.5%

#### Conclusion

The results of the consultation would indicate the following key messages:

The majority of the respondents agreed with the main proposal to keep the scheme in place for 2016/2017.

Where respondents had indicated that a change in the scheme was their preferred option, the majority supported an increase in the minimum payment to 12.5%.

DCLG are undertaking a review of the localisation of Council Tax Support in early 2017 and any outcomes from this will be taken into account when reviewing the scheme during 2016/17 including the impact of any changes to welfare benefits e.g. tax credits.

## **2. Analysis of Impact on People**

This section offers an opportunity to assess the intended and potential impact of the policy, decision or activity on the people of Sunderland. This includes specific consideration of the impact on individuals, groups with protected characteristics and communities of interest within the city. Please briefly outline any positive, negative or neutral impacts on the specific groups below. In this assessment it is important to remember the Council is required to give due regard to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Characteristic	List of Impacts		
	Positive	Neutral	Negative
<p>The scheme aims to spread the impact as fairly as possible, whilst also protecting pensioners and other vulnerable groups as legislated by government. Therefore there is the potential for negative impacts to be felt by a range of people within all the following groups, by virtue of them being residents of Sunderland and currently in receipt of council tax benefit but not directly nor deliberately as a consequence of any particular characteristic. Feedback from the consultation exercise and the effect of the current scheme for 2015/16 are noted below:</p>			
Age		<p><b>Older people:</b> The Government wants to ensure that low income pensioners, who would struggle to pay council tax without additional support, and whom the government does not expect to work to increase their income, will continue to receive the same level of support against their council tax bills. The current CTS caseload shows that just under 50% of CTS is paid to pensioners</p> <p><b>Working Age:</b> An extra £1.6m was raised from those previously receiving 100% council tax benefit. To date 85.21% has been collected.</p>	
Disability		There is no known information from which to provide an opinion on impact but people in the group have been impacted upon in the same way as all of working age or pensioners.	
Gender/sex		There is no known information from which to provide an opinion on impact but people in the group have been impacted upon in the same way as all of working age or pensioners.	
Marriage and Civil Partnership		There is no known information from which to provide an opinion on impact but people in the group have been impacted upon in the same way as all of working age or pensioners.	
Pregnancy and maternity		As above	
Race/Ethnicity		As above	
Religion/belief		As above	
Sexual Orientation		As above	

**Other individuals or groups impacted on:**

The policy or action may also have an impact on other groups or individuals which are not covered by the statutory requirements. Please outline any additional individuals or groups which have not already been covered. This could include socio-economic groups, voluntary and community sector, carers or specific communities which face additional challenges (such as former coal mining areas or areas of high deprivation)

The change impacts on all of the City's residents, in particular those that are or could be eligible for CTS. The Council already has clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas' for example through responsibilities under the following Acts:

- Child Poverty Act 2010;
- Disabled Persons (Services, Consultation and Representation) Act 1986 and Chronically Sick and Disabled persons Act 1970;
- Housing Act 1996, which gives Local Authorities a duty to prevent homelessness with special regard to vulnerable groups.

**Gaps in intelligence and information:**

Having undertaken the analysis are there any areas of intelligence or information which need to be improved? Please outline any areas where the current information is not complete enough to take a decision. Addressing this gap should be covered in the action plan.

The consultation process did not provide information with regard to specific impacts on those within the protected characteristic groups.

The scheme will be subject to an annual review. Any unintended consequences of the scheme will be dealt with on a case by case basis and monitored to ensure they are remedied for 2017/18.

**Policy/Decision/Project/Activity Title:**

**Responsible Officer: Paul Wilson**

### 3. Summary of Impacts and Response to Analysis

Please provide a summary of the overarching impacts that have been highlighted through the analysis process through the three questions below. It is important to recognise that individuals may belong to one or more of these characteristic groups and the combined impact could be greater than any single impact.

#### **Who will the policy/decision/project/activity impact on and who will benefit?**

As it is proposed to leave the scheme unchanged for a further year and not raise the minimum payment, any impact on the protected groups is negated because the change is non-discriminatory, as it purely relates to applying for benefit and is not directly linked to any of the protected characteristics.

#### **Who will not benefit and why not?**

Sunderland's scheme has been designed to spread the impact across all of the City's residents that currently claim council tax support as fairly as possible. As the majority of consultation respondents agree with the scheme this is an indication of its fairness.

#### **Who should be expected to benefit and why don't they?**

Please see comments in the section above.

### 4. Response to Analysis, Action Plan and Monitoring,

In this section please outline what actions you propose to take to minimise the negative, and maximise the positive, impacts that have been identified through the analysis. By considering and implementing these actions the policy or action can be refined to make sure that the greatest benefits are achieved for the people of Sunderland. The performance monitoring process should also be set out to explain how ongoing progress is going to be followed to make sure that the aims are met.

From the analysis four broad approaches can be taken, (No major change, continue with the policy/action despite negative implications, adjust the policy/decision/action or stop the policy/action). Please indicate, using the list below, which is proposed.

- |   |     |
|---|-----|
| No Major Change                             | (✓) |
| Continue Despite Negative Implications      | ( ) |
| Adjust the Policy/Decision/Project/Activity | ( ) |
| Stop  | ( ) |

## Action Plan

ACTION	WHO	WHEN	MONITORING ARRANGEMENTS
Monitoring and review of 'unintended consequences' to be fed into annual review of scheme.	Acting Council Tax and Business Rates Manager	Ongoing	
Consultation exercise / workshops with the residents of Sunderland	Acting Council Tax and Business Rates Manager	Oct – Dec 2016	
Review of Equality Analysis in light of the above data	Acting Council Tax and Business Rates Manager	Dec 2016	
Review of Council Tax Support Scheme	Assistant Head of Financial Resources/Acting Council Tax and Business Rates Manager	Dec 2016	