EQUALITY IMPACT ASSESSMENT – STAGE 1

EIA Ref	**PR/12/27**	
Lead Officer	Name	**Peter McCann**
	Position	**DM – Revenues & Benefits**
	Contact details	**peter.mccann@halton.gov.uk**

SECTION 1 –Context & Background

1.1 What is the title of the policy / practice?

Council Tax Reduction Scheme

1.2 What is the current status of the policy / practice?

Existing Changed New √

1.3 What are the principal aims and intended outcomes of the policy / practice?

As part of the 2010 Spending Review the Government announced an intention to localise support for Council Tax from 2013-14 and to reduce expenditure on this benefit by 10%. The Welfare Reform Act 2012 provides for the abolition of Council Tax Benefit. The Local Government Finance Bill, currently before Parliament, will require local authorities to draw up their own local Council Tax Reduction Scheme, which will replace the existing national Council Tax Benefit regulations. There is, however, one area the government is not leaving to local discretion and that relates to Benefit claimants who are pensioners, and national regulations will apply to this group. The local Council Tax Reduction Scheme will, therefore, apply only to working age claimants. The Government has stated that there will be a 10% reduction in the amount of annual expenditure on this scheme, and the implications for Halton is that there will be approximately £1.4m less paid out in help towards Council Tax for 2013/14 under the new local scheme.

Funding alternatives
Three alternatives to meet this cost have been considered.

Increase the Council Tax
This would require an increase of 3.5% to recoup the shortfall in grant. Each year the Government sets out an increase that is deemed excessive and an increase above the stated limit is subject to a local referendum. Any increase in Council Tax to directly support benefit awards may result in an adverse reaction from Council Tax payers who may vote against the increase. This means that there would be little or no opportunity to increase Council Tax to balance the budget if this option were taken.

Cut Budgets
The Council has already been faced with cuts in budgets in the last two years and is faced with a further £25m over the next two years. Adding a further £1.4m to this would result in even more pressure being placed on an already very serious situation and will have a very real impact on the sustainability of many local services.

Ring fence within Council Tax Benefit
This would mean that the shortfall in funding would be recouped directly from those benefiting from the scheme by way of a reduction in the amount of Council Tax Benefit that is paid in the Borough.

Proposed Council Tax Reduction Scheme
The Council decided to use the third option of making the saving through a ring fenced Council Tax Benefit budget. The issue to consider was how to devise a proposed Council Tax Reduction Scheme to deliver the required savings and also to protect vulnerable claimants.

Factors considered for the proposed Council Tax Reduction Scheme
The Government has imposed tight deadlines for Councils to devise and adopt a scheme, therefore an initial decision has been taken to use the existing Council Tax Benefit regulations as the basis for the local Council Tax Reduction Scheme. This would ensure that all the tried and tested safeguards that exist in the current Council Tax Benefit scheme with regards to the protection and needs of the vulnerable, the disabled and working claimants, are retained in Halton's local scheme. The existing scheme has also been subject to a full national equality impact assessment process. A copy of the Housing Benefit and Council Tax Benefit Equality Impact Assessment can be found at Appendix A.

Work has been undertaken into how the existing scheme could be adjusted in order to realise the required level of savings, whilst retaining existing safeguards and being as fair as possible. Various adjustments to the existing scheme have been considered and a summary can be found at Appendix B.

In order to minimise the impact on individuals, the emphasis has been to find an option which would realise the necessary savings but which would also see the burden being fairly shared with a wide a group as possible

As the figures in Appendix B show, many of the options would either not realise sufficient savings or, would lead to a scheme where a relatively small number of claimants would have to shoulder the burden with significant reductions in the amount of help they would receive.

Comments on this approach

- The reduction would be shouldered by a relatively small group of claimants.
- The adjustment of the taper is not an incentive for a claimant to find work.
- Some of the categories were considered too rigid and could create anomalies.
- The fairness aspect of the methodology used to meet the required budget saving was considered.
- Transparency was regarded as an important aspect of any reduction scheme.
- The changes being introduced should be easy to understand.

Comment [TL1]: Move to appendix

Analysis of the various options considered, highlighted that by opting for a scheme which applied a percentage reduction to the weekly council tax benefit award for all working age claimants, could recoup the required shortfall and ensure an equitable spread of the burden. In order to realise the level of savings required the percentage reduction that would be needed for 2013/14 is in the region of 21.55%.

Opting for a percentage reduction scheme would also ensure that the Government's main three principles of a local scheme are met:

1. Pensioners are fully protected

2. Consideration is given to the protection of vulnerable groups and that due regard to the need to comply with the public sector equality duty in section 149 of the Equality Act 2010 (i.e. Child Poverty Act, the Disabled Persons Act, and Homelessness prevention - Housing Act)

3. Improves incentives to work.

A summary of the ways in which the proposed scheme meets principals two and three are given below.

Disabled
- Higher personal allowance
- Higher earnings disregard
- Disability Living Allowance disregarded in full as income (range £20.55 - £77.45)
- No reduction in Council Tax Support for other adults in home if receiving care component of Disability Living Allowance.

Families with young children
- Child Benefit disregarded in full as income
- Child Maintenance received from former partner is disregarded
- Lone parents receive a higher earnings disregard
- Additional earnings disregard to those entitled to Working Tax Credit
- Child care costs are disregarded

Carers
- Higher earnings disregard

Working claimants
- Additional earnings disregard to those entitled to Working Tax Credit (applies in addition to existing earnings disregard).

Consultation
The draft Council Tax Reduction will be publicised on **xx** August 2012 for 6 weeks asking for comments from Halton's residents and other interested parties or groups. In light of the findings of the consultation a review will then take place and any resulting amendments to the scheme will be subject to a further impact assessment. This will re-examine the equality impact assessment after we have considered and carried out any necessary changes following the consultation stage.

1.4 Who has primary responsibility for delivering the policy / practice?

Halton Borough Council

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1.5 Who are the main stakeholders?

Current Council Tax Benefit claimants, future Council Tax Benefit claimants, residents and wider public, staff, Members, social landlords, private landlords, Voluntary sector, other interested groups and Precepting authorities.

1.6 Who is the policy / practice intended to affect?

Residents √ Staff Specific Group(s) √ (add details below)

Halton residents in need of financial assistance with their Council Tax liability, either currently or in the future. Currently there are 9,000 working age Council Tax Benefit claimants

1.7 Are there any other related policies / practices?

Council Tax recovery procedure Welfare Rights Policy and procedures Discretionary Housing Payment Policy and procedures Appeals Policy and procedures

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SECTION 2 – Consideration of Impact

2.1 Relevance: – the Public Sector Equality Duty
Does this policy / practice / service have due regard to the need to: -

(a) Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
(b) Advance equality of opportunity between two persons who share a relevant protected characteristic
(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Yes (√) **No** ( )
State reasons below

(Relevance to service users/staff) Council Tax Reduction will be available to all groups, regardless of ethnicity, disability, gender or age. In addition the allowances and income premiums used in the assessment of Council Tax Reduction are more generous for disabled people, claimants with families and those working.

2.2 Has data and information has been used in determining the impact of the policy / procedure under review?
(for example research, surveys, complaints, consultation, , monitoring data)

Equality Group(s)	6 weeks of consultation commencing in August 2012 Modelling information (Appendix C) identifies the number of claimants effected, the amount of the impact and the financial and household circumstances of each

Baseline data and information
Modelling information as detailed above

2.3 On the basis of evidence, has the actual / potential impact of the policy/ practice been judged to be positive (+), neutral (=) or negative (-) for each of the equality groups and in what way? Is the level of impact judged to be high (H), medium ((M), or low (L)?

Protected Characteristic	Impact type +, =, -	Level H, M. L, -	Nature of impact
Age	-	L	In line with the current national Council Tax Benefit scheme, the calculation will take account of the financial need of an individual, with age being one of the identifiers. Please refer to Appendix A
Disability	+	L	In line with the current national Council Tax Benefit scheme, the calculation will take account of the financial need of an

			individual, with disability being one of the identifiers. Please refer to Appendix A
Gender	=	/	
Race / ethnicity	=	/	
Religion / belief	=	/	
Sexual Orientation	=	/	
Transgender	=	/	
Marital status/ Civil Partnerships	=	/	
Pregnancy/Maternity	=	/	
In Halton two further vulnerable groups have been identified: -			
Carers	=	/	In line with the current national Council Tax Benefit scheme, the calculation will take account of the financial need of an individual, with caring responsibilities being one of the identifiers. Please refer to Appendix A
Socio – economic disadvantage	-	**M**	Some working age claimants will have to pay Council Tax for the first time, whilst others will receive an increased bill.

2.4 Does the policy / practice have any potential impact on safeguarding vulnerable people?

N/A

2.5 How will the impact of the policy / practice be monitored?

Monitoring Council Tax collection rate Monitoring administration impact through increased telephone calls, queries etc. Monitoring of requests for appeals Monitoring of referrals for welfare rights advice Monitoring of caseload Surveys and feedback for claimants Feedback from stakeholders (e.g. Landlord Forums, meetings with RSLs, Welfare Right agency meetings etc.)

2.6 Who will be responsible for monitoring?

Benefits Manager

2.7 If any negative impacts, or potential negative impacts, have been identified what mitigating actions will be put in place, thereby eliminating the need for a further Stage 2 assessment
Where none have been identified insert 'no further action required' in the first column

Action & purpose / outcome	Priority	Timeframe	Lead Officer
Regular and detailed monitoring	*(H, M, L)*		

2.8 Summary of stakeholders involved in this review

Name / Job Title	Organisation / representative of
Revenues and Benefits Division Policy Section Members Legal Dave Gray as the chair of the Halton Information Providers Forum	

2.9 Completion Statement

As the identified Lead Officer of this review I confirm that:- No negative impact that can not be mitigated has been identified for one or more equality groups and that a Stage 2 Assessment is not required √

Signed: P McCann	**Date: July 2012**

Completed EIAs should be sent to Les Unsworth, Corporate and Organisational Policy, to be given a unique reference number and for inclusion on the central register.