

Equality Impact Assessment - Council Tax Reduction Scheme 2018/19

1. What are the main aims purpose and outcomes of the Policy and how do these fit with the wider aims of the organisation?

Council Tax Reduction (CTR) was introduced by the Department for Communities and Local Government (DCLG) in April 2013 as a replacement for the Council Tax Benefit (CTB) scheme administered on behalf of the Department for Work and Pensions (DWP).

As part of its introduction, Central Government set out a number of key elements:

- The duty to create a local scheme for Working Age applicants was placed with Billing Authorities;
- Funding was initially reduced by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous CTB scheme; and
- Persons of Pension Age, although allowed to apply for CTR, would be 'protected' from any reduction in support through regulations prescribed by Central Government.

Since its introduction in April 2013, our local scheme has been 'refreshed' annually and further changes introduced to ensure that the scheme remains affordable whilst providing support for those most in need.

Council Tax Reduction is administered as a local discount, putting it outside of the welfare system and scope of Universal Credit.

Changes are being proposed to the Council Tax Reduction Scheme for 2018/19 in response to continued roll out of the Universal Credit (UC) programme. To date the gradual roll out of UC has had limited impact locally, but that will change in August 2018 when the Full Digital Service will be applied to all new claimants. The transfer of existing claimants onto the new system will be managed over a longer time frame with full migration to Universal Credit not expected for all claimants until 2022 at the earliest.

UC uses real time earnings information held by HMRC to calculate UC awards without the need for the customer to report changes. The principle being that UC entitlement goes up and down each month in line with earnings so that claimants receive the right amount of help and are encouraged to do additional work when they can, without fear that their benefits will stop.

The reduction in Council Tax (delivered through our local scheme) is calculated as a means tested benefit taking into account the claimants' income and wider circumstances. Earnings are averaged at the start of the claim and reviewed periodically, with the claimant under a duty to

report material changes such as an increase in the working hours, someone moving in or out of the property. On average, claimants report between 2-4 changes per year. Information from councils that are already operating a full UC Service suggests that claimant changes are significantly higher, 11-32 changes reported annually.

The Council Tax Reduction Scheme 2018/19 consultation set out 3 options for an amended scheme which can be delivered, supporting the changes with Universal credit but limiting the detrimental impact on CTRS claimants in terms of confusion and financial penalty and for the council in terms of administration and cost.

The following 3 options were proposed with Option 1 being the preferred option for decision:

- **Option 1** is a process change requiring a regular review of all claims across all working age groupings.
- **Option 2** would apply a set tolerance that would be applied across all claims from all working age groupings
- **Option 3** would be applied to all claimants across all working age groupings.

The consultation sought to engage with hard to reach groups across the borough to help ensure that the response was reflective of Maidstone's population.

2. How do these aims affect our duty to:

- **Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the 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.**

The Council Tax Reduction Scheme is for working age applicants. As part of its introduction persons of a pension age were protected. The proposed amendments to the scheme for 2018/19 do not have a detrimental impact on a specific group. The 3 options proposed are to be applied across all Universal Credit claimants and will not affect any group differently to any other.

3. What aspects of the policy including how it is delivered or accessed could contribute to inequality?

There are currently under 200 claimants in receipt of Universal Credit. It is expected that the affected group will grow by approximately 200 per month from August 2018.

In terms of protected characteristics, claimant data is held on disability,

claimants with a carer, age and sex. The information collected is applicable as it is relevant to the calculation of Council Tax Reduction claim. This data has been used to help evaluate any possible impact, positive or negative, as a result of proposed amendments to the scheme to date. The move to Universal Credit is purely related to changes in individual circumstances and the DWP reaction to those changes. It is therefore impossible to predict how many claimants, in terms of age, sex or disability will be represented in the transition.

The proposed amendment to the 2018/19 scheme will affect all claimants in the same manner. All options considered seek to ensure that the administration changes to the schemes as a result of UC were as simple and clear to all claimants as possible.

4. Will the policy have an impact (positive or negative) upon the lives of people, including particular communities and groups who have protected characteristics? What evidence do you have for this?

The impact of the changes proposed is neither positive nor negative. It affects all claimants but is designed to limit the impact on claimants by keeping the administration process as simple and clear as possible.

In terms of the consultation response more respondents were in favour of option 1 which is the preferred option for decision as detailed in the summary table below.

	Option 1	Option 2	Option 3
Yes	387	366	232
No	116	121	260
Not sure	270	212	160
Total	773	699	625

Option 1 will enable the council to calculate or recalculate a person’s entitlement through the Council Tax Reduction (CTR) every 6 months. There may be exceptions to this timeframe if there is a significant change in the household or income. Customers will still have a responsibility to report changes in their circumstances, such as a partner moving in or a change in employer. Currently, every change to a person’s income or capital will potentially generate a change in their CTR leading to changes in their Council Tax instalments. By fixing the assessment period, this will avoid multiple changes, be less confusing, avoid the constant recalculation of Council Tax instalments and aid administration.