

# 1. Community Impact Assessment - Localised Council Tax Support scheme 2017/18

## Section 1 – Overview

The national Council Tax Benefit (CTB) scheme came to an end on 31<sup>st</sup> March 2013 and was replaced by a locally determined system of Council Tax Support (CTS). The Council consulted on the local scheme in 2012 and designed a scheme that we think is fair, encourages people to work and remain in work and reduces the impact of the most vulnerable claimants where possible.

The aim of the Council Tax Support scheme is to provide financial assistance to council taxpayers within the Council's area who have low incomes.

The Council currently pays Council Tax Support to around 15,196 claimants and 8,728 of these are of working age. We recognise that Council Tax Support is paid to greater numbers of women than men and in particular females who do not have a partner. Therefore, we acknowledge that any change to the Council Tax Support scheme will have a disproportionate affect on female claimants.

We have included a breakdown of our current caseload in Appendix 1 (as of 31 October 2016).

Persons who are of state pension age (a minimum 60 years of age for women or 65 for men) are protected under the scheme, in that the calculation of the support they are to receive has been set by Central Government. For working age applicants however, the support they receive is to be determined by the local authority.

This equality impact assessment looks at the potential for **not only** protecting pensioners (as required under the legislation) **but also** providing full support to all working age claimants who are considered **vulnerable** as defined below;

- The claimant or partner is in receipt of a severe disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant, partner or any dependant is in receipt of a enhanced disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant, partner of any dependant is in receipt of Personal Independence Payment (daily living component) at the enhanced rate.
- The claimant or partner is in receipt of a support component within the calculation of council tax support or within their Employment and Support Allowance; or
- The claimant or partner receives War Disablement Pension or a War Widow's/Widower's Pension, or any similar payment from another country.

The objective in adopting this policy would be as follows;

- a. To protect pension age claimants (in accordance with the requirements laid down by Central Government);
- b. to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being the most seriously disabled, injured or sick and not likely to be able to obtain work; and
- c. to protect the beneficiaries of Council's commitment to the Armed Forces Covenant

The main issue for the Council is that the funding for support by Government has been reduced significantly. Continuing to protect these two additional working age groups (bearing in mind that pensioners are already protected under the scheme by Central Government) increases the shortfall in funding to be borne by the remaining working age claimants who are not deemed vulnerable.

Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the Public Sector Equality Duty in section 149 of the Equality Act 2010.

In relation to disability, no definition has been given as to the level which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so.

This would not apply to those who are deemed severely disabled.

There are a number of changes being proposed;

**1. New claims will only take into account a maximum of 2 dependant children per family**

Aligned with government policy, this change is aimed at removing incentives to have large families when in receipt of state benefits. It applies to other forms of welfare support and will be introduced in April 2017.

It will affect new claims only.

**2. Introduce reduced temporary absence rules**

Aligned with Government policy this will reduce allowable temporary absence from 13 weeks to 4 weeks. There are some exceptions in relation to;

- the death of a partner, child or close relative
- receiving medical treatment
- a person who has fled their home due to fear of violence
- a member of Her Majesty's forces posted overseas

**3. Change the proportion of Council Tax a working age eligible claimant has to pay; currently it is 21% of the bill. This is one of a number of options being considered are;**

**a. Change proportion from 21% to 25%. This is the preferred option.**

This will develop a saving of £270,000 and includes an overall reduction in the number of claimants as a result of improving economic outlook. It is felt that the increase is fair and affordable amount for many people to pay.

**b. Make no change**

We have modelled a saving on the basis that the overall number of claimants is reducing and the other changes have gone head will produce a saving of approximately £95,000.

**c. Change proportion to 30%**

This is a considerable increase from 21% nearly double and will deliver savings of approximately £485,000. It includes an overall reduction in the number of claimants as a result of improving economic outlook.

Any change to the proportion paid will affect 6431 claimants.

This policy will affect:

- Customers/service-users
- Partners
- Employees
- Other – interested parties and organisations representing or supporting claimants, for example, Citizens Advice Bureau (CAB), Thrive.

The proposals will affect the Council Tax Support Scheme from 1<sup>st</sup> April 2017 and will continue until amended. The scheme is reviewed annually.

**1. Your contact details:**

Name of person completing impact assessment and their post	Melanie Tolhurst, Benefit Welfare and Assurance Group Manager  Or  Lee Higgins – Benefit Service Delivery Manager
Telephone	01952 383838 / 383840

## Section 2 – Impact Assessment

Positive and negative impacts are assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

	Impact (X)		
	Positive	Negative	None
People of different ages		Working age 18-65yrs	Pension age and protected groups
People with ill health or people with a disability		Disabled persons not in protected group	Severely Disabled persons are in protected group
People of different genders		Women of working age will be affected more than men as they represent a higher number of claimants and tend to be in lower wage employment.	
People who are transgender			No evidence to indicate impact
Different racial groups			No evidence to indicate impact
People with different religion or beliefs			No evidence to indicate impact
People of different sexual orientations			No evidence to indicate impact
Women who are pregnant or breast-feeding			No evidence to indicate impact
People that are married or in a civil partnership			No evidence to indicate impact
People affected by deprivation		Working age 18-65yrs (although there is some protection for low incomes on an exceptional basis)	

## **What is the expected impact?**

All persons within the Council's area who are liable for Council Tax with a low income may apply for support and assistance with their Council Tax.

They do this by making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Support (Reduction) scheme.

The desired outcomes of the local scheme are;

### ○ **Pension Age Claimants**

- That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012);
- That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax Support in line with the regulations; and
- That all pensioner claimants continue to receive the correct level of support at all times.

There are currently 6468 pensioner claimants of Council Tax Support.

### ○ **Severely Disabled Working Age Claimants (as defined above)**

- That all working age severely disabled claimants receive the level of support previously provided under the abolished Council Tax Benefit scheme;
- That all new working age severely disabled claimants or existing working age claimants who become severely disabled are able to receive Council Tax support in line with the abolished Council Tax Benefit scheme; and
- That all working age severely disabled claimants continue to receive the correct level of support at all times.

People who fall within this category are considered vulnerable.

### ○ **Working Age Claimants who receive a war widows pension or war disablement pension**

- That all working age claimants who meet the criteria, receive the level of support currently provided under the abolished Council Tax Benefit scheme;
- That all new working age claimants or existing working age claimants who meet the criteria are able to receive Council Tax support in line with the abolished council tax benefit scheme; and
- That all working age claimants who meet the criteria, continue to receive the correct level of support at all times.

People who fall within these categories are considered vulnerable.

There are currently 2297 vulnerable claimants of Council Tax Support.

### ○ **Remaining Working Age Claimants (not protected)**

- That the remaining (non protected) working age claimants receive the level of support determined by the Council;

- That all new working age claimants or existing working age claimants who are not in the protected categories are able to receive Council Tax Support in line with Council policy; and
- That they continue to receive a sufficient level of support that enables them to be able to afford to make the contribution towards their Council Tax that is required

There are around 6,431 remaining working age claimants who would not be protected from the impact of any changes in the new Council Tax Support scheme.

A breakdown of those affected by Ward or Town and Parish breakdown of Working Age claims (Appendix 3). We recognise there are areas within the Borough where there are higher numbers of people claiming Council Tax Support and acknowledge that claimants in these areas will be affected more than other areas of the Borough..

Individuals affected will need to adjust their finances to accommodate the additional costs of Council Tax. There are numerous organisations across the borough that can provide support to individuals to amend their budget. There may also need to be consideration of support and how it is distributed across the borough.

### **Consultation and engagement**

All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme and a full consultation with the public was undertaken, as required by the legislation (Local Government Finance Act 2012) from 8 September 2016 to 1 November 2016.

The public consultation was designed to deliver focussed responses regarding the 3 options it also encouraged a number of free text responses about the impact for any changes on them.

The consultation was available to all residents however there was focus on gathering feedback from people who would be directly affected by the proposed changes.

### **Section 3 – Mitigating Actions**

It is **not** possible to protect all claimants given the significant reduction in the funding available to the Council. The reduction in funding for the Council Tax Scheme is part of the Budget set on <Date> March 2016 by Full Council. This budget balances the financial and resources needs across all areas of the Council's areas of responsibility.

The reduction is focussed on working age claimants, 18-65yrs. However, not all working age claimants will see a reduction in support from the current Council Tax Support levels.

Those defined as 'Severely' disabled under this scheme will be fully protected and receive 100% Council Tax Support.

The reduction that others will see will be mitigated to some degree by the Council having the ability to assist claimants in exceptional hardship. A fund will be available for those who find great difficulty financial and each case will be examined on a case-by-case basis taking into account their full personal and financial circumstances.

The Council has already contacted claimants identified as directly affected during the Consultation period.

Before commencement of the 2017/18 Council Tax Support scheme, when the specific impact on each individual claim is known the Council will contact all claimants again directly

affected by the changes to the scheme. It will work closely with them to make them aware of the effect of the changes in each of their individual circumstances. Each claimant identified as affected will be informed of the exceptional hardship fund and how to access it.

Where people identify difficulty with payment, the Council has a dedicated team supporting applications to the fund which are considered in depth and all individual circumstances are closely examined. This team will signpost claimants to the Department for Works and Pensions where they have identified income from other benefits is not being claimed and ensure each claimant is receiving all the income to which they are entitled. Hardship claims are regularly reviewed to take into account changes in claimant's circumstances to ensure that payments are relevant and up to date. Appendix 1d provides information about the use of the Hardship fund during the financial year 2015/2016 and up to date.

The Council has maintained the core aspects of the abolished Council Tax Benefit means tested scheme that provides additional assistance where there are dependants, disability and caring responsibilities by continuing to apply;

- disability premiums;
- enhanced disability premiums;
- severe disability premiums;
- work related activity components (where the person is in receipt of Employment and Support Allowance);
- support component (where the person is in receipt of Employment and Support Allowance);
- disabled child premiums (where dependants are in receipt of Disability Living Allowance or are registered / certified blind; and
- carer's premium where the claimant or partner is in receipt of Carer's Allowance

The scheme also provides significant work incentives with the continued use of;

- earnings disregards;
- additional earnings disregards;
- childcare disregards; and
- extended payments (reductions)

The Council, in creating its policy, has looked to protect families from child poverty by maintaining

- Dependants Additions – an allowance for each child is used within the calculation;
- Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
- Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
- Continuing Family premium for uninterrupted claims – where any claimant has at least one child, a family premium was awarded prior to April 2016. This will continue to be included in the Council's scheme for existing claimants but will be removed for new claims and new births.

In addition child benefit, child maintenance and other income payable to and for the support of children will continue to be disregarded in full.

Previous engagement activities have identified that consideration should be given to those with limited financial management skills, mental health problems and anxiety in completing forms. As part of the wider changes to Welfare Reform being delivered through a number of Council services, the Council will continue to proactively engage and work with interested groups and third party organisations (including but not limited to Citizen's Advice Bureau) to maximise opportunities to support and advise customers affected by the changes, especially but not exclusively limited to customers who may share these characteristics.

Some concerns previously raised regarding access to the Benefit Service can be allayed. The service has access to the full compliment of communication support tools including a telephone and face-to-face application process that can guide a claimant through the process in a supportive manner. Home visits are also available for customers in exceptional circumstances, particularly where the customer may have mobility difficulties or significant complex needs.

#### **Section 4 – General Equality Duty**

Throughout the development of the scheme there has been careful consideration of those with protected characteristics and how the changes would affect them in relation to the General Equality Duty.

- The above actions eliminate unlawful discrimination and maintain the level of support to the most vulnerable within the Council's area.
- We believe the current proposals achieve the aim of protecting the most vulnerable in our society whilst budgetary reductions are implemented locally in relation to available council tax support.
- Where negative impacts have been identified we have made attempts to lessen the impact on those affected; for example, a reactive hardship fund.
- We will also continue to review the situation and seek to provide further mitigation as and when opportunities and budgetary constraints allow.

#### **Section 5 – Review and Monitoring**

The updated policy will be implemented 1st April 2016, subject to Cabinet approval 21 January 2017

We will monitor the uptake and management of the Council Tax support Scheme as a normal business activity. This means it is dealt with in our normal management process and is closely monitored. This is so we can be proactive identifying trends where intervention may be required.

Reports will analyse data collected on a monthly and quarterly basis. Exceptional funds are considered as part of this reporting cycle. Where necessary further information is extracted to further examine negative trends or areas of concern.

The overall Council Tax Support Scheme will be reviewed annually.

## APPENDIX 1

### Current Council Tax Support Caseload Breakdown

#### 1a. Breakdown by case group

Case Group	Number of Current Council Tax Support claims
Pension Age	6468
Working Age	8731

#### 1b. Working Age claims breakdown by gender by the person claiming Council Tax Support

Gender	Number of claims
Female	5804
Male	2927

#### 1c. Working Age claims breakdown by Parish area Ranked by proportion volume

Parish	Number of Council Tax Support claims
Madeley Parish Council	1620
Wellington Town Council	1052
Great Dawley Parish Council	1084
Stirchley & Brookside Parish Council	832
Donnington & Muxton Parish Council	686
Hadley and Leegomery Parish Council	675
Oakengates Town Council	461
St Georges & Priorslee Parish Council	371
Lawley & Overdale Parish Council	335
Hollinswood & Randlay Parish Council	319
Newport Town Council	293
Ketley Parish Council	259
Dawley Hamlets Parish Council	244
Wrockwardine Wood & Trench Parish Council	229
The Gorge Parish Council	105
Others*	86
Wrockwardine Parish Council	52
Ercall Magna Parish Council	28

\*Represents Parish areas with fewer than 20 claimants and have been combined to protect against the potential identification of individuals.

Information extracted from Telford & Wrekin Council Tax information management system 31 October 2015. The number of claimants can change daily so this information is only accurate at the time of extraction

#### 1d. Council Tax Support Hardship Fund distribution 2015/2016

Total amount awarded	£21,216.60
Number of awards	305
Average amount of award	£69.56

82% of awards were made to Working Age customers, but not employed.  
18% of awards were made to Working Age customers, in employment.