

# Appendix C

## Local Council Tax Reduction Scheme

### Full Equality Impact Assessment



#### **1. Introduction**

- 1.1 This Full Equality Impact Assessment looks at the Council's proposals to revise the elements of the Local Council Tax Reduction Scheme. It is based on primary research with existing council tax benefit customers. That consultation took place over a twelve week period via the Council's consultation portal. Given the nature of the survey and responses it is not possible to say that the findings are statistically significant.
- 1.2 Having concluded an equalities impact screening in July 2015 , which is included at the end of this impact assessment,it was recognised that there was a need to undertake a full equality impact assessment.
- 1.3. A full copy of all the responses to the consultation has been lodged in the group rooms and is not provided as part of this report due to the size of the documents. Full copies can be provided upon request.

#### **2. Background**

- 2.1 The following changes to the Local Council tax reduction scheme are proposed,
  - 2.1.1. It is proposed that the maximum council tax reduction that anyone will be entitled to will be 80%. The current scheme has a maximum reduction of 91.5% which is available for households who have no earned income.
  - 2.1.2. It is proposed that child maintenance received by households is taken into account when calculating household income. At present the child maintenance received by households is disregarded when calculating income to determine the discount a household receives on their council tax. This proposal will affect single parents in the main. It should be recognised that single parents who do not receive any child maintenance will have a reduction on their council tax the same of those who do, all other circumstances being the same, and thus could be considered to be disadvantaged by the current approach.
  - 2.1.3. Thirdly, it is proposed that the income for self employed people will be calculated on the basis of national living wage 12 months after they have started trading. This is based on the assumption that people would not trade and achieve an income below the national living wage when they have started a business and traded for 12 months as it would be in their interest to seek employment that paid at least the national living wage.
  - 2.1.4. Lastly, it is proposed to increase earned income disregards by £ 5 a week. This will mean that an additional £ 5 of earned income will not be taken into account when calculating household income to use when assessing the council tax discount a household is entitled to. This may mitigate some of the previous proposals for those households with earned income.

2.2. The Council set up a series of questions on its consultation portal to encourage the community to respond to the proposed changes to the local Council tax reduction scheme. All existing Council Tax Reduction Scheme customers were individually written to encouraging them to respond to the proposals. Customers who visited Time Square were offered the opportunity to go on line or complete a hard copy of the consultation questions. Social media was used to promote the consultation as was the Council's website. There were 98 individual response and 33 organisational responses. In terms of the individual response 51% were from customers of the scheme and 49% were from members of the community who do not receive a discount from the scheme.

### 3. Consultation responses

3.1 The figures reported in the following tables do not show 100% return due to non inclusion of do not know responses. The consultation responses have been broken down into the elements of the community who may be adversely affected by the proposals.

3.2. There were 102 responses in total to the consultation of which 3 were from organisations rather than individuals. Just over 50% of the responses were from customers of the local Council tax reductions scheme.

3.3. The demographics of the response are set out in the following table,

<b>Demographic</b>	<b>Number responding</b>
A single parent	23
Receiving child maintenance	13
Of working age	65
In employment	43
Self employed	4
Of pensionable age	9

### 4. Age

4.1 Overall the older the age group the more likely they were to agree that the Council should balance expenditure on the Council Tax Reduction Scheme against the spend on other services. It should be remembered that the proposals will only affect working age households.

4.2 The Council should balance the amount spent on CT scheme compared with what it spends on other services.

<b>Agreed</b>	<b>Disagree</b>	<b>Neither agree or disagree</b>
<b>Under 18</b>	<b>Under 18</b>	<b>Under 18</b>
50	50	
<b>18-34</b>	<b>18-34</b>	<b>18-34</b>
46	23	30
<b>35-49</b>	<b>35-49</b>	<b>35-49</b>
36	24	34
<b>50-64</b>	<b>50-64</b>	<b>50-64</b>

29	43	28
<b>65-79</b>	<b>65-79</b>	<b>65-79</b>
66	22	11
<b>80+</b>	<b>80+</b>	<b>80+</b>
30	50	20

#### 4.3 Proposal 1 – reduce maximum CT liability to 80%

In terms of reducing the reduction of Council Tax liability so that everyone had to pay 20% of their Council Tax older age groups though this was fair compared to the younger groups.

<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
<b>Under 18</b>	<b>Under 18</b>	<b>Under 18</b>
	100	
<b>18-34</b>	<b>18-34</b>	<b>18-34</b>
53	39	8
<b>35-49</b>	<b>35-49</b>	<b>35-49</b>
32	59	4
<b>50-64</b>	<b>50-64</b>	<b>50-64</b>
27	67	7
<b>65-79</b>	<b>65-79</b>	<b>65-79</b>
22	55	22
<b>80+</b>	<b>80+</b>	<b>80+</b>
50	40	10

#### 4.4 Proposal 2 – assumed self-employed people earn minimum hourly rate

Again more of the older age groups thought this proposal was fair compared to younger groups.

<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
<b>Under 18</b>	<b>Under 18</b>	<b>Under 18</b>
	100	
<b>18-34</b>	<b>18-34</b>	<b>18-34</b>
23	61	16
<b>35-49</b>	<b>35-49</b>	<b>35-49</b>
32	48	10
<b>50-64</b>	<b>50-64</b>	<b>50-64</b>
20	48	7
<b>65-79</b>	<b>65-79</b>	<b>65-79</b>
33	33	11
<b>80+</b>	<b>80+</b>	<b>80+</b>
70	20	10

4.5 Proposal 3 – increase income disregards for working age people

In contrast to the previous question this proposal was thought to be fair by younger groups perhaps reflecting their desire to keep more earned income.

<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
<b>Under 18</b>	<b>Under 18</b>	<b>Under 18</b>
50		
<b>18-34</b>	<b>18-34</b>	<b>18-34</b>
70	7	7
<b>35-49</b>	<b>35-49</b>	<b>35-49</b>
40	32	16
<b>50-64</b>	<b>50-64</b>	<b>50-64</b>
35	34	15
<b>65-79</b>	<b>65-79</b>	<b>65-79</b>
43	56	
<b>80+</b>	<b>80+</b>	<b>80+</b>
60	20	20

4.6 Proposal 4 – include income from child maintenance payments

This proposal was thought to be unfair by younger groups particularly those under 18 and those 35-49 years old.

<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
<b>Under 18</b>	<b>Under 18</b>	<b>Under 18</b>
	100	
<b>18-34</b>	<b>18-34</b>	<b>18-34</b>
54	38	
<b>35-49</b>	<b>35-49</b>	<b>35-49</b>
45	51	2
<b>50-64</b>	<b>50-64</b>	<b>50-64</b>
27	39	20
<b>65-79</b>	<b>65-79</b>	<b>65-79</b>
43	78	0
<b>80+</b>	<b>80+</b>	<b>80+</b>
50	30	20

## 5. Gender

- 5.1 Women who responded were more in agreement that the cost of the council tax reduction scheme should be balanced against cost of other services.

	<b>% female who agreed</b>	<b>% female who disagree</b>	<b>% female who neither agree or disagree</b>
The Council should balance the amount spent on Council Tax Scheme compared with what it spends on other services	48	21	30

- 5.2 Of the proposals women were less in agreement with the proposal to reduce everyone's reduction to 20% and also to include child maintenance as income.

	<b>% female who agreed</b>	<b>% female who disagree</b>	<b>% female who neither agree or disagree</b>
Proposal 1- reduce maximum Council Tax liability to 80%	35	52	6
Proposal 2 – assumed self-employed people earn minimum hourly rate	45	31	8
Proposal 3 – increase income disregards for working age people	54	22	17
Proposal 4 – include income from child maintenance payments	35	57	3

- 5.3 Men were less supportive of balancing the cost of the scheme against the cost of other services.

	<b>% male who agreed</b>	<b>% male who disagree</b>	<b>% male who neither agree or disagree</b>
The Council should balance the amount spent on Council Tax Scheme compared with what it spends on other services	33	41	26

- 5.4 Men were least supportive of the maximum reduction being reduced to 20% and also using assumed national minimum wages levels to calculate self employed income

	<b>% male who agreed</b>	<b>% male who disagree</b>	<b>% male who neither agree or disagree</b>
Proposal 1- reduce maximum Council Tax liability to 80%	25	64	7
Proposal 2 – assumed self-employed people earn minimum hourly rate	20	57	10

Proposal 3 – increase income disregards for working age people	25	45	15
Proposal 4 – include income from child maintenance payments	43	46	7

## 6. Ethnicity

- 6.1 The highest response was from the British ethnic group who thought it was fair to balance the costs of the scheme with the cost of other services.
- 6.2 The Council should balance the amount spent on CT scheme compared with what it spends on other services

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
English/Welsh/Scottish/Northern Irish/British	42	27	31
Gypsy/Irish Traveller	0	0	0
Show people/Circus	0	0	0
Any other white background	67	33	0
White & Black Caribbean	0		
White & Black African	0		
White & Asian	100	0	0
Any other mixed background	0	0	0
Indian	0	50	50
Pakistani	0		
Nepali	0		
Bangladeshi	0		
Chinese	0		
Filipino	0		
African	0		
Caribbean	0		
Any other black background	0	0	0
Arab	0	0	100
Other ethnic group	42	17	42
Any other Asian background	0	0	100

- 6.3 None of the ethnic groups who responded were in favour of this proposal.
- 6.4 Proposal 1 – reduce maximum CT liability to 80%

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
English/Welsh/Scottish/Northern Irish/British	33	56	6
Gypsy/Irish Traveller			
Show people/Circus			
Any other white background	0	67	33
White & Black Caribbean			
White & Black African			
White & Asian	0	100	0
Any other mixed background			

Indian	0	100	0
Pakistani			
Nepali			
Bangladeshi			
Chinese			
Filipino			
African			
Caribbean			
Any other black background			
Arab	0	100	0
Other ethnic group	58	33	8
Any other Asian background	0	100	0

6.5 Proposal 2 – assumed self-employed people earn minimum hourly rate

Again no ethnic groups were in favour of this proposal.

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
English/Welsh/Scottish/Northern Irish/British	29	48	9
Gypsy/Irish Traveller			
Show people/Circus			
Any other white background		67	33
White & Black Caribbean			
White & Black African			
White & Asian	0	0	100
Any other mixed background			
Indian	0	100	0
Pakistani			
Nepali			
Bangladeshi			
Chinese			
Filipino			
African			
Caribbean			
Any other black background			
Arab	0	100	0
Other ethnic group	50	17	8
Any other Asian background	50	17	8

6.6 Proposal 3 – increase income disregards for working age people

The majority of ethnic groups were in favour with this proposal.

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
English/Welsh/Scottish/Northern Irish/British	42	30	17
Gypsy/Irish Traveller			
Show people/Circus			
Any other white background	0	67	0
White & Black Caribbean			

White & Black African			
White & Asian	100	0	0
Any other mixed background			
Indian	50	0	50
Pakistani			
Nepali			
Bangladeshi			
Chinese			
Filipino			
African			
Caribbean			
Any other black background			
Arab	100	0	0
Other ethnic group	67	17	17
Any other Asian background			

6.7 Proposal 4 – include income from child maintenance payments

No ethnic groups thought this was fair more than unfair

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
English/Welsh/Scottish/Northern Irish/British	42	49	4
Gypsy/Irish Traveller			
Show people/Circus			
Any other white background	0	100	0
White & Black Caribbean			
White & Black African			
White & Asian	0	100	0
Any other mixed background	0	0	0
Indian	0	50	50
Pakistani			
Nepali			
Bangladeshi			
Chinese			
Filipino			
African			
Caribbean			
Any other black background			
Arab	0	100	0
Other ethnic group	42	25	17
Any other Asian background	0	100	0

7. Religion / belief

7.1 In terms of religion and belief not all religious groups were represented but of all groups thought that the Council should balance the cost of the scheme against the cost of other services.

7.2 The Council should balance the amount spent on CT scheme compared with what it spends on other services.



	<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
None	43	17	28
Christian	45	18	36
Buddist			100
Jewish	100		
Hindu			100
Muslim			
Sikh			
Other	20	40	40

7.3 Proposal 1 – reduce maximum CT liability to 80%

	<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
None	39	44	10
Christian		63	
Buddist		100	
Jewish		100	
Hindu		100	
Muslim			
Sikh			
Other	20	80	

7.4 Proposal 2 – assumed self-employed people earn minimum hourly rate

	<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
None	36	44	13
Christian	43	49	9
Buddist			
Jewish		100	
Hindu		100	
Muslim			
Sikh			
Other	20	60	

7.5 Proposal 3 – increase income disregards for working age people

	<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
None	42	29	18
Christian	49	23	17
Buddist		100	
Jewish		100	
Hindu			100
Muslim			
Sikh			
Other	40	40	

7.6 Proposal 4 – include income from child maintenance payments

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
None	47	49	6
Christian	43	46	3
Buddist		100	
Jewish		100	
Hindu			100
Muslim			
Sikh			
Other	20	60	

**8. Sexual orientation**

8.1 All sexual orientation groups thought it was fair to balance the cost of the scheme against the costs of other services.

8.2 The Council should balance the amount spent on CT scheme compared with what it spends on other services

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	43	26	31
Gay man	100	0	0
Lesbian / gay woman	100	0	0
Bisexual	100	0	0
Prefer not to say	25	13	63
No answer	36	45	18

8.3 Proposal 1 – reduce maximum CT liability to 80%

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	37	52	6
Gay man	0	50	0
Lesbian / gay woman			
Bisexual			
Prefer not to say		88	
No answer	36	55	9

8.4 Proposal 2 – assumed self-employed people earn minimum hourly rate

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	31	45	8
Gay man	50	50	0
Lesbian / gay woman			
Bisexual	0	100	0

Prefer not to say	0	75	25
No answer	33	33	14

8.5 Proposal 3 – increase income disregards for working age people

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	40	30	18
Gay man	0	50	50
Lesbian / gay woman			
Bisexual	100	0	0
Prefer not to say	50	38	12
No answer	52	22	10

8.6 Proposal 4 – include income from child maintenance payments

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	45	45	6
Gay man	50	50	0
Lesbian / gay woman			
Bisexual	100	0	0
Prefer not to say	12	88	0
No answer	38	48	5

8.7 The Council should balance the amount spent on CT scheme compare with what it spends on other services

	Thought it fair	Thought it unfair	Thought it neither fair or unfair
Heterosexual / straight	43	26	31
Gay man	100		
Lesbian / gay woman	100		
Bisexual	100		
Prefer not to say	25	13	63
No answer	36	45	18

**9. Health Problem or disability**

9.1 The Council should balance the amount spent on CT scheme compared with what it spends on other services

Do you consider yourself to have a health problem or disability which has lasted, or is expected to last, at least 12 months?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
17	69	6

Are your day-to day activities limited because of your health problem or disability?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
35	35	31

9.2 Proposal 1 – reduce maximum CT liability to 80%

Do you consider yourself to have a health problem or disability which has lasted, or is expected to last, at least 12 months?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
17	69	6

Are your day-to day activities limited because of your health problem or disability?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
13	77	0

9.3 Proposal 2 – assumed self-employed people earn minimum hourly rate

Do you consider yourself to have a health problem or disability which has lasted, or is expected to last, at least 12 months?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
17	48	11

Are your day-to day activities limited because of your health problem or disability?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
10	52	3

9.4 Proposal 3 – increase income disregards for working age people

Do you consider yourself to have a health problem or disability which has lasted, or is expected to last, at least 12 months?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
27	45	14

Are your day-to day activities limited because of your health problem or disability?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
26	45	13

9.5 Proposal 4 – include income from child maintenance payments

Do you consider yourself to have a health problem or disability which has lasted, or is expected to last, at least 12 months?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
37	51	3

Are your day-to day activities limited because of your health problem or disability?		
<b>Thought it fair</b>	<b>Thought it unfair</b>	<b>Thought it neither fair or unfair</b>
32	52	3

## 10. Conclusions

- 10.1 Overall although there was recognition of the need to balance the costs of the council tax reduction scheme against the cost of other services. The consultation responses found 42% agreeing a balance should be struck between cost of scheme and the funding the Council devotes to other services compared with 28% who did not agree.

### Reducing maximum discount to 80% of Council Tax Liability

- 10.2 Nearly twice as many people thought this was unfair compared to those who thought the proposal was fair. However, given the support to balance the cost of the scheme this proposal is recommended as a way in reducing the overall cost of the scheme in a fair way across all customers. Customers who are out of work and will have limited means to pay the increased council tax reduction due maximum reduction to 80% and have a disability or long term limiting illness will receive additional benefits to reflect those needs thus they should not be adversely affected by this proposal.

### Assume self-employed people earn minimum hourly rate

- 10.3 Just under a third of respondents supported this proposal. The proposal will only take place for self employed who have been trading for a year. Officers will ensure such customers are aware of the potential change to their council tax reduction so as to mitigate any adverse impact. For those who lose a reduction due to this proposal the hardship fund can provide limited financial support based on financial hardship. The following proposal will also mitigate the impact. Therefore, this proposal is recommended.

### Increase income disregards

- 10.4 Overall 44% of respondents supported this proposal. It provides additional income for working households and incentivises work and therefore it is recommended.

### Include income from child maintenance payments in income calculations

- 10.5 Overall 40% of respondents supported this proposal compared to 49% who did not. It is fair that all income is included when calculating council tax reduction and so this proposal is recommended. The hardship fund will mitigate any hardship that results from introducing this proposal.

- 10.6 There were a number of comments that respondents made on the proposals. These are included in the full report lodged in the member's group rooms.

### Mitigation of proposals

- 10.7 The report proposes changing the hardship fund so that households who face financial hardship due to the proposals can make an application for short terms financial help to allow them to regularise their finances. This will be extended to those who no longer receive a council tax reduction but did receive a reduction in the previous twelve months.
- 10.8 The customers who are self employed will have notice of the implementation of assumed income and the impact on their council tax reduction.
- 10.9 All households will be encouraged to contact the welfare and housing service on receipt of their revised council tax discount if the proposals are agreed. The welfare

and housing service will provide advice on how households can maximise their income to address.

#### Monitoring Arrangements

- 10.10 The impact of the proposals will be monitored on a quarterly basis. Reports will be run to identify the households who have had their council tax discount reduced and this will be compared to the households who have approached the Council due to financial hardship by protected groups where possible. Targeted promotion of the hardship scheme will be undertaken where it is shown that protected groups are not taking advantage of the hardship scheme.
- 10.11 Take up of the hardship scheme will be monitored on a quarterly basis by protected groups where possible.
- 10.12 The monitoring will be reported as part of the annual review of the scheme.
- 10.13 Publication of Equality Impact Assessment.
- 10.14 The EIA will be published on the Council's website.