

Equality impact assessment – funding proposals

1. What funding proposal you are reviewing?

Prior to 1 April 2013 council tax benefit was funded by the Department for Work and Pensions (DWP), to support people on low incomes by reducing the amount of council tax they had to pay.

People could claim full (100 per cent) council tax benefit if they were on certain benefits. These included income based jobseeker's allowance, income support, guarantee credit (which is part of state pension credit) and income related employment and support allowance. Other people received some council tax benefit based on their income and other factors.

From April 2013 the council tax benefit scheme was replaced by new local council tax reduction schemes. The rules for the new schemes are set out in legislation for pensioners but for people of working age the rules are determined by local councils. The Government still provides funding but, on average, the amount of funding available is ten per cent below that for the previous council tax benefit scheme.

The council tax reduction scheme legislation stipulates that pensioners should not be disadvantaged by the new schemes and so they must receive the same level of support as under the previous council tax benefit scheme, providing their circumstances do not change.

In 2013/14 Vale of White Horse District Council decided to cover the ten per cent reduction in Government funding rather than reduce the entitlement of any of the 5,900 people receiving support to pay their council tax. Vale of White Horse taxpayers (including the contributions to the County Council, Police and Town and Parish Councils) covered an additional £536,000 per year to maintain the current level of support. This is the equivalent of £11.00 per year on a Band D council tax and would represent an increase of 1 per cent on the current tax if financed in this way, rather than by cutting other budgets or using one-off reserves.

2. What is the main aim or purpose of the proposed change, and what are the intended outcomes?

To support residents on a low income with help towards paying their council tax. To introduce a scheme that is fair, protects vulnerable and limits

expenditure. The scheme needs to encourage residents back to work by the inclusion of work incentives.

To achieve this, the council is proposing the following changes to its existing council tax reduction scheme:

- the maximum entitlement to a reduction will be based on 91.5 per cent of the council tax liability e.g. a resident with a £1,000 bill who is currently receiving full support would only receive £915 in support
- the maximum amount of capital a person can have before being excluded from the scheme will reduce from £16,000 to £6,000
- remove second adult rebate for working age claimants
 - second adult rebate is a reduction that is available to someone, regardless of their own income, who is living with another adult who is on low income (excluding lodgers)
- treat maintenance as income rather than disregarding it
- cap entitlement to band E levels
 - this will mean that people living in properties with a council tax band of F, G, H will only receive support up to the level of a band E property. For example, the average council tax for a band G property in 2013/14 is **£2,533** so this is the maximum support currently available. The average council tax for a band E property in 2013/14 is **£1,858** so this would be the maximum amount that support entitlement would be calculated upon under the proposed change
- increasing “run-on” entitlement where claimants move into work from one four weeks to thirteen weeks
 - at present, when an unemployed person moves into work, we continue to calculate their entitlement as if they were still unemployed for a four week period. This is to help the transition into work. Under this proposal we would extend the four week period to thirteen weeks to help even more with the move into work
- include protection from the liability reductions for the disabled (including disabled children), war widows and war disabled

3. Who are the main beneficiaries of the funding?

The main beneficiaries of the council tax reduction scheme are pensioners, the unemployed, the disabled and working age people on low incomes. However, the costs of the scheme affect all council tax payers in the district, and the Police and Crime Commissioner Thames Valley and Oxfordshire County Council.

4. What is the likely equality impact to changing the current funding arrangements? *(include information relating to sources of data that enable you to make this assessment and the equality groups who will be affected)*

Public Sector Equality Duty	Impact
<p>Advance equality of opportunity for the following protected characteristics and eliminated potential for discrimination:</p> <p>Gender, age, race, disability, religion or belief, race, gender reassignment, sexuality, pregnancy and maternity *marriage or civil partnership (discrimination only)</p>	<p>Potential negative impact:</p> <ul style="list-style-type: none"> • Gender and pregnancy and maternity– people with caring responsibilities (either children or sick/elderly relatives who they do not live with) are likely to find it more difficult to balance work with their caring responsibilities. This tends to affect women more than men as they are more likely to be the main carer. Lone parent households with dependant children may also be affected as they are less likely to be able to work. • Women or men fleeing domestic violence if they have the intention to return to the property as currently a Council tax reduction would be given for up to one year. Under the proposed changes the council would still allow a reduction but it would be based on the maximum 91.5 per cent • Age – working age people are significantly impacted. People who are just below pensionable age can be negatively affected. For example, people close to retirement could have taken early retirement or redundancy and so on a lower income with less likelihood of finding ongoing work. Families with children of pre-school age could be negatively affected as they have caring responsibilities so have more difficulties in balancing work with child care • Race – larger families are characteristics of some ethnic groups (however this could also apply to any large family in band E and above). This could mean they are living in larger properties likely to be above

	<p>band E and so adversely affected by the band restriction</p> <ul style="list-style-type: none"> • Sexuality, religion or belief, gender reassignment, marriage or civil partnership – no negative impact • People in hospital who do not qualify for an exemption may be affected by these proposals • Prisoners on remand who do not qualify for an exemption may be affected by these proposals
Eliminate harassment	The proposed changes will not violate the service user's dignity; or create an intimidating, hostile, degrading, humiliating or offensive environment for the service user
Promote good community relations	No significant impact expected – however, if the change disproportionately affects a particular group of people that could lead to negative community relations between that group and the council
Promote positive attitudes towards disabled people and their carers	<p>Disabled residents and people caring for their partners and dependent children (if they live with them) are protected under the scheme</p> <p>However the following related groups are likely to be affected by the proposals:</p> <ol style="list-style-type: none"> a. Carers who do not live in the same property as the person they are caring for – carers have responsibility for caring and so have less opportunity to increase income through work
Encourage participation of disabled people	As the proposals will not have a negative impact on people with disabilities or their carers we do not propose to consult them specifically, but they will be included naturally through the main consultation
Consider more favourable treatment of disabled people	<p>The proposals will protect people with disabilities who receive the following:</p> <ul style="list-style-type: none"> • Disability premium • Enhanced disability premium • Severe disability premium

	<ul style="list-style-type: none"> • Disability premium for dependents • Enhanced disability for dependents • Disabled earnings disregard • CT disability reduction • Employment Support Allowance (any rate)
Protect and promote human rights	No negative impact

The likely impact, in terms of numbers affected for certain groups, is as follows:

Group	Numbers affected
People who have more than £6,000 capital	62
People who receive a reduction because they live with another adult who is on a low income	27
People who will no longer have their child maintenance disregarded	125
People who will have their entitlement capped to a band E rate	43
People who move into work and continue to receive the same level of reduction	214
There could be some overlap between these different groups i.e. someone could be affected by more than one of the proposed changes	

Appendix A lists the financial impact of each of these changes, broken down by council tax band. **Appendix B** details the potential savings or additional costs from each of the changes.

The following is all of the groups that may be affected. Further analysis of the effects on these groups will be undertaken once the consultation results are analysed.

Group

Working age residents

People with a child under 5

Lone parents with a child under 5

People who have more than £6,000 capital

People who receive a reduction because they live with another adult who is on a low income

People who will no longer have their child maintenance disregarded

People who will have their entitlement capped to a band E rate

People who move into work and continue to receive the same level of reduction

Women or men fleeing domestic violence

People in hospital

Prisoners on remand

5. Have you sought feedback from those likely to be affected by your decision, if you do not plan to consult, please state your rationale behind that decision? (Please note you are **required** to involve disabled people in decisions that impact on them)

We will be undertaking an eight week consultation exercise to seek views from a sample of affected residents insofar as they currently receive a council tax reduction. We will also select a sample of residents who pay council tax but do not currently receive a council tax reduction. The consultation will also be available on the council's website so that anyone with an interest can complete it. We will inform local stakeholders (Citizens Advice Bureaux, Registered Housing Providers, etc) of the consultation and seek their views. We will also arrange a specific consultation with the Vale disability access group.

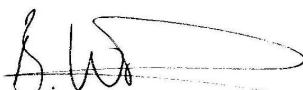
6. Are you/partners able to take any action to minimise or reduce and potential adverse equality impact?

The consultation exercise will collect views of affected people to inform the development of the final scheme. We will develop a communication plan to communicate the potential impact to affected groups. We will also consider changes in communication methods, collecting data, revising programmes or involvement activities. However, if all vulnerable groups were protected this would mean the scheme costs more and so this would have a knock-on effect on other council tax payers.

7. How will you monitor the affect the proposed changes have had in order to review the actual impact of your proposal?

Ongoing monitoring of those people having difficulty paying. We will seek feedback from Citizens Advice Bureaux, advice agencies and Registered Housing Providers during regular liaison meetings. There will be an impact review after year one.

Date completed: 16/08/2013

Signed  (Officer)

Signed _____ (Head of Service)

Signed  (Equalities officer)

Financial impact of each proposed change

8.5 per cent reduction in entitlement					
Band	Ave annual reduction	Ave weekly reduction	Highest annual reduction	Highest weekly reduction	Number of "new" payers"
A-	£0.00	£0.00	£0.00	£0.00	0
A	£64.40	£1.24	£89.06	£1.71	152
B	£73.44	£1.41	£117.92	£2.27	606
C	£80.54	£1.55	£152.53	£2.93	902
D	£85.67	£1.65	£133.61	£2.57	273
E	£107.81	£2.07	£162.12	£3.12	88
F	£125.82	£2.42	£191.60	£3.68	24
G	£129.33	£2.49	£195.01	£3.75	11
H	£255.96	£4.92	£255.96	£4.92	0
Total	£79.75	£1.53			2,056

Reduce upper capital limit from £16,000 to £6,000						
Band	No. payers affected	Ave. reduction per affected payer	Ave. weekly reduction	Highest annual reduction	Highest weekly reduction	Number of "new" payers"
A-	0	£0.00	£0.00	£0.00	£0.00	0
A	2	£653.12	£12.56	£756.60	£14.55	1
B	12	£605.93	£11.65	£1,213.68	£23.34	3
C	31	£785.64	£15.11	£1,387.36	£26.68	11
D	10	£758.99	£14.60	£1,487.20	£28.60	2
E	4	£1,050.66	£20.21	£1,396.72	£26.86	2
F	3	£1,381.12	£26.56	£1,933.36	£37.18	1
G	0	£0.00	£0.00	£195.01	£3.75	0
H	0	£0.00	£0.00	£255.96	£4.92	0
Total	62	£788.19	£15.16			20

Remove Second Adult Rebate						
Band	No. payers affected	Ave. reduction per affected payer	Ave. weekly reduction	Highest annual reduction	Highest weekly reduction	Number of "new" payers"
A-	0	£0.00	£0.00	£0.00	£0.00	0
A	1	£153.92	£2.96	£153.92	£2.96	0
B	0	£0.00	£0.00	£0.00	£0.00	0
C	21	£236.67	£4.55	£346.84	£6.67	0
D	4	£305.11	£5.87	£372.32	£7.16	0
E	1	£451.88	£8.69	£451.88	£8.69	0
F	0	£0.00	£0.00	£0.00	£0.00	0
G	0	£0.00	£0.00	£0.00	£0.00	0
H	0	£0.00	£0.00	£0.00	£0.00	0
Total	27	£251.72	£4.84			0

Financial impact of each proposed change

Remove maintenance disregard						
Band	No. payers affected	Ave. reduction per affected payer	Ave. weekly reduction	Highest annual reduction	Highest weekly reduction	Number of "new" payers"
A-	0	£0.00	£0.00	£0.00	£0.00	0
A	1	£37.44	£0.72	£37.44	£0.72	0
B	15	£659.08	£12.67	£1,213.68	£23.34	7
C	66	£635.88	£12.23	£1,387.36	£26.68	29
D	29	£688.65	£13.24	£1,498.64	£28.82	10
E	12	£975.80	£18.77	£1,907.36	£36.68	5
F	1	£1,599.52	£30.76	£1,599.52	£30.76	1
G	1	£86.32	£1.66	£86.32	£1.66	0
H	0	£0.00	£0.00	£0.00	£0.00	0
Total	125	£682.06	£13.12			52

Cap entitlement to a maximum liability equivalent to Band E						
Band	No. payers affected	Ave. reduction per affected payer	Ave. weekly reduction	Highest annual reduction	Highest weekly reduction	Number of "new" payers"
A-	0	£0.00	£0.00	£0.00	£0.00	0
A	0	£0.00	£0.00	£0.00	£0.00	0
B	0	£0.00	£0.00	£0.00	£0.00	0
C	0	£0.00	£0.00	£0.00	£0.00	0
D	0	£0.00	£0.00	£0.00	£0.00	0
E	0	£0.00	£0.00	£0.00	£0.00	0
F	26	£266.40	£5.12	£346.84	£6.67	19
G	16	£498.75	£9.59	£673.40	£12.95	8
H	1	£1,171.04	£22.52	£1,171.04	£22.52	1
Total	43	£373.89	£7.19			28

Financial impact of each proposed change

Increase extended reduction period from 4 weeks to 13			
Band	No. payers affected	Ave. additional award per affected payer	Highest additional award per affected payer
A-	0	£0.00	£0.00
A	14	£122.05	£132.84
B	75	£130.14	£225.00
C	87	£154.68	£236.07
D	29	£164.32	£265.59
E	6	£164.25	£309.06
F	2	£284.31	£292.14
G	1	£422.46	£422.46
H	0	£0.00	£0.00
Total	214	£147.98	

Potential saving or cost to the district council of each proposed change

Proposed change	(saving)/cost
Reducing maximum entitlement to 91.5 per cent	(£18,425)
Reducing the capital limit from £16,000 to £6,000	(£3,757)
Removal of second adult rebate	(£525)
Treat child maintenance as income rather than disregarding it	(£6,546)
Cap entitlement to Band E	(£1,237)
Increase the four week run on to thirteen weeks	£2,427