

EQUALITY IMPACT ASSESSMENT FORM

What are you completing this impact assessment for? (Service, proposed budget cut, proposed restructuring etc.)

From 1st April 2013 the Government abolished Council Tax Benefit (CTB) and replaced this with a local Council Tax Support (CTS) Scheme.

CTB was fully funded through Government subsidy, CTS is only in part funded through the Revenue Support grant received from the Ministry of Housing, Communities and Local Government (MHCLG). Local Authorities have therefore received a reduction in funding and the shortfall has to be met by the Authority.

Local Authorities were required to design a local CTS scheme or opt to use the default scheme based on CTB. The authority opted to use the default scheme but it is still obliged to review the working age local scheme each year.

The Government introduced a prescribed scheme for pensioners which entitled pensioner applicants to continue to receive up to 100% support. This has not changed.

In designing and implementing the CTS scheme for working age, the amount of support awarded will depend on the scheme introduced by each Local Authority.

At what stage are you completing the impact assessment?

An Equality Impact Assessment was completed in 2012 when the Local Authority considered the proposed CTS scheme to be implemented in April 2013. This Equality Impact Assessment review is to consider any impact on the recommendation of the CTS scheme for 2021/22.

Section 1 – Aims & Objectives

Local Council Tax Support (CTS) was introduced in April 2013 as a replacement to Council Tax Benefit (CTB) which was a national welfare benefit. The changes were introduced by the Local Government Finance Act following the 2010 Spending Review as part of the Government's wider welfare reform programme which aimed to:

- Improve the incentives to work;
- Protect the most vulnerable people in society including full protection for pensioners previously on Council Tax Benefit;
- Deliver fairness to people claiming benefits and to the taxpayer ensuring that resources are used more effectively;
- Make savings to the overall welfare bill as part of the deficit reduction strategy.

The CTS scheme is set out in Section 13A and Schedule 1A of the Local Government Finance Act 1992.

Applicants who are of pension age fall under the Government prescribed scheme and therefore may still retain maximum entitlement of 100% support.

Working age applicants are subject to the local scheme determined by the Authority. The aim of this equality assessment is to consider the impact of the 2021/2022 CTS scheme on working age Council Tax payers, who have a Council Tax liability for their home and are in receipt of low incomes.

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Section 2A – Groups that may be affected by the proposed restructuring/budget cuts. (This could be the general population of North Norfolk or those from particular groups, disability, race, gender etc.)

The Council's scheme introduced in 2013/14 reduced Council Tax support by 8.5%, which essentially meant that those of a working age depending on other criteria, would be required to pay 8.5% of their Council Tax liability, i.e. a discount of 91.5% rather than 100%. The initial default scheme has been extended in this Authority since 2013.

The CTS scheme for 2021/2022 is a continuation of the previous scheme with some minor changes to keep it in line with other welfare reform amendments and to simplify administration.

The changes for working age people are:

To allow us the discretion not to action changes supplied by the Department for Work and Pensions (DWP) for customers receiving Universal Credit (UC):

Every time a customer's income changes their UC award is altered. This then updates their CTS award and a new council tax bill is sent. For customers who have monthly earning changes this can mean a new council tax bill every month. The administration costs outweighing the income change being reported.

This change allows us discretion to decide whether to use or disregard information supplied by the DWP where the customer's income changes within a certain tolerance, which would have an adverse effect on their entitlement to CTS.

Beneficial changes to the customer's entitlement to CTS would still be included so the customer does not lose out on additional financial support. The customer would still have to report changes of circumstances to us in the normal way.

This change significantly reduces the administrative burden on the council, but will also prevent constant changes to a customer's council tax account and instalments.

To align the additional earnings disregard with the Housing Benefit rules:

Due to Covid-19 the DWP increased the amount of earnings that are not counted as income for UC and Working Tax Credit (called an Earnings Disregard). The Housing Benefit rules were also amended to ensure customers did not lose out as they have more income. This change allows the CTS rules to be amended in the same way for 2021 should the DWP continue to apply the increase to the Earnings Disregard. This change prevents customers losing CTS where their Earnings Disregard is increased due to Covid-19.

Allow for changes to be made to the Council Tax Support Scheme in exceptional circumstances:

Due to the COVID-19 crisis, the Department for Work and Pensions (DWP) and the Department for Health and Social Care (DHSC), introduced a package of financial support available to those residents on low incomes and who had suffered financially as a result of Covid-19.

This change will allow for income granted under similar financial packages, to be disregarded as income and capital in the Council Tax Reduction Scheme in such extraordinary circumstances and prevent loss in Council Tax Support entitlement.

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The total amount and % of Council Tax expenditure awarded to pension age and working age applicants is shown below for the last two financial years and to date for the current financial year.

| | 2018/19 | | 2019/20 | | 2020/21 (to date) | |
|-----------------|---------------------|-----|---------------------|-----|---------------------|-----|
| | Expenditure £ | % | Expenditure £ | % | Expenditure £ | % |
| Working age CTS | 2,870,862.32 | 42% | 2,963,360.54 | 43% | 3,534,447.17 | 47% |
| Pension age CTS | 3,960,442.04 | 58% | 3,955,480.18 | 57% | 3,992,481.87 | 53% |
| Total | 6,831,304.36 | | 6,918,840.72 | | 7,526,929.04 | |

The expenditure for working age claims has increased since 2018, as we are seeing more working age people apply for CTS due to the current economic climate and the financial impact of the pandemic. Prior to the pandemic the working age caseload was decreasing.

The increase in expenditure is supported by the total % of CTS pensioner claims compared to the % working age claims throughout the year, as shown below. *NB: This figure includes claims which have been closed and are no longer live claims.*

| | 2018/19 | 2019/20 | 2020/21 |
|--------------|-------------|-------------|-------------|
| Working Age | 4693 (51%) | 4746 (52%) | 4886 (54%) |
| Pension Age | 4632 (49 %) | 4431 (48%) | 4132 (46%) |
| Total | 9325 | 9177 | 9018 |

Any savings in expenditure would be met by working age applicants. Below provides details of live CTS working age claims by family type as at 10th February 2021.

| Family type | Number of claims |
|-------------------|------------------|
| Single households | 1871 |
| Couples | 430 |
| Families | 525 |
| Lone Parents | 1066 |
| Total | 3892 |

Of which 38% of the working age applicants are in receipt of an income related welfare benefit. 62% of working age applicants are therefore on other low incomes, including employment and Universal Credit. (The 38% of working age applicants, in receipt of an income related benefit with no deductions for non dependants would receive maximum entitlement to CTS which is 91.5%)

Below provides details of the number of Council Tax accounts (not people) where the Council Tax liability was reduced by the award of CTS and the number of Council Tax liabilities which were fully supported (no Council Tax to pay) or partly supported (outstanding balance to be paid).

Those that were fully supported were claims from pension age applicants or where the working age claimant was awarded up to £150 from the Council Tax Hardship fund which reduced their liability to nil. Those that were partly supported were from working age and pension age applicants not entitled to 100% support and may also have received a payment from the Council Tax Hardship fund of up to £150 but this did not reduce their liability to nil.

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| Financial year | Council Tax accounts | Nothing to pay | Something to pay |
|----------------|----------------------|----------------|------------------|
| 2018/19 | 8930 | 2524 | 6414 |
| 2019/20 | 8791 | 2380 | 6428 |
| 2020/21 | 8733 | 4711 | 4028 |

The majority of CTS working age applicants live in Council Tax band A and B properties as shown below as at 10th February 2021.

| A | B | C | D | E | F | G | H | I |
|------|------|-----|-----|----|----|---|---|---|
| 1711 | 1603 | 344 | 162 | 52 | 16 | 5 | 0 | 0 |

Based upon band A property in Cromer the below shows the annual amount of Council Tax to be paid if a working age applicant is entitled to the maximum amount of CTS.

| Financial Year | 8.5% to Pay |
|----------------|-------------|
| 2018/19 | £101.00 |
| 2019/20 | £105.28 |
| 2020/21 | £109.27 |

(As the property band increases, so will the amount to be paid.)

A non mandatory question on the CTS application asks the applicant their ethnic background. We have been able to obtain data as at 28th January 2021 which confirms that of 7833 live CTS claims 2988 claimants declared their ethnicity as below. 62% did not complete the question.

| | |
|---|-------------|
| White British | 2908 |
| White Irish | 5 |
| White any other background | 45 |
| Mixed white and black Caribbean | 3 |
| Mixed White and Black African | 1 |
| Mixed White and Asian | 1 |
| Mixed and other Mixed Background | 4 |
| Asian or Asian British Indian | 3 |
| Asian or Asian British any other Asian background | 2 |
| Black or black British African | 2 |
| Black or Black British Caribbean | 3 |
| Black or black British any other black background | 2 |
| Chinese | 2 |
| Other | 7 |
| | |
| Total | 2988 |

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Section 2B – Groups within the restructuring service areas. (Employment details of staff, broken down by particular groups, disability, gender, race, age, faith and belief and sexual orientation)

Under the 2021/22 proposed scheme working age applicants, in receipt of low incomes would continue to receive maximum support of 91.5% of their Council Tax liability.

The impact of CTS for working age households on low incomes is the continued financial pressure when already on a low income and further reductions being made to other welfare benefits, for example Housing Benefit and Tax Credits. However this CTS scheme is not proposing to increase the 8.5% of the Council Tax liability to pay.

The public sector equality duties require that the Council, in carrying out its functions, has due regard to the need to promote equality of opportunity between:

- persons of a different race
- men and women
- persons with a disability and without

In addition, the Council's own policies state that reasonable adjustments or supportive measures should be considered to ensure equality of access and opportunity regardless of age, gender, maternity, pregnancy, gender reassignment, marriage, civil partnership, race, ethnicity, sexual orientation, disability, religion or belief.

Race

There is no differential impact due to race.

Sex/Gender

There is no differential impact due to sex/gender.

Disability

The continuation of 91.5% maximum entitlement for the 2020/21 CTS local scheme for disabled working age applicants is not to be reduced. Additional support provided by disregarding certain disability benefits, awarding disability premiums and applying nil non-dependent deductions when certain disability benefits or criteria is met also continues.

Other financial support can be given by a discount due to severe mental impairment or disabled band relief.

Religious belief

There is no differential impact due to religious belief

Age

The Authority must administer the Government prescribed scheme for pension age applicants and implement and administer its own local CTS scheme for working age applicants. The impact of this on working age is considered in this assessment.

Sexual orientation

There is no differential impact due to sexual orientation.

Section 3 – Evidence and data used for assessment

When Council Tax Support was introduced in 2013, the DCLG completed an equality impact assessment in 2012 for the implementation of CTS. All major precepting authorities were consulted on the implementation of the new CTS scheme at that time.

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NNDC fully consulted with the public and other stakeholders on the 2013/14 draft scheme. This scheme was self- financing and proposed prior to the Government’s announcement of a preferred scheme with transitional funding for the first year.

A further public consultation was run in respect of the proposed changes for the 2021/22 scheme between 11th January 2021 and 7th February 2021. This was primarily available via the council’s website and as a paper form if requested. Online responses were encouraged as data can be electronically logged and collated. The consultation was publicised through social media, the council’s website.

18 responses were received. There were five demographic questions asked as part of the consultation but responses were not mandatory. The responses from this set of questions is shown below:

| Are you, or someone in your household, currently receiving Council Tax Support? | |
|---|----|
| Yes | 5 |
| No | 13 |

| What is your gender? | |
|----------------------|----|
| Female | 10 |
| Male | 6 |
| Prefer not to say | 2 |

| What is your age group? | |
|--------------------------------|----|
| No answer of prefer not to say | 11 |
| 18 - 24 | 1 |
| 45 - 54 | 2 |
| 55 - 64 | 2 |
| 65 - 74 | 2 |

| Disability: Are your day to day activities limited because of a health problem or disability which as lasted, or is expected to last, at least 12 months? | |
|---|----|
| Yes | 4 |
| No | 12 |
| Don't know | 2 |

| What is your ethnic origin? | |
|----------------------------------|----|
| White British | 16 |
| White – Another White Background | 1 |
| Prefer not to say | 1 |

Section 4 – Conclusions drawn from consultation

Any changes to the local scheme would require consultation. There were no comments made about the scheme in any of the consultation responses that affect the draft scheme and the majority of people felt we should make the proposed changes to the scheme.

Norfolk County Council and the Norfolk Police and Crime Commissioner have been contacted for their comments on the scheme and have confirmed they are supportive of the changes. No other changes to the draft CTS scheme are proposed as a result of the consultation.

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Section 5 – List any comments, criticisms or alternative approaches regarding the impact of the budget cut/restructuring that have arisen during the process.

The Authority is obliged to review its local CTS scheme each year. The authority has taken into consideration a number of factors. These include the 2021/2022 budget position for the Authority, changes to Housing Benefit and the prescribed pensioner scheme, the impact of increasing the amount of Council Tax to be paid by low income working age households and the impact on any additional collection of Council Tax for the Authority.

Section 6 – How will the assessment, consultation and outcomes be published and communicated?

The Equality Impact Assessment (EIA) for the 2013/14 scheme along with the EIA review for the 2021/22 Council Tax Support Scheme, will be made available on the NNDC website.

Completed: Trudi Grant

Date: 11th February 2021

Signed off:

Date: