

## Stage 1 Equality Impact Assessment - Initial Screening

Assessor(s) Name(s):	Benefits Operational Manager
Directorate:	Resources
Date of Completion:	September 2018

### Name of Policy/Strategy/Service/Function Proposal

Council Tax Reduction Scheme 2019/20

### The Aims, Objectives and Expected Outcomes:

1. The aim of the scheme is to provide support to certain pensioner and working age Council Taxpayers who have a low income.
2. Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of its introduction, Government introduced several key elements namely:
3. The duty to create a local scheme for **Working Age** applicants was placed with Billing Authorities.
4. Funding was reduced by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
5. Persons of **Pension Age**, although allowed to apply for Council Tax Reduction, would be dealt with under regulations prescribed by Central Government and not the authorities' local scheme.
6. Since that time, funding has been amalgamated into other grants and, within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
7. When Council Tax Reduction was introduced in 2013, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. However, due to the reduction in funding, a number of changes have been made over the

years. These are as follows:

**Changes made from 1<sup>st</sup> April 2013 (from the original Council Tax Benefit scheme)**

8. A decision was made to reduce maximum entitlement for working age non-vulnerable claimants to 80 per cent of their council tax liability. The reduction in support was deferred for one year as Central Government offered additional payments if Councils limited their reduction to 91.5%;
9. To safeguard those applicants, their partner, or disabled dependent child who are deemed working age 'vulnerable', the Council Tax Reduction Scheme provided the same level of assistance as the previous Council Tax Benefit Scheme (100%); and
10. The Second Adult Rebate scheme for working age was removed (this provided a level of discount based on the income and circumstances of any 'second adult' not the applicant or partner')

**Changes made from 1<sup>st</sup> April 2014.**

11. From 1<sup>st</sup> April 2014, Council Tax Reduction was restricted to a maximum of 80%. Vulnerable applicants continued to be granted protection at 100% on a 'blanket' policy; and

**Changes made from 1<sup>st</sup> April 2016**

12. From 1<sup>st</sup> April 2016, the Family Premium was removed and backdating limited to one calendar month in line with the changes Housing Benefit;
13. The blanket protection for certain claimants was removed and replaced by an Exceptional Hardship Fund which gives a tailored approach to those cases suffering exceptional hardship; and
14. The capital limit was reduced from £16,000 to £6,000
15. For self-employed applicants, the Minimum Income Floor was introduced into the scheme. This sets a minimum level of income that is used in the calculation of Council Tax Reduction for certain cases where they have been in business for more than 12 months. These changes align with the approach taken by Universal Credit.

**Changes made from 1<sup>st</sup> April 2017**

16. From 1<sup>st</sup> April 2017, the following changes were made to align Council Tax Reduction with changes to Housing Benefit:
  - Reduce the period for which a person can be absent from Great Britain and still receive

CTR from 13 weeks to 4 weeks;

- Remove the element of a Work-Related Activity Component in the calculation of the current scheme for new Employment Support Allowance claimants;
- To limit the number of dependent children within the calculation of Council Tax Reduction to a maximum of two for any new children born on or after 1 April 2017; and
- To remove entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element).

#### **Changes made from 1<sup>st</sup> April 2018**

17. From 1<sup>st</sup> April 2018, further changes have been made to the Council Tax Reduction scheme to provide additional funding to the Council, namely:

- To reduce the maximum entitlement for working age claimants to 70 per cent of their council tax liability;
- To restrict Council Tax Reduction to a maximum Band C valuation. This affects all applicants whose dwellings have a Band D or higher; and
- To disregard the new Bereavement Support Payments in line with changes made to Housing Benefit.

#### **Considerations and options considered for the 2019 Scheme.**

18. In line with legal requirements set down by the Local Government Finance Act 1992 (as amended), it has been necessary to review the current scheme and consider if changes should be made to the working age scheme for the 2019/20.

19. The review commenced in January 2018 and five main options were considered namely:

**Option 1** - The need to review the level of support given the overall costs of the scheme and whether the level of support for working age cases should be reduced to 65% (from the current level of 70%);

**Option 2** - Whether to develop and implement a simplified banding scheme due to the introduction of Universal Credit (the new Central Government benefit) on the Island which is increasing the Council's administration of the Council Tax Reduction Scheme due to the significant number of monthly changes being received;

**Option 3** - To introduce a minimum support level of either £2 per week or £4 per week;

**Option 4** - To disregard the new Infected Blood Scheme payments in line with changes made to Housing Benefit; and

**Option 5** - To maintain the current scheme with minor adjustments to applicable amounts and non-dependant charges in line with Housing Benefit and Council Tax Reduction for pension age applicants.

### **Recommendations**

20. The review has recommended the following:

- (i) Option 2 - To begin to develop options for an alternative council tax reduction banded scheme for consideration and potential implementation with effect from 1 April 2020, to reduce the administrative burden placed on the council by the introduction of Universal Credit.
- (ii) Option 4 - To disregard the new infected Blood Scheme payments in LCTS. Payments of financial support are fully disregarded in housing benefit and can be achieved without consultation in LCTS using the Exceptional Hardship Fund.
- (iii) Option 5 - To maintain the current LCTS scheme but allowing for any minor adjustments to applicable amounts and non-dependant charges in line with housing benefit and Council Tax Reduction scheme for pension age applicants

This is a proposal to retain the current Council Tax Reduction Scheme for a further year (2019/20)

Key Questions to Consider in Assessing Potential Impact	
Will the policy, strategy, service or council function proposal have a negative impact on any of the protected characteristics or other reasons that are relevant issues for the local community and/or staff?	No - this retains the existing scheme
Has previous consultation identified this issue as important or highlighted negative impact and/or we have created a “legitimate expectation” for consultation to take place? A legitimate expectation may be created when we have consulted on similar issues in the past or if we have ever given an indication that we would consult in such situations	No - this retains the existing scheme
Do different groups of people within the local community have different needs or experiences in the area this issue relates to?	No - this retains the existing scheme
Could the aims of these proposals be in conflict with the council’s general duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and to foster good relations between people who share a protected characteristic and people who do not?	No - this retains the existing scheme
Will the proposal have a significant effect on how services or a council function/s is/are delivered?	No - this retains the existing scheme
Will the proposal have a significant effect on how other organisations operate?	No - this retains the existing scheme
Does the proposal involve a significant commitment of resources?	No - this retains the existing scheme
Does the proposal relate to an area where there are known inequalities?	No - this retains the existing scheme
<p>If you answer <b>Yes</b> to any of these questions, it will be necessary for you to proceed to a full Equality Impact Assessment after you have completed the rest of this initial screening form.</p> <p>If you answer <b>No</b> to all of these questions, please provide appropriate evidence using the table below and complete the evidence considerations box and obtain sign off from your Head of Service.</p>	

Protected Characteristics	Positive	Negative	No impact	Reasons
Age				Pension age applicants will retain support determined by Central Government. Working age applicants will retain same level of support as 2018/19 (subject to changes in their own circumstances)
Disability				Retains the existing scheme
Gender Reassignment				Retains the existing scheme
Marriage & Civil Partnership				Retains the existing scheme
Pregnancy & Maternity				Retains the existing scheme
Race				Retains the existing scheme
Religion / Belief				Retains the existing scheme
Sex (male / female)				Retains the existing scheme
Sexual Orientation				Retains the existing scheme

Are there aspects of the proposal that contribute to or improve the opportunity for equality?	Yes
<p>The scheme will continue to provide the same level of protection to both working age and pension age applicants as the previous (2018/19). There are no proposals to reduce the level support for working age applicants and pension age applicants receive support as determined by Central Government.</p>	

**Evidence Considered During Screening**

Full modelling of all potential options initially considered was undertaken. The recommendation however is not to proceed with these.

Head of Service Sign off:	SB
Advice sought from Legal Services (Name)	JT
Date	21 September 2018

A signed version is to be kept by your team and also an electronic version should be published on the council's website (follow the link from the EIA page on the intranet)

## Stage 2 Full Equality Impact Assessment

Assessor(s)Name(s):	Benefits Operational Manager
Directorate:	Resources
Date of Completion:	September 2018

### Name of Policy/Strategy/Service/Function Proposal

Council Tax Reduction Scheme 2019/20

### The Aims, Objectives and Expected Outcomes:

1. The aim of the scheme is to provide support to certain pensioner and working age Council Taxpayers who have a low income.
2. It is recommended that the scheme for 2019/20 remains the same as the existing 2018/19 scheme.
3. The outcomes for both working age and pension age applicants should broadly be in line with the current scheme.

Please delete as appropriate:

- This is a retention of the existing scheme

### Scope of the Equality Impact Assessment

The scope of the Equality Impact Assessment will be in line with the EIA undertaken for 2018 /19 which can be found at the following link:

<I:\CivicCentre\EXCHANGE\Council Tax Benefit Reform 2012\2018-19 LCTS work\EIA\EIA stage 1 & 2 LCTS scheme 2018-19.pdf>

The original EIA stage 1&2 set out the scope of the EIA and can be found at:

<http://www.iwight.com/documentlibrary/download/eia-local-council-tax-support-stage-1-2>



The EIA stage 2 review completed December 2015 for the 2016/17 scheme can be found at:  
<https://www.iwight.com/documentlibrary/view/eia-local-council-tax-support-scheme-april-2016>

## Action/Improvement Plan

The table below should be completed using the information from your equality impact assessment to produce an action plan for the implementation of the proposals to:

1. Remove or lower the negative impact, and/or
2. Ensure that the negative impact is legal under anti-discriminatory law, and/or
3. Provide an opportunity to promote equality, equal opportunity and improve relations within equality target groups, i.e. increase the positive impact

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact  (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Age	No impact - current scheme retained			
Disability	No impact - current protections for disability continue to apply			
Gender Reassignment	No impact			
Marriage & Civil Partnership	No impact			

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Pregnancy & Maternity	No impact			
Race	No impact			
Religion / Belief	No impact			
Sex (male or female)	No impact			
Sexual Orientation	No impact			
HR & workforce issues	No impact			
Human Rights implications if relevant	No impact			
<p>Please remember - actions should have SMART targets and be reported to the Diversity Board (this should be done via your Directorate representative) and incorporated into your service/team Plans and /or objectives of key staff</p>				

**Summary****Date of Assessment:**

September 2018

**Signed off by Head of  
Service/Director**

SB

**Review date**

September 2018

**Date published**

November 2018