

Equality Impact Assessment Template – Stage Two

Name of item being assessed:	Council Tax Support Scheme
Version and release date of item:	V2 23 October 2012
Owner of the item being assessed:	Bill Blackett
Name of assessor:	Sean Anderson
Date of assessment:	

1 What are the main aims of the item?

From April 2013, the Government will abolish the national scheme by which Council Tax Benefit is administered. In its place, councils across the country are tasked with developing their own schemes for Council Tax Support. However, when the Government hands over responsibility for the scheme, they will also reduce the funding by around 14%.

If councils were to keep the current level of Council Tax Benefits, they would need to fund the extra cost in full themselves. This would mean reducing the amount of money available to fund the other public services in the area.

As such, difficult decisions need to be made about who gets financial support, and how much, in these already challenging times. In order to inform this, West Berkshire Council undertook an exercise between July and September 2012 seeking people's views on a draft scheme for Council Tax Support and on the principles applied in developing it.

A draft scheme was developed and proposed and views were sought on:

- who should be 'protected' from any changes in the scheme;
- the principles which might be applied in developing as fair a scheme as possible;
- the impact of the draft scheme, on individuals or groups of people and;
- any alternative approaches to developing a local support scheme.

2 What research will you undertake to inform this assessment?

The draft scheme was placed on the Council's Consultation Finder database and press release was issued alerting local media to the proposals. All current recipients of Council Tax Benefit were written to, with a copy of the information leaflet and feedback form seeking views. Members of the West Berkshire community panel were also emailed with the same information and their comment invited.

3 What are the results of your research?

Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this.

(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)

Group Affected	What might be the effect?	Information to support this.
All Claimants Of Council Tax Support	Some claimants who previously paid nothing toward their Council tax would now have to pay.	The draft Council Tax Support Scheme makes all claimants responsible for paying an element of Council Tax
Disabled Claimants	Claimants of working age who are not able to work due to disability may be unable to pay Council Tax due to low income.	Derived from consultation feedback

Further Comments relating to the item:

Comments were provided on 114 returned feedback forms. 108 of these were from people responding as individuals. 68% individuals stated that they were in receipt of Council Tax Benefit in West Berkshire. 24 respondents stated that they were disabled, 17 forms were received from people who were retired, 38 from people in employment and 18 from people unemployed.

In terms of age groups, the table below shows the number responses by age bandings (where provided):

Age Group	Nos of responses
18-24	1
25-34	3
35-44	26
45-54	29
55-64	34
65+	12

The remaining 6 returns were from organisations in the area;

- The Citizens Advice Bureau
- Reading Community Welfare Rights
- Sovereign Housing
- Thatcham Town Council
- Tilehurst Parish Council
- The West Berkshire Liberal Democrat Group

Feedback varied greatly: from positive feedback on the scheme, suggestions as to how it could be further developed and / or targeted on households in genuine hardship as well as anxiety about what the impact would be on people as individuals.

It should be noted that this was not a quantitative, statistically valid exercise. It was neither the premise, purpose, nor within the capability of the exercise, to determine the overall community's

level of support, or views on the proposals.

In order to allow everyone who wished the opportunity to contribute, feedback was not sampled and as such, it is impossible to determine the extent to which they are reflective of the wider population. As a consequence, it is not possible to draw any definitive quantitative conclusions from this exercise, nor to place any weight with any degree of confidence on the extent to which the views expressed are representative of those held more widely. The feedback captured therefore should be seen in the context of 'those who responded', rather than pertain to be necessarily reflective of the wider community.

All the responses have been provided verbatim as an appendix to this report. Whilst this summary seeks to distil the key, substantive points made, it should also be read in conjunction with the more detailed verbatim comments to ensure a full, rounded perspective the views and comments are considered.

Q1: Are there any groups (other than those of pensionable age and those receiving a disability payment) whom you feel should be considered protected under the local scheme?

Under national guidelines, those of pensionable age are exempt from any local scheme and would not see any changes in the amount of help they receive in paying their Council Tax. The draft local scheme proposed that any household containing someone in receipt of a disability payment would also be protected from any changes.

Whilst there was no objection to there being some form of support mechanism in place, there was a strong sense that this should be acutely targeted at those in genuine financial hardship. Therefore, a number called for support to be offered more singularly on the basis of income, rather than a set of predetermined characteristics - i.e. some form of means testing should be applied.

- Disability allowance. A number of responses supported the principle of protecting those receiving disability allowances. However, a number suggested that a blanket policy of supporting those in receipt of disability payments would not target resources as effectively as one might like. This view stems from the starting point that being in receipt of a disability payment did not necessarily equate to living on a low income. Therefore the point was to identify those in receipt of a disability payment in 'genuine need'.
- Levels of Income. Extending this point a number of comments stated that the simplest criteria which could be applied was that of income. A number suggested that household (rather than individual) income should be determined as is a truer reflection of need.
- Households with children. A number of respondents – including the Citizens' Advice Bureau - felt that households with children should be explicitly considered within the scheme: some suggested all households with dependant children in need of financial assistance; others more specifically focussed on single parent households; another suggestion was for this to be applied to households with pre- or primary school aged children.

It was argued that other changes taking place – such as universal credit, child tax credit etc – would hit families particularly hard and as such, it was justifiable for low income families to receive some form of support in paying Council Tax. Equally it was noted that childcare costs are extremely high and finding work to suit schooling hours difficult, so households typically have to rely on single incomes.

- Carers and guardians of protected children. A group put forward as benefiting from some form of protection were carers (or people in receipt of a carer's allowance) as opportunities to seek or retain employment were relatively limited.
- People aged between 60-65 was suggested: people receiving pension credit (from 60 years of age), but not yet of pensionable age (from 65). The example cited was being forced to give up work at 62 because of ill health but was not qualified for pension disability allowance.

Q2: Are there any principles that you feel we should NOT apply in developing a local scheme?

Feedback was mixed on these principles. A number of responses replied generally that they were content with the principles. Others more specifically responded to individual ones in more detail. Key, substantive, points from feedback is summarised below:

a) those better off should pay more

With regard to this principle, views were mixed as to the extent to which this should be applied. Comments received however highlighted that it was not universally clear whether this meant all tax payers should contribute more towards supporting the scheme, in receipt of Council Tax Benefits.

In terms of consumption, it was argued that those better off do not use public services any more and therefore why should they be expected to pay more towards them? Equally, a number argued that those who were better off already pay more through higher taxes etc. and therefore should not be expected to contribute even more. It was noted that this may lead to a more divisive situation if the 'better off' are seen to increasingly support those less well off, especially if they are not seen to be helping themselves in terms of arresting their current situation.

Alternatively, with regards to the poorest in the community, some respondents felt that the burden already fell disproportionately on these groups and therefore it was just that other sections of the community should be asked to contribute. Equally, reiterating previous points, a number of comments stated that those less well off were more likely to feel the impact of any increased costs more acutely and as such needed a level of support afforded to alleviate the financial impact.

b) everyone should contribute

Views were dichotomised within this particular principle.

On the one hand, there was the view that individual's circumstances are all different and not everyone is in a position to be able to contribute. Some noted that for those on especially low income, even £1 less in disposable income would have a significant impact. Views tended to reflect those expressed in relation to the 'protected groups': those in genuine need (however that is defined) should be supported in some way and it was therefore reasonable that not everyone should be expected to contribute.

Conversely, the opposite view was that it was reasonable and right to expect everyone to make some contribution to alleviating the issue and that the burden should fall proportionately across all sections of community.

c) benefit should not be paid to those with relatively large savings

This was perhaps the most contentious principle. Whilst there was little negative comment around means testing disposable income as a measure of hardship, views differed greatly on the extent to which savings should be incorporated.

In one respect, there was the view that if people had the means at their disposal to supplement their income through drawing on savings, then this should naturally be taken into consideration. Conversely however, it was felt that this would penalise those who had saved and only serve as a disincentive to putting money by 'for a rainy day'. Some noted that this may adversely impact on those who may have fallen on hard times and that people should not necessarily be penalised for working and accruing savings because of what may be a short term change in circumstances.

Some respondents noted that £6,000 was not an especially high threshold – either in relation to general living costs in West Berkshire and also that this level of cushioning was considered normal to be able to deal with more significant unforeseen or planned circumstances such as replacing a car, home repairs or saving for children. It was felt therefore that this was a relatively modest level of savings to be penalised for.

The Reading Community Welfare Rights Unit noted that the savings threshold is relatively blunt and may result in claimants being 'ping ponged' from 'no' to 'some' entitlement should their savings oscillate around this threshold.

Few respondents offered an alternative level: a few suggested resetting the level to the £16,000 level in the current scheme, whilst another suggested a £10,000 threshold.

d) the most vulnerable should be protected

There was not a lot to add under this comment that has not already been covered previously. No one put forward the view that the most vulnerable should not be protected. Concerns raised in applying this principle related more to the identification of the most vulnerable, rather than the fact that they should be protected per se.

The key question this raised therefore was clarity as to how vulnerability was being defined, as was likely to be in relation to a number of factors, not just disability.

Q3: Are there any additional principles that you feel we should apply in developing a local scheme?

An overriding comment in this area was that the support scheme should not act as a disincentive to work. In essence, comments sought to ensure that care be taken to ensure that working people are not worse off under the proposed scheme.

In extending this point, a few people suggested offering the support for a limited period – i.e. to support a period of transition, encouraging people back into work as the support is either reduced or withdrawn.

A number of comments (including Sovereign Housing Association, Thatcham Town Council, Theale Parish Council and the West Berkshire Liberal Democrat Group) noted that in ensuring that the least well off are protected, then the wider set of Council Tax discounts should be explicitly and concurrently considered. It was noted that some mitigation of the financial pressures could be achieved by (for example) looking at reducing / removing discounts levied on second homes or empty properties (with the exception of those in probate).

The Liberal Democrat Group suggested that the maximum possible levy should be charged on second or empty properties in order to give an incentive for these properties to be used as homes. They noted that an objective of levying Council Tax should be, wherever possible, to ensure 'maximum occupation and condition of properties'. They put forward a number of suggestions as to however this could be levied, such as removing exemptions for properties in possession of bank / building society; in need of substantial repair; which are empty and unfurnished; which are second homes; and charging a 150% levy for properties empty for more than 2 years.

Additionally, whilst acknowledging that it was not necessarily within the power of the authority, Sovereign Housing noted that the single person discount could be reviewed to include the scope for introducing means testing to target the discount at people on low incomes rather than being more universally applied.

Q4: Do you feel that the draft scheme will affect particular individuals more than others?

Evidently, the proposed changes are of great concern to a number of people. A number of comments re-emphasised the view that any changes should not disproportionately disadvantage those in work, over those in receipt of out of work benefits. A number of working people outlined their own particular financial circumstances, expressing concern that any additional rise in the amount of Council Tax they would be asked to contribute to, would be simply unaffordable. A number expressed pride in the fact that they were in work, even though this made little economic sense to be so, but that this was important to their sense of own self worth. There was concern expressed therefore that any potential rise would further reduce their disposable income.

The Reading Community Welfare Unit commented that there could be some allowance made

for people experiencing particular life changing events – such as bereavement, taking on care responsibilities, relationship breakdown, redundancy). It noted that putting additional financial pressure on groups may well have knock on effects for other services such as social care or health services due to the effect on people's social stability and health.

It was noted that a new scheme may potentially increase Council Tax arrears – and hence the Council's collection rates and the cost of collection. This should be an explicit consideration for the Council.

Q5: Do you have any suggestions or alternative options (including those mentioned if you feel they have merit) as to how we may apply a local Council Tax support scheme in West Berkshire?

The consultation document elicited views on a number of alternatives which had also been considered in developing the proposed scheme. Whilst these had not been ruled out as possible options, these were provided to give a sense of what else had been considered in arriving at a draft scheme.

Of those who commented on this section, a number called for the existing system to be retained. This was largely on the basis of it being unfair that the poorest were being asked to contribute more and that it was those more able who should be asked to subsume the pressure of the increase. However, it was noted by some that this would have a detrimental impact on the level of funding available for other services across the council.

A few comments – notably the Citizens' Advice Bureau – argued that “the current system and applicable amounts are a fair way of calculating people's available income, bearing in mind that the government has determined that this is the minimum amount that a person is expected to live on”. As such, it was suggested that the current system was still relevant and could be applied. Some argued that this could still be applied albeit set against a lower level of funding, others (notably the Liberal Democrat Group, Thatcham Town Council and Sovereign Housing) that the cost could be offset by reducing discounts on second or empty homes. The general aspersions in support of the current system was that although not perfect, it was generally accepted and understood.

A number of respondents noted that ‘no change’ was not desirable. This was either on the basis of encouraging those not in work, back to work, or on the basis that the current scheme was too complex.

A number of comments favoured the proposal to reset the thresholds of support in stepped amounts (option 2). This was favoured largely on the basis of its simplicity and the fact that relatively small weekly amounts of support would be discounted from the scheme. No comments however immediately countered the point made about the bluntness of this on people receiving relatively similar amounts of support.

Comments were relatively polarised with respect to offering support taking into account a person's property. On the one hand, this was considered essential as a means of encouraging people to move on from larger properties once their children had left home and as a proxy indicator of people's wealth. On the other, however it was noted that property value is not necessarily a good indicator of people's disposable income and that people – for example – may be in higher property bandings because of where they live, rather than the size of house they live in.

A number of comments noted that the only relevant factor that should be taken into consideration was someone's disposable income. A couple of comments noted that this could be pegged to the income tax scheme.

A number of comments explicitly noted however that the scheme should be reviewed after period of time to evaluate its impact on those with low incomes.

Conclusion

This exercise generated a degree of interest, not only from those directly in receipt of Council Tax Benefit, but also from the wider community.

The exercise has highlighted a range of views and options for decision-makers to consider on how best the scheme could be constructed.

Perhaps the main area of broad consensus was that the scheme should be targeted on those in genuine financial hardship. There were calls for this to be applied purely to income levels, or targeted by proxy (for example) to those in receipt of a disability payment. Additional consideration should be made to including families on low incomes as an identified group as well as carers.

Comments suggested strongly differing views on the principles although there was a strong call for an explicit principle to be contained in the local scheme, echoing that nationally, that the scheme should not discourage people from either being in, or seeking, work.

A number of comments – notably from organisations or groups – that the Council should explicitly consider the contribution the levying of discounts on empty / second homes could make to the level of savings needed to fund the council tax support scheme and that this should be used explicitly to mitigate any impacts where possible.

It is clear from some of the general comments received - and the particular examples of individuals' circumstances – there is some anxiety and concern about how the eventual scheme will impact on people individually. As such, the implications of any new scheme on people living on very low levels of income will need to be clearly and unequivocally communicated, so that people have the best means of budgeting and planning their finances

4 What actions will be taken to address any negative effects?

Action	Owner	By When?	Outcome
To incorporate the findings of the Consultation into the report to be considered by Council	Sean Anderson	December 2012	To approve a Council tax Support Scheme that; protects Pensioners, Disabled Claimants and their families from reductions levels of Council Tax Support due to restriction sin Council tax Liabilities. evaluates the options available for the creation of Discretionary Hardship Payments for those unable to pay their Council Tax. does not create barriers for those wishing to work.

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5 What was the final outcome and why was this agreed?

To be confirmed by Council in December 2012

6 What arrangements have you put in place to monitor the impact of this decision?

October 2012 .

Full evaluation of responses from consultation carried out

October to November 2012.

Further modelling will be required. Results from consultation and options for final scheme will be considered by Members.

April 2013 onwards

Once final scheme is in place further monitoring will be required to minimise any negative effects.

Procedures for assisting customers who have problems paying the shortfall may need to be revised

Scheme and funding will need to be fully reviewed and agreed for 2014/15.

7 What date is the Equality Impact Assessment due for Review?

Signed:

Date:

Please now forward this completed template to the Principal Policy Officer (Equality and

Diversity) for publication on the WBC website.