

Equality Impact Assessment

| Details of the assessment | |
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| Name of Function/Policy/ Service being assessed | Localisation of Council Tax Support |
| Date of assessment | Commenced: 19 th June 2012 Completed: 12 th November 2012 Reviewed: 15 th November 2013 |
| Name of officers carrying out assessment: | The assessment is being carried out by finance leads and equalities leads from Maidstone Borough Council. |

| Step 1 | Initial Screening | |
|--------|---|---|
| | Key Questions | Answers/Notes |
| 1 | What are you looking to achieve in this activity? | <p>Localisation of Council Tax Benefit is part of a programme of national policy change to the welfare system aimed at addressing the rising cost of welfare and ensuring that work always pays.</p> <p>From 1st April 2013, all Councils were required to establish a local scheme for Council Tax Support to replace the nationally designed Council Tax Benefit Scheme. The changes reduced the level of funding received by Councils to deliver the scheme (by approximately 10%) and allowed the Council to decide who to financially support, outside of nationally prescribed elements which includes protecting support received by pensioners.</p> <p>In the first year of operating a local scheme the council received additional funding from Government (transition funding) which enabled it limit the reduction in support to 8.5%. The aim is second year is to deliver a local scheme which takes the fairest overall course of action permitted by the nationally prescribed elements whilst meeting the significant reduction in funding.</p> |

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| Step 1 Initial Screening | | | | | | | | |
|---|--|---|---|--|-----------------------------|-----------------|---|--|
| | Key Questions | Answers/Notes | | | | | | |
| 2 | Who in the main will be affected? | <ul style="list-style-type: none"> – Eligible claimants for council tax support. – Potentially all council tax payers (depending on the scheme adopted, any local variations and the outcome of consultation). <p>The Government have conducted their own EqIA on the nationally prescribed elements of the scheme which states the main benefits as: “Giving local authorities a significant degree of control over how a 10% reduction in expenditure on the current Council Tax Benefit bill is achieved, allowing councils to balance local priorities and their own financial circumstances.”</p> <p>Ref: http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf</p> | | | | | | |
| 3 | Does the activity have the potential to cause adverse impact or discriminate against different groups in the community? | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 5px;">Yes <input checked="" type="checkbox"/></td> <td style="padding: 5px;">Please explain: Various options for achieving a 10% reduction in expenditure based on the current caseload have been considered for our authority and Kent wide. Whatever scheme is introduced it will entail money being collected from some of the more vulnerable residents in our boroughs and districts.</td> </tr> <tr> <td style="padding: 5px;">No <input type="checkbox"/></td> <td style="padding: 5px;">Please explain:</td> </tr> <tr> <td colspan="2" style="padding: 5px;">Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2.</td> </tr> </table> | Yes <input checked="" type="checkbox"/> | Please explain: Various options for achieving a 10% reduction in expenditure based on the current caseload have been considered for our authority and Kent wide. Whatever scheme is introduced it will entail money being collected from some of the more vulnerable residents in our boroughs and districts. | No <input type="checkbox"/> | Please explain: | Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2. | |
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| No <input type="checkbox"/> | Please explain: | | | | | | | |
| Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2. | | | | | | | | |
| 4 | Does the activity make a positive contribution to equalities? | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 5px;">Yes <input checked="" type="checkbox"/></td> <td style="padding: 5px;">Please explain: The Government has prescribed that pensioners will be protected from any reduction in support as a result of this reform.</td> </tr> <tr> <td style="padding: 5px;">No <input type="checkbox"/></td> <td style="padding: 5px;">Please explain:</td> </tr> <tr> <td colspan="2" style="padding: 5px;">Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2.</td> </tr> </table> | Yes <input checked="" type="checkbox"/> | Please explain: The Government has prescribed that pensioners will be protected from any reduction in support as a result of this reform. | No <input type="checkbox"/> | Please explain: | Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2. | |
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| Step 2 | Scoping the assessment | |
| 1. | What is the overall aim, or purpose of the function/ policy/service? | <p>Our intention is to develop a local scheme which takes the fairest overall course of action permitted by the nationally prescribed elements whilst meeting the significant reduction in funding.</p> <p>The purpose of the proposed legislative changes are set out in the Department for Communities and Local Government guidance document: http://www.communities.gov.uk/documents/localgovernment/pdf/19510253.pdf</p> |
| 2. | What outcomes do you want to achieve with this function/ policy/service and for whom? | <p>To develop a local scheme which:</p> <ul style="list-style-type: none"> – Provides support for the most vulnerable. – Assists with lifting the poorest off benefits and supporting them into work. – Takes account of the impact on non-claimants. – Minimises the risks of error and reduces financial risk to our authorities. |
| 3. | Who will be affected? | <ul style="list-style-type: none"> – Eligible claimants for council tax support. – Potentially, all council tax payers (depending on the scheme adopted, any local variations and the outcome of the consultation). |
| 4. | Who defines or defined the function/service/policy? | <p>The policy is defined nationally with an element of local discretion. A preferred scheme has been devised across Kent with the three major precepting authorities (Kent County Council, Kent Police Authority and Kent & Medway Fire & Rescue Authority) agreeing to fund the scheme for three years. The scheme is based on a set of principles to which all Kent authorities propose to agree to. The final decision on the Scheme to be implemented is made by a meeting of Full Council.</p> |
| 5. | Who implements the function/service/policy? | <p>The Mid Kent Improvement Partnership - Revenues & Benefits service (Tunbridge Wells & Maidstone)</p> |

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| 6. | How do the outcomes of the function/service/policy meet or conflict with the authority's priorities? | Maidstone: Corporate and customer excellence - support our most vulnerable residents and seek to reduce the different forms of deprivation across the Borough |
| 7. | What factors could contribute or detract from the outcomes identified earlier? | <p>Contribute:</p> <p>The preferred scheme would:</p> <ul style="list-style-type: none"> - Disregard some earned income. - Reduce benefit on a sliding scale as income increases. - Continue payment for four weeks after moving into work when there would otherwise be no entitlement. - Automatic continuation of support to the new scheme. - Reduce confusion for claimants moving between authorities. <ul style="list-style-type: none"> - Provide opportunities to standardise forms and processes. - Limit adverse financial affects for the lead authorities for three years as the precepting authorities have agreed to fund additional collection costs. - Provide an element of stability during the current economic climate. - Be possible to implement within the timescales set by the Government. <p>Detract:</p> <ul style="list-style-type: none"> - An increase in council tax to cover the reduction in funding is not a realistic option due to Government restrictions in respect of allowable tax increases. - Failure to reach a local scheme would result in a severe negative impact on Council finances and would reduce expenditure on other services. - Potential increase in demand for council tax benefit in the future. - Additional Government proposals for welfare reform could also impact on those affected by the changes to council tax benefit. |
| Step 3 Consideration of data and information | | |
| 8. | What do you already know about who uses this | We have analysed available data for current council tax support recipients allowing us to consider the impact on people according to: |

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| | function/service/ policy? | <ul style="list-style-type: none"> - Age - Disability - Those with caring responsibilities. - Gender <p>A summary of the data analysis for the options being considered by Maidstone Borough Council is attached at Annex 1.</p> |
| 9. | What consultation with service users has taken place on the function/service/ policy and what were the key findings? | <p>Maidstone Borough Council carried out a consultation exercise between 6th August – 8th October 2012. This set out our preferred option of on a 13% reduction (based on a variation to the Kent-wide scheme) and other options about how the scheme will operate that are still to be decided. The consultation gave the opportunity for stakeholders affected by each of the options to give their views before the Council takes further decisions.</p> <p>Overall, there was a clear majority (48.2%) in favour of the option (Option 3) to reduce council tax benefit by a lesser amount, and to reduce empty and second home discounts. However the next most popular option overall is None of the Options (29.4%). This shows that although there may not be consensus over what other measures could be taken instead, out of the options presented to respondents, Option 3 was the most popular.</p> <p>A further consultation was undertaken in October 2013 regarding the change from 8.5%. The survey involved the random sampling of 500 benefit claimants and received 61 responses. The results were consistent with that of the earlier survey with 55% of respondents supporting the councils proposed scheme delivering a 13% reduction.</p> |
| 10. | What, if any, additional information is needed to assess the impact of the function/service/policy? | <p>A full years data will be required to understand the impact of the change and council tax recovery processes on low income households.</p> |
| 11. | How do you propose to gather the additional information? | <p>Analysis of council tax collection for affected households is being collected the Revenues and Benefits system and will be available from April 2014.</p> |

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| Step 4 | Assessing the Impact | |
| 12. | Based on what information you already know, in relation to each of the following consider whether a) there is anything in the function/service/policy that could discriminate or put anyone at a disadvantage b) for an existing function/service/policy, how it is actually working in practice | |
| a. | Age | <p>Impact: The Government have prescribed that low income pensioners should be protected from any reduction in support. We therefore have no discretion in implementing this aspect of the scheme.</p> <p>As pensioners are protected, all options being considered by Maidstone Borough Council will result in a degree of negative impact on some non-pensioner age groups. Mitigation: The decision to protect pensioners was taken by Government who are therefore responsible for conducting their own EqlA on this aspect. This is available at: http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf</p> |
| b. | Disability | <p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on people with disabilities.</p> <p>Mitigation: Our current scheme treats people with disabilities more favourably by disregarding some income and allowing for additional premiums within the calculation; this will remain under the new scheme.</p> |
| c. | Carers | <p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on carers.</p> <p>Mitigation: Our current scheme treats carers more favourably within its calculation allowing for additional premiums within the calculation; this will remain under the new scheme.</p> |
| d. | Gender | <p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on females as they are more likely to be the primary applicant and / or have dependent children.</p> <p>Mitigation: Our current scheme already mitigates this to some extent by making additional allowances for households with children and for childcare costs.</p> |

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| e. | Race | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit. There may be a possible indirect impact for options affecting larger households.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p> |
| f. | Religion & Belief | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p> |
| g. | Sexual Orientation | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p> |
| g. | Marital or Civil Partnership Status | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p> |
| h. | Pregnancy & maternity | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation at this stage.</p> |
| i. | Gender reassignment | <p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p> |
| j. | General (<i>i.e. affecting all of the above</i>) /other (<i>i.e. socio economic</i>) | <p>Impact: As pensioners are protected, the reduction in the level of support falls to working age claimants. The actual average cut for any given group will depend on how many of that group are in protected pensioner households.</p> <p>Mitigation: Maidstone Borough Council the options available and agreed to reduce the impact to working age households through;</p> <ul style="list-style-type: none"> – Application for transitional finding to limit the impact in year 1. – Reducing the empty homes discount from six months to one month. – Removal of the discount on second homes. – Agreeing to review the scheme during the first three years of operation to identify any unintended consequences and recommend any change going forward.. |

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| Step 5 | Reviewing and Scrutinising the Impact | |
| 13. | What conclusions can you draw about any differential impact and how people are adversely or positively affected? | <p>Maidstone Borough Council's proposed scheme plans to address the shortfall in funding as a result of the Government's decision to reduce money available for council tax support by 10% by reducing the level of council tax support paid. Part of the funding shortfall will be met through income generated through changes to empty property discounts, to limit the reduction to households affected..</p> <p>We have identified that our preferred scheme has the potential to have a negative impact on people with disabilities, carers, women and younger age groups. The extent of the impact on people with protected characteristics will vary dependent on the level of award being paid. By continuing to treat these groups more favourably within the calculation of benefit, the groups will continue to receive on average a higher level of benefit than customers without those characteristics.</p> |
| 14. | What actions can you take to address any impacts identified? | <p>The current scheme already provides more support to some groups than others (households with young families, people with disabilities) which the Council has proposed to retain under the preferred scheme.</p> <p>The council will work with other advice agencies to support residents that experience financial difficulties.</p> |
| 15. | If no changes can be made, what reasons are there to justify this? | The Council are unable to avoid any impact on vulnerable group due to the decision by the Government to reduce the overall funding by 10% and protect Pensioners from any change. |
| 16. | How might any of the changes, in relation to the adverse impact, have a further adverse affect on any other group? | Annex 1 shows the impact of each of the options on people in Maidstone Borough with protected characteristics. |

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| Step 5 continued... | | Actions to address any differential impact | | |
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| Action | Outcome/monitoring information and targets | Equality Aims & Commitments | Date for Completion | Responsible Officer |
| Review benefit expenditure against estimates and impact of recovery processes | To ensure that impact is understood and mitigated | Fairness across all claimant groups | August 2014 | C Wood |
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| Step 6 | Decision making and future monitoring | |
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| 17. | Which decision making process do these changes need to go through i.e. do they need to be approved by a committee/Council? | Full Council to formally adopt the local scheme for Council Tax support in December 2013. |
| 18. | How will you continue to monitor the impact of the function/service/ policy on diverse groups? | The Council will continue to review the level of expenditure, including expenditure for households with protected characteristics and profile of households that are subject to recovery action as a result of non-payment. |
| 19. | When will you review this equality impact assessment? | A substantive review of the scheme is planned during the first three years of operation, including the equality impact assessment, for the purpose of informing the future design of the scheme. |

Localisation of Council Tax Support – equality impact assessment
Annex 1 – Summary of impacts from data analysis of Maidstone Borough claimants

This information provides a summary of the impacts of the proposed changes to the Council Tax Benefit Scheme, based on data analysis of current Maidstone Borough claimants. The conclusions below are based on a (non-statistical) comparison between the current average weekly council tax benefit and the actual average reduction for specific groups, once various options have been applied.

Average amount of council tax benefit

The average actual reduction in annual council tax benefit, following a blanket 8.5% reduction whereby pensioner households are protected from any cut, would be £81.07 for an average household.

The average actual reduction in annual council tax benefit, following a blanket 13% reduction whereby pensioner households are protected from any cut, would be £123.99 for an average household.

The average actual reduction in annual council tax benefit, following a blanket 18.5% reduction whereby pensioner households are protected from any cut, would be £194.52 for an average household.

Profile of claimants (based on the current caseload of 6068 working age households):

- 16.5% of claimants receive a disability premium
- 66% of primary applicants are female
- 33% of primary applicants are male
- 5% of claimants receive a carer premium

Impact of 13% reduction on people with disabilities and carers

- Impact:**
- § People with disabilities are affected more with their amount of award to fall by an average of £127.42.
 - § Households with carers would also be affected more with their amount of award to would fall by an average of £132.53.
 - § People from Minority Ethnic groups (69%) are more likely to be of working age (16-64) than White residents (60.3%) and less likely to be of pension age (6%) compared with White residents (21.6%)¹. As ethnicity data is not relevant to the calculation of council tax benefit it is not collected from claimants and the impact of this option on ethnic groups is unclear.

¹ Source of data: Mid-Year Population Estimates 2009.