

**Equality Impact Assessment
Council Tax Reduction Scheme**

Authority:	Maidstone Borough Council
Date EqIA commenced:	1 June 2016
Date first stage EqIA finalised for pre-consultation decision:	7 June 2016 (to be agreed by Management Board).
Date second stage EqIA finalised after consultation closed, prior to final decision being taken:	13 September 2016
Job titles of officers involved in completing the EqIA:	MKS Shared Service Director Policy and Information Manager Equalities and Corporate Policy Officer

Equality Impact Assessment Council Tax Reduction Scheme

Summary of decision to be made

Since 1 April 2013 the council has maintained a local Council Tax Reduction Scheme. The council has the ability to determine the level of reduction given to working age applicants only. The scheme for pension age applicants is determined by Central Government.

We have decided to complete a full review of the scheme. The objectives of the review are to:

- Accurately target support to those working age claimants who most need it.
- Align the scheme with proposed changes to Housing Benefit and introduction of Universal Credit.
- Address potential shortfalls in funding due to the continued reduction in Central Government grants.
- Maintain a common approach to the design of local schemes across Kent.

Scope of this equality impact assessment

- Review of the current scheme, introduced on 1 April 2013.
- Proposed changes to the scheme from 1 April 2017.

How is the decision relevant to the three aims of the Public Sector Equality Duty?

- The need to ensure that the scheme is not unlawfully discriminatory is relevant to the first aim of the duty to eliminate discrimination, harassment and victimisation.
- The need to consider how we can take steps to meet the needs of people with protected characteristics and whether people with disabilities may need to be treated more favourably, in how the scheme is designed, is relevant to the second aim of the duty to advance equality of opportunity.
- The proposed service changes could also be relevant to fostering good relations with regard to maintaining the confidence and trust in the local authority by people with protected characteristics who may use our services.

Review of the current scheme, introduced on 1 April 2013

The current scheme requires all working age claimants to pay 13% of their council tax liability. Transitional funding meant claimants were only required to pay 8.5% in the first year of the scheme.

The current scheme was subject to a comprehensive equality impact assessment in 2012. That assessment identified that our Council Tax Reduction Scheme had the potential to have the greatest negative impact on working age people with disabilities and carers. To mitigate these potential impacts it was agreed that we would continue to treat people with disabilities and carers more favourably by disregarding some income, giving them a higher council tax reduction. The impact on working age groups was as a result of the Government protecting pension age people from any changes. However, transitional funding was intended to reduce the extent of the impacts in the first year of the scheme.

Equality Impact Assessment Council Tax Reduction Scheme

The equality impact assessment was reviewed during the transitional year, by Full Council in December 2013, prior to introducing a 13% reduction. No changes to the impacts or mitigating actions were identified.

The equality impact assessment was reviewed again by Full Council in December 2015, prior to extending the scheme for a further year in 2016-17 and found that the impact of the 13% reduction had been mitigated to some extent by disregarding some income for people with disabilities and carers, resulting in a higher council tax reduction. This outcome was better than predicted by an earlier analysis. The assessment also found that the difference between the average weekly amounts received by males and females had reduced. The difference in average weekly amounts received across age groups had also reduced. No further mitigating actions were identified.

The findings from the data are summarised below.

Disability

Working age people with disabilities continue to make up a high proportion of the caseload at 19%. Across the options put forward for consultation, working age people with disabilities continue to receive more per week, than working age people without disabilities, on average.

Carers

There is a slightly lower proportion of claimants with a carer in the household, than the population overall. Working age claimants with a carer in the household continue to receive more per week, on average, than working age claimants without a carer in the household.

Age

Age groups broadly reflect the overall population. Those aged 55-64 currently receive the highest weekly amount, on average. Those aged 18-24 currently receive the lowest weekly amount, on average.

Sex

Females continue to make up a high proportion of the caseload at 69%. Although, there is a difference between the average amounts females and males receive per week. This is due to factors relating to circumstances which directly affect the calculation of council tax reduction, and is not linked to a claimant's sex.

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. No new data is available, following the consultation in 2012.

Equality Impact Assessment
Council Tax Reduction Scheme

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion of belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Proposed changes to the scheme from 1 April 2017

There are 13 options being presented for consultation. Where an option applies to new claimants, data for current claimants has been provided as an indication of the possible impacts as it is not possible to predict who may apply after 1 April 2017.

Summary of initial findings prior to consultation

A summary of notable and/or significant potential impact of each of the consultation options on protected characteristics, identified from claimant data and other considerations, is provided in table below. All options could potentially impact on working age claimants with one or more of the protected characteristics of disability, age, sex or race. The extent of these impacts will be considered further following the consultation.

Consultation option	Protected characteristic (potential for impact identified from claimant data)			
	Disability (inc. carers)	Age	Sex	Race
1				
2		Yes	Yes	
3		Yes		
4		Yes		
5				
6	Yes	Yes		
7	Yes	Yes	Yes	
8		Yes	Yes	
9	Yes	Yes		
10		Yes	Yes	
11	Yes	Yes		
12		Yes		
13				

Review of the current scheme, introduced on 1 April 2013

Equality Impact Assessment Council Tax Reduction Scheme

All working age claimants, including those with protected characteristics, have received a reduction in their reduction amount. Pension age claimants, who also have protected characteristics, have not received a reduction as they are protected from any changes by Central Government.

The data shows that we have continued to provide higher reductions to working age people with disabilities and carers. There is no evidence to suggest that this is insufficient to mitigate the impacts of the scheme overall. The calculation of the reduction amount is not related to a claimant's sex or age (with the exception of those of pension age who are protected). Any differences between the average weekly amounts received by males, females and working age groups is likely to be as a result of other factors. The analysis has not taken account of any council tax increases year on year so it is not possible to make comparisons between amounts across years.

Actions to mitigate any identified impacts

The possible introduction of an exceptional hardship scheme has been included as an option for consultation. The potential impact on working age claimants with protected characteristics will be taken into account, together with the consultation findings, when deciding which options will be taken forward. The need for any additional mitigating actions will be identified at that stage.

It is possible that individual claimants may be affected by more than one of the options presented for consultation. We will carry out data modelling to identify categories of claimants who may be affected by any options taken forward.

Findings following public consultation

Residents were consulted on proposed changes to Council Tax reduction between 1 July and 24 August 2016.

The consultation response has been evaluated in terms of the risk of discrimination against those with a protected characteristic. It should be noted that there were low response rates from the 18-24 and the 75 years and over age groups.

The impact on the protected characteristics of the following groups was considered prior to consultation as current claimant data was available: Disability (including carers); Age; and Sex. Current claimant data does not include information on a claimant's ethnicity as it is not relevant to the collection of Council tax. However, following consultations, significant differences of opinion between respondents with different ethnicities have been noted under some of the options considered and have been included in the findings.

Disability

There is a potential impact on people of working age with a disability as a result of the following consultation options:

- **Option 6 (reduce the capital limit to £6000):** 19% of existing claimants have a disability. Under this option, this could increase to 37%, a rise of 18%.
- **Option 11 (remove the award of a Work Related Activity Component):** 19% of existing claimants in this category have a disability; this could increase to 40% under this option, a rise of 21%. However as the proposal applies to **new claims only** the current figure would remain at 19%. We are unable to determine the impact on possible new claimants.

Consultation findings

- **Option 6:** 57% of those with a disability agreed with this option. There was a 15% difference in opinion between respondents with a disability (57%) and those without (62%).
- **Option 11:** 43% of those with a disability agreed with this option. There was an 18% difference in opinion between respondents with a disability (43%) and those without (61%).

Carers

There is a potential impact on people of working age with a carer in the household of the following consultation options:

- **Option 6 (reduce the capital limit to £6000):** There could be a 4% increase in the number of carers under this option, rising from 8% to 12%.

Equality Impact Assessment Council Tax Reduction Scheme

- **Option 7 (non-dependent deductions):** There could be a 7% increase in the number of carers claims under this option.
- **Option 9 (Awards with liability over band D):** 8% of existing claimants are carers. Under this option this could increase to 15%.

Consultation findings

- **Option 6:** There was no notable difference of opinion between respondents with a disability and those without.
- **Option 7:** 60% of those with a disability agreed with this option. There was a 13% difference in opinion between respondents with a disability (60%) and those without (73%).
- **Option 9:** There was no notable difference of opinion between respondents with a disability and those without.

Age

Pension age households will not be affected by the schemes proposed, however there is a potential, notable impact on other age groups in the following scheme options:

- **Option 2 (remove family premium):** There could be an increase of 19% for existing claimants aged 25-44 which would be a total of 69%. However, the proposal applies to **new claims** only so the figure would remain at 50% at this stage.
- **Option 3 (awards with backdating):** A 10% increase for claimants aged 25-44 which would be 60% of all claimants.
- **Option 4 (self-employed income under 1 year):** A 12% increase of those aged 25-54 which would be a total of 87% of all claimants.
- **Option 6 (reduce the capital limit to £6000):** An increase of 26% of those aged 45-64 which would be 68% of all claimants.
- **Option 7 (non-dependant deduction):** An increase of 31% of those aged 35-64 which would be 98% of all claimants.
- **Option 8 (awards with child maintenance):** An increase of 21% of those aged 25-54 which would be 98% of all claimants.
- **Option 9 (claimants with liability over Band D):** An increase of 15% of those aged 45-64 which would be 64% of all claimants.
- **Option 10 (removal of second adult rebate):** An increase of 25% of those aged 45-54 which would be 50% of all claimants
- **Option 11 (remove the award of a Work Related Activity Component):** There could be an increase of 30% of those aged 45-64 which would be a total of 72% of all claimants. However, the proposal applies to **new claims** only so the figure would remain at 42% at this stage.
- **Option 12 (limit the maximum number of dependents to two):** There could be an increase of those aged 25-44 which would affect a total of 86%. However the proposal would only apply to claimants who have a subsequent or third child **after 1 April 2017** so the figure would remain at 50% at this stage.

Consultation findings

- **Option 2:** There was a 35% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (22%). The highest level of support was from 55-64 year olds (57%).
- **Option 3:** There was a 31% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (51%). The highest level of support from 45-54 year olds (82%).
- **Option 4:** There was a 20% difference in support across the age groups consulted. The group least in support of this option were 25-34 year olds (42%). The highest level of support was from 65-74 year olds (62%).
- **Option 6:** There was a 27% difference in support across the age groups consulted. The group least in support of this option were 75 years and over (44%). The highest level of support was from 18-24 year olds (71%).
- **Option 7:** There was a 23% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (59%). The highest level of support was from 65-74 year olds (82%).
- **Option 8:** There was an 18% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (42%). The highest level of support was from 45-54 and 55-64 year olds (60% respectively).
- **Option 9:** There was a 28% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (42%). The highest level of support was from 65-74 year olds (70%).
- **Option 10:** There was a 22% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (49%). The highest level of support was from 65-74 year olds (71%).
- **Option 11:** There was an 18% difference in support across the age groups consulted. The group least in support of this option were 75 years and over (46%). The highest level of support was from 65-74 year olds (67%).
- **Option 12:** There was a 38% difference in support across the age groups consulted. The group least in support of this option were 18-24 year olds (55%). The highest level of support was from 35-44 year olds (79%).

Sex

There is a potential impact on working age males and females of the following consultation options. It should be noted that in terms of gender, females are more likely to be the primary applicant and/or have dependent children:

- **Option 2 (remove family premium):** There could be an increase of 24% for female claimants which would be a total of 93% of all claimants. However, the proposal would apply to **new claims only** so the figure would remain at 69% at this stage.
- **Option 7 (non-dependent deductions):** An increase of 11% of female claimants which would be a total of 80% of all claimants.
- **Option 8 (awards with child maintenance):** An increase of 30% of female claimants which would be a total of 99% of all claimants.

Equality Impact Assessment Council Tax Reduction Scheme

- **Option 10 (removal of second adult rebate):** An increase of 24% of female claimants which would be a total of 93% of all claimants.

Consultation findings

- **Option 2:** 58% of male respondents agreed with this option. There was a 15% difference in opinion between male (58%) and female respondents (43%).
- **Option 7:** There was no notable difference of opinion between male and female respondents.
- **Option 8:** 63% of male respondents agreed with this option. There was a 17% difference in opinion between male (63%) and female respondents (46%).
- **Option 10:** There was no notable difference of opinion between male and female respondents.

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. The Census (2011) shows no significant or notable difference that people from Minority Ethnic backgrounds are more likely to be economically active and less likely to be self-employed, than people from a white background. We have no evidence to indicate that working age people with different ethnic backgrounds would be affected differently. However, we will ask people to identify their ethnic group, when responding to the consultation.

Consultation findings

- **Option 6:** There was an 11% difference of opinion between respondents from different ethnic backgrounds; 61% agreed from white groups and 50% agreed from BME backgrounds.
- **Option 8:** There was a 10% difference of opinion between respondents from different ethnic backgrounds; 53% agreed from white groups and 63% agreed from BME backgrounds.

There was no other notable difference of opinion across the other consultation options.

Armed Forces Community

This is considered in this equality impact assessment as part of the commitments within the Community Covenant. Armed forces personnel deployed on operations overseas who normally pay council tax, benefit from a tax-free payment on the cost of council tax paid directly by the Ministry of Defence. Following the announcement by the Chancellor in his 2012 Budget statement, council tax relief will be worth just under £600 (based upon 2012/13 council tax) for an average six-month deployment based on the average council tax per dwelling in England. This will continue to be paid at a flat rate to all eligible personnel. More information is

Equality Impact Assessment Council Tax Reduction Scheme

available at www.mod.uk. We also disregard income from war disablement pensions, providing eligible claimants with a higher council tax reduction

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion of belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Option 12 to introduce a limit of two dependents; this would affect any claimants pregnant before 1 April 2017. There is no evidence to indicate that working age people with these protected characteristics would be affected differently to claimants overall.

Consultation summary

The table below summarises the consultation responses by proposed option, highlighting notable differences of opinion that correlate with the initial findings, prior to consultation.

Equality Impact Assessment
Council Tax Reduction Scheme

	Equalities Impact	Protected characteristic (Consultation response summary)			
Consultation option	Groups affected (increase in no. of claimants based on claimant data):	Disability	Age	Sex	Race
1	No impact identified from current claimant data	22% difference in opinion between respondents with a disability (42%) and those without (64%)	Lowest group in support – 75 years and over (47%), highest level of support from 65-74 year olds (73%) equating to a 26% difference	10% difference in opinion between male (66%) and female respondents (56%)	No notable difference between respondents from different ethnic backgrounds
2	<ul style="list-style-type: none"> Sex - female claimants Age – 25-44 year olds 	No notable difference in opinion between respondents with a disability and those without	Lowest group in support – 18-24 year olds (22%), highest level of support from 55-64 year olds (57%) equating to a 35% difference	15% difference in opinion between male (58%) and female respondents (43%)	No notable difference between respondents from different ethnic backgrounds
3	<ul style="list-style-type: none"> Age - 25-44 year olds 	16% difference in opinion between respondents with a disability (43%) and those without (51%)	Lowest group in support – 18-24 year olds (51%), highest level of support from 45-54 year olds (82%) equating to a 31% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds
4	<ul style="list-style-type: none"> Age – 25-54 year olds 	16% difference in opinion between respondents with a disability (37%) and those without (53%)	Lowest group in support 25-34 year olds (42%), highest level of support from 65-74 year olds (62%) equating to a 20% difference	10% difference in opinion between male (56%) and female respondents (46%)	No notable difference between respondents from different ethnic backgrounds
5	No impact identified from current claimant data	No notable difference in opinion between respondents with	Lowest group in support – 18-24 year olds (71%), highest level of support from 65-74 year olds (88%) equating to a 17% difference	No notable difference between male and female respondents	No notable difference between respondents from

Equality Impact Assessment
Council Tax Reduction Scheme

		a disability and those without			different ethnic backgrounds
6	<ul style="list-style-type: none"> Carers & Disability claimants Age – 45-54 year olds 	No notable difference in opinion between respondents with a disability and those without	Lowest group in support – 75 years and over (44%), highest level of support from 18-24 year olds (71%) equating to a 27% difference	No notable difference between male and female respondents	11% difference of opinion between respondents from different ethnic backgrounds. 61% in favour from white groups and 50% in favour from BME.
7	<ul style="list-style-type: none"> Carers Age - 35-64 year olds Sex – female claimants 	13% difference in opinion between respondents with a disability (60%) and those without (73%)	Lowest group in support – 18-24 year olds (59%), highest level of support from 65-74 year olds (82%) equating to a 23% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds
8	<ul style="list-style-type: none"> Age - 25-54 year olds Sex – female claimants 	10% difference in opinion between respondents with a disability (46%) and those without (56%)	Lowest group in support – 18-24 year olds (42%), highest level of support from 45-54 and 55-64 year olds (60% respectively) equating to a 18% difference	17% difference in opinion between male (63%) and female respondents (46%)	10% difference of opinion between respondents from different ethnic backgrounds. 53% in favour from white groups and 63% in favour from BME.
9	<ul style="list-style-type: none"> Carers Age – 45-64 year olds 	No notable difference between respondents with a disability and those without	Lowest group in support – 18-24 year olds (42%), highest level of support from 65-74 year olds (70%) equating to a 28% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds
10	<ul style="list-style-type: none"> Age - 45-54 year olds Sex – female 	14% difference in opinion between respondents with a disability (49%)	Lowest group in support – 18-24 year olds (49%), highest level of support from 65-74 year olds (71%) equating to a 22% difference	No notable difference between male and female respondents	No notable difference between respondents from

Equality Impact Assessment
Council Tax Reduction Scheme

	claimants	and those without (63%)			different ethnic backgrounds
11	<ul style="list-style-type: none"> Disability claimants Age - 45-64 year olds 	18% difference in opinion between respondents with a disability (43%) and those without (61%)	Lowest group in support – 75 years and over (46%), highest level of support from 65-74 year olds (67%) equating to a 21% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds
12	<ul style="list-style-type: none"> Age - 25-54 year olds 	No notable difference between respondents with a disability and those without	Lowest group in support – 18-24 year olds (55%), highest level of support from 35-44 year olds (79%) equating to a 38% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds
13	No impact identified from current claimant data	No notable difference between respondents with a disability and those without	Lowest group in support – 25-34 year olds (67%), highest level of support from 65-74 year olds (84%) equating to a 17% difference	No notable difference between male and female respondents	No notable difference between respondents from different ethnic backgrounds

Equality Impact Assessment
Council Tax Reduction Scheme

Actions to mitigate any identified impacts

The possible introduction of an exceptional hardship scheme was included as an option for consultation (option 13). It should be noted that there were no notable differences of opinion from respondents with protected characteristics and those without.

It is important that the Public Sector Equality Duty is considered as part of future decision making to ensure claimants with protected characteristics are treated fairly.
