



HILLINGDON
LONDON

Appendix 11a: Council Tax Reduction Scheme Equality and Human Rights Impact Assessment

STEP A) Description of what is to be assessed and its relevance to equality

What is being assessed? Please tick ✓

Review of a service Staff restructure Decommissioning a service
Changing a policy ✓ Tendering for a new service A strategy or plan

A review of the Council Tax Reduction Scheme

Who is accountable? E.g. Head of Service or Corporate Director

Sunita Ghudial, Head of Benefits

Date assessment completed and approved by accountable person

4 December 2019

Names and job titles of people carrying out the assessment

Sunita Ghudial, Head of Benefits
Vicky Trott, Equality, Diversity and Inclusion Manager

A.1) What are the main aims and intended benefits of what you are assessing?

The aim of the Council Tax Reduction (CTR) Scheme is to help low income residents in the borough by reducing the amount of council tax they are liable to pay. Around

16,000 households in the borough receive CTR, just over 9,000 of which are working age.

This support has been available since April 2013 when the government abolished the national council tax benefit scheme. The scheme is designed to assist those in most need of financial support by offering a reduction in council tax.

Since the roll out of Universal Credit it has become evident that the number of changes in circumstances issued by the Department of Work and Pensions (DWP) has increased significantly, this in turn has had a direct impact on Council Tax Reduction scheme.

The impact has been reviewed and modelled for the 2019/20 financial year. It is apparent that unless changes are made to the scheme the increased number of change of circumstances will result in higher volumes of bills and correspondence being issued to customers, which will lead to confusion for customers due to the reissues of bills on one or more occasions; this will in turn increase the costs of administering the scheme and it is expected that this will impact on Council Tax collection rates. Customers will increasingly not know how much to pay in their instalments.

The key aims for replacing the Council's current local CTR scheme with a new CTR income based 'grid' scheme are:

- Easier to understand
- Efficient to administer
- Work alongside Universal Credit
- To Incentivise work
- Protect the most vulnerable including the disabled and children.

National principles

- No change in the current level of award for pensioners (people who have reached the qualifying age for state pension credit) as this group is protected by separate legislation
- Consideration of continuing support for other vulnerable groups; and
- Local schemes should support work incentives, and in particular avoid disincentives to move into work

Underpinning principles

- Everyone will be liable to pay something (excluding pensioners and those entitled to war widow's pension, war disability pension or armed forces and reserve forces compensation scheme)
- Making work pay
- Restrictions on maximum support
- Expectation that other adult occupiers within the household will contribute
- Simplified administration arrangements

Scheme design

Pensioners will be unaffected by this change as their CTR will be calculated as prescribed by legislation.

Households who receive a war widow's pension, war disability pension or payments under the armed forces and reserve forces compensation scheme will still have this income or payments disregarded under the proposed scheme and will receive a reduction of 100% against their liability as long as their other income totals less than the upper level in Band 1 - subject to the capital limit, non dependent deductions and other conditions.

The proposed changes to the CTR scheme, for 'working age' claimants is set out below:

- It is proposed that a simplified income based 'grid' scheme will be introduced. Working-age households will receive a percentage reduction of either 90%, 75%, 55%, 35% or 15% depending on the level of their income and the income band they fall into.
- To simplify the capital/savings rules and reduce the capital limit to £6,000
- Simplify non-dependant deductions with the introduction of one flat rate
- Change the minimum award of CTR to £1 per week
- To remove the current earnings disregards and replace them with a standard £25 per week disregard irrespective of a person's circumstances
- To change the way we assess Universal Credit income
- To disregard Carer's Allowance which is currently taken into account as income
- To remove the extended payment provisions

A.2) Who are the service users or staff affected by what you are assessing? What is their equality profile?

Total population of Council Tax Reduction Scheme claimants

As at September 2019 there were 113,019 properties within the borough with a Council Tax liability. At that time, Hillingdon had 14,973 households receiving CTR, showing that 13.25% of total households receive Council Tax Reduction.

Of the 14,973 households receiving CTR, the breakdown of impacted groups is as follows: 5,475 are pensioners; with 9,498 being working age (of which, 4,193 are classed as vulnerable). This information is provided in greater detail below:

Table 1: Breakdown of current CTR scheme customer profile

Category of Customer	Number	Yearly (£)	% of Total
Working Age Vulnerable	4,193	4,248,082	44.1%
Working Age Non-Vulnerable	5,305	3,660,886	55.9%
	9,498	7,908,969	100.0%

Table 2: The following tables show the effects of the new banding proposals with regards to the age band.

Age range	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
18-19	24	0.3%	3.9%	12.68	12.78	0.09	0.7%
20-29	1,066	11.2%	14.8%	14.32	14.75	0.43	3.0%
30-39	2,310	24.3%	15.9%	15.12	15.77	0.65	4.3%
40-49	2,605	27.4%	13.5%	15.79	16.68	0.89	5.6%
50-64	3,493	36.8%	16.1%	17.20	17.20	0.00	0.0%
Grand Total	9,498	100%	60.3%	15.97	16.42	0.45	2.8%

Table 3: The below table shows the impact of the proposals broken down by ethnicity

Ethnicity	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
White (including white other)	3,226	34.0%	50.3%	16.31	16.44	0.12	1%
Other	783	8.2%	5.2%	15.31	16.36	1.05	7%
Black African	481	5.1%	Not Available in ONS Data	15.04	15.81	0.77	5%
Other Asian (including Asian Mixed and other)	337	3.5%	2.1%	14.37	15.70	1.33	9%
Indian	313	3.3%	5.1%	16.77	17.26	0.50	3%
Pakistani	269	2.8%	2.9%	16.55	17.16	0.61	4%
Black Caribbean	212	2.2%	18.2%	15.93	16.03	0.10	1%
Bangladeshi	80	0.8%	4.2%	15.39	17.59	2.21	14%
Black Other (including Black Mixed and other)	74	0.8%	1.2%	14.84	15.80	0.96	6%
Chinese	15	0.2%	1.8%	13.59	15.07	1.48	11%
Traveller	6	0.1%	9%	17.82	17.86	0.04	0%
Not Known	3,702	39.0%	N/A	17.82	17.86	0.04	0%
Grand Total	9,498	100.0%	100.0%	15.97	16.42	0.45	3%

Table 4: The following table shows the impact of the proposals broken down by sex

Sex	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
Female	6,157	65%	49.3%	16.08	16.66	0.58	3.6%
Male	3,341	35%	50.7%	15.77	15.99	0.22	1.4%
Grand Total	9,498	100%	100.0%				

A.3) Who are the stakeholders in this assessment and what is their interest in it?

Stakeholders	Interest
Council Tax Reduction Claimants	To ensure any changes to the scheme are applied in a fair and transparent manner following a full consultation process.
Local Interest Groups e.g CAB, DASH, Hillingdon Carers	These groups may work with the affected claimants and will need to have the right information to provide support and advice.
Hillingdon Residents	Not implementing the scheme may put increased financial pressures on other Council services which may have an impact on some Hillingdon residents.
<ul style="list-style-type: none"> ● Deputy Director of Exchequer & Business Assurance Services ● Corporate Director of Finance ● Chief Executive ● Head of Benefits ● Cabinet Member for Finance, Property and Business Services ● Council Cabinet ● Leader of the Council 	To ensure any changes to the scheme are applied in a lawful, fair and transparent manner following a full consultation process and that the administration of the scheme is providing value for money to the council and Hillingdon residents.
The Precepting Authorities	Legal requirement. We collect Council Tax on their behalf, with precepting authorities funding 21.95% of the scheme.

A.4) Which protected characteristics or community issues are relevant to the assessment? ✓ in the box.

Age	✓	Sex	✓
Disability	✓	Sexual Orientation	
Gender reassignment			
Marriage or civil partnership		Carers	✓
Pregnancy or maternity		Community Cohesion	
Race/Ethnicity	✓	Community Safety	
Religion or belief		Human Rights	

STEP B) Consideration of information; data, research, consultation, engagement

B.1) Consideration of information and data - what have you got and what is it telling you?

Impact of the proposals by equality characteristic

Age - The data shows that those claimants aged 30 to 49 (51.7% of claimants) are more likely to be affected by the proposals when compared to the working age borough population of 60.3% (based on ONS population data for 20-64 year olds).

When looking at the sum of variance of the new average banded scheme, no age group are adversely impacted by the proposals.

Disability - The data shows that 45.53% of CTR scheme working age claimants have a disability which is more than double the amount of total borough working age population at 16.6%¹. Those with this characteristic will remain in the protected band and not be directly affected by the proposals.

When looking at the sum of variance of the new average banded scheme, all age brackets will gain from the new scheme and receive on average £0.45p more per week.

¹ ONS Employment Rates by Disability, taken from the Annual Population Survey (2018)

Ethnicity/Race - Data is available for 61.0% of working age claimants with 39.0% unknown. It would therefore not be appropriate to draw any statistical significance as to the impact of the proposals by ethnic group.

When looking at the sum of variance of the new average banded scheme, all ethnicities will gain from the new scheme and receive on average £0.45p more per week.

Sex - The data indicates that women are over represented in claiming CTR when compared to the working age borough population as a whole (64.8% to 49.3%²). As a result, the proposals are likely to impact women more than men.

However, when looking at the sum of variance of the new average banded scheme, female claimants will receive 3.6% or £0.58 more per week.

Male claimants will receive on average £0.22 more per week.

Consultation

B.2) Did you carry out any consultation or engagement as part of this assessment?

Please tick NO YES

No specific consultation has been carried out as part of this assessment however a full public consultation on the changes to the scheme was undertaken.

Full details can be found in the Appendix attached.

B.3) Provide any other information to consider as part of the assessment

Proposed Scheme details

Introduce an Income Band Grid scheme for all applicants of working age.

It is proposed that a simplified income based 'grid' scheme will be introduced as set out in the table below.

The table explains how an applicant's weekly income places them into an income band. This income band then sets the maximum council tax award a claimant can receive.

² ONS Sub-National Population Projections (2016 based), 2019

Under the current scheme, a CTR claimant could see a gradual change to the amount of assistance they receive as their circumstances change. Under the proposed banded scheme the amount of assistance received will only alter if:

- the claimant's circumstances change to such an extent that they would move between income bands;
- the claimant moves between the household groups set out in the table;
- there is a change in the number of non-dependents in the household;
- a change in liability e.g. if a discount is withdrawn;
- a combination of the above

Based on weekly income									
Household type:	Single		Couples		Family 1 child		Family 2 or more children		
CTR banding	Lower limit	Upper limit	Lower Limit	Upper Limit	Lower Limit	Upper limit	Lower Limit	Upper limit	CTRS Reduction
Band 1	£0.00	£180.00	£0.00	£250.00	£0.00	£330.00	£0.00	£500.00	100%
Band 2	£0.00	£180.00	£0.00	£250.00	£0.00	£330.00	£0.00	£500.00	90%
Band 3	£0.00	£90.00	£0.00	£130.00	£0.00	£150.00	£0.00	£260.00	75%
Band 4	£90.01	£120.00	£130.01	£170.00	£150.01	£210.00	£260.01	£340.00	55%
Band 5	£120.01	£150.00	£170.01	£210.00	£210.01	£270.00	£340.01	£420.00	35%
Band 6	£150.01	£180.00	£210.01	£250.00	£270.01	£330.00	£420.01	£500.00	15%

If the income level exceeds the upper limit, the entitlement will be zero

The key principles of the grid/scheme (subject to capital limit)

- The level of reduction (as shown in the grid) will be based on the total net income (determined by the council in accordance with the scheme rules) of the applicant and their partner;
- Income levels can vary in accordance with household size and applicants will still receive the same level of reduction;
- Applicants who receive a war widow's pension, war disability pension or payments under the armed forces and reserve forces compensation scheme will still have this income or payments disregarded under the proposed scheme and will be in Band 1, receiving a reduction of 100% against their liability as long as any other income totals less than the upper level in Band 1;

- d) Where applicants, their partner or any children in the household are in receipt of Disability Living Allowance; Personal Independence Payments and/or Attendance Allowance and where the net income (excluding the above income) is less than the upper level in Band 2, they will receive an award of 90% of their council tax liability;
- e) Applicants, or their partners, in receipt of ESA Support Component or whom are registered blind and have a net income of less than the upper level in Band 2 will receive an award of a reduction of 90% of their council tax liability.;

Transitional Protection

From April 2018 the number of child dependants taken into account for CTR were brought in line with the government changes for Universal Credit and housing benefit. This limited the number of child dependants included in the CTR assessment to two. Transitional protection was awarded if the applicant was in receipt of CTR/Child Tax Credit for more than two children prior to 31 March 2018.

We propose to continue with this transitional protection for those that are currently protected under the existing scheme, which means these applicants will continue to receive an equivalent protection under the proposed new CTR Scheme. Applicants will continue to receive this protection until there is a break in their claim.

To simplify the capital/savings rules and reduce the capital limit to £6,000

The current scheme has a capital/savings limit of £16,000 and has complex rules in respect of the assessment of capital. It is proposed that the capital limit is reduced to £6,000.

This change is being proposed in order to reduce the amount of verification of capital for customers who have more than £6,000.

For those customers whose savings that fall between £6,000 and £16,000 they will not be able to receive Council Tax Reduction. They will be able to reclaim Council Tax Reduction once their savings fall below the £6,000 level.

Simplify non-dependant deductions with the introduction of one flat rate

Currently where an applicant and their partner (if they have one) has other adults living with them such as adult sons, daughters, elderly relatives or another person over the age of 18, their CTR may be reduced. Any charge made is called a non-dependant deduction.

The current charges for non-dependant deductions vary from no deduction up to £19.50 per week, depending on the income of the non-dependant. Any applicant or their partner (if they have one) receiving Disability Living Allowance Care Component or Personal Independence Daily Living Payments will continue to be exempt from any non-dependant deductions being made from their support.

This change to the scheme would introduce a single standard deduction of £5.00 per week for each non-dependant in the household, regardless of their income.

To change the minimum award of CTR to £1 per week

The current scheme has a provision, which allows the council to pay any reduction that is 1 pence per week or more. This, in effect, means that any small change to an applicant's entitlement, no matter how small, will change their council tax liability and their monthly instalments leading to multiple council tax demands being issued and instalments being reset. The proposed change will set a minimum award of £1 per week. When any entitlement is calculated as less than £1 per week, no reduction will be given.

To remove the current earnings disregards and replace them with a standard £25 per week disregard irrespective of a person's circumstances

Where applicants or their partner (if they have one) work, an earnings disregard is applied depending on their individual circumstances. The current standard weekly disregards (only one is awarded) are £5 for a single person, £10 for a couple, £20 if they meet certain conditions such as disablement, part-time special employments, or £25 for lone parents. If applicants work additional hours, in some circumstances they may receive an additional £17.10 disregard per week.

The proposed change to the scheme would be to replace the above disregards with a standard single disregard of £25 per week. The revised flat-rate earnings disregard will make the scheme easier to understand and administer.

To change the way we assess Universal Credit income

The housing costs element, childcare costs element and carer element will be disregarded from the award of Universal Credit. Any deductions and advanced payments will be added back to the Universal Credit income. A person in receipt of Universal Credit without earnings or any other income will automatically fall in band 3 (unless they meet the criteria for bands 1 or 2).

To disregard Carer's Allowance which is currently taken into account as income

Where applicants (or their partner if they have one) receives Carer's Allowance for looking after a person who is ill or disabled, the Carer's Allowance payment they receive is considered as income for CTR. This is partially offset by an award of Carer's Premium within the current scheme. With the move to an 'income grid scheme' the use of premiums will end. The council feels that it is fair, in these cases, to fully disregard any payment of Carer's Allowance received.

To remove the extended payment provisions

In certain cases, where applicants have been in receipt of prescribed benefits (such as Income Support, Jobseekers Allowance or Employment and Support Allowance) and move into work which ends or reduces their entitlement, CTR can be paid for an additional 4 weeks after commencing work or increasing their hours. Similar provisions do not exist for Universal Credit claimants. As Universal Credit is to replace those existing (legacy) benefits, the council feels that these provisions are no longer appropriate.

The proposed reforms to the working age CTR Scheme are intended to mitigate the growing administrative burden associated with the rollout of Universal Credit, where interaction between the national benefit and the local scheme are resulting in higher number of changes in assessed awards and duplication of effort on the part of both claimant and the Council.

Without changing the way the current scheme is operated, it would be increasingly incompatible with the practical operation of the Universal Credit Scheme.

National policy context

From April 2013, local authorities across England were given the power to devise their own systems of Council Tax Support (CTS) for working-age adults. It replaced the national system of the Council Tax Benefit (CTB), which ensured that the poorest households did not have to pay council tax. Each year the local authority decides how CTR should work in their area. There is a legal requirement for the Secretary of State to carry out a review of all CTR schemes in England.

Legal context

The council has a public duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations (Equality Act 2010).

Financial Context

The proposed scheme has been designed to be 'revenue neutral', meaning that the proposals included in the revisions have not been designed to alter the Council's financial support to eligible claimants, with the main objective being the simplification of the processing of claims to support the increasing roll out of Universal Credit across the Borough.

As per the tables above, the revised scheme has led to a slight increase in the overall spend by the Council, with a 3% increase in the total awards after applying the proposed changes to all live cases at the time the modelling was carried out.

CTR Scheme Funding

The CTR Scheme forms part of the base budget within Council Tax as presented by the Council in the overall position of the Collection Fund, this is the name of the fund given to the Council's Tax raising activities including both Council Tax and Business Rates.

C) Assessment

What did you find in B1? Who is affected? Is there, or likely to be, an impact on certain groups?

C.1) Describe any **NEGATIVE** impacts (actual or potential):

Equality Group	Impact on this group and actions you need to take
Age	The data shows that no age band is adversely impacted by the proposals.
Ethnicity / Race	The data shows that no ethnic group will be adversely impacted by the proposals.

C.2) Describe any **POSITIVE** impacts

Equality Group	Impact on this group and actions you need to take
Disability	More claimants will receive a clear 90% reduction in their Council Tax. At present they are means tested with a further reduction on the 90%. The scheme will disregard Carers Allowance.
Ethnicity / Race	Bangladeshi claimants will receive on average 14% or £2.21 more per week.
Those in receipt of state pension	Pensioners are protected from changes in support introduced as part of the CTR Scheme.
Claimants in receipt of War widow's pension, war disability pension or armed forces and reserve forces compensation scheme.	This group will still have this income or payments disregarded under the proposed scheme and will be in Band 1, receiving a reduction of 100% against their liability as long as any other income totals less than the upper level in Band 1.
Carers	Carers will have the whole of their Carer's Allowance or Carer Element of Universal Credit disregarded. This will remain or become a benefit to the claimant.

D) Conclusions

The council has taken care to review and update the CTR Scheme to ensure that it is simple, efficient and meets the requirements made under the Government's statement of intent.

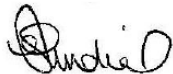
The proposed banding scheme has been developed to deliver a simpler, less administratively burdensome CTR scheme while maintaining both the current level of investment in the scheme.

The data shows that no characteristic reviewed as part of the proposed changes have been adversely impacted, including age, ethnicity and sex.

The proposed changes will not affect pensioners. This is mandatory as legislation prescribes that CTR schemes in respect of pensioners must adhere to one national scheme.

The council is proposing a scheme which will be adopted will be adopted on 1 April 2020 and will be in place for the duration of 2020/21, during which time its impact will be monitored.

Signed:



Date: 4 December 2019

Name and position: Sunita Ghudial - Head of Benefits