

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE – 1ST OCTOBER 2015

EXECUTIVE – 8TH OCTOBER 2014

Report by the Director of Finance on a review of the Council Tax Reduction Scheme

SUMMARY

In April 2013 Council Tax Benefit (CTB) was abolished and replaced with a localised Council Tax Reduction (CTR) Scheme. The Scheme is decided locally with prescribed elements that provide protection for pensioner claims, meaning their awards are protected at the same level awards they would have received under the CTB scheme.

The Council is required to annually review its CTR Scheme and if it proposes any changes or amendments it is then required to consult with council tax payers. Any amendments to the Scheme, to be valid for 2016/17, must be ratified by a meeting of the full Council before 31st January 2016.

The Government funded CTB with a direct subsidy arrangement which meant the Council was fully reimbursed for any CTB correctly paid. The CTR cost is met jointly by the Council and the GLA, at the ratio of WBC 56.5%:GLA 43.5% for 2015/16.

For the first year of CTR, 2013/14, the Government specified the amount within the grant settlement that the Council would receive for CTR; this was equivalent to 90% of the previous year's CTB subsidy.

In subsequent years the actual figure has not been separately identified in the Council's grant settlement. As the grant settlement figure has reduced since 2013/14, the funding available for the payment of CTR has reduced by similar proportions.

For the first two years the Council adopted a CTR scheme that continued to set the maximum award for working age households at 100% of their eligible Council Tax. In 2015 -16 adjustments were made to the Scheme which has meant there is a small reduction in the level of awards and the funding the Council provides to the Scheme.

The design of the CTR Scheme therefore has financial implications as any awards of

benefit over the level of funding have to be met through the Council's own funds. For 2015/16 the estimated funding is £7,871,517 compared with a forecasted CTR spend of £8,889,021. The Council's share of this difference is £574,890 and has in effect been borne by Council tax payers generally.

Based on forecasting that the Council's grant settlement will be reduced by over £50 million by 2020, it is considered reasonable that the Council should keep under review its spending in all areas. This includes a review of the Council's spending on CTR and designing a scheme that ensures the cost is distributed equitably between Council Tax Payers and CTR recipients.

This report details the proposals for a CTR scheme that requires a minimum contribution of 30% of the eligible charge by each household. The report further proposes the Council adopts a protection scheme for vulnerable households, reducing their minimum contribution to nil.

This report outlines the financial implications and how this compares with schemes across London.

GLOSSARY

| | | |
|------|---|---|
| AN | - | Annual |
| BME | - | Black and Minority Ethnic |
| CPI | - | Consumer Price Index |
| CTB | - | Council Tax Benefit |
| CTR | - | Council Tax Reduction |
| DCLG | - | Department for Communities and Local Government |
| EIA | - | Equality Impact Assessment |
| GLA | - | Greater London Authority |
| WBC | - | Wandsworth Borough Council |
| WK | - | Weekly |

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or additional recommendations in this report these will be submitted to the Executive for consideration.
2. The Executive is recommended to –
 - (a) approve the changes to the Wandsworth Council Tax Reduction Scheme to introduce a minimum contribution of 30% of the Council Tax

before CTR is assessed, as set out in this report, as the basis for consultation for the proposed scheme for the 2016/17 financial year; and

- (b) approve for consultation the introduction of a CTR protection scheme which means that households in receipt of certain disability benefits and households with children under 3 have a nil contribution, as described in paragraphs 25-27, as the basis for consultation for the proposed scheme for the 2016/17 financial year; and
- (c) approve the proposed consultation arrangements described in paragraphs 39.

BACKGROUND

- 3. The Council is required to annually review its Council Tax Reduction (CTR) Scheme and if it proposes any changes or amendments it is then required to consult with council tax payers. In order that any amendments to the Scheme can be valid for 2016/17 they must be approved by a meeting of the full Council before 31st January 2016.
- 4. CTR replaced the national Council Tax Benefit (CTB) scheme with effect from 1st April 2013 and provides assistance for low income pensioners and working age households with the payment of their Council Tax. The CTR scheme is set locally at the discretion of the Council with the exception of pensioner households where the Regulations are prescribed by Government.
- 5. The Government funded the former CTB scheme with a direct subsidy arrangement which meant that the Council was fully reimbursed for any CTB correctly paid. The CTR cost is met jointly by the Council and the GLA, at the ratio of WBC 56.5%: GLA 43.5% for 2015/16.
- 6. For the first year of CTR, 2013/14, the Government specified the amount within the grant settlement that the Council would receive for CTR; this was equivalent to 90% of the previous year's CTB subsidy.
- 7. In subsequent years the actual figure has not been separately identified in the Council's grant settlement. As the grant settlement figure has reduced since 2013/14 the funding available for the payment of CTR has reduced by similar proportions.
- 8. For the first two years the Council adopted a CTR scheme that continued to set the maximum award for working age households at 100% of their eligible Council Tax. For 2015/16 adjustments were made to the Scheme (Paper No. 15-27) which has meant there is a small reduction in the level of awards and the funding the Council provides to the Scheme.

9. The design of the CTR Scheme therefore has financial implications as any awards of CTR are in effect may be met through the Council's own funds. For 2015/16 the estimated funding from grant is £7.871 million compared with a forecasted CTR spend of £8.889 million . The Council share of this difference is £575,000 and has, in effect, been borne by Council tax payers generally.
10. Based on forecasting based on national levels of expenditure, it is estimated that the Council's settlement will be reduced by over £50 million by 2020. It is considered reasonable that the Council should keep under review it's spending in all areas. This includes a review in the Council's spending on CTR and designing a scheme that ensures that the cost of the Scheme is distributed equitably between Council tax payers and those of them who are CTR recipients.
11. This report details the proposals for a CTR scheme that requires a minimum contribution of 30% of the eligible charge by each household. The report further proposes that the Council adopts a Protection Scheme for vulnerable households.
12. The report outlines the financial implications of these proposals and how this compares with current schemes across London.

WANDSWORTH CTR SCHEME 2015/16

13. The 2015/16 scheme was the first year in which the Council applied a scheme which differs from the former CTB scheme, meaning that awards of CTR for working age households will not always be calculated using the full 100% of Council Tax liability.
14. The changes adopted for the 2015/16 scheme were:
 - (a) increasing the taper used to reduce benefit from 20% to 25% where claimants have income above the level of the means test;
 - (b) capping the maximum CTR award at the level of a Band E property;
 - (c) setting a minimum weekly CTR award of £3.00; and
 - (d) setting one level of non-dependant deductions.
15. These changes are estimated to reduce the CTR expenditure by £125,000, when compared with the cost of maintaining the 2014/15 scheme (see Table 1):-

TABLE 1: CTR Spend Forecast 2015/16

| Forecasted Spend for Working Age CTR for 2015/16: | Working Age Amount: £ | Amount including Pensioner Data: £ |
|--|--------------------------------------|---|
| Annual CTR spend 2015/16 based on 2014/15 scheme | 5,611,328 | 9,014,101 |
| Annual CTR spend 2015/16 current scheme changes | 5,486,298 | 8,889,021 |

WANDSWORTH CTR SCHEME FOR 2016/17

16. The Council chose to adapt the scheme for 2015/16 to provide financial savings reducing marginally the costs of the Scheme to the general Council tax payers.
17. The decision the Council needs to make for 2016/17 is whether, with the anticipated further reduction of Central Government support, it is fair and reasonable that the additional cost of support should be borne by the Council tax payer generally or whether the Council wants to ensure that the cost of the scheme is distributed more equitably between general Council tax payers and those of them who are CTR recipients.
18. Therefore, subject to the consultation described in paragraph 39 below, it is proposed, to introduce a requirement for all working-age CTR recipients to make a minimum contribution to their Council Tax before their CTR is calculated. Introducing these changes would bring the design of Wandsworth's CTR scheme into line with most of those operated by other London borough councils. Currently, 24 out of 33 London borough councils have a CTR scheme with a minimum payment level of between 5% and 30% of a person's Council tax liability (see Table 5 below).
19. It is proposed that the Council adopts a similar scheme with a minimum contribution of 30%. It is forecasted that this would result in annual CTR awards for 2016/17 amounting to £7.252 million i.e. a reduction of £1.637 million when compared to forecasted expenditure in 2015/16 if adopted for all non pensioner households currently in receipt of CTRs.
20. These figures are based on 2015/16 Council Tax, estimated CTR expenditure and a caseload of some 11,400 affected clients.

TABLE 2: Total CTR Expenditure based on a Minimum Contribution

| Forecast Spend for Working Age CTR for 2015/16: | Forecast Total Annual CTR £ | Forecast reduction in CTR £ | Council Share of the forecast reduction@56.5% £ |
|---|--------------------------------|--------------------------------|--|
| Forecasted CTR spend 2015/16 | 8,889,021 | | |
| 30% minimum contribution | 7,252,102 | 1,636,919 | 924,859 |

21. In terms of the individual households, the minimum contribution for each household based on band and percentage contribution is shown below in Table 3.

TABLE 3. Minimum Weekly Contribution per Household Based on Council Tax band and minimum contribution Level

| Council Tax Band / Minimum Contribution | 30% £ |
|---|----------|
| A | 2.59 |
| B | 3.03 |
| C | 3.46 |
| D | 3.89 |
| E | 4.76 |
| F | 5.63 |
| G | 6.49 |
| H | 7.79 |

*These figures are based on the standard rate of Council Tax for the Borough, excluding any reduction for discounts or additional charges for commons areas

22. The Council could also consider providing additional protection to vulnerable households as part of this Scheme but this would increase the level of CTR awarded. It should be noted that a legal challenge has been lodged in respect of Havering Council's CTR Scheme with one of the reasons being that their Scheme does not provide additional support for the vulnerable (e.g. disabled households).
23. Of the 24 councils across London that have a minimum contribution scheme, 15 do not have any further protection but the remaining nine provide additional protection for households where a disability benefit is in payment. In these cases the level of minimum contribution is either not applied or set at a lower percentage than other working age households.

24. Introducing a vulnerability criteria would increase the level of CTR expenditure. If the Council was to adopt a vulnerability criteria based on receipt of disability benefits then 3,702 households (i.e. about 32.5% of the working age caseload) would receive protection. The forecast CTR expenditure based on the recommended 30% scheme with a protection scheme introduced is shown in Table 4 below.

PROPOSED PROTECTION FOR VULNERABLE HOUSEHOLDS

25. If the Council chose to adopt the 30% minimum contribution amount then it is further proposed that protection is provided to certain vulnerable households. The introduction of protection will increase the expenditure on CTR outlined below in Table 4.
26. The proposed scheme would provide protection for household in receipt of:
- CTR Disability Premium;
 - CTR Disabled Child Premium;
 - CTR Carers Premium;
 - Disabled Council Tax Band;
 - ESA Support Group; and
 - War Pensioners.

In addition, support could be granted to households with children under the age of 3.

27. The proposed protection available for these households could reduce the level of minimum contribution from 30% to either 20%, 10% or 0. The effects on CTR expenditure of these options is shown in Table 4 below.

TABLE 4: Total CTR Expenditure based on a 30% Minimum Contributions with a range of vulnerability protection

| Forecasted Spend for Working Age CTR for 2015/16: | Forecast Total Annual CTR £ | Forecast Reduction in CTR £ | Council Share of the forecast <u>Reduction@56.5%</u> £ |
|---|--|--|---|
| Forecasted CTR spend 2015/16 | 8,889,021 | | |
| 30% minimum contribution | 7,252,102 | 1,636,919 | 924,859 |
| 30% minimum contribution with protection scheme of 20% minimum contribution | 7,453,347 | 1,435,674 | 811,155 |

| | | | |
|---|-----------|-----------|---------|
| 30% minimum contribution with protection scheme at 10% minimum contribution | 7,654,681 | 1,234,340 | 697,402 |
| 30% minimum contribution with protection scheme of no minimum contribution | 7,856,014 | 1,033,007 | 583,648 |

28. Having had regard to both the Council's need for expenditure savings and the need to protect vulnerable households, it is proposed that the scheme to be consulted on includes full protection for vulnerable households as defined in paragraph 25. All other households in receipt of Council tax support who are not otherwise protected will have to pay 30% of the Council tax charge. This would generate the net reduction in cost of the CTR scheme to the Council of £583,600 rather than a potential saving of £924,900 if no protection is granted.

CTR SCHEMES ACROSS LONDON

29. Across London Councils 24 CTR schemes are based on a minimum level of contribution. In the remaining 9 Councils, a full payment scheme similar to CTB is still adopted or like Wandsworth, they have made minor changes to rules.
30. Table 5 below shows which scheme applies where and provides the annual minimum contribution for a Band D property based on each Council's CTR scheme, for comparative purposes 20% of Wandsworth Band D charge is £135.53, 25% would be £169.41, or 30% would be £203.30. It can be seen that even at 30% the minimum contribution is significantly below many other councils.

TABLE 5: London borough councils CTR Schemes, 2015/16

| Local authority | Level of Minimum Contribution | Additional protection | Annual Council Tax Band D £ | Minimum Council Tax Contribution based on Band D £ |
|--------------------|-------------------------------|-----------------------|--------------------------------|---|
| Barking & Dagenham | 25.00% | N | 1,331.67 | 332.92 |
| Barnet | 20.00% | Disability | 1,397.07 | 279.41 |
| Bexley | 15.00% | N | 1,445.53 | 216.83 |
| Brent | 20.00% | Disability | 1,353.94 | 270.79 |
| Bromley | 19.00% | N | 1,325.14 | 251.78 |
| Camden | 8.50% | N | 1,336.81 | 113.63 |
| City of London | 0.00% | N/A | 943.44 | 0.00 |

| | | | | |
|----------------------|--------|------------|----------|--------|
| Croydon | 15.00% | Disability | 1,466.39 | 219.96 |
| Ealing | 20.00% | Disability | 1,354.93 | 270.99 |
| Enfield | 19.50% | Disability | 1,395.34 | 272.09 |
| Greenwich | 15.00% | N | 1,279.91 | 191.99 |
| Hackney | 15.00% | N | 1,293.45 | 194.02 |
| Hammersmith & Fulham | 0.00% | N/A | 1,022.81 | 0.00 |
| Haringey | 19.80% | N | 1,479.32 | 292.91 |
| Harrow | 30.00% | Disability | 1,529.22 | 458.77 |
| Havering | 15.00% | N | 1,514.00 | 227.10 |
| Hillingdon | 20.00% | Disability | 1,407.93 | 281.59 |
| Hounslow | 8.50% | N | 1,374.77 | 116.86 |
| Islington | 8.50% | N | 1,276.01 | 108.46 |
| Kensington & Chelsea | 0.00% | N/A | 1,062.33 | 0.00 |
| Kingston upon Thames | 0.00% | N/A | 1,673.97 | 0.00 |
| Lambeth | 15.90% | N | 1,238.70 | 196.95 |
| Lewisham | 14.80% | N | 1,355.35 | 200.59 |
| Merton | 0.00% | N/A | 1,397.25 | 0.00 |
| Newham | 20.00% | N | 1,240.63 | 248.13 |
| Redbridge | 5.00% | N | 1,394.53 | 69.73 |
| Richmond upon Thames | 0.00% | N/A | 1,582.39 | 0.00 |
| Southwark | 15.00% | N | 1,207.14 | 181.07 |
| Sutton | 19.00% | Disability | 1,458.60 | 277.13 |
| Tower Hamlets | 0.00% | N/A | 1,180.52 | 0.00 |
| Waltham Forest | 16.00% | N | 1,447.21 | 231.55 |
| Wandsworth | 0.00% | N/A | 677.65 | 0.00 |
| Westminster | 0.00% | N/A | 672.74 | 0.00 |

N = No....

N/A = Not applicable

30. It is understood that a number of councils are considering further changes to their schemes for 2016/17 but have not as yet publicised these changes. If the Council were to change its CTR Scheme so that a minimum 30% Council Tax were payable, with protection, the Council's Scheme would still, in cash terms, be in the top half of schemes in London for the amount of Council Tax reduction it allows.

COUNCIL TAX COLLECTION RATES & ADMINISTRATION

31. Changes to the CTR Scheme will require the Council to collect more Council Tax from individual households who, by definition, are those that have lower sums of disposable income and thus greater difficulty and effort to collect the

sums due. This has the potential to affect the overall Collection Rate and Council Tax administration costs. Unlike Council Tax income, some of which is passed to the GLA in accordance with their precept each year. the cost of collection is fully paid for by the Council.

32. The staffing of the Council Tax Service was due to be reviewed during 2015 with a view to reducing costs with greater resident self-service. The introduction of the changes to the CTR Scheme mean that some of the savings will be offset by the need to retain staff for debt collection.
33. If the Council decides to adopt a minimum contribution CTR scheme, consideration needs to be given to what levels of recovery action will be applied to households who are CTR recipients.
34. Good practice guidance on recovery from such `vulnerable` debtors is not to increase indebtedness by adding costs, but to be sympathetic to those in genuine hardship, act proportionately in enforcement and do not over-use bailiffs. Therefore, consideration should be given as to whether the Council should apply the reimbursement of costs in these specific cases. Also, as the likelihood would be that these debts would be recovered via an attachment of benefit at around £15 per month, adding costs would extend the period of repayment well into subsequent years and would significantly increase the risk of unrecovered and written off debt. An example is given in the following case study:-

Case Study: CTR Non-Payer based on 30% Minimum Contribution

Council Tax Bill (@ 30% of Band D) = £ 203.30.

If customer does not pay, a summons to court will be issued, with added summons costs of £95.

If customer still does not pay, a court liability order will be applied for, with added liability order costs of £28

Total costs added should a customer not pay could amount to £123, which adds over 60% to the original bill.

35. If the Council did impose costs on these households, the estimated additional costs collected annually (assuming a 60% collection rate) for those cases previously on 100% CTR but now paying council tax for the first time is £60,000. It is therefore proposed that in these cases the Director of Finance be given delegated discretion to waive costs when taking recovery action.

FINANCIAL IMPLICATIONS

36. All the figures in this report are based on the 2015/16 financial information, including grant settlement, council tax charge and CTR caseloads. It is probable that all these figures will change next year but currently the

fluctuation cannot be accurately calculated. The decision on whether to change the Scheme needs to be taken in the knowledge that the Council currently has a budget gap of approximately £67 million by 2017/18 and is forecast to lose in excess of £50million of Government support by 2020.

37. Based on maintaining current collection rates, the potential net benefit to the Council after taking into account the current CTR Scheme with and without full protection for vulnerable households, is shown below:-

| Level of Minimum Charge Saving (£'000) | With Full Protection vulnerable households (£'000) |
|--|--|
| 30% | £924 |
| | £584 |

EQUALITIES IMPACT ASSESSMENT

38. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Assessment (EIA) has been undertaken on the proposals in this paper. This EIA is attached as an appendix to this report. This EIA has found the potential positive impact that a larger proportion of non-BME claimants would benefit from providing protection for vulnerable claimants rather than BME claimants but a large proportion of Black / African / Caribbean / Black British claimants will be supported. Analysis has shown that applying a 30% minimum contribution scheme has the potential to impact negatively on a greater proportion of BME claimants than non-BME claimants, particularly Black / African / Caribbean / Black British claimants. The potential effect of these changes will look to be mitigated during the consultation process set out below.

CONSULTATION ARRANGEMENTS AND FUTURE PROCESS

39. If the Executive agrees changes to the CTR scheme for 2016/17 then a consultation must take place, with all clients being contacted as well as support organisations and the GLA. Adverts will be placed in Brightside as well as on the Council's web site. The results of this will be reported back to the special meetings of this Committee and the Executive in January 2016 for recommendation to the Council at its special meeting on 27th January 2016.

The Town Hall
Wandsworth
SW18 2PU
23rd September 2015

CHRIS BUSS
Director of Finance

Background Papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website(www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Graham Collins – 020 8871 6021; email gcollins@wandsworth.gov.uk) can supply it if required.

Initial Equality Impact Assessment – Council Tax Reduction Review

Department: Finance
Service: Benefits Service
People involved: Martin Harding, Elizabeth Keevil, Peter Forde and Clare O'Connor

1. What are the aims of the service and what changes are being proposed?

Council Tax Reduction (CTR) was introduced in April 2013 as a locally administered scheme to provide support with Council Tax payments.

The Council has a legal requirement to review its scheme each year. The following changes are being proposed to the scheme for the 2016/17 financial year. As pension age claims are protected by legislation, these changes will only affect claims from those of working age:

1. To apply a 30% minimum Council Tax liability contribution for working age claimants.
2. To consider a level of support for working age 'vulnerable claimants' (see committee paper for definition), by applying a minimum Council Tax liability contribution between 0 and 20%.
3. To use the figures set by central government for the assessment of allowances and premiums within the calculation of CTR.
4. To remove the minimum award amount of £3 per week.
5. To remove the banding cap currently set to the equivalent of Band E.
6. To change the 25% taper for working age means tested claimants to 20%.

2. What is the rationale behind these changes?

The Council's requirement to review its CTR scheme annually must consider both the application of the scheme itself and to take into account the financial implications of its administration.

Based on forecasting that the Council's grant settlement will be reduced by over £50 million by 2020 it is considered reasonable that the Council look to review its spending in all areas. This includes a review of the Council's spending on CTR and designing a scheme that ensures the cost is distributed equitably between Council Tax Payers and CTR recipients.

3. What information do you have on the service and the potential impact of your service change in relation to the following?

List information you have. Do not put what the information shows you.

Race: Across the Borough the Census of 2011 showed the following information:

130,493 households

White – Total 76.3%

Mixed / Multiple Ethnic Groups – Total 3.2%

Asian / Asian British – Total 8.6%

Black / African / Caribbean / Black British – Total 10%

Other Ethnic Group – Total 1.8%

Council Tax Reduction Scheme Caseload as at 31st May 2015.

18,575 claims (5,185 Ethnicity records held equating to 27.9% of caseload)

White – Total 47%

Mixed / Multiple Ethnic Groups – Total 6.4%

Asian / Asian British – Total 17.7%

Black / African / Caribbean / Black British – Total 26.4%

Other Ethnic Group – Total 2.5%

Ethnicity is an optional field and the majority of the caseload has chosen not to provide this data. However, of those who have, 53% are BME. This is significantly above the Borough average. The data provided also shows that there are significantly more Asian/Asian British and Black/Black British claimants than the Borough average.

Working age claimants as at 31st May 2015.

11,436 claims (4,317 Ethnicity records held equating to 37.7% of affected claimants)

White – Total 44.1%

Mixed / Multiple Ethnic Groups – Total 7.2%

Asian / Asian British – Total 16.8%

Black / African / Caribbean / Black British – Total 29.5%

Other Ethnic Group – Total 2.4%

Ethnicity is an optional field and the majority of the caseload has chosen not to provide this data. However, of those who have, 55.9% are BME. This is above the Borough average and above the overall caseload average (see above). It should also be noted that the percentage of Black/African/Caribbean/Black British claimants is significantly above the Borough average and also the caseload average.

Working age 'Vulnerable' claimants as at 31st May 2015

3,857 claims (997 Ethnicity records held equating to 25.8% of affected claimants)

White – Total 51.7%

Mixed / Multiple Ethnic Groups – Total 6.6%

Asian / Asian British – Total 12.4%

Black / African / Caribbean / Black British – Total 26.8%

Other Ethnic Group – Total 2.5%

Ethnicity is an optional field and the majority of the caseload has chosen not to provide this data. However, of those who have, 48.3% are BME. This is above the Borough average but below the overall caseload average (see above). It should also be noted that the percentage of Asian/Asian British claimants is above the Borough average but lower than the overall caseload average.

Claims with an award of less than £3 per week as at 31st May 2015.

Statistical information on this client group is unavailable within the current caseload as awards of less than £3 per week result in zero entitlement and therefore would have no active claim for CTR.

Claims in a property higher than Council Tax Band E as at 31st May 2015.

331 claims (134 Ethnicity records held equating to 40.1% of affected claimants)

White – Total 52.2%

Mixed / Multiple Ethnic Groups – Total 5.2%

Asian / Asian British – Total 14.3%

Black / African / Caribbean / Black British – Total 25.3%

Other Ethnic Group – Total 3%

Ethnicity is an optional field and the majority of the caseload has chosen not to provide this data. However, of those who have, 47.8% are BME. This is above the Borough average but below the overall caseload average (see above). The data provided also shows that there are significantly more Black / African / Caribbean / Black British claimants than the Borough average

Working age means tested claimants as at 31st May 2015

3,072 claims (1,448 Ethnicity records held equating to 47.1% of affected claimants)

White – Total 36.8%

Mixed/Multiple Ethnic Groups – Total 6.8%

Asian/Asian British – Total 25.3%

Black/African/Caribbean/Black British – Total 28%

Other Ethnic Group – Total 3.1%

Ethnicity is an optional field and the majority of the caseload has chosen not to provide this data. However, of those who have, 63.2% are BME. This is significantly above the Borough average and above the overall caseload average (see above). It should also be noted that the percentage of Asian/Asian British and Black/African/Caribbean/Black British claimants is significantly above the Borough average and also the caseload average.

Gender: Across the borough the Census of 2011 showed the following information:

243,533 people aged 16-74
Male – Total 48.4%
Female – Total 51.6%

Council Tax Reduction Scheme Caseload as at 31st May 2015.

18,575 claims
Male – Total 41%
Female – Total 59%

Gender is a mandatory field. The majority of the CTR caseload is female. This is above the Borough figure.

Working age claimants as at 31st May 2015.

11,436 claims
Male – Total 38%
Female – Total 62%

The majority of claimants are female. This percentage is above both the Borough and caseload average.

Working age 'Vulnerable' claimants as at 31st May 2015.

3,857 claims
Male – Total 38.6%
Female – Total 61.4%

The majority of claimants are female. This percentage is above both the Borough and caseload average.

Claims with an award of less than £3 per week as at 31st May 2015.

Statistical information on this client group is unavailable within the current caseload as awards of less than £3 per week result in zero entitlement and therefore would have no active claim for CTR.

Claims in a property higher than Council Tax Band E as at 31st May 2015.

331 claims

Male – Total 30.5%

Female – Total 69.5%

The majority of claimants are female. This percentage is significantly above both the Borough and caseload average.

Working age means tested claimants as at 31st May 2015.

3,072 claims

Male – Total 42.2%

Female – Total 57.8%

Whilst the majority is still female the percentage of means tested claimants is closer to the Borough average than the overall caseload average.

Disability: Across the borough the Census of 2011 showed the following information:

130,493 households

Households containing a person with a long term health problem or disability –
Total 20.7%

Council Tax Reduction Caseload as at 31st May 2015.

18,575 claims

Claims containing a person with a long term health problem or disability –
Total 42.6%

Disability related information is required. The percentage of claimants overall with a disability is significantly above the Borough average.

Working age claimants as at 31st May 2015.

11,436 claims

Claims containing a person with a long term health problem or disability –
Total 49.4%

Disability related information is required. The percentage of claimants with a disability within this claiming group is significantly above the Borough figure and also the caseload average.

Working age 'Vulnerable' claimants as at 31st May 2015.

3,857 claims

Claims containing a person with a long term health problem or disability –
Total 81.2%

Disability related information is required. The percentage of claimants within this claiming group is significantly higher than both the Borough and caseload average. This is expected as the definition of 'vulnerable' includes the majority of claimants declaring a long term health problem but also includes carers who make up the remainder of vulnerable claimants.

Claims with an award of less than £3 per week as at 31st May 2015.

Statistical information on this client group is unavailable within the current caseload as awards of less than £3 per week result in zero entitlement and therefore would have no active claim for CTR.

Claims in a property higher than Council Tax Band E as at 31st May 2015.

331 claims

Claims containing a person with a long term health problem or disability –
Total 41.4%

Disability information is required. The percentage of claimants with a disability within this claiming group is significantly above the Borough figure but below the caseload average.

Working age means tested claimants as at 31st May 2015.

3,072 claims

Claims containing a person with a long term health problem or disability –
Total 18.2%

Disability information is required. The percentage of claimants with a disability within this claiming group is lower than the Borough average and significantly lower than the caseload average.

Age: Across the Borough the Census of 2011 showed the following information:

255,989 people aged 16 and over
People aged 16 to 59 – Total 85.3%
People aged 60+ - Total 14.7%

Council Tax Reduction Caseload as at 31st May 2015.

20,469 claims

People working age (18 – 62 (current pension age)) – Total 61.6%
People pension age (63+) - Total 38.4%

Age information is a mandatory field. The proportion across the CTR caseload of pensioner age claimants is greater than the Borough average.

Faith: No information held

Sexual Orientation: No information held

4. Thinking about each group below, please list the impact that the service changes will have:
1. To apply a 30% minimum Council Tax liability contribution for working age claimants.
 2. To consider a level of support for working age 'vulnerable claimants' (see committee paper for definition), by applying a minimum Council Tax liability contribution between 0 and 20%.
 3. To use the figures set by central government for the assessment of allowances and premiums within the calculation of CTR.
 4. To remove the minimum award amount of £3 per week.
 5. To remove the banding cap currently set to the equivalent of Band E.
 6. To change the 25% taper for working age means tested claimants to 20%.

Positive impacts: Possible negative impacts.

Race: Applying change 3 to increase the applicable amount figures used within the means test for CTR in line with the Welfare Benefits Freeze and Prescribed Changes will impact different claimant groups in different ways. For most it will mean the figures used within the calculation will remain unchanged with the exception of those in receipt of Disability related income and statutory payments such as sick and maternity pay, these will be increased and could see a positive effect on their overall benefit assessment.

Analysis of the cases potentially impacted shows that this could impact more on BME claimants than non-BME claimants, particularly Black/African/Caribbean/Black British claimants.

The remaining changes 4 – 6 would have the positive impact of reversing changes that were implemented last year and increasing awards.

Analysis of the cases potentially impacted shows that the removal of the banding cap impacts on a greater proportion of non-BME than BME claimants but the reduced taper would impact on a greater proportion of BME claimants, particularly Black/African/Caribbean/Black British claimants.

Change 1 has the negative impact of reducing the level of contribution that could be made by way of Council Tax Reduction by 30%.

Analysis of the cases potentially impacted shows that this could impact more on BME claimants than non-BME claimants, particularly Black/African/Caribbean/Black British claimants.

By applying change 2 the impact of change 1 would be mitigated for groups of claimants that potentially need further support. This positive impact would be to change the liability reduced to a lower rate up to 20% or remove it completely.

Analysis shows that this positive change potentially impacts on a larger proportion of non-BME claimants than BME claimants but a large proportion of Black/African/Caribbean/Black British claimants will be supported.

In order to mitigate the impact of these changes there will be a public consultation, ensuring the small percentage of negatively affected people have the opportunity to give their views and be made aware of the changes proposed.

Gender: Applying change 3 to increase the applicable amount figures used within the means test for CTR in line with the Welfare Benefits freeze and prescribed changes will impact different claimant groups in different ways. For most it will mean the figures used within the calculation will remain unchanged with the exception of those in receipt of Disability related income and statutory payments such as sick and maternity pay, these will be increased and could see a positive effect on their overall benefit assessment.

Analysis of the cases potentially impacted shows that this will impact slightly more on female claimants than male.

The remaining changes 4 – 6 would have the positive impact of reversing changes that were implemented last year and increasing awards.

Analysis of the cases potentially impacted shows that this will impact slightly more on female claimants than male. Change 1 has the negative impact of reducing the level of contribution that could be made by way of Council Tax Reduction by 30%.

Analysis of the cases potentially impacted shows that this will impact slightly more on female claimants than male.

By applying change 2 the impact of change 1 would be mitigated for groups of claimants that potentially need further support. This positive impact would be to change the liability reduced to a lower rate up to 20% or remove it completely.

Analysis of the cases potentially impacted shows that this will impact slightly more on female claimants than male.

In order to mitigate the impact of these changes there will be a public consultation, ensuring the small percentage of negatively affected people have the opportunity to give their views and be made aware of the changes proposed.

Disability: Applying change 3 to increase the applicable amount figures used within the means test for CTR in line with the Welfare Benefits freeze and prescribed changes will impact different claimant groups in different ways. For most it will mean the figures used within the calculation will remain unchanged with the exception of those in receipt of Disability related income and statutory payments such as sick and maternity pay, these will be increased and could see a positive effect on their overall benefit assessment.

The remaining changes 4 – 6 would have the positive impact of reversing changes that were implemented last year and increasing awards.

Analysis of the cases potentially impacted shows that the removal of the banding cap impacts on a large proportion of disabled claimants but the reduction in taper impacts on a significantly lesser proportion. This could be explained by the majority of claimants who are claiming some form of disability benefit are not subject to the means test due to the primary income they receive. In addition, the largest proportion of claimants within this group are low earnings claimants with limited additional financial support.

Change 1 has the negative impact of reducing the level of contribution that could be made by way of Council Tax Reduction by 30%. The potential impact on disabled claimants is mitigated by change 2.

By applying change 2 the impact of change 1 would be mitigated for groups of claimants that potentially need further support. This positive impact would be to change the liability reduced to a lower rate up to 20% or remove it completely.

Analysis shows that this positive change potentially impacts on a larger proportion of disabled claimants due to the categories classified for support cover the majority of those receiving some form of disability income.

In order to mitigate the impact of these changes there will be a public consultation, ensuring the small percentage of negatively affected people have the opportunity to give their views and be made aware of the changes proposed.

Age: Applying change 3 to increase the applicable amount figures used within the means test for CTR in line with the Welfare Benefits freeze and prescribed changes will impact different claimant groups in different ways. For most it will mean the figures used within the calculation will remain unchanged with the exception of those in receipt of Disability related income and statutory

payments such as sick and maternity pay, these will be increased and could see a positive effect on their overall benefit assessment.

The remaining changes 4 – 6 would have the positive impact of reversing changes that were implemented last year and increasing awards. This would be regardless of the age of the claimant or family.

All changes would have no impact on pensioner age claimants as their CTR is established under prescribed legislation.

Change 1 has the negative impact of reducing the level of contribution that could be made by way of Council Tax Reduction by 30%. The potential impact would be regardless of the age within working age claimants.

By applying change 2 the impact of change 1 would be mitigated for groups of claimants that potentially need further support. This positive impact would be to change the liability reduced to a lower rate up to 20% or remove it completely. This would be regardless of the age of the claimant or family.

In order to mitigate the impact of these changes there will be a public consultation, ensuring the small percentage of negatively affected people have the opportunity to give their views and be made aware of the changes proposed.

Faith and sexual orientation: Applying change 3 to increase the applicable amount figures used within the means test for CTR in line with the Welfare Benefits freeze and prescribed changes will impact different claimant groups in different ways. For most it will mean the figures used within the calculation will remain unchanged with the exception of those in receipt of Disability related income and statutory payments such as sick and maternity pay, these will be increased and could see a positive effect on their overall benefit assessment.

This is regardless of faith or sexual orientation.

The remaining changes 4 – 6 would have the positive impact of reversing changes that were implemented last year and increasing awards.

This positive impact would be regardless of faith and sexual orientation. Change 1 has the negative impact of reducing the level of contribution that could be made by way of Council Tax Reduction by 30%.

This negative impact would be regardless of faith and sexual orientation.

By applying change 2 the impact of change 1 would be mitigated for groups of claimants that potentially need further support. This positive impact would be

to change the liability reduced to a lower rate up to 20% or remove it completely.

This positive impact would be regardless of faith and sexual orientation.

In order to mitigate the impact of these changes there will be a public consultation, ensuring the small percentage of negatively affected people have the opportunity to give their views and be made aware of the changes proposed.

5. Is a full EIA required? Yes when this option is sent for full public consultation.
- Is the service a frontline service? Yes
 - Is it clear what impact the service change will have on all the equality groups? Individual changes would have a known effect but when combined or with multiple changes together the impact is unknown
 - Overall will the change have a negative impact on any of the equality groups? Yes the overall effect of applying change 1 would have a negative effect but could be mitigated by any combination of changes 2 – 6.

Comments - Please give the rationale here for not undertaking a full EIA
Not applicable

6. Through the initial EIA have you identified any actions that needed to be implemented to improve access to the service or monitoring of the service? (Please list).

Changes 2 – 6 could mitigate the effects of change 1 but in order to mitigate the negative effects in line with our requirements for any amendments to the scheme we must consult. This consultation will give the opportunity for anyone we feel has an interest in the operation of our scheme to provide their feedback.

An EIA has been prepared using the data available. As part of the consultation on changes this EIA will be shared in order to identify any missed impacts. Any significant negative impacts will be highlighted to Cllrs.

Signed:

Date:

Approved by:
