

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**‘First Stage’ Equality Impact  
Assessment**

**Council Tax Reduction Scheme  
2017/18**



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## **Proposed Changes to the Council Tax Reduction Scheme for 2017/18**

- **The Aims, Objectives and Expected Outcomes**

Since 1<sup>st</sup> April 2013, the Council has maintained a local Council Tax Reduction scheme. This replaced the national Council Tax Benefit scheme, which ended on 31<sup>st</sup> March 2013. Council Tax Reduction helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.

The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.

When Council Tax Reduction was first introduced in 2013, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1<sup>st</sup> April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.

After the original consultation, the Council decided to introduce a Council Tax Reduction scheme that differed from the original Council Tax Benefit in that instead of granting a maximum level of support of 100% it would limit the maximum support to 81.5%.

- **Changes since 2013**

Since the introduction of Council Tax Reduction, the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts and non-dependant charges being uprated as well as minor changes being made to mirror changes to the Housing Benefit scheme. Central Government has also continued to uprate changes to applicable amounts for pension age applicants, again to mirror the changes in Housing Benefit.

- **The Proposed Scheme for 2017/18**

It has now been decided by the Council that a full review should be undertaken as to the effectiveness of the current Council Tax Reduction scheme; and a public consultation should be undertaken to gather views as to whether the current scheme should be changed. The Council is minded to make changes to the working age scheme to meet the following:

- The more accurate targeting of support to those working age applicants who most need it;
- The need to change the scheme, not only to align with proposed changes to Housing Benefit, but also to align the scheme with the approach taken by the Department for Work and Pensions in the creation, introduction and roll out of Universal Credit; and
- To address potential shortfalls in funding due to the continued reduction in Central Government grants.

Through work undertaken by the Kent Finance Officers' Group, the Council has identified a number of proposed changes to the current scheme and these will form part of an extensive public consultation. Please note that the changes, if made, would only apply to

the working age scheme although the consultation will be open to all Council Taxpayers and other stakeholders.

Contextually, the Council is restricted by how much it can raise council tax annually without having a local referendum and must find savings of circa £1.8m over the medium term due to cuts in government funding. The Council's reserves are finite. The Council has already have planned over the medium term to use reserves, reduce services and increase council tax and other income in order to balance the budget. Realistic alternative options to changing the Council Tax Reduction Scheme are, therefore, somewhat limited.

However, the Council will seek feedback through the consultation as to whether further increases in council tax, cuts to services and use of limited savings should be considered as an alternative to changing the Council Tax Reduction Scheme. Changes such as those in points 1 to 3 below may affect all residents in the Borough and across Kent.

1. Should Council Tax be increased for all Council Taxpayers, beyond that already planned in the Council's Medium Term Financial Strategy, to fund the Council Tax Reduction scheme?
2. Should Council reserves be used to fund the scheme?
3. Should there be further cuts to Council services, beyond those already required through the Council's Savings & Transformation Strategy, to fund the scheme?
4. The Council proposes to maintain a similar methodology as in the past, save some changes. Any changes, if adopted, will be effective from 1<sup>st</sup> April 2017. The proposed options to change the scheme, subject of the consultation, will be as follows:
  - a. Should an increase be made in the minimum payment of Council Tax made by recipients of Council Tax Reduction? Views will be obtained as to whether the current minimum payment of 18.5% should be increased to 20% or 25%.
  - b. Should the amount of Council Tax Reduction granted be limited to a maximum council tax band? The consultation will include the proposal to limit the maximum Council Tax Reduction award to Band D level.
  - c. Should Second Adult Rebate be removed? Second Adult Rebate is a reduction assessed on the income of another adult residing in the property regardless of the income or capital of the person liable for Council Tax.
  - d. Should the Council Tax Reduction scheme have a maximum level of capital at £6,000? Currently the limit is set at £16,000;
  - e. Should Child Benefit and Child Maintenance payments which are currently disregarded in the calculation of CTR be included as income?
  - f. Should a standard charge of £10 for non-dependants who live in a property be introduced? Currently deductions range from £0.00 to £11.45.

- g. Should the scheme set a minimum level of income for all Self Employed claimants (after a start up period of one year)? This could be equivalent to National Minimum (Living) Wage multiplied by 35 hours per week (16 hours for part-time workers) or similar.
  - h. Should the scheme be amended to align with Housing Benefit Regulations and the Pension Age Council Tax Reduction scheme? Namely that:
    - i. Family Premium will not be granted for all new claims and for any 'new' families;
    - ii. The backdating for claims should be limited to a maximum of one month;
    - iii. The 'temporary absence rules' should be introduced where an applicant leaves Great Britain for a period of greater than 4 weeks? (certain exceptions would be applied for armed forces personnel, mariners, and for certain cases where an applicant is receiving care);
    - iv. the number of dependant additions granted in the calculation should be restricted to a maximum of two (This change will have specific exceptions and will only affect those applicants who have a third or subsequent child on or after 1<sup>st</sup> April 2017);
    - v. The Work Related Activity Component, enhancing Employment Support Allowance will not be granted when calculating Council Tax Reduction.
5. The Council proposes that the scheme should include a targeted Exceptional Hardship policy that would provide applicants with the ability to request additional Council Tax Reduction if they can demonstrate that they are suffering exceptional hardship. Do you agree that there should be the ability to apply for additional assistance in the case of exceptional hardship?

## Scope of the Equality Impact Assessment

A full Equality Impact Assessment will be produced after consultation and will examine the potential effects of each of the changes if any of the options were to be considered by the Council.

Please note that Pensioner protection will be achieved by keeping in place national rules, which broadly replicate the current council tax benefit scheme, which existed prior to 1<sup>st</sup> April 2013.

The Council must give consideration to the effects of the options on working age claimants, in particular, vulnerable groups.

Central Government has not been prescriptive in how it does this but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.

## Method of Consultation

The Council will use the following methods to obtain the view of taxpayers.

<b>Stakeholders</b>	<b>Methodology</b>
1. Existing claimants (both working age and pensionable age)	Web based questionnaire Claimants to be directly notified of consultation Hard copy documents to be provided as necessary
2. Council taxpayers and service users generally	Web based questionnaire Hard copy documents to be provided as necessary
3. Interested organisations and groups.	Web based questionnaire Organisations with significant interest to be notified directly Hard copy documents to be provided as necessary
<b>General Awareness</b>	
Provision of information and awareness raising of changes and proposals	News releases Face to face communication at customer service points Information in libraries/surgeries and other public venues The Council's Website and Social Media

## Analysis and Assessment

A full analysis and assessment will be made after public consultation. Details of responses will also be provided as part of the second stage Equality Impact Assessment.

## First Stage – Potential Impacts

Area of impact	Is there evidence of negative, positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Age	Negative Impact	There may be a reduction in support given to certain working age groups based on the changes. This will be subject of public consultation	<p>The Council will ensure that it operates within a lawful and balanced way. The financial impact on the Council due to the reduction in the grants received from central government require the Council to adopt a local scheme that takes into account the need to protect the most vulnerable in our community and all local taxpayers.</p> <p>The introduction of changes will provide the Council with the opportunity to apply the principles to ensure that the Council meets the public sector equality duty under the Equality Act 2010.</p> <p>The reduction in financial support is necessary to protect the interests of taxpayers in general and to preserve the ability for the provision of key services.</p>	<p>Should any of the proposals be adopted there will need to be safeguards. This will take the following forms:</p> <ul style="list-style-type: none"> <li>• The existing means tested scheme will be maintained and the most support will be given to those on lowest income.</li> <li>• Certain groups will continue to receive additional help under the scheme through the provision of premiums and allowances, e.g. Disability Premium, Severe Disability Premium, Enhanced Disability Premiums etc.;</li> <li>• The Council is proposing the adoption of an exceptional hardship policy which would be available for those claimants in most severe financial need</li> </ul>
Disability	Negative Impact	Certain applicants may experience a reduction in overall support (as with other working age applicants) due to the changes in the scheme		<p>The Council is under no obligation to offer protection to those of working age who are in receipt of any disability benefits.</p> <p>However, the Council's preferred option is to implement a local scheme that continues to provide additional premiums to disabled persons.</p> <p>All applicants will have access to the exceptional hardship policy should they experience exceptional hardship.</p>
Gender Reassignment	No impact	Other than that for working age claimants generally		

<b>Area of impact</b>	<b>Is there evidence of negative, positive or no impact?</b>	<b>Could this lead to adverse impact and if so why?</b>	<b>Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?</b>	<b>Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)</b>
Marriage & Civil Partnership	No impact	Other than that for working age claimants generally		
Pregnancy & Maternity	No impact	Other than that for working age claimants generally		
Race	No impact	Other than that for working age claimants generally		
Religion / Belief	No impact	Other than that for working age claimants generally		
Sex (male or female)	No impact	Other than that for working age claimants generally		
Sexual Orientation	No impact	Other than that for working age claimants generally		
HR & workforce issues	Not known at this stage		The Council will, in any event, monitor the overall impact of work and resource accordingly if the preferred scheme is adopted and undertake a full EQIA screening on the impact of HR workforce issues.	
Human Rights implications if relevant	n/a			