

# Sheffield City Council Equality Impact Assessment



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**Name of policy/project/decision:** Local Council Tax Support Scheme

**Status of policy/project/decision:** New

**Name of person(s) writing EIA:** John Squire

**Date:** 18/09/12

**Service:** Finance

**Portfolio:** Resources

**What are the brief aims of the policy/project/decision?** Under the Welfare Reform Act 2012, Council Tax Benefit will be abolished. From April 2013, all local authorities will have to introduce a Local Scheme for Council Tax Support (CTS) to replace Council Tax Benefit (CTB). The scheme will be designed and implemented within a national framework of specific requirements and broad principles. The scheme in Sheffield will be aligned as closely as possible to the current CTB scheme. There are several reasons for this, with the main one being that this will ensure that the most vulnerable customers will continue to receive the highest level of support, as the current scheme is structured to achieve this aim.

The grant for CTS will be paid up front to the Council as a fixed grant that, unlike CTB, is unresponsive to demand. The Government will cut the funding it gives the Council for CTS. This cut will be at least 10% (£4.6m) lower than funding for CTB and this gap will need to be addressed. The Council will have to meet both this shortfall and any additional increases in the level of CTS payments above the level of the grant received. The Council can meet this shortfall in a number of ways. It can choose to cut funding to other services, increase Council Tax or reduce the amount it currently pays out in CTB. The Council has considered these options and has decided that cutting funding to other services is not an option it can take due to the potential detrimental impact on frontline services. Equally, increasing Council Tax purely to fund the gap in benefit is not an option the Council can implement as wider budget pressures mean that any Council Tax increase will need to be used to meet these cost pressures and therefore continue the funding of existing services. The Council therefore intends to fund this change by reducing the amount of financial help provided to customers who will be eligible for CTS.

The Council was required to consult on its draft scheme for CTS. Responses to the consultation strongly supported the Council's intention to align the scheme as closely as possible to the current CTB scheme. An overall analysis of the responses to the consultation exercise has not highlighted any specific significant concerns regarding the impact of this change on those groups that are included within the scope of this EIA, although the Council does recognise that some respondents have expressed concerns regarding the impact that this change may have on poverty levels within the City, particularly amongst the most vulnerable.

**Are there any potential Council staffing implications, include workforce diversity?** No

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Neutral	High	<p>Regulations will prescribe that current, and the vast majority, of future customers of a pensionable age are protected so that they are no worse off than they would have been should they have continued to receive CTB.</p> <p>For the avoidance of doubt, the government has defined a pensioner as a person who, amongst other things, has reached the qualifying age for state pension credit and they or their partner are not in receipt of certain income related benefits. Therefore, a taxpayer who has reached state pension credit age but is in receipt of a relevant income related benefit will not be protected and will be treated in the same way as working age claimants when calculating their entitlement to CTS.</p> <p>This is a positive impact for those customers defined as pensioners who currently represent around 46% of our CTB caseload. This is high impact because the funding we will receive for CTS will be reduced by at least 10% based on our CTB expenditure for 11/12. Pensioners being protected means that this cut will fall on working age customers and at present the cut to working age customers is expected to be around 20%. Should our pensioner caseload increase then either the cut in support to working age customers would increase, or the Council would need to meet the additional costs.</p> <p>The local scheme sets out that the cut in CTS grant will be met by increasing the amount of council tax to be paid by existing working age customers who are now in receipt of CTB. This would be achieved by using 80% of a customer's net Council Tax liability to assess entitlement to CTS. This would mean that all working age customers would be expected to pay at least 20% of their Council Tax liability. Over 90% of working age customers live in Band A properties. Based on current Council Tax charges this would mean they would have to pay an additional £3.76 pw (or £2.82 if they receive Single Person Discount). Of our working age caseload, around 24,000 customers will have to pay some amount of Council Tax when previously this would have all been paid by CTB.</p> <p>By aligning our local scheme as closely as possible to the current CTB scheme the most vulnerable customers will continue to receive the highest available level of CTS. In addition, the Council intends to continue to disregard as income war widow and widower's pension (regardless of the age of the pension recipient) when assessing entitlement to CTS.</p> <p>It is acknowledged that some households will find a</p>

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			<p>cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Disability</b>	Negative	Medium	<p>Pension age customers with a disability will not be adversely impacted by this change. Working age customers with a disability will be affected as they will have their CTS award based on 80%, rather than 100%, of their Council Tax Liability. The Council recognises that this may cause hardship for customers in this group. However by aligning the scheme with the current CTB scheme, customers in receipt of disability benefits will continue to receive the highest possible level of CTS.</p> <p>It is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p> <p>Equally, some disabled customers or households may have a higher net income than other groups and although the Council recognises that this income is intended to meet their wider needs, they may still be in a better position to meet their Council Tax Liability than customers on non disability welfare benefits. In addition the Council intends to continue to disregard as income Attendance Allowance, Disability Living Allowance and War Disablement Pension when assessing a customer's eligibility to CTS.</p>
<b>Pregnancy/maternity</b>	Negative	Low	<p>Pregnant customers claiming CTS will have their award based on 80% rather than 100% of their Council Tax Liability. They therefore may have to pay some Council Tax for the first time or pay more than they are currently paying. By aligning the Local Scheme to current CTB, once these customers give birth their change in circumstances will be positively reflected in the level of CTS that they will receive. The Council also intends to continue to disregard as income child benefit when assessing a customer's eligibility to CTS.</p> <p>It is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>

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<b>Race</b>	Neutral	Low	<p>There is no evidence to suggest that assessing CTS based on 80% of Council Tax liability as opposed to 100% of Council Tax liability will have a greater or lesser impact on customers purely as a result of their racial origin. The current CTB scheme meets all current equality legislation. By basing the scheme on the current CTB scheme we will ensure that the CTS scheme continues to meet these equality objectives.</p> <p>It is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Religion/belief</b>	Neutral	Low	<p>There is no evidence to suggest that assessing CTS based on 80% of Council Tax liability as opposed to 100% of Council Tax liability will have a greater or lesser impact on customers purely as a result of their religion or beliefs. The current CTB scheme meets all current equality legislation. By basing the scheme on the current CTB scheme we will ensure that the CTS scheme continues to meet equality legislation.</p> <p>It is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Sex</b>	Neutral	Low	<p>There is no evidence to suggest that assessing CTS based on 80% of Council Tax liability as opposed to 100% of Council Tax liability will have a greater or lesser impact on customers purely as a result of their sex. By basing the scheme on the current CTB scheme we will ensure that the CTS scheme continues to meet equality legislation.</p> <p>However, it is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Sexual orientation</b>	Neutral	Low	<p>There is no evidence to suggest that assessing CTS based on 80% of Council Tax liability as opposed to 100% of Council Tax liability will have a greater or</p>

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			<p>lesser impact on customers purely as a result of their sexual orientation. By basing the scheme on the current CTB scheme we will ensure that the CTS scheme continues to meet equality legislation.</p> <p>However, it is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Transgender</b>	Neutral	Low	<p>There is no evidence to suggest that assessing CTS based on 80% of Council Tax liability as opposed to 100% of Council Tax liability will have a greater or lesser impact on Transgender customers purely as a result of their gender. By basing the scheme on the current CTB scheme we will ensure that the CTS scheme continues to meet equality legislation.</p> <p>However, it is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p>
<b>Financial inclusion, poverty, social justice, cohesion or carers</b>	Negative	High	<p>It is intended that the CTS scheme is based on the current CTB regulations. These regulations provide for the maximum financial support being made available to those with the greatest financial need. They protect some of the income of the disabled and of families whilst providing assistance to those people who move off benefits into paid employment. The Council recognises however that requiring all working age customers to pay a minimum of 20% of their Council Tax may cause financial hardship amongst some households. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p> <p>The Council also recognises that it will need to review the way in which Council Tax is recovered from those most impacted by this change in order to wherever possible minimise the level of indebtedness that this change may bring about.</p>
<b>Voluntary, community &amp; faith sector</b>	Neutral	Low	<p>The Revenues and Benefits service has close links with this sector, particularly with advice agencies and supported housing providers. The service has engaged with many organisations within this sector</p>

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			when consulting on the draft scheme and will continue to engage with them in order to review and refine the scheme in order to ensure that it continues to be fit for purpose.
<b>Other/additional: Landlords</b>	Negative	Medium	Landlords may be impacted by this change as tenants who have to pay some council tax for the first time, or pay more council tax, may struggle to meet their rent liabilities.
<b>Other/additional: Internal stakeholders (such as Housing Solutions, Housing Independence Service, Adult Social Care etc )</b>	Neutral	Low	CTS will have no direct impact on internal stakeholders. However if there is a significant amount of non payment this could impact the future funding of services.

**Overall summary of possible impact (to be used on EMT, cabinet reports etc):** The introduction of Council Tax Support has meant that the Council has had to make some difficult financial decisions. The Council believes that its Local Council Tax Support scheme spreads the burden of this change fairly across working age customers. The Council has consulted on its proposed scheme and will continue to evaluate the scheme and consult on significant changes to the design of the scheme once it has been implemented in April 2013. The Council considers that the scheme it intends to introduce will be relatively simple to administer and that the transition to CTS from CTB will be accomplished with minimum disruption and inconvenience to customers whilst confusion amongst customers regarding the change will be minimised as a result of aligning the scheme to the current CTB scheme.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

**Review date:**                      **Q Tier Ref**    tbc                      **Reference number:** tbc

**Entered on Qtier:** -Select-                      **Action plan needed:** Yes

**Approved (Lead Manager):** Jon West    **Date:** 05/10/12

**Approved (EIA Lead person for Portfolio):** Michael Bowles    **Date:** 05/10/12

**Does the proposal/ decision impact on or relate to specialist provision:** no

**Risk rating:** Medium

# Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
All groups	<p>The Council will develop and implement a Communications Strategy which will ensure that all those affected by this change are made aware of the impact on them. We will also provide advice on how and where customers can pay their Council Tax and we will work with advice and support agencies to ensure customers have access to money advice services. In order to promote financial inclusion and reduce poverty we will work with the Credit Union to promote the take up of low cost saving and borrowing.</p> <p>However, it is acknowledged that some households will find a cut in support harder to manage than others. Therefore in the run up to the implementation of the scheme the Council will consider ways that additional support, for example through the development of an additional hardship scheme, may be provided to these households.</p> <p>We will review the Council Tax Recovery policy and procedures to try where possible to minimise any increase in indebtedness.</p>	<p>Development and Implementation of a Communications Strategy John Squire 2012 - April 2013</p> <p>Development of an additional hardship scheme - John Squire November 2012 - April 2013.</p> <p>Review of the Council Tax Recovery policy John Squire November 2012- April 2013</p>
Disability	<p>We will work to establish a baseline which shows the proportion of Disabled customers in receipt of CTB in order to support the work we will undertake to monitor the impact of this change on disabled customers.</p> <p>We will develop a system to monitor the impact of this change on disabled customers</p>	<p>John Squire October 2012 - April 2013</p> <p>John Squire April 2013- March 2014</p>
Race	<p>We will work to establish a baseline which shows the proportion of BME customers in receipt of CTB in order to support the work we will undertake to monitor the impact of this change on BME customers.</p> <p>We will develop a system to monitor the impact of this change on BME customers</p>	<p>John Squire October 2012 - April 2013</p> <p>John Squire April 2013- March 2014</p>
Sex	<p>We will work to establish a baseline which shows the proportion of female customers in receipt of CTB in order to support the work we will undertake to monitor the impact of this change on female customers</p> <p>We will develop a system to monitor the impact of this change on female customers.</p>	<p>John Squire October 2012 - April 2013</p> <p>John Squire April 2013- March 2014</p>

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**Approved (Lead Manager): Jon West Date: 05/10/12**

**Approved (EIA Lead Officer for Portfolio): Michael Bowles Date: 05/10/12**