

# Equality Impact Assessment

## Local Council Tax Support Scheme from 2020/21

### Stage 1 Details of the proposal

<b>Name of service</b>	Benefits and Taxation
<b>Directorate</b>	Finance
<b>Name of officer responsible for EIA</b>	Lisa Smith
<b>Name of senior sponsor</b>	Neil Copley
<b>Description / purpose of proposal</b>	To simplify the current Local Council Tax Support (LCTS) scheme and make it more generous to those on the lowest incomes.  This applies to working age only claimants.
<b>Date EIA started</b>	August 2019
<b>Review date</b>	July 2020

### Stage 2 - About the proposal

<b>What is being proposed?</b>	<p>We are proposing to simplify the current LCTS scheme and make it more generous for the majority of people.</p> <p>The current Local Council Tax Support scheme was introduced in 2013 after the Government abolished the Council Tax Benefit scheme.</p> <p>Councils had to design their own schemes for working age claimants.</p> <p>Pension age claimants are not affected by the scheme which remains to be determined by Central Government.</p>
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<p><b>Why is the proposal required?</b></p>	<p>The scheme requires those on the lowest income (Income Support, ESA, Income Based Job Seekers Allowance) to pay at least 30% of their Council Tax. Evidence suggests that those on the lowest incomes are finding it harder to meet this demand and as a consequence are falling behind with their payment of Council Tax. The scheme is complex to understand for the claimant and difficult to administer.</p> <p>The introduction of Universal Credit, which is designed to mirror the working world, has seen changes in entitlement to UC on a monthly basis. A corresponding amendment to LCTS entitlement is a consequence of this. We are finding that some claimants are receiving up to 8 council tax bills per year making this harder for people to manage their council tax bills due to fluctuating demands.</p>
<p><b>What will this proposal mean for claimants?</b></p>	<p>The proposed scheme will be more generous for more people. However, an analysis of the data has shown that some protected groups will be adversely affected and as part of the consultation we will ensure that we target the groups listed below.</p> <p>The changes that may disproportionately affect the protected groups are:</p> <ol style="list-style-type: none"> <li>1) Limiting the make-up of the household to 2 children in the calculation of entitlement to LCTS. Age (children) and Sex (female) in the case of single parents.</li> <li>2) Introduction of the MIF for the self-employed again potentially affecting age (children) and (sex) females. 295 claimants are affected by the MIF of which 80 are lone parents and 73 are women.</li> <li>3) The scheme has been changed to replace a very complex scheme by a simple income grid scheme which has meant that some claimants will qualify for less than they did before. There are fewer than 300 households that will be negatively impacted by the proposed scheme. As well as those highlighted in the above points there are 74 households with disabled children and or adults.</li> </ol> <p>The scheme will benefit over 12,000 working age people meaning that they will have less council tax to pay.</p>

The survey will be issued as a general survey to both CTS and non CTS recipients to ensure we get a balanced view of the proposed scheme.

### Stage 3 - Preliminary screening process

Use the questions in the Guidance (**Preliminary screening process**) to decide whether a full EIA is required

- Yes - EIA required (go to next section)  
 No – EIA not required (provide rationale below)

### Stage 4 - Scoping exercise - What do we already know?

#### Data: Generic demographics

What generic data do you know about the people who will be affected by the proposal?

This could be internal data held such as ward profiles, JSNA results, if the proposal is inward facing look at the current workforce data,

Are there any external data publications relevant to the proposal? For example from the Office of National statistics, Census data, Public Health England, Charity publications

Borough profile at 2019.

<https://www.barnsley.gov.uk/media/11759/our-borough-profile-20190724.pdf>

Barnsley's population has been growing constantly since 2001 and is currently 243,341.

Age profile-

0-18 year olds= 52,858. Barnsley population at 21.7% which is lower than England at 22.5%.

19-64 year olds=143,951. Barnsley population at 59.2%, England similar at 59.5%

65+ years=46,532. Barnsley population at 19.1%, which is higher than England at 18%.

Ethnicity

White British= 96.1%

BME=3.9%

Nationality

British= 93.9%

Non-British= 5.7%

Learning related data

Indices of Multiple Deprivation= 39<sup>th</sup> most deprived authority out of 326 in England.

Out of seven domains of deprivation, lowest (worst) score was 10<sup>th</sup> in Education, skills & training.

Learning outcomes for pupils achieving a good level of development have risen steadily in last five years.

Percentage of pupils (secondary & primary) eligible for free school meals several % above national average.

School attendance rates are below the national (secondary & primary) average.

Percentage of pupils with SEND (secondary & primary) is slightly above the national average.

### Employment & Benefit Claimants

Main out of work benefits: Barnsley has a higher proportion of the population claiming out of work benefits compared to England and the regional rates. However, the numbers are declining locally and nationally. These figures do not include those claiming Universal Credit.

Universal credit: Figures show that Barnsley has a significantly higher proportion of claimants than there are regionally and nationally.

Percentage of children living in workless household = 15.1%, higher than the national average (10.7%)

The scheme has been designed to follow the direction of the general welfare reforms. The assessment includes families of up to 2 children. There are no additional allowances for 3 or more children.

We therefore know that women (sex) will be affected and children (age).

We have also introduced a minimum income floor (MIF) for the self-employed. If after the first year of trading their income is less than 35 hours at the national living wage the higher amount will be used. This will be 16 hours for lone parents. Again, for lone parents, this will affect women (sex) and children (age) and for families this will affect children (age)

We know that 80 claims are lone parents whose self-employed earnings are less than the MIF of these 73 are women.

An analysis of the data shows that some disabled people are adversely affected as an indirect consequence of the changes.

### **Data: Service data / feedback**

What do you already know about the equality impact of the service/location/policy/contract? This could be from complaints / compliments, stakeholder feedback, staff anecdotal evidence etc.

There are currently around 12,000 working age claimants qualifying for help under the current LCTS scheme. The proposed scheme will benefit the majority of these people as the scheme is more generous. Through the use of a modelling tool we have found that less than 300 claimants and their families (if applicable) will be worse off.

We already know that of the people affected the proposed changes to the scheme will affect the following protected groups:

Age (children),  
Sex (women);

And disabled.

This is because we intend to make the following changes:

- 1) To limit the number of children in the calculation of entitlement to 2 children.
- 2) To introduce a minimum income floor for the self-employed after the first year of trading. If the claimant is a single parent this will be 16 hours at the national living wage.
- 3) The modelling tool has identified as an indirect consequence of the above changes and the other changes to the scheme some disabled people will be adversely affected.
- 4) People with more than £10,000 capital have also been adversely affected and fall in to one or more of the above groups.

See below under consultation as to how we engaged with these groups and the results of that engagement.

#### **Data: Previous / similar EIA's**

Has there already been an EIA on all or part of this before, or something related? If so, what were the main issues and actions it identified?

No there are no EIA's within BMBC.

However information from Buckley & Ors, R V Sheffield City Council (2013) has been utilised as relates to similar matters. Namely changes to the Council Tax Reduction Scheme.

Buckley

<https://www.bailii.org/ew/cases/EWHC/Admin/2013/512.html>

In the Buckley case the impact level in relation to 'Age' was 'high' and the impact for those with a 'disability' was 'medium'. 'Financial inclusion, poverty, social justice, cohesion or carers' the impact level was assessed as "High". After the initial evidence trawl, BMBC predict the three protected characteristic groups who will be adversely affected will match those from the Buckley case, namely Age, Disability and Sex (female). The financial magnitude can be calculated but the potential impact will be ascertained during consultation.

Sheffield Council acknowledged some households would find a cut in support harder to manage than others. Therefore the Council considered additional support, in the form of hardship support for affected households.

They also reviewed the Council Tax Recovery policy and procedures to try where possible to minimise any increase in indebtedness.

'40. vi) ... the impact on children themselves cannot be divorced from the position of households in which they live. There is no separate impact in relation to children that councils should have considered separately.' With regards to this, we have given no extra consideration to children outside the family unit.

## Data: Formal consultation

Has there been a formal consultation process? External engagement with equality forums? If so, what were the main issues and actions it identified?

A consultation took place from 9<sup>th</sup> September 2019 to 27<sup>th</sup> October 2019. The full communications plan is below. Predominantly campaigns were ran via social media with links to an on line survey. We also held engagement events throughout the Borough in a mixture of libraries and family centres.

The result of the social media campaign showed that we reached 47,189 people and 2,139 engaged with the social media campaign by either commenting on, sharing or viewing the images.

The EIA has identified the following protected groups; age (children) sex (female) and the disabled who could be potentially adversely affected by the new scheme.

The equality forums were directly contacted and officer led events were held to explain the proposed changes and provide support in completing the survey. Literature was available in easy read. An event was held at the CAB for the Deaf community with a BSL interpreter available specifically to deal with questions around the proposed changes. We also held some of the consultation events at family centres in an attempt to engage with the protected groups.

Advice was sought from the Head of Communication and Equality and Diversity Manager as to the best methods of engaging with the community for both the protected groups and the wider population.



CTS comms plan  
final.docx

### **Actions/Issues Identified:**

We received 376 responses to the survey of which 199 were partially completed.

49% agreed the scheme should be changed 19 % didn't know and 32% said we should stay with the current scheme.

71% of the respondents were not currently claiming LCTS and 29% were currently claiming LCTS.

68% agreed that we should limit the calculation of entitlement to 2 children in line with Universal Credit. 19% disagreed and 13% didn't know. Some of the comments were around the fact that these families had already suffered because of other welfare reforms and that this would force more families into poverty. Other comments agreed with the proposal.

We know that 182 families will be affected by the 2 child rule. Of these 61 are single parents. We will contact these claimants and automatically award them additional monies for the first year of the scheme. This is part of the Council's Discretionary Relief scheme. As the scheme looks at the income and expenditure within each application, we can also identify and signpost the claimant on to other agencies where there may be an entitlement to more income or to reduce debt and expenditure.

A further change to the scheme is the minimum income floor for self-employed earners. After the first year of trading if the self-employed earnings are less than the national living wage we will use a notional income of 35 hours x the national living wage for couples and 16 hours for single parents. 69% of respondents agreed 14% didn't and 17% didn't know.

This will affect age (children) and sex (female). To mitigate this effect we are proposing to not apply this rule where the claimant is a single parent and has children under 5 years of age.

From the demographics data we know that Barnsley is 39<sup>th</sup> (2015 IMD) on the deprivation indices and that higher than average children live in out of work households. The number of families adversely affected is small which will enable us to work directly with the families. We also know that Barnsley has a higher than average number of pupils in primary and secondary education with a SEND. We have looked at the households that will be adversely affected by the changes and have identified that there are 21 children (18 households) that will be negatively affected. We will work closely with these claimants initially to automatically award the discretionary relief fund and then to look at where these families may be helped within the council and with partner organisations.

As a result of the consultation we amended some parts of the scheme to directly benefit the families that would have been initially worse off. These are:

- Increase the capital limit from £6,000 to £10,000 meaning that families will not be automatically excluded from an award until their capital (savings, assets, shares, etc.) reach the £10,000 cut off point.
- We will not use the minimum income floor for self-employed people where the family make up is a lone parent and there are children under 5 living in that household.

## Stage 5 - Potential impact on different groups

Considering the evidence above, state the likely impact the proposal will have on people with different protected characteristics

(state if disproportionately high negative impact and highlight with red text)

Positive and negative impacts identified will need to form part of your action plan.

Protected characteristic	Negative '-'	Positive '+'	No impact	Don't know	Details
Sex (females)	x	x			<p>The scheme design is that an allowance is made for up to 2 children. Therefore families of more than 3 children will be adversely affected. Lone parents, who are more likely to be women, will be adversely affected.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children. Again this has been mitigated in part by the amendment to the minimum income floor change to the policy. This will not apply where the family is a lone parent and the child/children are under 5.</p>

Age (children) Children in families with 3 or more children. High impact.	x	x			<p>Because of the above children in these families may be affected by a reduction in their parents/guardians income.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.</p> <p>Claimants who are adversely affected by the 2 child rule will be supported to claim additional money up to the previous level of entitlement through the discretionary relief scheme.</p> <p>People of pension age are not affected by the new scheme as the current pension age scheme is set by central government. Similarly disabled people of pension age are also not affected for the same reason.</p>
Disabled <i>Learning disability, Physical disability, Sensory Impairment, Deaf People, invisible illness, Mental Health etc.</i>	x	x			<p>An analysis of the data has shown that some families with a disability related income will be affected indirectly as a consequence of the 2 children restriction.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.</p>
Race			x		
Religion & Belief			x		
Sexual orientation			x		
Gender Reassignment			x		
Marriage / civil partnership			x		
Pregnancy / maternity	x	x			<p>For above reasons. People on maternity related income could have more than 2 children and above 2 child rule will still apply in the assessment of the local council tax support entitlement.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of</p>

					people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.
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Other groups you may want to consider					
	Negative	Positive	No impact	Don't know	Details
Ex services	x				Ex-services again may be inadvertently affected because of the 2 child restriction.
Lower socio-economic		x			The design of the new scheme is to be more generous to those on the lowest income.
Other ...					

## Stage 6 - BMBC Minimum access standards

If the proposal relates to the delivery of a new service, please refer to the Claimant minimum access standards self-assessment

If not, move to Stage 7.

Please use the action plan at Stage 7 to document steps that need to be taken to ensure the new service complies with the Equality Act duty to provide reasonable adjustments for disabled people.

The proposal will meet the minimum access standards.

Access to claiming LCTS will not change as a result of the scheme. We have on line forms and support for people with access needs should they request additional help. The forms are available in different languages. For the Deaf community we have on line videos which give information about how you can get extra help/advice and information. We have a video relay service for simple enquiries and can arrange for a BSL interpreter for complex cases. Some information has been made available in easy read and we can provide letters in large print for claimants with sight impairments. If the new scheme is approved we will also redesign the form to make it much simpler for everyone. The new scheme has been designed to remove some of the complexities around the current scheme and a new on line form will reflect this.

## Stage 7 - Next Steps

### To improve your knowledge about the equality impact . . .

Actions could include: community engagement with affected groups, analysis of performance data, service equality monitoring, stakeholder focus group etc.

Action we will take:	Lead Officer	Completion date
Engagement with the equality forums for disabled people, Deaf community, BME, gender equality. Drop in sessions at family centres.	Lisa Smith	27 <sup>th</sup> October 2019
Analysis of feedback from above groups to feed into final cabinet report and community engagement plan.	Lisa Smith	12 <sup>th</sup> November 2020

### To improve or mitigate the equality impact . . .

Actions could include: altering the policy to protect affected group, limiting scope of proposed change, reviewing actual impact in future, phasing-in changes over period of time, monitor service provider performance indicators, etc.

Action we will take:	Lead Officer	Completion date
Discretionary Relief Scheme – available to the 300 claimants who will be adversely affected.	Lisa Smith	To start in Feb 2020.
To increase the capital limit from £6,000 to £10,000.	Lisa Smith	Start of scheme April 2020.
To not apply the MIF for self-employed earners where they are single parents and have children under 5.	Lisa Smith	Start of scheme April 2020.

### To meet the minimum access standards . . . (if relevant)

Actions could include: running focus group with disability forum, amend tender specification, amend business plan to request extra 'accessibility' funding, produce separate MAS action plan, etc.

Action we will take:	Lead Officer	Completion date

## Stage 8 – Summarised findings

Please summarise the main findings and next steps identified in this EIA.

The outcomes of this EIA must be documented in cabinet report/business case. You could also include the EIA as an appendix to the report or reference it as a background paper.

<b>Summary of equality impact</b>	<p>The EIA has identified that there will be an adverse impact on (age) children, (sex) females and some disabled households.</p> <p>As a result of the consultation we have made some adjustments to the scheme one of which will directly mitigate some of the adverse impacts on lone parents. This is to not apply the minimum income floor in self-employed cases where a lone parent has a child under 5.</p> <p>We are also proposing to increase the capital limit from £6,000 to £10,000.</p> <p>Additionally all families that receive less LCTS under the new scheme will be directly contacted and automatically awarded additional funds via the exceptional hardship fund. We can also signpost these households where they may be further benefits available to them and also where we think partner organisations may be able to help them to reduce debts and expenditure.</p>
<b>Summary of next steps</b>	<p>The proposed new scheme will go to SMT/Cabinet and full council. This EIA will be an appendix to the report.</p> <p>If approved we will monitor the feedback from individuals as they are awarded discretionary relief.</p> <p>In addition, we will also continue to monitor the makeup of the households negatively affected by changes to the scheme.</p>
<b>How stakeholders will be informed</b>	<p>Feedback to the consultation will be published on line advertised via social media.</p> <p>If the proposed scheme is approved there will be further publicity around the launch of the scheme.</p>
<b>Signature (officer responsible for EIA) Date</b>	<p>Lisa Smith 12 November 2019.</p>