

Appendix C – Full Equality Impact Assessment

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| Detail of Assessment |
| We are proposing to change the Local Council Tax Support scheme for working age residents to increase support from the current maximum 85% of CTAX liability to 100%. This change would affect all working age claimants. |
| What is its purpose and What are its main objectives (of the new/revised service or policy)? |
| This is a change to our existing scheme. The intention behind this policy change is to increase financial support to low income residents who are financially struggling. Other technical changes are intended to align the scheme to national welfare reforms and Universal Credit, and to simplify the claims process. |
| Context |
| <p>In 2013 the government abolished the national Council Tax Benefit scheme and was replaced, as required, with a local Council Tax Support (LCTS) scheme. The scheme adopted in the Royal Borough of Greenwich largely mirrored the rules of the previous Council Tax Benefit scheme, however reducing maximum support available for working age claimants to 85%.</p> <p>The changes did not affect pension age households as the government ensured that they would be given the same level of protection that they received under Council Tax Benefit.</p> <p>The current LCTS scheme requires all working age claimants to make a minimum payment of 15% of their council tax liability. For households on the lowest incomes, this is creating hardship, and Council Tax liability can be a real challenge for the most vulnerable residents who are reliant on benefits to pay it in any case. A recommendation from the Fairness Commission was to increase the level of Council Tax Support for the borough’s most vulnerable residents.</p> <p>No changes to the Council Tax Support scheme have been made since its introduction in 2013. In that time, there have been various changes to other national welfare benefits, prescribed changes to the LCTS scheme which affect pensioners, and the introduction of Universal Credit. These have all resulted in increasing disparity between our LCTS scheme and other benefits.</p> |

The Council is proposing to:

- Increase the maximum level of support from 85% to 100% for all working age claimants
- Increase the disregard towards pension contributions from 50% to 100%
- To ignore Bereavement Support Payment and Universal Credit Transitional Severe Disability Payments within the calculation for council tax support assessments.
- For changes of circumstances to apply from the same dates as the monthly assessment period of Universal Credit.
- To be able to backdate Council Tax Support for up to six months without needing to provide good cause
- To not require a new application within six months of a previous claim ending, where we have the financial information to confirm entitlement.

Criteria

The change is being applied to all working age residents, of which all will benefit from these proposals.

Claimants who are likely to benefit slightly more than other groups: Residents with a disability, and residents in employment.

Outcomes of Assessment

Although equality data is routinely requested in new applications, this data is not mandatory and so the information the Council holds does not provide a comprehensive overview of LCTS claimants. The protected characteristics of gender reassignment, sexual orientation, marriage or civil partnership, religion and belief and pregnancy and maternity are not currently recorded in the Council's LCTS database as they do not form part of the application criteria.

Prior to the Equality Act 2010, the aforementioned characteristics were not covered by the public-sector equality duty, hence there was no requirement to record them in the system and as a result no historical data exists relating to them. The Council takes routine steps to request the data as part of new application processes.

The changes to the scheme will affect all working age households in receipt of LCTS. This includes all household types (single, couples, households with children), and households with disabilities or caring responsibilities.

Based on the caseload in November 2019:

Full caseload: 21,786

Pension age: 7,041

Working age: 14,745

In receipt of Disability benefit: 6,671

Households with children: 7,207

- Age

Households of pension age are not affected by the changes proposed. The scheme for pensioners is controlled by central government, and not considered within the scope of these proposals.

Households of working age are affected. The proposal is that that maximum available support will increase to 100% for all working age households.

- Disability

Households with a disability will benefit in the same way as all working age households, with the potential maximum support increasing from 85% to 100%. The proposal to disregard UC Transitional Severe Disability payments is most likely to benefit residents with a disability, as they would need to have been getting the required disability benefits in the first place to qualify for this additional payment. The implications of not disregarding this income would potentially disadvantage households with a disability more than households without a disability.

There is additional financial support already in place through Council Tax reductions and national social security benefits. These are not changed or impacted by this policy change.

- Gender reassignment

We do not collect information on claimants who have undergone gender reassignment. The fact that a person has undergone gender reassignment is not a relevant factor in determining their entitlement to benefits or other income. All working age claimants will benefit from increasing the maximum level of support from 85% to 100%.

- Marriage and civil partnership

For the purposes of this report 'couples' mean people who are:

- Married
- Living together as if they were husband and wife
- Civil Partners
- Living together as if they were civil partners.

The benefits and income paid to couples in identical circumstances are the same regardless of whether they are married or civil partners. So, all couples with similar circumstances would have the same ability to pay.

- Pregnancy or maternity

We do not record whether a benefit claimant is pregnant. It is accepted that pregnancy does carry additional expenses. Pregnant women will benefit however by the potential maximum amount of support increasing from 85% to 100%.

- Race

Information regarding claimant's race is optional, and as such we do not have a comprehensive overview of this data. The claimants race is not a relevant factor in determining their entitlement to benefits or other income.

- Religion or belief

We do not collect information on a claimant's religion. It is not a relevant factor in determining entitlement to benefits or other income.

- Sex

The claimant's sex is not a relevant factor in determining their entitlement to benefits or other income.

- Sexual orientation

We do not collect information on a claimant's sexual orientation. It is not a relevant factor in determining entitlement to benefits or other income.

What other risks/factors will be taken in to account in the decision making?

Other factors include welfare reforms to national benefits, such as Universal Credit.

Mitigating risks

No risks have been identified, as these proposed changes are intended to increase support, and simplify the scheme.

Consultation

The public consultation has been placed online, with paper applications available upon request. The consultation has been advertised on social media and in Greenwich Info. We have contacted local community and voluntary organisations to invite them to respond to the consultation.

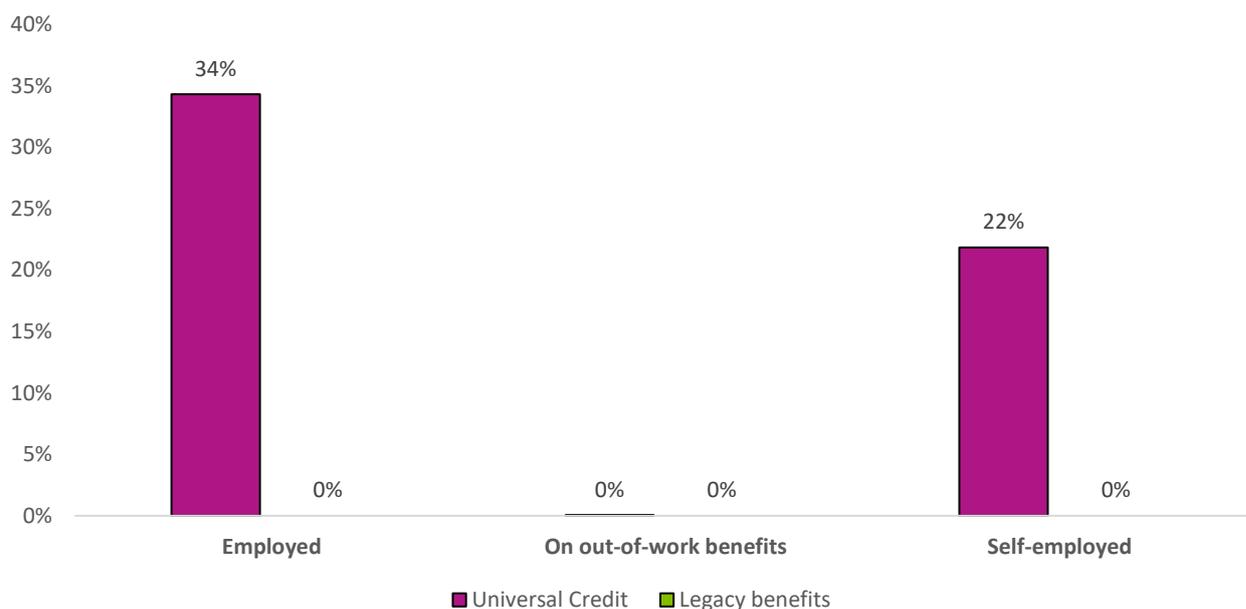
The consultation period commenced on 22nd November 2019 and was completed on 20th December 2019.

In total, we have received 111 responses.

Impact AssessmentCharacteristics of households losing more than £5/week

416 households see support reduce by more than £5/week compared to current awards, this is 3% of the working-age caseload. The higher retention of earned income under Universal Credit means that even under this more generous model, these households are no longer eligible for support. These are primarily working households in receipt of Universal Credit. These households are likely to lose even more support if the current scheme was retained into 2020/21.

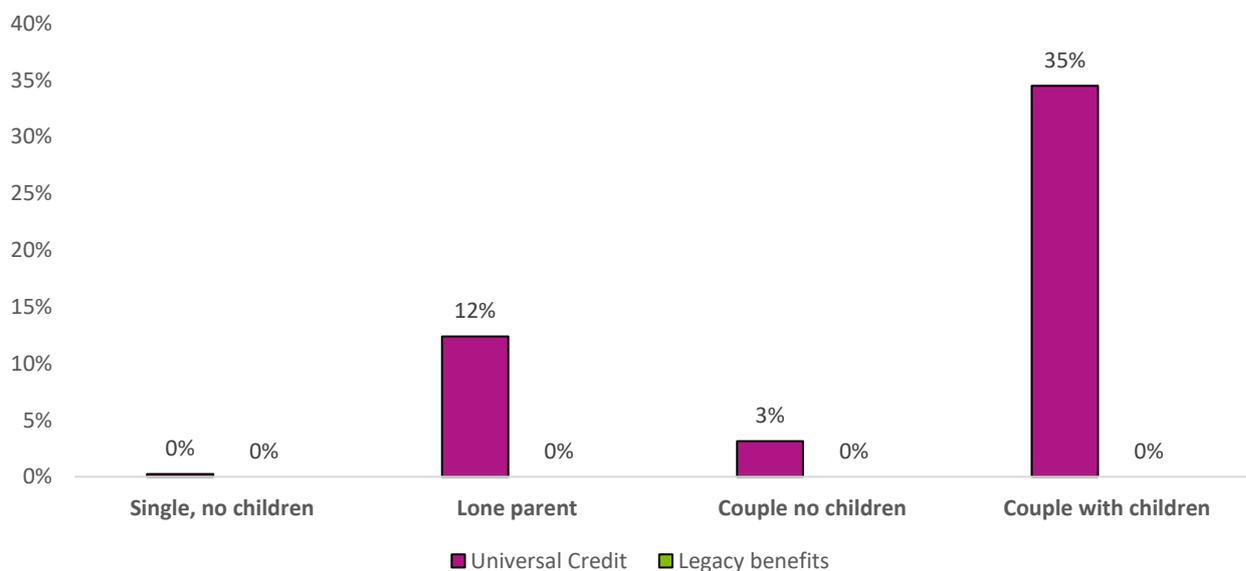
% of households, by economic status, losing over £5/week



Model 1: households losing more than £5/week by economic status

Households with children are more likely to be in work and so the household types most likely to lose at least £5/week are families in receipt of Universal Credit, particularly couples with children.

% of households, by household type, losing over £5/week

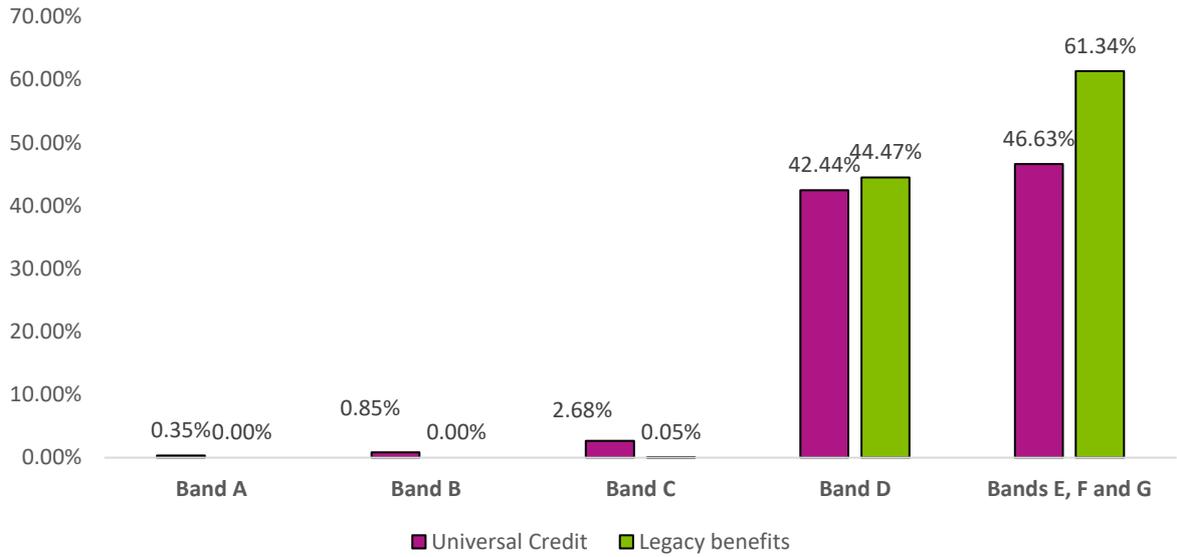


Model 1: households losing more than £5/week by household composition

Characteristics of households gaining £5/week

1,308 households will see an increase in support of over £5/week, which is 9% of all working-age claimants. The increase in support is spread fairly evenly across households in receipt of legacy benefits and those in receipt of Universal Credit. As the maximum level of support increases from 85% of liability to 100% of liability, increases in support are greatest amongst those in the higher CT bands. Over 40% of households in bands D and above will see an increase of more than £5/week.

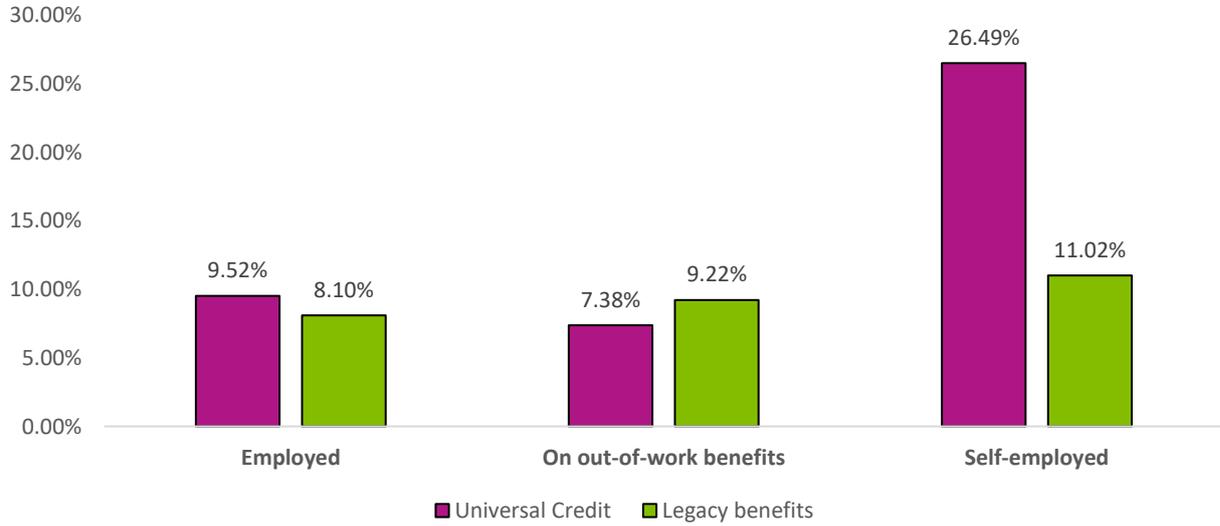
% of households, by council tax band, gaining over £5/week



Model 1: households gaining more than £5/week by CT band

Greatest gains are for the self-employed in receipt of Universal Credit. 25% of this group gain at least £5/week.

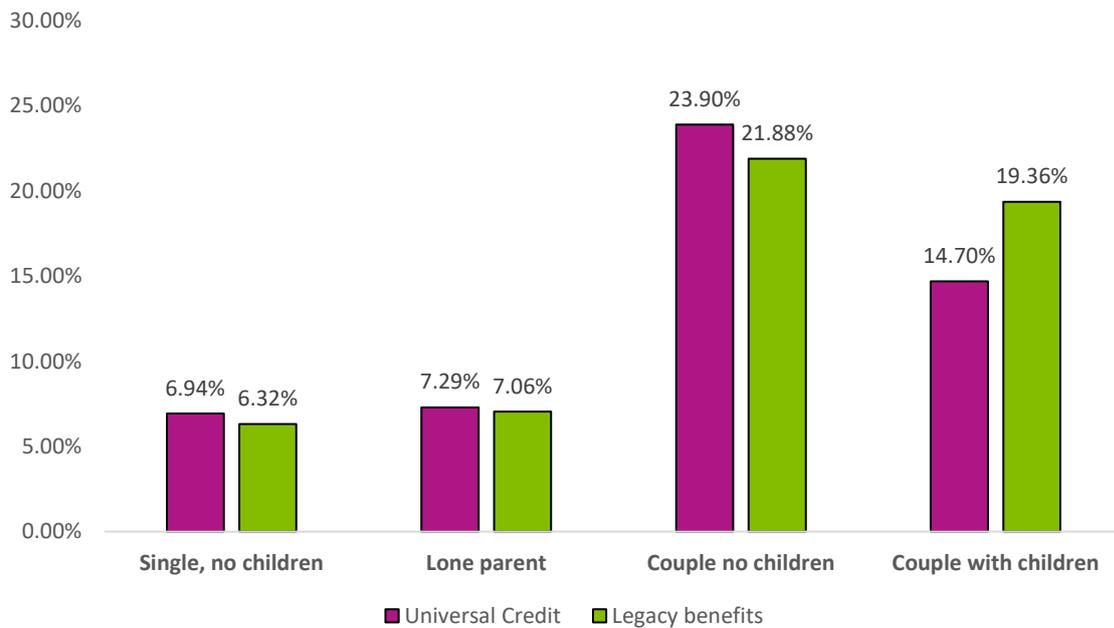
% of households, by economic status, gaining over £5/week



Model 1: households gaining more than £5/week by economic status

Couples are the most likely household composition type to gain more than £5/week due to the greater likelihood of being in higher CT bands.

% of households, by household type, gaining over £5/week



Model 1: households gaining more than £5/week by household composition

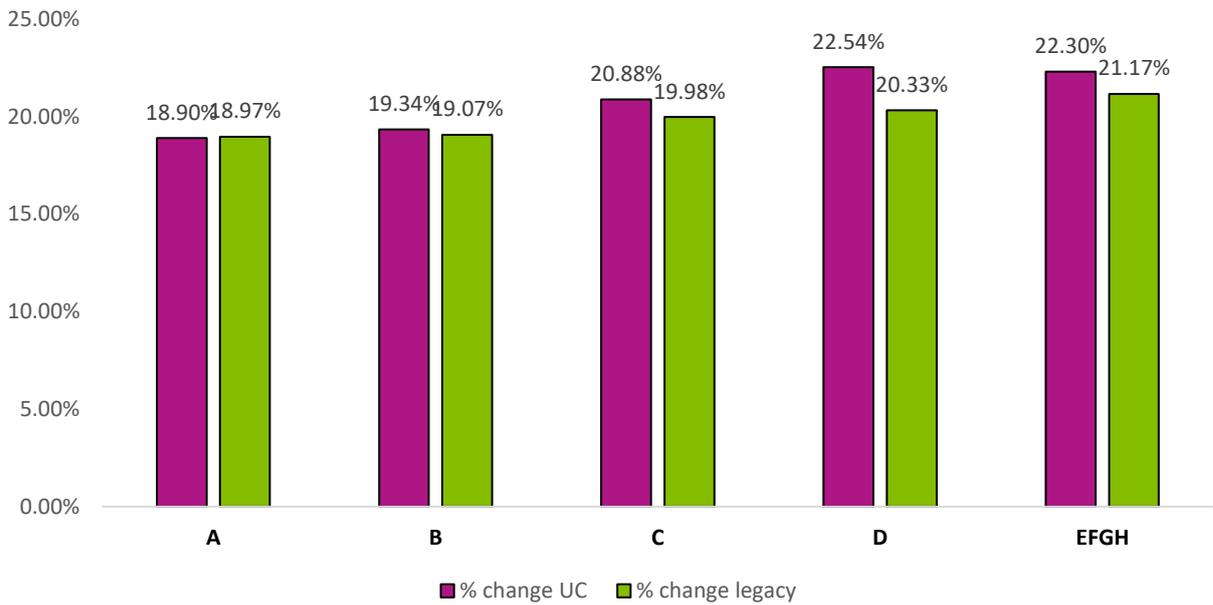
Distributional impact

This section examines the groups that would be better or worse off compared to retaining the current system into 2020/21.

Council tax band

Increase in support is fairly evenly spread across CT band showing just a slight increase as CT band rises.

Percentage change in weekly CTR compared to current scheme retained into 2020/21, by council tax band



Model 1: Percentage change in support compared to retention of the current scheme into 2020/21, by CT band.

Tenure

Households in receipt of legacy benefits see similar increases in support across tenure types. For households in receipt of Universal Credit, private tenants see slightly greater increases in support (23% increase).

Percentage change in weekly CTR compared to current scheme retained into 2020/21, by tenure type

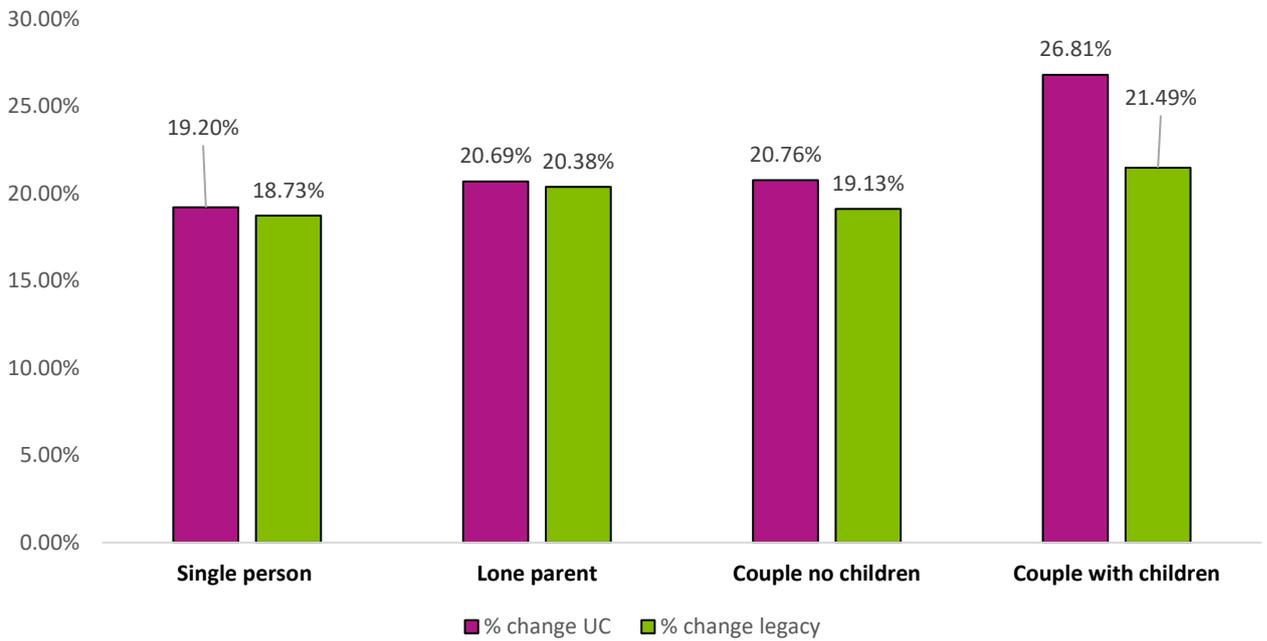


Model 1: Percentage change in support compared to retention of the current scheme into 2020/21, by tenure.

Household composition

The greatest re-distributional impact is amongst households with children. Couples with children in receipt of Universal Credit see an increase of 26%. This is because this model provides an increase based on liability. This means that the biggest gainers will be those with a higher liability and low awards. This is because the additional 15% of liability is proportionally greater for those with lower awards.

Percentage change in weekly CTR compared to current scheme retained into 2020/21, by household type

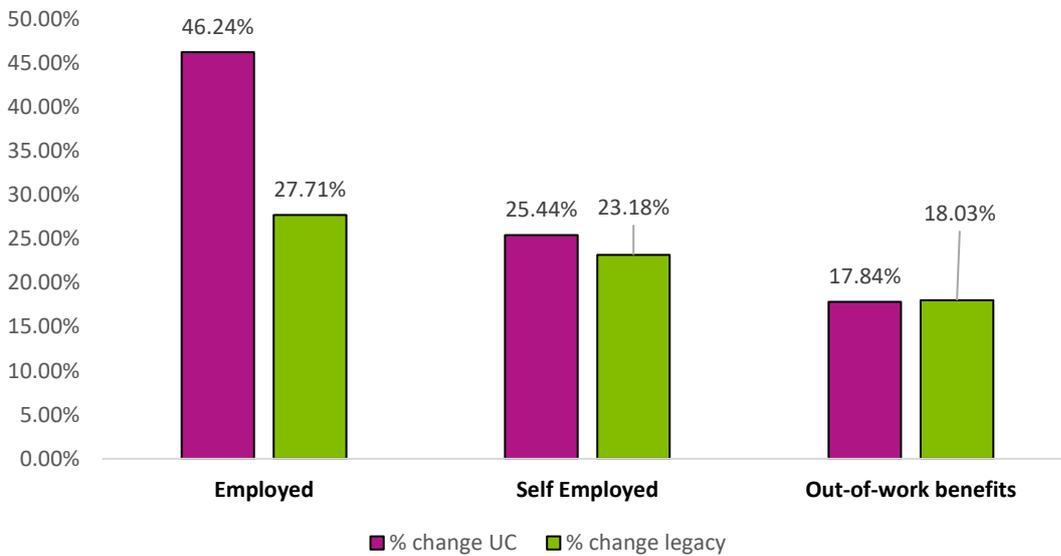


Model 1: Percentage change in support compared to retention of the current scheme into 2020/21, by household composition.

Economic status

Compared to retaining the current scheme into 2020/21, employed households in receipt of Universal Credit see the greatest increases (43%). Again, this is because this group are likely to have lower awards and so the increase in maximum award by 15% represents a greater proportion of their award.

Percentage change in weekly CTR compared to current scheme retained into 2020/21, by economic status

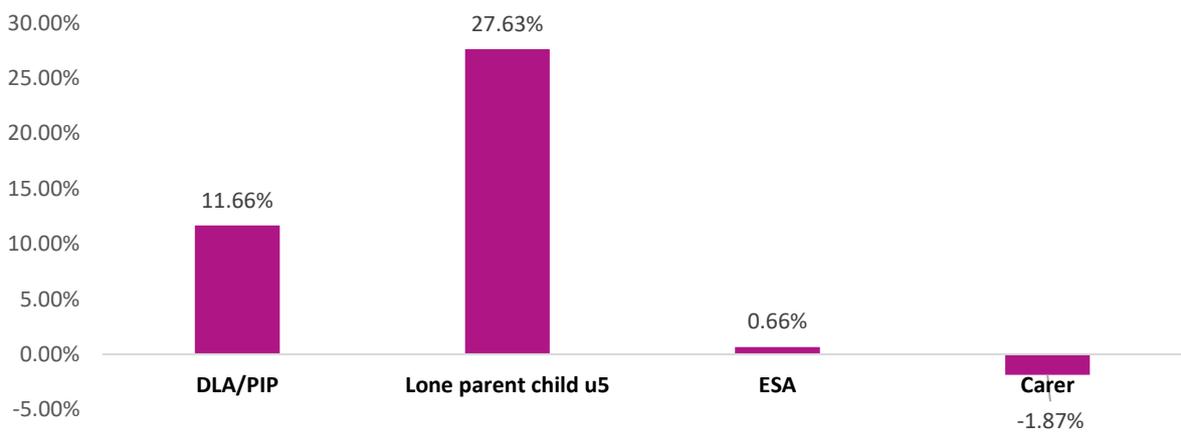


Model 1: Percentage change in support compared to retention of the current scheme into 2020/21, by economic status.

Barriers to work

This model provides additional support to those with children under the age of 5 (12%), and those in receipt of disability benefits (28%).

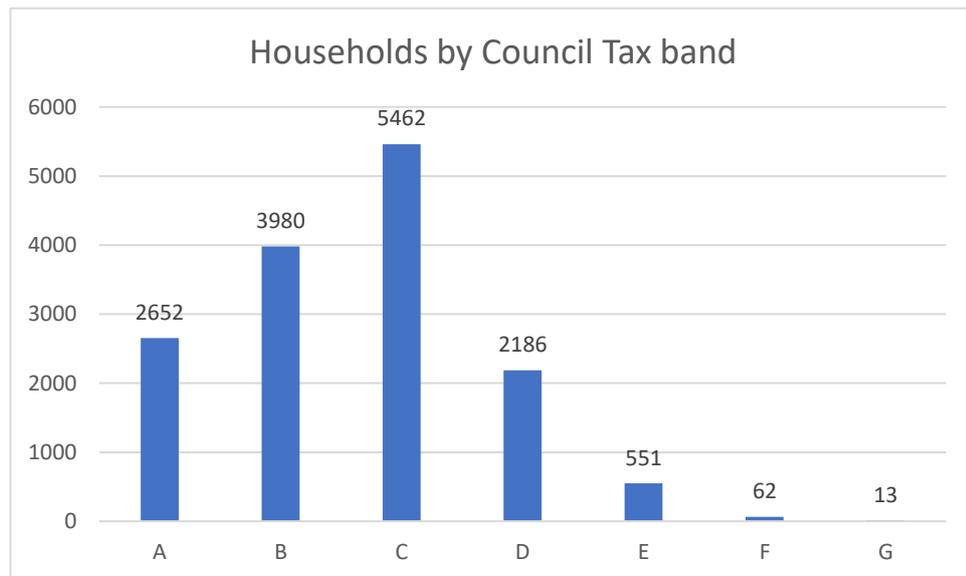
Percentage change in weekly CTR compared to current scheme retained into 2020/21, by barriers to work



Model 1: Average change in council tax support, by household types with barriers to work

Council Tax Band

For a Greenwich working age household in a Band A property receiving maximum support, they would have a bill of £148.95 for the year 2019/20. Increasing the maximum level of support to 100% would mean that the households on the lowest incomes would have a lower and, in some cases, nil contribution to make towards their Council Tax liability. The following table shows the number of working age LCTS claimants per Band, correct as of October 2019.



Monitoring of Impact

The scheme will be monitored in the next year to ensure that households have benefitted in the intended way.

Decision

The intended outcome of this policy change is that all working age households on a low income will benefit from higher financial support, and a simplified scheme. Some groups benefit more than other groups, but no groups lose out on financial support.