



Pre-Implementation EINA – What impact might there be?

Note: If you put the cursor over the words highlighted in yellow more information will be provided.

Additional information is in the guidance.

Name of policy, project or decision:	Localised Council Tax Support Scheme for Torrige District Council
Lead Officer, job title & service:	Karen Chapman, Revenues and Benefits Manager
Others involved in this assessment	Emily Martin, Policy Officer
Date of this assessment:	Started 22 June 2012 – this is continually being adding to.
Date of full EINA (approx 6-12mths):	April 2013 onwards

1. What is the main purpose or aims?	<p>Central Government (The Coalition) will abolish Council Tax Benefit from 31.03.12 and localise support for Council Tax from April 2013 with an associated 10% cut in funding and at the same time, introduce a “capped” grant for this expenditure. Welfare and means tested benefits are usually nationally constructed benefits and this is the first time they have been given to local authorities to undertake. The government has expressed a hope that Councils will design schemes which protect vulnerable groups beyond pensioners and which maintain strong work incentives. However reduced funds and wider austerity measures have the potential to severely impede the former and a double dip recession, the latter.</p> <p>Those in receipt of Council Tax Benefit are those on very low incomes or receiving other forms of welfare benefit support. The Council must now consider potential options in relation to implementing this change.</p> <p>The Government’s intention is to give local authorities a greater role in determining eligibility for Council Tax Support by allowing each to design a scheme for its individual circumstances. However, this is with exception as the Government will pass legislation that protects low income pensioners from the impact of the changes.</p> <p>The Council must introduce a Council Tax Support Scheme throughout 2012 to be ready to go live on the 1st April 2013.</p> <p>All Devon Councils agreed at the start of 2012 that they would work together to establish a</p>
---	---

	common framework and strive to introduce a Council Tax Support Scheme that is “Cost Neutral”.
2. Who is intended to benefit and how?	<p>The affected groups will be working age people within the district who currently claim Council Tax Benefit, or who would have claimed this benefit in the future. It is likely that all working age people will be adversely affected by the changes. However, decisions made will aim to have the minimal impact on the groups affected.</p> <p>At the present time low-income households are provided with relief from Council Tax through Council Tax Benefit (CTB). The scheme is “means tested” and the amount of Council Tax Benefit awarded will depend on the customer’s income, capital and household details. The amount of award can be up to 100% of Council Tax liability. The Government currently recompenses Councils for all Council Tax Benefit expenditure, as there’s no “Cap”. Those who work and qualify because they are on low income are generally less likely to get full council tax benefit. If anyone has capital in excess of £16,000 they will not qualify for Council Tax Benefit.</p> <p>The Government has set the following conditions on local authorities developing new localised support schemes:</p> <ul style="list-style-type: none"> • Low income pensioners will be fully protected from any change • No change can be made to the 25% single person household discount • Schemes must have regard to their statutory duties under Child Poverty Act, Equality Act, Housing Act 1986 (homelessness duty), Chronically Sick and Disabled • Schemes must not encourage benefit dependency and must ensure they provide sufficient incentive to work <p>This means that finding the 10% saving from Council Tax payers will disproportionately impact on the Working Age who currently receives support. An analysis by district Councils shows this actual impact varies between 19 – 28% dependent on demographics.</p>
3. What are the expected outcomes?	<p>To develop a scheme that is cost neutral so as to minimise any additional financial risk or burden to the Council.</p> <p>To ensure that the Council adheres to the legislative requirements for designing, consulting upon and implementing a Council Tax Support scheme for 2013-14.</p> <p>To design a scheme that ensures savings are fairly apportioned across the various groups</p>

4. What is the potential impact on different groups giving the reason and evidence?

This is an on going process and impacts may change over time. Please put the date as a record of when the impact was identified.

Age	Positive	<p>The Government is protecting low-income pensioners (who are currently eligible for support with their council tax bill) from any reduction in support as a result of this reform. This is because the government wants to ensure that low income pensioners, who would struggle to pay council tax without additional support and who the government does not expect to work to increase their income, will continue to receive support for their council tax.</p> <p>Schemes must have regard to their statutory duties under Child Poverty Act 2010 - which imposes a duty on local authorities to have regard to and address child poverty and their partners, to reduce and mitigate the effects of child poverty in their local areas.</p>
	Negative	<p>Working age customers will suffer disproportionately due to the need to protect pensioners from any financial loss</p> <p>Under 35s have already been impacted with other reform changes and its likely this group will be negatively affected with this change.</p>
	Neutral	
Disability	Positive	<p>Schemes must have regard to their statutory duties under Chronically Sick and Disabled The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people.</p> <p>The Council Tax Support Scheme is being based on the Council Tax Benefit rules, which provided protection for the disabled through various means such as income disregards, addition of premiums, all designed to protect the disabled and offer increased assistance</p> <p>At 16.10.12. from the 2,909 working age customers approximately 707 have a disability (non passported cases)</p>
	Negative	<p>All working age people will lose out and therefore this could affect some people with a disability if they are not part of the protected group.</p>
	Neutral	

Gender	Positive	
	Negative	Women tend to be main carers and potentially a single parent. These changes will therefore potentially negatively impact them, however, provisions are being put in place to support certain vulnerable groups. Although gender specifically is not the determining factor of vulnerability it will be based on the persons situation.
	Neutral	
Gender reassignment	Positive	
	Negative	No information is collected on the gender reassignment status of CTB Claimants. However, national data shows that Trans people experience higher levels of disadvantage and social/financial exclusion than other groups.
	Neutral	
Race	Positive	
	Negative	Employment patterns and earning levels are different for different ethnic groups. Although we don't know the ethnicity of people locally claiming CTB, but it is expected that members of some ethnic groups will be disproportionately represented as claimants.
	Neutral	
Religion or Belief	Positive	
	Negative	
	Neutral	We do not have data on the religion or belief of CTB claimants locally. Religion/belief has no impact on the calculation of council tax benefit in the current scheme or in the proposed scheme.
Sexual Orientation	Positive	
	Negative	
	Neutral	We do not have data on the religion or belief of CTB claimants locally. National data shows that LGB people experience higher levels of disadvantage and social/financial exclusion than other groups.

Comment [ep1]: E.g. Male or Female

5. Will anyone in the following groups be impacted?	Yes	No	State the impact e.g. positive, negative, neutral and give the reason/s and evidence
Marriage and civil partnership status		x	Married couple and civil partnerships are recognised equally in the current Council Tax Benefit system. The equal and fair treatment of couples will continue in the proposed CTS scheme from 1st April 2013.
Pregnancy and maternity status		x	The treatment of income and savings of women expecting children is a feature of the current Council Tax Benefit system and will continue in the local CTS scheme.
6. Other relevant groups e.g. carers, people experiencing DV, substance misusers, homeless people, looked after children etc	Research suggests that the cumulative impacts of this change and other national benefits changes will have a disproportionately larger impact on people with a disability. Issues such as caring responsibilities, substance misuse, domestic violence, being ex-armed forces, or an ex-offender can also have a significant impact on income and other aspects of financial exclusion. However, there is no data locally on these issues for CTB claimants.		
7. Any other issues to consider			

Idea 1 - Everyone should pay something

All claimants should pay something. We propose that all claimants should pay about a 25% of their Council Tax. This would affect all claimants, except pensioners who are protected. Other vulnerable group may also receive additional support. The impact of this would have equal impact on all working age claimants. This would be achieved by limiting the Council Tax liability to 75% prior to the calculation process. It would result in a reduced level of Council Tax Support for all Working Age people. Numbers affected and breakdown of category – October 2012 = 2,909 working age customers

- Disability affected = Non passported customer = 707 @ 16.10.12
- Family claims = Approximately 1413 @ 16.10.12
- Number of people in work = 212 @ 16.10.12
- People receiving Carers premium = Non passported customer = Approx 179 @ 16.10.12
- Lone parents = Non passported customer = Approx 839 @ 16.10.12
- People receiving war disablement, war widow not widowers benefit = Non Passported customer = 5
- Disability affected with savings = Non passported customer = Approx 178 @ 16.10.12
- Disability affected in council tax band higher than D = Non passported customer = Approx 26 @ 16.10.12
- Single households – 18-24 = approx 56, Over 25 = approx 980 @ 16.10.12
- Households without children = approx 1352 @ 16.10.12

Idea 2 - Those with savings should pay towards their council tax

Currently people cannot claim Council Tax Benefit if their savings are above £16,000. We propose changing this to £6,000. This would impact households to the value of approximately £35,500 per annum (From a total of £5,290,296 = 0.67%). It is considered that a household which has £6000 in savings is in a position to pay their Council Tax without the need for support. This would not be applicable to pensioners. This would be achieved by reducing the “cut off” level to £6,000. Therefore, if a person has over £6,000, regardless of what other Income, or family circumstances, they would not qualify for Council Tax Support.

Idea 3 - Limit council tax support for people living in larger properties

Claimants living in larger properties should pay more than claimants in smaller properties. We propose limiting Council Tax support to a Band D property tax level for claimants in properties who are in Bands E, F G or H. This would affect around 58 households. This is in line with other Government agenda items such as having already reduced LHA levels and over accommodation rules to be introduced from April 2013. This would mean that people living in larger properties would have their Council Tax liability restricted to the average Band D liability for Council Tax Support purposes.

This may negatively impact people with a disability if they live in a larger property due to space requirements.

Idea 4 - People who live with someone on a low income shouldn't receive support

Some claimants can afford to pay their council tax, but live with another claimant on a low income, so get a council tax discount. These payments should stop. Except for single occupancy, council tax is based on the property therefore the benefit should be based on the household income. This would affect 25 households. This would affect people who have income too high to qualify for Council Tax Benefit. The knock on effect could be that there could be a reluctance to offer accommodation, however this would not affect commercial arrangements and would largely be linked to personal domestic type situations. This could affect possibility of grown up children remaining in the home, which is part of the Government agenda as we see Single Room rents being extended to 25-35 years olds and Government's mention of abolishing Housing Benefit for the under 25's long-term

Idea 5 - There will be extra support for the very vulnerable

The most vulnerable claimants should receive more financial support via an Exceptional Hardship type fund. A separate Equality Impact Needs Assessment will be carried out on the policy but the aim is to support those claimants who need specific financial support. The pot of money will be limited so criteria will need to be restricted but fair.

As part of the delivery of this scheme TDC must consult widely on this draft scheme as the impact of this scheme is likely to see all working age claimants having to pay more of their bill, estimated at 25%. Our approach was to consult with all working age claimants via a postal survey (where they were sent a letter & background information to put the survey into context) and also to promote the survey to others giving them an opportunity to comment on-line or request a survey in alternative format, which again had supporting information. It was envisaged that this would give local authorities a financial stake in the provision of support for council tax and so a greater stake in the economic future of their local area, so supporting the Government's wider agenda to enable stronger, balanced economic growth across the country. This reform will create stronger incentives for councils to get people back into work and so support the positive work incentives that will be introduced through the Government's plans for Universal Credit.

8. If a negative impact has been identified, how can it be minimised?

Impacted Group	Description of the negative impact	Steps to take to minimise the impact
All working age	Receive less support towards their Council Tax	Consult with customers Advise customers early of possibly financial impact and that the Council has no option but to create a CTS scheme and fund it at a reduced cost Option of an Exceptional Hardship fund for individuals who experience exceptional hardship
Everyone affected by the Welfare Reform	The Council Tax Scheme is just one part of the Welfare reform scheme. Therefore people will likely to be negatively impacted in a number of ways.	The Devon Strategic Partnership (DSP) has set up a Welfare Advisory Group (WAG) which is tasked with looking at the cumulative impact on welfare changes to ensure that the indirect and direct consequences are being understood and to develop appropriate actions. The findings are due to be reported back to the DSP on 29 November 2012. (Representatives from Police and NHS are part of this group).

This EINA and impacts identified are based on the information and data available at the time of carrying it out.