



APPENDIX A
Equality Impact Assessment

What are you assessing? Please tick the appropriate box below.

Function	Strategy	Policy	Project	Other, please specify below
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Service: Finance	Section: Revenues & Benefits
Responsible Officer: Keith Mackenzie	Name of function/strategy/ policy/ project assessed: Review of the Local Council Tax Support scheme eligibility criteria for customers in receipt of Universal Credit for 2020/21.
Date of Assessment: 6 November 2019	
Officers Involved: <div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> Operations Manager <div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> Head of Revenues and Benefits	
<p>1. What is the purpose of the function/strategy/policy/project assessed?</p> <p>Background</p> <p>Following the abolition of the national Council Tax Benefit scheme, Local Authorities have had powers to provide discounts to council tax payers who meet the eligibility criteria for support; this is known as the Local Council Tax Support scheme (LCTS).</p> <p>In Rochdale the roll-out of Universal Credit (UC) “full service” is now complete. Even though working age customers are generally no longer able to make a new claim to “legacy” benefits, such as Housing Benefit, they still need to make a claim for LCTS from the Council, along with a claim for UC.</p>	

Changes to the scheme

The changes proposed only affect working age customers in receipt of UC. Non-working age customers (pensioners) and those working age customers not in receipt of UC are unaffected by the changes. The proposed changes to the scheme are designed to make the process of administering LCTS as efficient as possible for the Council and simpler for working age people claiming UC.

A big change introduced by UC is that any changes in a customer's income, however small, will be reported to the Council by the Department of Works and Pensions. Under the 2019/20 LCTS scheme this means the Council must reassess their claim every time a change in income is notified. This in turn means a new council tax bill is issued, with a change to the payment plan, and revised LCTS notification letters.

Current figures suggest an average of four changes reported per UC claim each year although it could be as many as twelve changes each year for those customer's with fluctuating monthly incomes.

To make the Council's LCTS scheme easier to understand and to avoid creating a new council tax bill every time a small change in UC income is reported, a new banded income scheme is recommended (details are shown below):

For a person entitled to UC, if their weekly income is below or the same as their applicable amount⁽¹⁾, or £10.00 over, their LCTS will be the maximum amount, currently 85% of council tax liability capped at Band A (adjusted as appropriate for non-dependant deductions), as now.

For those whose weekly income is £10.01 or more higher than their applicable amount⁽¹⁾, their LCTS will be at the level set in the table below (less any non-dependant deduction), which will vary as the excess income increases.

⁽¹⁾ The applicable amount is set annually by Government and takes into account a number of factors, for example, single, couple, lone parent, age, disabilities and so on.

Band of weekly income	Council Tax Support*
Applicable amount (or less) + up to £10.00	85% of council tax **
£10.01 to £25.00	75% of council tax **
£25.01 to £45.00	60% of council tax **
£45.01 to £65.00	45% of council tax **
£65.01 to £85.00	25% of council tax **
£85.01 to £100.00	10% of council tax **
£100.01+	No Support
* this is the amount before any reduction for non-dependents	
** council tax liability capped at Band A	

This would mean that where a change in a customer's UC income fell within the same weekly income band that their previous UC income was in; no change would be made to their LCTS award. In turn no new LCTS award letters or council tax bills would need to be issued.

2. Who are the key stakeholders?

- Current and future working age customers of LCTS who also receive UC
- Groups who represent customers such as Citizens Advice Bureau, who have an interest in the proposals
- Housing Services and Social Landlords
- Customer facing staff
- Elected Council Members and officers of Rochdale Borough Council

- Partners/local agencies with an interest in supporting customers

3. What is the scope of this equality impact assessment? That is, what is included in this assessment?

Schedule 1A of the Local Government Finance Act 2012 requires Local Authorities to consider whether to revise or to replace its LCTS scheme each year.

To assess the positive and negative effects of the proposed changes on LCTS customers affected, particularly with regard to the protected groups.

4. Which needs are this function/strategy/ policy/ project designed to meet?

The aim of LCTS is to provide financial assistance by way of a reduction in the council tax bill payable for those customers who qualify.

The proposed changes are designed to make the process of administering LCTS as efficient as possible for the Council and simpler for working age people claiming UC.

5. Has a needs analysis been undertaken?

A full needs analysis was not undertaken because the LCTS scheme is designed to provide financial assistance to council tax payers who need assistance with payment of their council tax. The scheme criteria covers both working age and pension credit age customers.

The proposed change only affects working age LCTS customers who receive UC.

Since the introduction of UC and the need to reassess all changes in monthly incomes, some of this customer group receives council tax bills and LCTS notification letters on a very regular basis (sometimes as many as twelve each year) this causes confusion as customers do not know what needs to be paid when.

The proposed change will introduce a banded income scheme for this customer group and the majority of small monthly changes will not result in a change to the LCTS award and not require a revised council tax bill and LCTS notification letter to be issued.

6. Who is affected by this function/strategy/ policy/ project?

Based on data from July we have a UC LCTS caseload of 5,629. The impact of the proposal would be as follows;

No change	3,999 (71%)
Increased awards	1,355 (24%)
Reduced awards*	275 (5%)
* lose less than £1 per week	35
* lose between £1 and £5 per week	240

Gender	128 male 147 female
Disability	27 customers are in receipt of a disability benefit
Age	30 aged between 18-25 106 aged between 26-34 121 aged between 35-55

	18 aged 56 plus
Carers	2 customers are in receipt of Carers Allowance

To facilitate the transition to the banded income scheme it is proposed that a hardship fund is made available to all customers (currently 275) who would receive a reduced award. This is known as the Discretionary Council Tax Payment scheme. This is currently forecast to cost £32,979.96.

7. Who has been involved in the review or development of this function/strategy/ policy/ project and who has been consulted? State your consultation/involvement methodology.

- A copy of the consultation report has been sent to the Chief Finance Officer of the Greater Manchester Combined Authority seeking their views on the proposals.
- All Council Members were provided with details of the proposals and consultation process in advance of it starting.
- The Council's consultation hub provided a detailed outline of the proposals and on-line questionnaire.
- During the consultation period there have been press releases and social media feeds to maintain general awareness of the consultation and to encourage people to take part.
- The Council's website including links to the consultation hub on all relevant pages.
- All correspondence sent out by the Revenues & Benefits service during the consultation period has sign posted residents to the consultation hub on the Council's website.

The Council's consultation had 58 responses and broadly approved the proposals:

- 77.6% either agreed or strongly agreed that we should move to a banded LCTS scheme from April 2020.
- 82.8% either agreed or strongly agreed that letters shouldn't be issued unless the customer moves bands.
- 70.7% either agreed or strongly agreed with the use of Discretionary Council Tax hardship scheme to help households who will lose from the change.

No responses were received from the Greater Manchester Combined Authority or Council Members.

8. What data have you considered for this assessment and have any gaps in the data been identified. What action will be taken to close any data gaps?

- The Capita computer system modelling database was used to provide information using November LCTS 2019 data.
- Results from the consultation survey

No gaps have been identified.

9. Are there any other documents or strategies which are linked to this assessment? If so, please include hyperlinks to these documents below, where available.

Not applicable

10. What impact will this function/strategy/policy/project have on all the protected groups? This includes both positive and potentially negative impacts

In the main, the impacts are either neutral or positive, with the overwhelming majority not being affected or gaining by the proposed change.

However, there are a small number of losers. In every area where we collect data, the losers are broadly representative of the caseload as a whole. The losers are not disproportionately affected in any of the areas with protected characteristics.

The proposed change will also have positive impacts as small changes in income won't result in unnecessary council tax bills or LCTS notification letters being issued.

Race Equality

Ethnicity is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.

The LCTS customer profile is not disaggregated between different racial groups as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people due to race, it does not affect the nature of the scheme; the scheme's principles do not differentiate on the grounds of race and an individual's race has no influence over the calculation of their entitlement.

Although we have not considered the impact on race equality the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.

Disabled People

The eligibility criteria for the scheme have a differential impact between disabled and non-disabled customers. The applicable amount is enhanced for customers who receive certain disability benefits, so this is taken into account in the entitlement calculation.

All awards are neutral in that they are available equally to applicants irrespective of disability.

We have considered the impact on disabled people and the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.

Carers

The eligibility criteria for the scheme have a differential impact between carers and non-carers. The applicable amount is enhanced for customers who are carers, so this is taken into account in the entitlement calculation.

All awards are neutral in that they are available equally to applicants irrespective of whether they provide care.

Although we have considered the impact on carers the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.

Gender

The eligibility criteria for the scheme have no differential impact between working age male or working age female applicants.

Gender is not relevant to the nature of the scheme. The scheme's principles do not differentiate on the grounds of gender and an individual's gender has no influence over the calculation of their entitlement.

<p>Although we have not considered the impact of gender the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.</p>
<p>Age</p>
<p>The proposed changes will not affect people of pension age who are protected by Government under the LCTS scheme. The impacts are on working age customers only who receive UC.</p> <p>The eligibility criteria for the scheme have a differential impact between working age customers of different ages. The applicable amount is enhanced for customers depending on their age, so this is taken into account in the entitlement calculation.</p> <p>All awards are neutral in that they are available equally to applicants irrespective of age.</p> <p>Although we have considered the impact on age the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.</p>
<p>Armed Forces and Ex-Armed Forces Personnel</p>
<p>This is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.</p> <p>The LCTS customer profile is not disaggregated between this group as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people in this group, it does not affect the nature of the scheme; the scheme's principles do not differentiate on these grounds and it has no influence over the calculation of their entitlement.</p> <p>Although we have not considered the impact on this group the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.</p>
<p>Sexual Orientation</p>
<p>Sexual orientation is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.</p> <p>The LCTS customer profile is not disaggregated between different sexual orientations as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people due to sexual orientation, it does not affect the nature of the scheme; the scheme's principles do not differentiate on the grounds of sexual orientation and an individual's sexual orientation has no influence over the calculation of their entitlement.</p> <p>Although we have not considered the impact on sexual orientation the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change.</p>
<p>Gender Reassignment</p>
<p>Gender reassignment is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.</p> <p>The LCTS customer profile is not disaggregated between gender reassignment as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people due to gender reassignment, it does not affect the nature of the scheme; the</p>

scheme's principles do not differentiate on the grounds of gender reassignment and an individual's gender reassignment has no influence over the calculation of their entitlement.

Although we have not considered the impact on gender reassignment the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change. Each case will be considered on its own merits.

Religion or Belief

Religion or Belief is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.

The LCTS customer profile is not disaggregated between Religion or Belief as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people due to Religion or Belief, it does not affect the nature of the scheme; the scheme's principles do not differentiate on the grounds of Religion or Belief and an individual's Religion or Belief has no influence over the calculation of their entitlement.

Although we have not considered the impact on Religion or Belief the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change. Each case will be considered on its own merits.

Pregnant Women or Those on Maternity Leave (before giving birth)

This is not required as part of the LCTS claim process and data is not available. There may be a negative impact upon this protected group, as a number of customers may fall within this protected characteristic.

The LCTS customer profile is not disaggregated between this group as this would not be relevant to the nature of the scheme. While this prevents an assessment of whether the proposed changes affect a greater proportion of people in this group, it does not affect the nature of the scheme; the scheme's principles do not differentiate on these grounds and it has no influence over the calculation of their entitlement.

Although we have not considered the impact on this group the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change. Each case will be considered on its own merits.

Those on Maternity Leave (after giving birth)

The eligibility criteria for the scheme have a differential impact with customers who have children. The applicable amount is enhanced for customers who have children, so this is taken into account in the entitlement calculation.

All awards are neutral in that they are available equally to applicants.

Although we have considered the impact on people with children the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change. Each case will be considered on its own merits.

Marriage or Civil Partnership

The eligibility criteria for the scheme have a differential impact with customers who are married or in a civil partnership. The applicable amount is enhanced for these customers, so this is taken into account in the entitlement calculation.

All awards are neutral in that they are available equally to applicants.

Although we have considered the impact on people in these groups the Council will use the Discretionary Council Tax Payment scheme for anyone adversely impacted by the proposed change. Each case will be considered on its own merits.

11. What are your main conclusions from this analysis?

The change proposed will have a neutral or positive outcome for the majority of customers.

The LCTS caseload as of November is 21,842 and the number of those in receipt of working age UC currently 5,629. Currently, 275 customers will lose. This equates to 1.3% of all LCTS claims and 5.0% of those LCTS cases currently in receipt of UC. The overwhelming majority will not lose.

Of the 275 people who will lose out 46.5% are male and 53.5% are female. The Office of National Statistics indicates that Rochdale's gender representation is 49.4% male and 50.6% female overall. These figures indicate that there isn't a significant disproportionate impact between male and female.

A Discretionary Council Tax Payment scheme payment scheme is available to provide targeted financial support to customers who might lose out under the proposed changes.

Although the number of consultation responses was disappointingly low, of those that responded it was in favour of change. We also know that the current scheme for this customer group isn't working well for them and is very inefficient.

In conclusion, we recommend the scheme is changed for 2020/21 for working age LCTS customers who receive UC.

12. What are your recommendations?

Cabinet is being asked to consider and agree whether the scheme should remain unchanged or be amended for 2020/21 with the introduction of a banded income scheme for customers who receive UC.

We recommend that Cabinet agree to change the scheme for 2020/21 and request that Council ratify the decision.

13. What actions are you going to take to address the findings of this assessment? Please attach an action plan including details of designated officers responsible for completing these actions.

This policy will be reviewed annually, taking into account Council policies and priorities and any changes in legislation.

Signed (Completing Officer):

Date: 6 November 2019

Signed (Head of Service):

Date: 6 November 2019