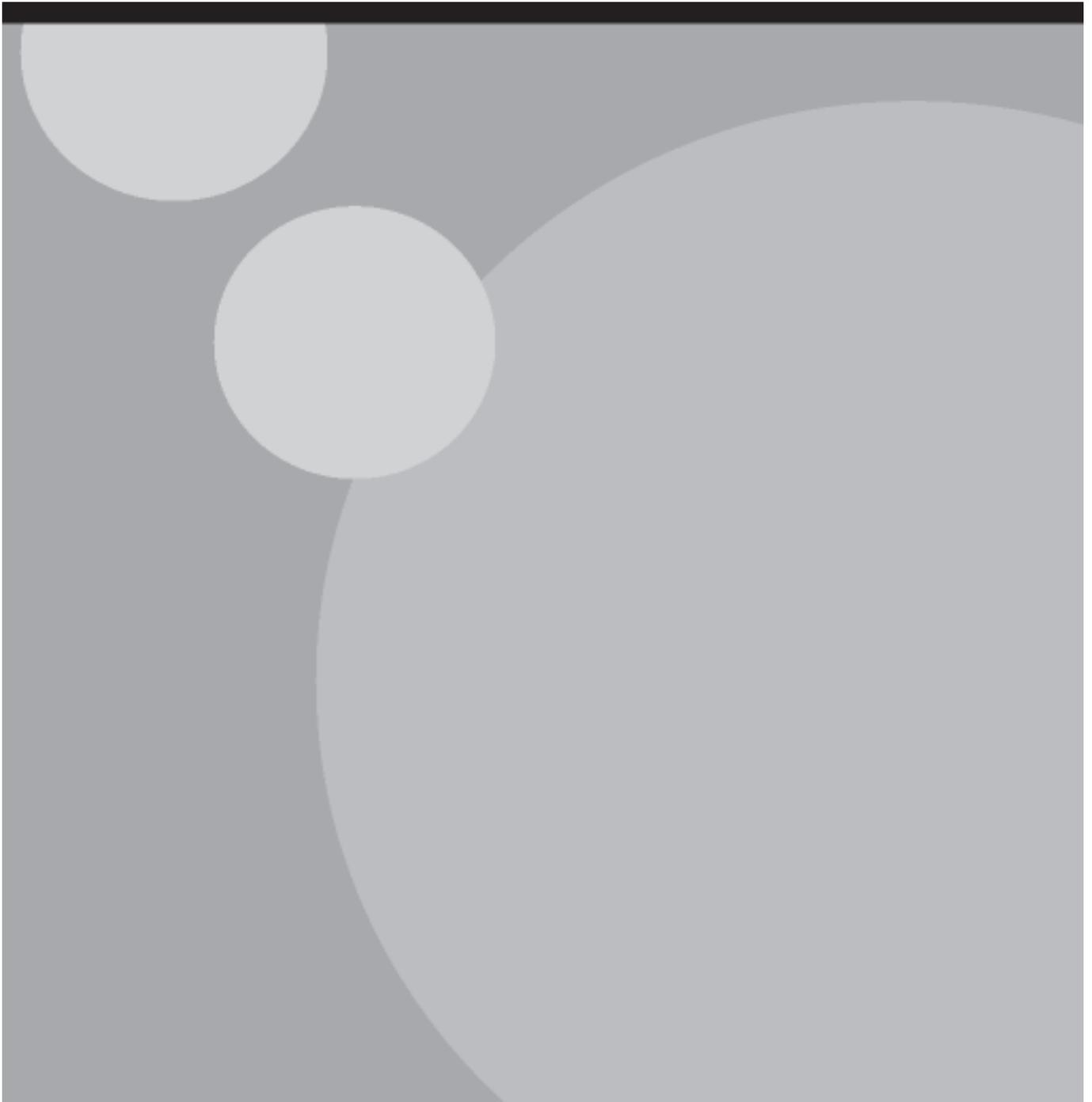




Localising Council Tax Equality Impact Assessment



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CLG full Equality Impact Assessment

(Before you complete an eqia please read the guidance notes.)

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

The Spending Review announced measures to change the welfare system, ensuring that it promotes work and personal responsibility while controlling expenditure. The new Universal Credit will replace the current complex system of means tested working age benefits with an integrated payment, reducing fraud and error and ensuring that work always pays.

The Government confirmed at the Spending Review that it will continue to support the most vulnerable while ensuring all sections of society who are able to do so contribute to deficit reduction, and announced that it would be preserving key benefits for older and vulnerable people, including Winter Fuel Payments, free eye tests, prescriptions and TV licences.

The Spending Review was also underpinned by a radical programme of public service reform, to change the way services are delivered by redistributing power away from central government. This programme is built on the Coalition principles of increasing freedom and sharing responsibility by localising power and funding, including by removing ring-fencing around resources. Localisation of Council Tax Benefit is part of this programme.

The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform.

According to the Single Housing Benefit Extract, as at January 2011, there were 3.1 million Council Tax Benefit claimants under 65.

The Family Resources 2009/10 Survey data can provide a picture of the share of benefit units¹ that have at least one adult or child that are disabled, are carers, or requiring informal care. The Family Resources Survey definition of disability is designed to capture disability status under the Equality Act. Some 48% of Council Tax Benefit recipients aged under 65 may have at least one adult or child who is disabled.

Proportion of Council Tax Benefit recipients under 65 by disability status²

¹ A benefit unit is a single adult, married couple or co-habiting couple and any dependent children. A household may include more than one benefit unit.

² The definition of disability includes any adult or child with a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities. Everyone classified as disabled under this definition would also be classified as disabled under the general definition of disability in the Equality Act (EA) which has applied since 1 October 2010. However, some individuals classified as disabled and having rights under the EA would not be captured by this definition.

No adults or children Who are disabled 52%	At least one adult or child who is disabled 48%
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Source: Family Resources Survey 2009/10, England.

The Family Resources Survey can also show where Council Tax Benefit recipients may have caring responsibilities or where care is required. Some 18% of under 65s report caring responsibilities.

Proportion of Council Tax Benefit recipients under 65 by caring responsibility³

No adults with Caring responsibilities 82%	At least one adult with caring responsibilities 18%
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Source: Family Resources Survey 2009/10, England.

Proportion of Council Tax Benefit recipients under 65 by care requirements⁴

No adults requiring Any informal care 83%	At least one adult requiring informal care 17%
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Source: Family Resources Survey 2009/10, England.

Information from administrative sources can also provide more limited information on carers and disabled people⁵. Administrative data shows the number of Council Tax Benefit claimants who are carers or households in receipt of a disability premium and are not passported onto full Council Tax Benefit award. As at January 2011, there were 34,790 non-passported, under 65 Council Tax Benefit claimants who were carers and 219,580 non-passported, under 65 Council Tax Benefit claimants who were in receipt of a disability premium. However, since some of the passported claimants are also likely to be carers or in receipt of a disability premium this underestimates the total number that could be affected by this policy. Depending on how authorities respond to a reduction in council tax support, carer and/or claimants in receipt of a disability premium under 65 may have their council tax support awards reduced.

It is not expected that this policy will disproportionately affect any particular gender or ethnicity.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to

³ If an adult in the benefit unit reports providing informal care then the benefit unit is defined as containing someone with caring responsibilities. The FRS does not cover residents of nursing or retirement homes.

⁴ If an adult in the benefit unit reports requiring informal care then the benefit unit is defined as containing someone requiring informal care. However, the FRS is known to undercount those receiving or giving care.

⁵ See the full statistics release “Council Tax Benefit claimants and average weekly award for carers and disabled not receiving a passported benefit, England, January 2011” at http://statistics.dwp.gov.uk/asd/index.php?page=adhoc_analysis

minimise or eliminate the adverse equality impacts? **Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan.**

In localising support for council tax, the Government believes that local schemes should provide support for the most vulnerable, including vulnerable pensioners. The Government has concluded that support for vulnerable pensioners should be delivered through a national framework of criteria and allowances.

Local authorities already have clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas.

This includes, for example, through their responsibilities under:

- The 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;
- 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;
- The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups;

The Department for Communities and Local Government will work closely with local authorities and the relevant representative organisations to ensure that local authorities understand their existing responsibilities in relation to vulnerable groups.

Local authorities will be required to consult publicly on local schemes. This will give local residents and representative organisations the opportunity to make representations on the impact of proposed schemes on vulnerable residents.

As well as being able to choose – through the design of their scheme – whether some awards should be reduced, thereby increasing the amount of council tax the authority collects from some current welfare claimants, authorities may also choose to realise the saving in other ways. This could be through reconfiguring funding for other services through efficiency savings, using reserves, or using flexibility over council tax. The effect of any one of these decisions could be to enable local authorities to lessen the reduction in support to vulnerable working age claimants.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision. Please note that you are **required** to involve disabled people in decisions that impact on them.

The consultation document was published on the Department's website:

[Http://www.communities.gov.uk/documents/localgovernment/pdf/19510253.pdf](http://www.communities.gov.uk/documents/localgovernment/pdf/19510253.pdf)

Local authorities will be required, under powers the Department is taking in the Local Government Finance Bill, to consult publicly on their draft local schemes.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service? Please set out the basis on which you justify making no adjustments.

The adverse impacts are justified by positive impacts of the policy:

Giving local authorities a significant degree of control over how a 10% reduction in expenditure on the current Council Tax Benefit bill is achieved, allowing councils to balance local priorities and their own financial circumstances.

Reducing the costs of support for council tax is a contribution to the Government's vital programme of deficit reduction.

Giving 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.

Reinforcing local control over council tax. Enabling decisions to be taken locally about the provision of support with council tax is consistent with a drive for greater local financial accountability and decision-making, including Government's proposals for local referendums on council tax levels.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

In exercising functions in relation to local schemes, including in particular when making and revising schemes, billing authorities will need to comply with the public sector equality duty in section 149 of the Equality Act 2010. It will be for local authorities to keep their local schemes under review, making any adjustments as necessary.

The Department is taking powers in the Local Government Finance Bill to require local authorities to supply specified information. The Department will consider, in designing regulations, whether certain information will be required from local authorities to support future evaluation of the policy. The Department is also taking powers to issue guidance, which could be used to support local authorities

in designing schemes in ways which avoid unnecessary impacts on vulnerable groups, if this is considered necessary.

6. The full Equality Impact Assessment form should be signed off by one of the following: a deputy director, director or director general.

Name of person signing off the full Equality Impact Assessment: Simon Ridley

Role: Director of Local Government Finance

Date: 09/01/12

Note: Equality Impact Assessments should be published with detailed publication arrangements agreed with the Directorate of Communication. In most cases this will be as part of a broader impact assessment or consultation exercise which will ensure the requisite clearance from the relevant minister.

A copy of the full Equality Impact Assessment form should be retained by the originator for audit purposes.

Full Equality Impact Assessment - action plan

Actions taken or proposed	Rationale for the action	Beneficiaries of the action	Timing	Responsibility
Changes made: Changes that have been made to policy as a result of the Equality Impact Assessment.				
Mitigation: For areas where a policy may have a differential impact on certain groups, what arrangements are in place or proposed to mitigate these effects?				
Justification: For areas where a policy may impact negatively (but not illegally) on certain groups but mitigation is not possible (e.g. An overriding societal driver) there needs to be a strategy for handling issues of unfairness.				

Actions taken or proposed	Rationale for the action	Beneficiaries of the action	Timing	Responsibility
Opportunities: Please state actions designed to maximise positive effects, i.e. Opportunities identified for: promoting equality, good relations or knowledge about groups; increasing civic and democratic participation; or addressing inequalities.				
Monitor: How will you monitor the impact and effectiveness of the new policy?				
Publish: Give details of how the results of the eqia will be published.				