

Impact and Needs/Requirements Assessment (INRA)

Name of Policy:	Localised Council Tax Support
Lead Officer (responsible for assessment):	Linda Grinnell, Head of Finance
Department:	Financial Services
Others Involved in the Assessment (i.e. peer review, external challenge):	Sharon Jones (ARP); Rod Urquhart (ARP)
Date INRA Completed:	

'Policy' needs to be understood broadly to include all Council policies, strategies, services, functions, activities and decisions.

(a) **What is the policy trying to achieve?** i.e. What is the aim/purpose of the policy? Is it affected by external drivers for change? What outcomes do we want to achieve from the policy? How will the policy be put into practice?

The Government announced at the Spending review 2010 that support for council tax would be localised from 2013-14 and funding reduced by 10% from the same date.

The Council Tax Benefit scheme was abolished by the Welfare Reform Act 2012. The Local Government Finance Act will be amended to allow for the development of a new Localised Council Tax Support Scheme which is to be implemented from 1 April 2013.

Currently, Council Tax benefit is a national scheme to assist those who are on a low income and have to pay council tax, Individuals apply for Council Tax Benefit and if their income is below a certain level, they are eligible for a reduction on their Council Tax bill. The Council receives a grant from the DCLG to pay for this.

Every Billing Authority must design a scheme specifying the reductions which apply to the amounts of council tax payable in respect of the dwellings in its area. This INRA is based on the financial model adopted by East Cambridgeshire District Council, which is based on the Government's suggested scheme of charging working age claimants (who do not pay council tax under the existing benefit scheme) no more than 8.5% of their council tax. An impact assessment of the change to local council tax support nationwide is available at:

http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8464/2063707.pdf

The Government has announced that expenditure on the scheme must be reduced by 10% from 1 April 2013 and it will be for each Council to determine how to manage that funding reduction.

There are strict guidelines from the Government to ensure support for pensioners will be delivered through the national framework of criteria and allowances. Their awards will be calculated on the same basis as now. This decision means that the burden of the 10% cut in funding falls disproportionately on those of Working Age.

The Council will need to design a new support policy. The scheme must be approved by Full Council by 31 January 2013 otherwise the Government's default scheme modelled on the current Council Tax Benefit scheme will be imposed. The 'default scheme' will by design, not meet the shortfall in funding. This would mean that this Council, the County, Fire and Police authorities would have to find the shortfall from elsewhere.

Protecting all recipients would impact negatively upon this Council's budget and the budgets of the major Precepting Authorities (County, Fire & Police). The County have made it clear that they will not support a scheme that has a negative financial impact on its own budget.

(b) Who are its main beneficiaries? i.e. who will be affected by the policy?

Pensioners: Pensioners will not be affected by reduced support because the Government does not expect them to work in order to increase their income.

Vulnerable Groups: The Government recognises that Councils have statutory duties and the suggested new local council tax discount scheme works with vulnerable groups in exactly the same way as the current Council Tax benefit scheme. This is described in the Vulnerability and Work Incentives Policy (Appendix 1 to this INRA)

Working Age: The Government expects that for those individuals out of work, that the scheme will be designed to incentivise work.

(c) Is the INRA informed by any information or background data (quantitative or qualitative)? i.e. consultations, complaints, applications received, allocations/take-up, satisfaction rates, performance indicators, access audits, census data, benchmarking, workforce profile etc.

The Government has prescribed that before a Council can adopt a council tax support scheme, it must consult in the following order:

1. Consult any major precepting authority which has the power to issue a precept
2. Publish a draft scheme, in a manner it sees fit
3. Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

In line with this, the Cambridgeshire County Revenues Group, acting on behalf of the District Councils, consulted with the major precepting authorities (County, Fire and Police) in July 2012. The County Council has urged each of the billing authorities in Cambridgeshire to aim to deliver a localised scheme that is cost neutral to the precepting authorities and where possible to design a scheme that will deliver in excess of the 10% cut in Government funding to provide a safety margin to cover any potential losses from lower collection rates and increases in caseload.

Following the publication of the draft scheme on the Council's website, a formal consultation period ran from 2 August to 28 October 2012. This was a 12 week consultation period to reflect the complex nature of the proposals.

The Council also corresponded with the following groups to notify them of the forthcoming changes to the current council tax benefit system and alerting them to the consultation of the Council's draft scheme:

- Pensioners
- Working Age Claimants
- Sample of general council tax payers
- Stakeholder organisations

The Council also held meetings with stakeholder organisations to explain the details of the draft scheme and to answer any queries and concerns. Information regarding the forthcoming changes to the current council tax benefits system were also publicised in the local press.

(d) Does this policy have the potential to cause an impact (positive, negative or neutral) on different groups in the community, on the grounds of (please tick all that apply):

Ethnicity
Gender
Disability

<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>

Age
Religion and Belief
Sexual Orientation

<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Please explain any impact identified (positive, negative or neutral): i.e. What do you already know about equality impact or need? Is there any evidence that there is a higher or lower take-up by particular groups? Have there been any demographic changes or trends locally? Are there any barriers to accessing the policy or service?

The current benefits system recognises the additional financial burden of disability through a system of additional allowances / premiums within the means test. The Council's proposed scheme continues to include these allowances and as such, the proposed scheme **positively** recognises disability.

The current benefits system recognises the additional financial burden of families with children through a system of additional allowances that recognise each child, child care costs and enhanced premiums for lone parents in the means test. The Council's proposed scheme continues to include the allowances

/ premiums that feature in the existing Council Tax benefit scheme and as such the scheme **positively** recognises children.

The new scheme will discriminate on the grounds of age because of the requirement to protect pensioners. However, the current system treats pensioners more favourably because their allowances are more generous and therefore, the impact on pensioners is **neutral**.

The new scheme will have no features that will discriminate on the grounds of ethnicity, gender, sexual orientation, religion or belief.

The Council Tax Benefit scheme is calculated in a very similar way to the suggested Localised Council Tax Support Scheme. The calculation is made using the amount of the Council Tax charge, and comparing the financial needs and income of the claimant.

The new Council tax support scheme will require those of working age, who have previously received 100% council tax benefit now contributing 8.5% of their council tax bill. The impact on this group of working age claimants is therefore **negative**. However, the Council had previously considered (and had consulted on) a contribution towards their council tax of working age claimants (who currently pay nothing) of up to 25%. In October 2012, the Government offered all Councils a 'transitional grant' if they did not charge working age claimants more than 8.5% (who had not previously paid any council tax). This Council will apply for the transitional grant and proposes to charge working age claimants 8.5% of their council tax liability.

Protecting The Vulnerable

The intention is that we continue to allow more support (up to a maximum of 91.5%) to those claimants with dependant children and more to those with disabled dependant children, those claimants where they or any partner is disabled. There will be 3 'premiums' dependant on whether someone is receiving the relevant benefits with regard to being disabled, being disabled and needing care, or needing care overnight.

Please note that those of pensioner age will not be affected by the new scheme, and will continue to receive up to 100% of their Council Tax Bill, and their support will be assessed using a more generous consideration of their financial needs.

Encouragement To Work

The intention is that we continue to allow more support (up to a maximum of 91.5%) to those claimants who start work for a period of 4 weeks; this ensures that people are not concerned about the change over to work and how to meet their council tax bill for this period.

Part of the wage or salary income will continue to be disregarded up to a maximum of £25 per week, so that more support is given to those in work, when compared to those not in work.

It should be noted that when Universal Credit is paid, it will treat income from work in a more generous manner, and the encouragement to work will be provided within that benefit.

(e) Does the policy have a differential impact on different groups?

YES/NO/Not Applicable

(f) Is the impact *adverse* (i.e. less favourable) on one or more groups?

YES/NO/Not Applicable

(g) Does it have the potential to disadvantage or discriminate unfairly against any of the groups in a way that is unlawful?

YES/NO/Not Applicable

(h) What additional information is needed to provide a clear picture of how the activity is impacting on different communities and how will you collect this information, i.e. expert groups, further research, consultation* etc? Where there are major gaps in information that cannot be addressed immediately, these should be highlighted in your recommendations and objectives at the end of the INRA.

It may be possible that an individual could be adversely affected by a combination of the proposed changes that this Council's council tax discount is planning to implement. The County Council are forming a sub – regional housing group, which, with the support of the Revenues and Benefits County wide group, will lead the monitoring of the implementation of the Localised Council Tax Support schemes for Cambridgeshire. They will draw out any emerging conclusions and report them to the PSB.

* The Consultation Register is available to assist staff in consulting with the Council's stakeholders. If you are consulting on a new or revised policy contact the Principal HR Officer.

(i) Do you envisage any problems with these methods of information collection? i.e. not accessible to all, timescale not long enough to obtain all of the necessary information, translation facilities not available, insufficient resources etc.

The timescales will be tight, because the Council will have to commence a new consultation with the public and stakeholders in August 2013, if it wishes to amend its Council Tax Support Scheme for the 2014/15 financial year.

(j) If it has been possible to collect this additional information, summarise the findings of your research and/or consultation (please use a separate sheet if necessary).

Information will be collected once the scheme comes into effect from 1 April 2013.

(k) What are the risks associated with the policy in relation to differential impact and unmet needs/requirements? i.e. reputation, financial, breach of legislation, service exclusion, lack of resources, lack of cooperation, insufficient budget etc.

Risks are:

Negative publicity for the Council from charging working age claimants a proportion of their council tax (8.5%) who have not previously contributed anything towards their bill.
There is no breach of legislation. The changes that the Council is proposing are in line with the changes that the DCLG have confirmed are allowable.

(l) Use the information gathered in the earlier stages of your INRA to make a judgement on whether there is the potential for the policy to result in unlawful discrimination or a less favourable impact on any group in the community, and what changes (if any) need to be made to the policy.

Option 1:	No major changes, the evidence shows no potential for discrimination.	
Option 2:	Adjust the policy to remove barriers or to better promote equality.	
Option 3:	Continue the policy despite potential for adverse impact or missed opportunity to promote equality.	X
Option 4:	Stop and remove the policy – if the policy shows actual or potential unlawful discrimination it must be stopped and removed or changed.	

(m) Where you have identified the potential for adverse impact, what action can be taken to remove or mitigate against the potential for the policy to unlawfully discriminate or impact less favourably on one or more communities in a way that cannot be justified? Include key activities that are likely to have the greatest impact (max. 6). Identified actions should be specified in detail for the first year but there may be further longer term actions which need to be considered. To ensure that your actions are more than just a list of good intentions, include for each: the person responsible for its completion, a timescale for completion, any cost implications and how these will be addressed. It is essential that you incorporate these actions into your service plans.

No action can be taken. In order to produce a cost neutral localised council tax support scheme, as stipulated by the Major Precepting authorities, working age claimants will be required to contribute 8.5% of their council tax bill.

This completed INRA will need to be countersigned by your Head of Service. **Please forward completed and signed forms to Nicole Pema, Principal HR Officer.**

All completed INRAs will need to be scrutinised and verified by the Council's Equal Opportunities Working Group (EOWG) and published on the Council's Intranet to demonstrate to local people that the Council is actively engaged in tackling potential discrimination and improving its practices in relation to equalities. Please be aware that you will be asked to attend a half-an-hour session to summarise the findings of the INRA to the EOWG Verification panel.

Signatures:

Completing Officer:	Linda Grinnell	Date: <u>27/11/12</u>
	Linda Grinnell	Date: <u>27/11/12</u>
Head of Service:		Date: _____