



## Our approach

Equality impact assessments (EIAs) are our chosen way for working out the effect our policies, practices or activities (the word activity will be used throughout this form as an umbrella term) might have on different groups before we reach any decisions or take action. They are an important service improvement tool, making sure that our services are as effective as they can be for everyone Camden serves. They also help to prevent us from taking action that might have outcomes we did not intend.

It is essential that you start to think about the EIA process before you develop any new activity or make changes to an existing activity. This is because the EIA needs to be integral to service improvement rather than an 'add-on'. If equality analysis is done at the end of a process it will often be too late for changes to be made.

If a staff restructure or organisational change is identified as necessary following the review of an activity then an EIA needs to be completed for both stages of the process, i.e. one when the activity is reviewed and one when the restructure or organisational change is undertaken .

Please read the council's EIA guidance, ['Equality impact assessments – equality through public services, a step-by-step guide'](#), before beginning the EIA process.

## Stage one

What is being analysed and who is responsible for the equality impact assessment?  
This section should be completed to help you plan how you will analyse an activity.

Name of the activity being analysed	Council Tax Reduction Scheme
Service and directorate responsible	Finance - Benefits
Names and posts of staff undertaking the assessment	Jackie Dye Special Projects Officer (Welfare Reform)
Date assessment completed	<b>This is a preliminary assessment, the final assessment will be carried out after the consultation has closed</b>
Name of person responsible for sign off of the EIA	Lesley Pigott Assistant Director Finance (Revenues)

## Stage two - planning your equality analysis

### Outline the activity being assessed

#### **Background**

In 2012 the Government abolished Council Tax Benefit and replaced it with Localised Council Tax Reduction (CTR) schemes. These schemes were designed and adopted by individual councils but with a reduced level of funding from Central Government.

Councils are statutorily obliged to protect people of Pension Credit age so that they were not affected by the change from Council Tax Benefit to CTR.

The meaning of protection in terms of any CTR scheme is that the persons CTR award will be based on 100% of their Council Tax liability. However they may still have to make some payments depending on their income and other circumstances.

If a person is not 'protected' or in a '100% scheme' group they will be on the Working Age (WA) scheme and their CTR will be determined by the rules of the WA scheme adopted by their authority.

Each year Councils must consider whether to revise or replace the current scheme for the next financial year

#### **Camden's CTR scheme 2013 – 2014**

For the year 2013 to 2014 Camden adopted a 91.5% Working Age (WA) scheme which meant that all working age CTR recipients had to pay a minimum of 8.5% towards their Council Tax bill.

The Council assessed Pension Credit age applicants under the 100% scheme but decided not to include any other groups in this scheme. In making this decision it considered the results of a public consultation, an equality impact assessment and the financial impact of assessing additional groups under the 100% scheme. The Council was also mindful of the provisions under section 13A of the Finance Act to reduce, in part or full, any Council Tax payable in cases of exceptional circumstances.

#### **Aims and objectives:**

The objective of this policy is to deliver a Council Tax Reduction Scheme for the residents of Camden within the reduced funding that is being provided by the Government.

To endeavour as far as reasonable/proportionate to ensure that the implementation of any scheme does not adversely impact one group more than any others

To give consideration to vulnerable groups, but to make sure that this does not disproportionately add to the burden of those left to pay.

To design a scheme in which the amount of support awarded can be adjusted year on year to ensure that any further gaps in funding are met in the future

To ensure the scheme is delivered on time and meets government requirements, compliance with legal duties, local policy priorities and software constraints

**Purpose:**

To assess the impact of the possible schemes being considered and to generate scheme options that not only mitigate the effects of the reduction in central government funding but still giving support where it is most needed

Any Council Tax Reduction paid in excess of the basic grant has to be funded by the Council Tax payer there is a need to ensure that expenditure is controlled. The estimated cost of the preferred scheme is £24.4 million which is within Government funding and allows for a small increase in claimant numbers during the year.

**Preferred Scheme 2014 -2015**

Camden is consulting on its preferred scheme which is:

- To have a Working Age scheme where the maximum CTR is based on 91.5% of the persons Council Tax liability as per 2013/14
- To increase the earnings disregard by £10 per week

**Other options**

The Council has also considered other options:

- **Protect all claimants**

The Council considered extending the 100% pensioner scheme to all working age people. This would mean the Council would have to find the savings elsewhere in order to fund the Council Tax Reduction scheme. As part of the decision making process, the Council researched and considered the following options:

- **Increase Council Tax**

The Council could increase Council Tax; however any increase to cover the shortfall would be substantial. Under the law the Council cannot increase Council Tax above 2% without holding a local referendum of every resident; an increase of 2% would raise £2 million which is less than the funding gap.

Additionally, because you cannot only increase Council Tax for the non CTR recipients, an increase in Council Tax would

- a) increase the whole CTR bill and therefore widen the gap between funding and spending
- b) affect everyone receiving CTR as their contribution would also increase.

- **Cut front line services**

Any reduction to front line services might also be substantial and would have serious impact on all Camden residents. These cuts are also likely to disproportionately affect the most vulnerable whose benefits such a move would be seeking to protect. The borough cannot afford to cover additional shortfalls in funding without impacting on services.

- In making the recommendation not to offer a maximum 100% reduction to everyone officers also took into account that there is provision under section 13A of the Finance Act to reduce in part or full, any Council Tax payable in cases of exceptional circumstances which will assist to mitigate the possible negative impacts identified.

- **Protect some claimant groups**

In proposing a draft scheme the Council considered adding other groups to the 100% scheme and increasing the amount to be paid by the remaining working age recipients (see below). However, all those receiving a Council Tax Reduction are, by definition, on a low income and this could force other working age groups into more hardship. This would also increase the risk of not being able to collect these additional amounts.

The Council's preferred scheme equally passes the cut in funding to all but the statutory protected group (pensioners) and the Council considers that this is the most equitable way of dealing with the reduced budget whilst still supporting those most in need.

- **Protect lone parents**

Officers considered extending extra help towards all lone parents which would incur an additional cost of £417k which would have to be met elsewhere. However, they also noted that 27% of lone parents are in work and increasing the earnings disregard by £10 (from £25 to £35) would provide an incentive for them continue, or take up, employment.

- **Protect disabled households**

Officers considered extending extra protection to disabled households where the claimant, their partner or a dependent child is receiving Disability Living Allowance, Personal Independence Payments or Carers Allowance.

However the evidence gathered so far indicates that these families are no more affected by the 2013 CTR scheme than other households

Factors that might contribute to this are:

- The Government makes provision for those who have extra costs as a result of a disability through Disability Living Allowance, Personal Independence Payments. These are paid to cover the additional mobility and care costs incurred by a person as a result of their disability and, in recognition of this, they are not counted as income in the assessment of Council Tax Reduction
- Additional premiums are associated with the receipt of any disability benefits and that in turn reduces the income taken into account in the CTR calculation.
- They may have claimed a Disabled Relief band reduction in their Council Tax and so have to pay less than those that are liable for the full Council Tax.

8% of disabled households are working, with a summons rate of only 5%, increasing the earnings disregards for these households (from £20 to £30) would provide an incentive for these households to continue, or take up, employment.

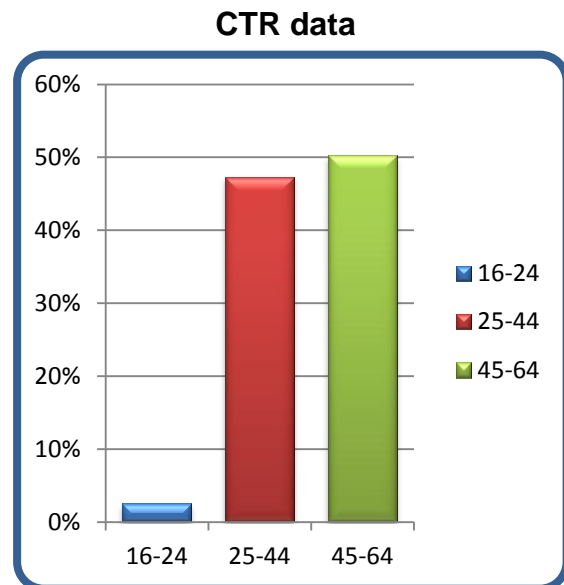
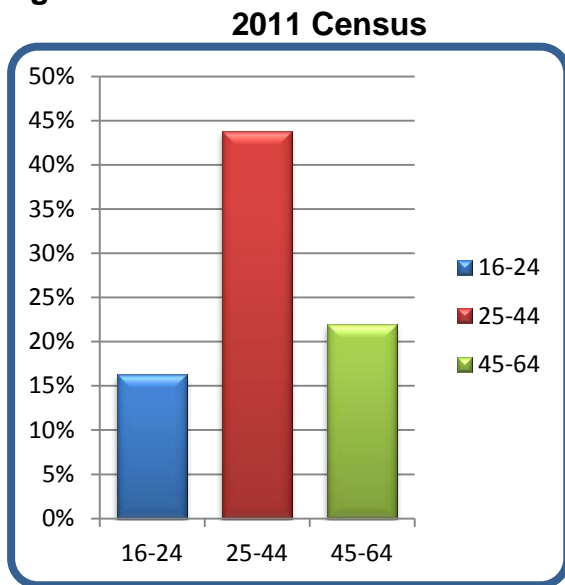
**Camden Demographic Profile – information from the 2011 census and CTR data**

• **General - Council Tax and CTR**

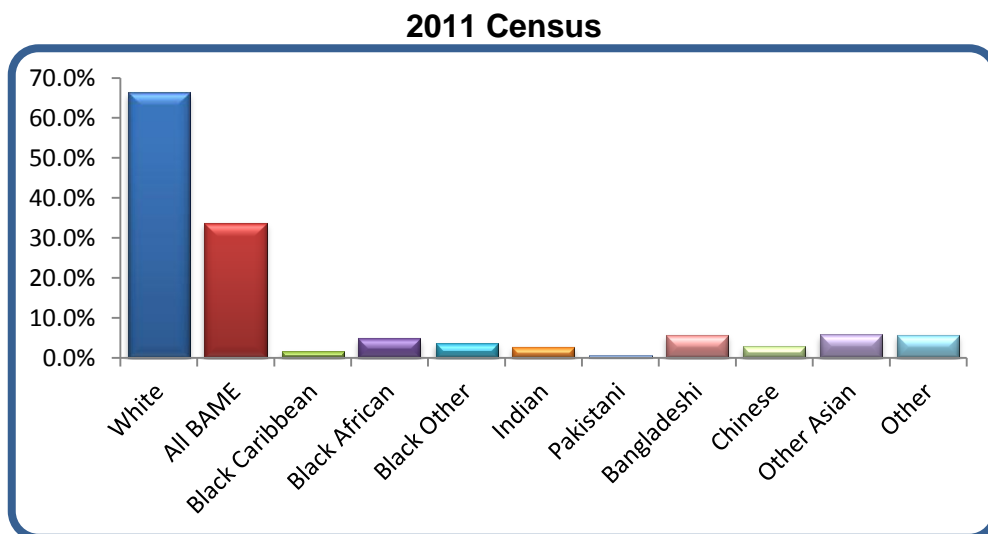
In July 2013 when this data was extracted

- 104,102 households were liable for Council Tax,
- 25,294 were receiving CTR, of which
- 16,736 were of working age
- 12,736 working age recipients received the 2013/14 maximum CTR.

• **Age**



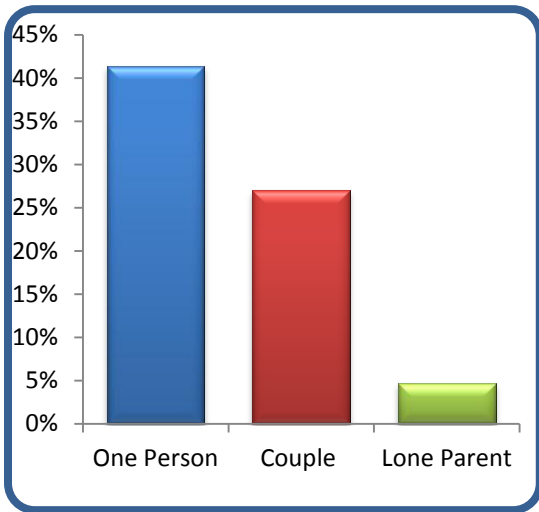
• **Ethnicity**



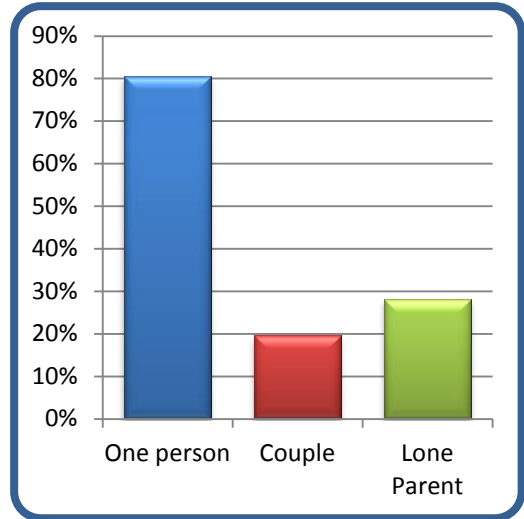
- Information regarding ethnicity is requested on the CTR application form but is rarely provided. This means that the data is not robust and valid comparisons with the Census data cannot be made.

## Households

2011 Census



CTR data



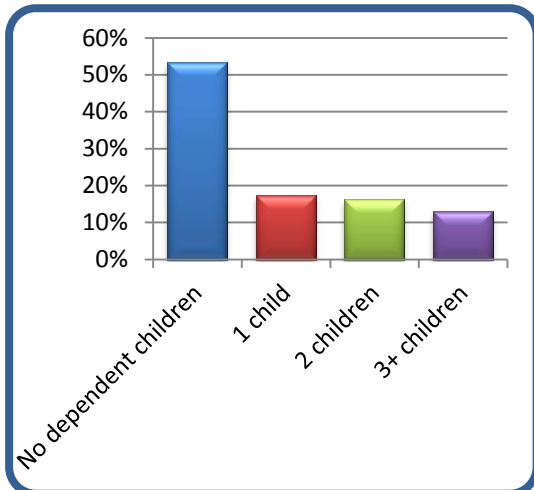
- 5% of households in Camden are lone parents, 51% are not in employment
- 28% of CTR recipients are lone parents, 77% are not in employment

- **Marriage and civil partnership;**

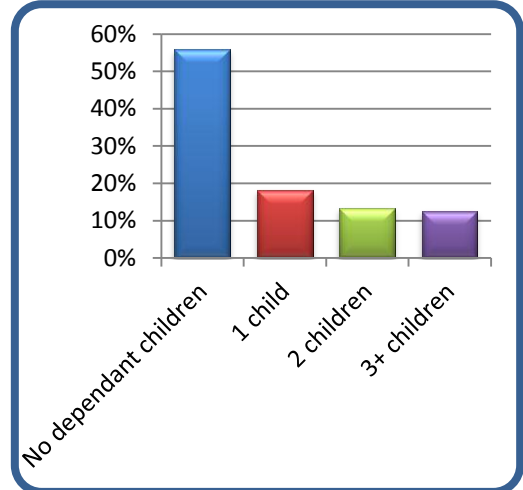
- 80% (13,452) of the working age CTR recipients in Camden are single and 20% (3,284) have a partner
- Data regarding whether or not the couple are married or in a civil partnership is not relevant to a CTR application as they are both treated the same when calculating the award.

- **Families**

2011 Census



CTR data



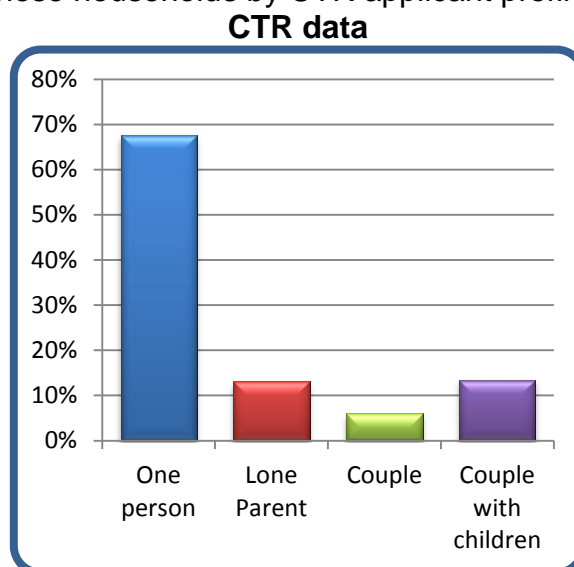
- The family make-up of CTR households closely reflects the make-up of families in Camden as a whole

- **Pregnancy and maternity**

- Data regarding pregnancy or maternity is not held on the benefits system.
- 5% (864) working age CTR households have children under the age of 2 and 52% of these are lone parents.

- **Disability:**

- An analysis of the CTR data indicates that the claimant, their partner or a dependant child is in receipt of DLA or PIPs, or Carer's Allowance is received in 20% (3,413) of working age households.
- A breakdown of these households by CTR applicant profile is given below



- The definitions of disability and care provision in the 2011 census are not precise making comparisons with CTR data difficult. However:
- 21,795 Camden households (22.3%) recorded on their census return that they contained one or more persons with a long-term health problem or disability,
- A further 3% said they provided care for someone for more than 19 hours per week

- **Religion or belief;**

- The religion or belief of CTR recipients is not required for a CTR award to be made and this information is not collected or recorded on the CTR system
- The 2001 census returns indicate that Christians account for 34% of the population, a reduction from 47.1% in 2001 12% are Muslim, 4.5% are Jewish, 1.4% Hindu, 1.3% Buddhist, 0.2% Sikh and 0.6% other religions

- **Sex**

- 61% (10,242) of the working age CTR recipients in Camden are female and 39% (6,494) male.
- The 2011 census indicates the population of Camden as a whole indicates that 51% of the population is female and 49% male.
- The discrepancy in percentages might be explained by the fact that Camden is 5th highest in England and Wales for female lone parents who make up 28% of CTR recipients

- **Sexual orientation & Gender reassignment;**

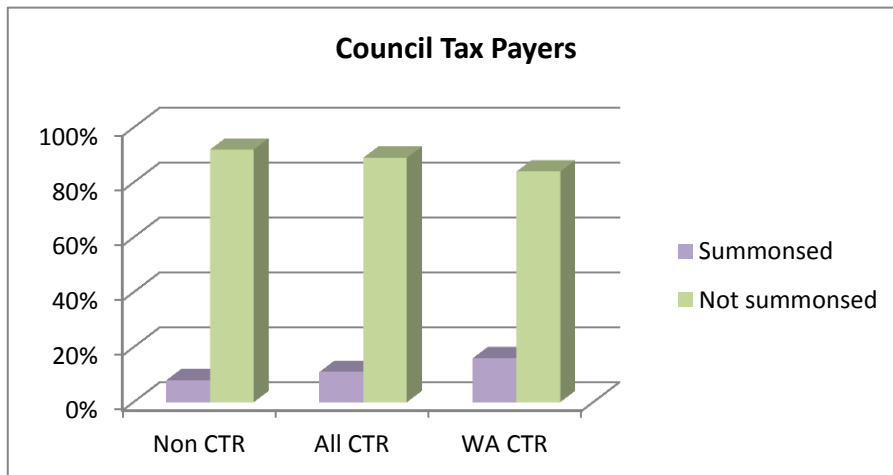
- There is no CTR data held regarding sexual orientation or gender reassignment as this information is not relevant to a CTR application

## Analysing the effect of the 2013 – 2014 Council Tax Reduction Scheme

- **Introduction**

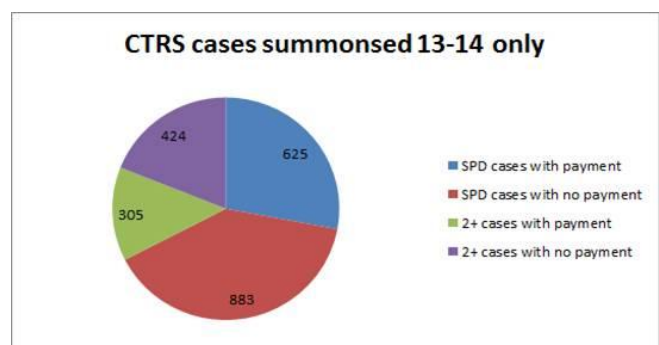
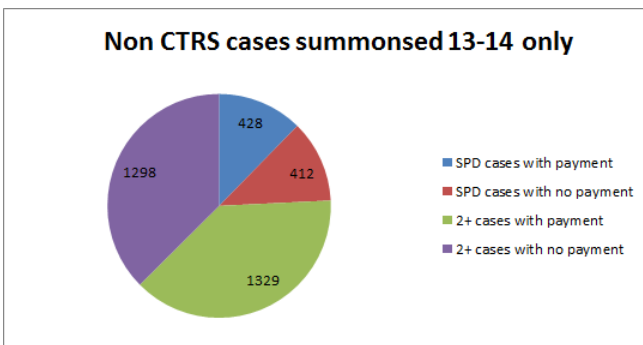
- The Council’s preferred option for 2014/2015 is to maintain the current scheme but to give additional help to CTR recipients who are working
- Officers have considered the affect the current scheme has had so far on CTR applicants and whether or not a higher proportion of CTR tax payers have been summonsed for non-payment of Council Tax than non CTR tax payers.
- The fact that the existing scheme has only been operating for 5 months means data is limited but early indications are that the scheme is operating fairly. The number of CTR recipients who have been summonsed for non-payment 2,675 (11%) of all CTR recipients compared to 6,226 (8%) of non CTRS recipients.

- **All Council Tax Payers**



- Nearly twice as many Council Tax payers who are of working age and receiving CTR have been summonsed as non CTR payers.

- **Council Tax payers with a Single Persons Discount (SPD)**

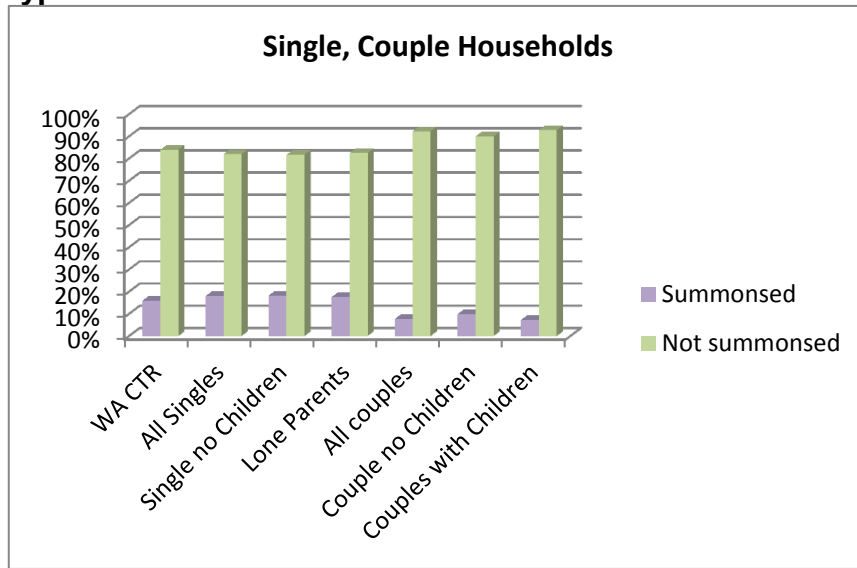


- This shows that the majority of CTR summons are single people whereas for the non CTR group this is a minority.
- Once summonsed, CTR cases make about the same attempt to pay as non CTR (50%)



**Working Age (WA) CTR cases**  
**The following tables look at the working age CTR population only**

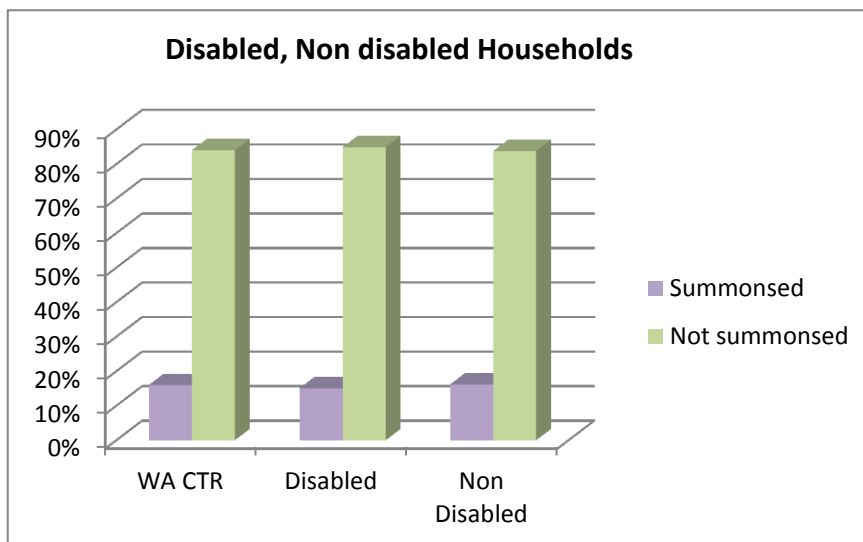
• **Household Type**



- The percentage of single people summonsed is almost double the number of couple households. This is true across all single person household types.
- This is not unexpected as 80% of the CTR cohort are single households.

• **Disabled Households**

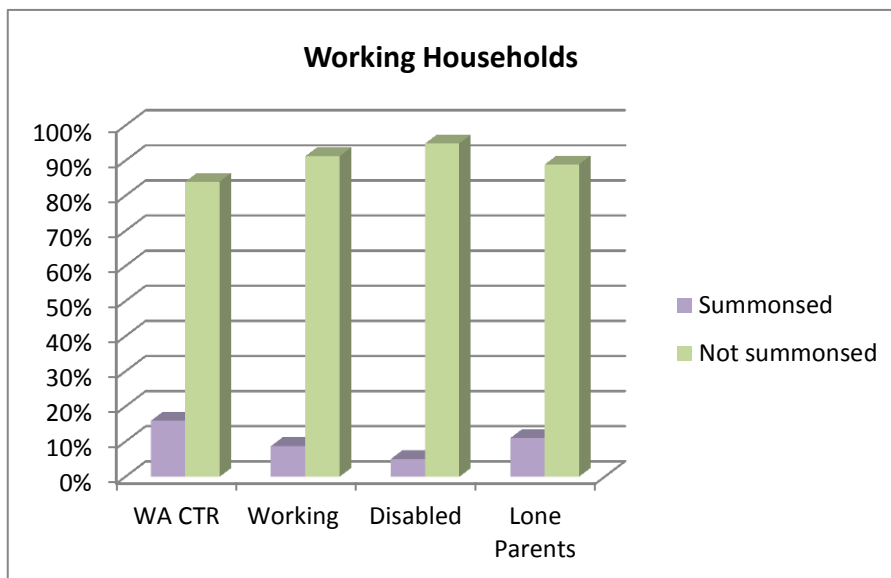
- This includes households where either the claimant, their partner or a dependant child is receiving Disability Living Allowance, Personal Independence payments or Carers Allowance



- The proportion of non-disabled households summonsed is marginally higher than the proportion of disabled households. 16% to 15% respectively.
- This would seem to indicate that the new scheme is not having a disproportionate effect on disabled households

- **Working Households**

- The definition of a working household is that either the claimant or their partner is receiving an income from either paid or self-employed earnings



- CTR recipients that are working are less likely to be summonsed than those who are not.
- Disabled households where someone is also working are half as likely to be summonsed as the working CTR population as a whole
- 9% of all working households are being summonsed; this is a higher percentage than might be expected.
- Working lone parents appear to be more affected than other working groups with 11% of them being summonsed.

## Consultation and engagement

Camden is carrying out a full consultation about its proposed Council Tax Reduction Scheme. Groups that will be consulted include: Council Tax Reduction recipients, Council Tax payers, Registered Social landlords, District Management Committees, Advice agencies and other partners.

The Public Consultation will be launched on 9 September 2013 and will run for 10 weeks to 15 November 2013. The results of this consultation will be monitored and analysed and the responses will be considered.

## Consultation responses

To be completed after consultation has finished.

## Have you identified any information gaps?

No information gaps have been identified prior to the consultation period, but the ethnicity information held regarding Council Tax Reduction recipients is not robust and this may be better analysed after the consultation responses have been received

## Analysing the evidence outlined above, could the activity have a negative or positive impact on protected groups?

If adopted the scheme will be implemented across all of the current Council Tax Reduction recipients apart from people who have reached Pension Credit age who have been protected from the changes by legislation

Analysis of the current CTR caseload has been undertaken which has identified some areas of possible negative or positive impact, these are detailed below. This analysis will be updated when the consultation has been completed

65% of the 4,485 households in work have children so increasing the amount of support to working households would have a positive impact on children and young people in Camden

Depending on the scheme adopted the impact may differ. The possible effect of adopting the various options is outlined below

## Preferred Option

- To maintain the statutory 100% scheme for people of Pension Credit age
- To have a Working Age scheme where the maximum CTR is based on 91.5% of the persons Council tax liability
- To increase the earnings disregard by £10 per week

## Protected groups

- Summarise any possible negative impacts that have been identified for each protected group and the impact of this for the development of the activity
- Summarise any positive impacts or potential opportunities to advance equality or foster good relations for each protected group

### Age : Children & young people

The council considered including lone parents in the 100% scheme this would increase their current disposable income and would have a positive effect on their children. However the cost would have to be met in other ways. This might result in reducing the amount of support available to other CTR recipients, including couples with children,

27% of lone parents are in work increasing the earnings disregard by £10 per week will increase their weekly disposable income and provide an incentive for them continue, or take up employment.

For the non-working lone parents, officers have taken into account the additional support the Council is offering which includes free childcare for three year olds, supporting people into employment by working with employers to recruit local people, offering apprenticeships and work experience and advising people about training and skills development.

27% (4,485) of the working age CTR recipients are in households where either the claimant or their partner is receiving an income from either paid or self-employed earnings. 65% of these households have children Increasing the earnings disregard would have a positive effect on children in families where one or both of the parents work as it would increase their disposable income

2,574 households have children under 5. 40% (1,019) of these households are working

Generally larger families live in higher banded properties and would be worse off under any % reduction as the CTAX liability is more so the reduction is larger. The difference in the deductions is shown in Table 1 below.

<p>Age Working Age</p>	<p>Putting any additional groups in the 100% scheme might negatively affect other working age people as this could lead to a reduction in the amount of support available to them</p> <p>The degree to which working age recipients are affected mainly depends on which Council Tax band their property is in. Claimants receiving a Single Persons Discount (SPD) or Disability Relief will be affected less than those liable for the full CTAX (Table 1)</p> <p>Increasing the earnings disregard would have a positive effect on claimants in work as they would see an increase in the support they received, additionally this could be done without increasing the cost to Council Tax payer or other CTR recipients</p>
<p>Age Older People</p>	<p>Government legislation has dictated that entitlements for people of Pension Credit age must be assessed on the 100% scheme so they will not be affected by any of these options.</p>
<p>Disability</p>	<p>22% (21,795) of all Camden households stated on the 2011 census return that they contained one or more persons with a long-term health problem or disability, A further 3% said they provided care for someone for more than 19 hours per week.</p> <p>In July 2013 there were 16,736 working age households claiming Council Tax Reduction, 20% (3,413) are recorded as being in receipt of Disability Living Allowance, Personal Independence Payments or Carers Allowance.</p> <p>It is not possible to make an exact comparison between those with a long term illness and those treated as disabled for CTR purposes, however by looking at the current information regarding CTR recipients who have been summonsed there is an indication that there is not a disproportionate impact on this group compared to their representation in the borough.</p> <p>The Council has considered protecting this group, however this had to be balanced with the affordability of the scheme and the feasibility for other claimants who are not protected, but who will still be on low incomes, to meet any shortfall.</p> <p>8% of disabled working age households are in work and increasing the earnings disregard (from £20 to £30) would further support them as well as providing an incentive for others to take up employment.</p> <p>For disabled people who are unable to work, The Government makes provision for those with a disability through Disability Living Allowance and Personal Independence Payments. These are paid to cover the additional mobility and care costs incurred by a person as a result of their disability and in recognition of this they are not counted as income in the assessment of Council Tax Reduction.</p>

	<p>The additional premiums associated with the receipt of disability benefits, including a premium for carers where the person is entitled to Carers Allowance, will also continue which also reduces the income taken into account in the CTR calculation.</p>
Marriage and civil partnership	<p>We have no benefit data in relation to this group. However, the current Council Tax Reduction scheme recognises married couples and civil partnerships equally so there will be no adverse impact</p>
Race	<p>We have no reliable CTR data in relation to this group however it is recognised that some ethnic groups are more likely to have larger families or other adults living in their household and be resident in higher banded properties. This means they might be more adversely affected by a percentage reduction based on their Council Tax liability.</p>
Sex	<p>The 2011 census shows that the male/female split in Camden is fairly even, but analysis of CTR data shows a higher proportion of female (61%) CTR recipients compared to female (49%).</p> <p>This discrepancy might be explained by the fact that the census also indicates that there is a much higher percentage of female one parent families than male (Camden is 5th highest in England and Wales for female lone parents</p> <p>Lone parents make up 28% of CTR recipients; they will generally receive a Single Person Discount and so be liable for less CTAX than a couple living in comparable accommodation, there is no reason to believe that the option would affect them more than a couple in the same circumstances</p> <p>.</p>
Sexual orientation Gender reassignment Pregnancy/maternity Religion or belief	<p>We have no benefit data in relation to these groups but there is no reason to believe any of the options would affect them more than any other as these are not factors taken into account within the statutory means test and do not form part of any of our proposed changes.</p>

## Stage four - planning for improvement

### What actions have been identified:

- to mitigate against or minimise any negative impacts?
- to advance equality, and therefore improve the activity?

34% of current Council Tax Reduction recipients are Pensioners and are not affected by changes to the Council Tax Reduction Scheme. The remaining CTR recipients include singles and couples, people with children and those with disabilities. The fact that they are receiving Council Tax Reduction means that many will view themselves as financially vulnerable. Officers considered protecting certain groups but are recommending that the 8.5% increase applies to all working age claimants.

The Government has legislated to protect pensioners; this means that other groups will inevitably be disproportionately affected compared with pensioners, there may be certain equality groups who are over represented but there is little or no data breakdown on the following protected characteristics: marriage and civil partnerships, gender reassignment, pregnancy and maternity, sexual orientation, religion/belief or race because these information is not required for the assessment of the CTR award.

To mitigate the effect the scheme has on families the proposed scheme continues to include additional premiums for households with children. Also child benefit and maintenance are not taken into account as income and income up to £300 per week is disregarded for childcare costs. This means that people with children keep more of their income when working out entitlement to Council Tax Reduction. The Council also provides 25 hours (as opposed to the statutory 15 hours) of free nursery care to qualifying families.

With regard to disabled claimants, who might have been considered a vulnerable group and therefore given protection, the proposed Council Tax Reduction Scheme has taken into account the fact that Disability Living Allowance and Personal Independence payments are ignored in the calculation of the CTR award and that additional premiums are also awarded to households where the claimant, partner or child has a disability.

The Council recognises that CTR customers may also be affected by other benefit changes and are working to ensure that their total income is maximised.

Where applicable, this includes:

- Giving claimants advice and discussing their housing options
- Assisting in trying to negotiate with landlords to reduce their rent
- Helping tenants to find alternative, more affordable accommodation
- Helping tenants to apply for Discretionary Housing Payments

The Council is developing a strategic and integrated response to supporting people into work. Entering employment is the first step towards removing people from benefit dependency, the proposed CTR scheme will incentive work in the following ways:

- It retains the extended payments that are awarded when a person comes off an unemployment benefit into work on the existing level for 4 weeks. This means that Council Tax support does not suddenly disappear and ensures that there is some financial benefit when entering work. The Council are considering the treatment of Universal Credit in the scheme.

- Once claimants are in work, the scheme will keep the 20% taper to reduce support gradually as income rises.
- It increases the amount of earnings ignored when calculating the CTR award. This ensures that the scheme is not a deterrent to working and applicants should be able to see that it is in their interest to take up work opportunities.

The Council is working to promote work and employment support for claimants affected by all welfare reforms. The Council aim to mitigate the effects of the proposed CTR scheme and other benefit changes by maximising financial and other resources available to the claimant and by promoting work and employment support. This includes:

- Back to work calculations and advice on benefit changes
- Promoting work and employment,
- Encouraging the take up of child tax credits, the childcare element of the working tax credit, and free childcare for three year olds.
- Developing a broad, strategic and integrated service response to support people into work
- Working with a range of local providers including the Job Centre Plus.
- Developing the Council's own offer and contribution to supporting local people into work as an employer, including offering apprenticeships and work experience
- Working with other public sector employers to maximise offers to local people
- Working with employers to promote the benefits of local recruitment and to support new employers to recruit local people
- Ensuring that Section 106 maximises local employment and apprenticeships

The Council will ensure that any changes to the current scheme are publicised and that key support groups within the community and other partners that work with vulnerable people, are aware of the changes and are able to advise their clients.

The Council has, and will continue to provide advice on how and where CTR recipients can pay their Council Tax and working with advice and support agencies to ensure customers have access to money advice services.

### **Discretion to reduce the amount of Council Tax payable**

The Local Government Finance Act 2003 inserted a new section 13A into the Local Government Finance Act 1992. This section gives local authorities discretion to reduce the amount of Council Tax payable in situations not covered by national discounts and exemptions and relates to the amount a person has to pay. The Council has the power to reduce liability for Council Tax in relation to individual cases. The Council is considering the use of this power to mitigate losses in certain situations

The intention is that the hardship fund will be to assist those who are most affected by the change to CTR. We believe that this targeted approach, as opposed to a blanket approach providing support to certain categories of customers, will be a more effective and efficient way of meeting the need of those customers most affected by this change.



## Stage five - outcome of the EIA

Outcome of analysis	Description	Select as applicable
Continue the activity	The EIA shows no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken	
Change the activity	The EIA identified the need to make changes to the activity to ensure it does not discriminate and/ or that all appropriate opportunities to advance equality and /or foster good relations have been taken. These changes are included in the planning for improvement section of this form.	
Justify and continue the activity without changes	The EIA has identified discrimination and / or missed opportunities to advance equality and / or foster good relations but it is still reasonable to continue the activity. Outline the reasons for this and the information used to reach this decision in the box below.	
Stop the activity	The EIA shows unlawful discrimination.	
<b>To be completed after Consultation has closed and final analysis undertaken</b>		

## Stage six - review, sign off and publication

Quality assured by:	
Quality assured by OD for organisational change / restructures:	N/A
Signed off by:	
Date:	
Comments (If any)	