

Appendix 5

# Equality Impact assessment

Full assessment form v4 / 2011

[www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

**Service:**

Revenues and Benefits

**Title of policy, service, function, project or strategy (new or old):**

Localising support for council tax

**Type of policy, service, function, project or strategy:**

- New / proposed  
 Changed  
 Existing

**Lead officer**

Shirley Hudson

**People involved with completing the EIA:**

Ed Woodhouse - Head of Revenues and Benefits  
Shirley Hudson - Policy & Process Manager  
Verity Fair - Business Systems Officer  
Iwona Defer - Equalities & Customer Research Officer

## Introductory information (Optional)

The Welfare Reform Act has abolished council tax benefit (CTB) with effect from April 2013, and the Local Government Finance Act has put in place the legislation to localise support for council tax.

The abolition of CTB is to be accompanied by a significant reduction in Government funding which will have to be taken into account when developing our local scheme.

This project will manage the introduction of the new localised scheme for council tax support, as determined by members, to ensure a new localised Council Tax scheme is in place for April 2013.

Consultation has been undertaken with Hampshire Police and Hampshire Fire & Rescue authorities and subsequently with our residents and stakeholders.

### Proposed Council Tax reform

Based on current data and taking into account growth estimates, the shortfall in Council Tax support compared against Council Tax Benefit for 2012/13 would be £1.87million.

The full details of the Council Tax support proposed scheme can be found in the Cabinet report for the meeting on 3rd September 2012 which is located at <http://www.portsmouth.gov.uk/yourcouncil/26543.html>. A summary of the proposed Council Tax Support scheme is below:

### Proposed Support scheme

Council Tax Benefit (CTB) is means tested, and calculating the level of award incorporates many variables. The variables essentially cover 4 main components that fit together to calculate the level of Council Tax Benefit:

1. Income
2. Capital
3. Household, including the Council Tax payer
4. Amount of Council Tax charged.

The proposed local scheme and its financial impacts have been calculated by changing specific variables that are used in the CTB assessment. The proposal is designed to take account of Local Authority duties.

Legislation determines Pensioners (the definition of a pensioner is legislated) will continue to receive the same level of support under the new scheme as they received under CTB. Provision in the proposed Council Tax Support scheme is also made to protect disabled people by excluding them from specific reductions in support.

The proposed changes are:

- 1) Support to be capped at a maximum of 80% of council tax liability for working age claims, excluding those defined as disabled.  
Capping at a maximum of 80% of council tax liability means that everyone, excluding those claimants defined as protected, will be required to pay towards their council tax.

The effect of this change would be substantial in comparison to other changes. It is based on the principle of sharing the reduction in support across the widest group possible under the rules of the scheme, so that other than pensioners & disabled, everyone will be paying something towards their council tax charge.

- 2) Increase earned income disregards for working age claims by £10.00 per week. This disregard reduces the amount of earned income used in the assessment of Council Tax Benefit. A £10 per week increase would offset the increase in the income taper and give an incentive to work.
- 3) Increase the income taper to 25% for all working age claims, excluding those defined as disabled. If a CTB customer's weekly income is more than his or her applicable amount (applicable amount is the value that is deemed by Government to be the weekly amount required for living expenses, excluding rent & Council Tax). The difference between the two is known as 'excess income' or taper. For CTB the taper is 20%.
- 4) Non-Dependant charges increased by 15% for all working age claims and introducing a minimum charge for those in receipt of a passported benefit. For Council Tax Benefit, it is assumed that other adults in the claimant's home will contribute towards the council tax bill, which results in a lower amount of CTB being given. Increasing the non-dependant charge would be based on a principle that everyone in the household should contribute more than they do under the current scheme. Introducing a minimum charge for non-dependants in receipt of a passported benefit would build on the principle that everyone in the household should contribute.
- 5) Maintain the extended payment provision. Where certain qualifying conditions are met 4 weeks additional benefit is paid when a claimant comes off a passported benefit and starts work. This provides incentive for those seeking work.
- 6) Child Benefit & Child Maintenance to continue to be disregarded. By disregarding these from income that is used to determine what Council Tax support should be awarded, this will help to protect against child poverty.
- 7) Maintain support for families with children and lone parents. Additional allowances and premiums for children and families are granted under the Council Tax Benefit scheme. These will continue under the local scheme.
- 8) Fostering payment income to continue to be disregarded. Foster carers and Kinship carers that receive fostering payments (paid by a LA, voluntary organisation or Primary Care Trust) have this income disregarded in full when calculating entitlement to Council Tax Benefit. This continues under the local scheme.
- 9) Maintain protection for Carer's who have Council Tax liability. A carer claiming Council Tax Benefit receives some protection by receipt of Carer's Allowance, should they meet the qualification criteria. This continues under the local scheme.
- 10) Maintain allowances and premiums given to a care leaver. The allowances and premiums given to a care leaver under the Council Tax Benefit scheme are the same as for a non-care leaver. This will continue under the local scheme.
- 11) Maintain income disregard for war pension scheme and armed forces compensation scheme. Council Tax Benefit regulations currently disregard £10 per week for war pension scheme and armed forces compensation scheme – under the Council's local scheme this balance will still be disregarded.
- 12) Set backdating at 3 months for all claimants. This will mean all Council Tax support claimants will have the same period of backdating for late applications.

## Step 1 - Make sure you have clear aims and objectives

## **What is the aim of your policy, service, function, project or strategy?**

This EIA relates to the introduction of the new localised scheme for council tax support from April 2013, which has been introduced under the Local Government Finance Act.

The Government has decided that pensioners will be protected from any reduction under our local scheme.

Therefore the aim of this scheme is to provide support to the working age customers Portsmouth City Council residents with a council tax liability who are on a low income. For those who qualify for support will have a reduction (based on household income) applied to their council tax account, resulting in being charged less council tax.

## **Who is the policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?**

The Government has decided that pensioners will be protected from any reduction under our local scheme. Therefore, the group that would be negatively impacted are people of working age who are currently recipients of CTB or who will apply for council tax support in the future.

We can see from the illustration of the impact below that working age passported customers & working age other customers would be most affected by the scheme for local council tax support.

Working age vulnerable clients would be minimally affected by the scheme. As mentioned above, people with disabilities will be exempt from the 80% cap and the increased income taper when assessing the amount of council tax support they would receive.

In designing the proposed council tax support scheme have had a proper regard to the aims of the Equality Duty under the Equality Act 2010, s.149, and specifically the need to eliminate unlawful discrimination and advance equality of opportunity between people who possess particular protected characteristics and those who do not.

We believe that the scheme balances in the best possible way the need for the council to implement the changes to Council Tax Benefit introduced by the Government, including the significant reduction in the Government funding, and the need for the council to protect the most vulnerable people in Portsmouth.

The information below illustrates how council tax benefit claimants will be affected by the proposed scheme.

### **AVERAGE EFFECT ON CLAIMANTS**

Pension age customers

Number of CTB claimants - 8,250

Average weekly CTB now - £14.18

Average weekly Support – new scheme - £14.18

Average weekly increase in Council Tax payable - £0

Working Age Passported Customers \*

Number of CTB claimants - 6,220

Average weekly CTB now - £15.00

Average weekly Support – new scheme - £11.83

Average weekly increase in Council Tax payable - £3.17

#### Working Age Vulnerable Customers \*\*

Number of CTB claimants - 2400

Average weekly CTB now - £14.84

Average weekly Support – new scheme - £14.86

Average weekly increase in Council Tax payable - £-0.02

#### Working Age Other Customers \*\*\*

Number of CTB claimants - 3,130

Average weekly CTB now - £11.51

Average weekly Support – new scheme - £9.48

Average weekly increase in Council Tax payable - £2.03

#### Total

Number of CTB claimants - 20,000

Average weekly CTB now - £14.10

Average weekly Support – new scheme - £12.89

Average weekly increase in Council Tax payable - £1.35

\* Working Age Passported – people under the age to qualify for pension credit, and are in receipt of a DWP income related benefit that automatically qualifies them for the maximum council tax support available (in this case 80% of liability). Passported benefits are Income Based Job Seekers Allowance, Income Support, & Income Related Employment Support Allowance.

\*\* Working Age Vulnerable – people under the age to qualify for pension credit, and considered disabled or with limited capacity for work through illness (i.e. the person, their partner and/or child) if they are in receipt of any of the following benefits:

- o Disability Premium
- o Enhanced Disability Premium
- o Severe Disability Premium
- o Disability Premium for Dependants
- o Enhanced Disability Premium for Dependants.
- o Disabled Earned Disregard
- o Council Tax Disability Reduction
- o Disability Living Allowance (Personal Independence Payment)
- o Incapacity Benefit - Long Term Rate
- o ESA - Support Component.
- o ESA - Work Related

\*\*\* Working Age Other – people under the age to qualify for pension credit, are not in receipt of a passported benefit, and do not qualify for a DWP benefit that determines disability. Typically these customers are in receipt of earned income, contributions based Job Seekers Allowance, Child Tax Credit, Working Tax Credit.

The scheme will also:

Maintain support for families and lone parents - The scheme will continue to include some key incentives to help support families and lone parents. These include:

- Disregarding child benefit and child maintenance payments from the household income when determining what council tax support should be awarded.
- Making an allowance for at least part of the cost of childcare for people who work.
- Awarding additional allowances and premiums to ensure the additional living expenses incurred by

families are accounted for.

Maintain support for foster parents - The scheme will continue to support foster parent by disregarding fostering payments (paid by a local authority, voluntary organisation or primary care trust) from the household income when determining what council tax support should be awarded.

Maintain support for war pensioners - The scheme will disregard war pensions and armed forces compensation payments from the household income when determining what council tax support should be awarded.

### What outcomes do you want to achieve?

To ensure that the consultation process has met the needs and reflected fully the needs of all the residents.

That the duties under the Equality Act 2010 are fully complied with.

A fair and reasonable outcome for all those effected by the changes.

The scheme is assessable

### What barriers are there to achieving these outcomes?

Affordability - the amount of grant given to PCC by Central Government.

Legislation restrictions - narrows choices that can be made again including affordability.

## Step 2 - Collecting your information

**What existing information / data do you have? (Local or national data)** If you dont have any data contact the Equalities and diversity team for some ideas

There are approximately 20,000 council tax benefit claimants. Within the local council tax scheme they will be classed under three categories:

Pensioner

Approximately 8250 council tax benefit claimants

Working age classed as having a disability or limited capacity to work:

Approximately 2400 council tax benefit claimants

Working age

Approximately 9350 council tax benefit claimants

### Using your existing data, what does it tell you?

The funding gap will need to be met by the 9350 working age council tax benefit claimants.

## Step 3 - Now you need to consult!

### Who have you consulted with?

All working age council tax benefit claimants  
Residents of Portsmouth City Council  
The voluntary community sector (approx 600 partners)  
The housing partnership  
The debt forum  
The disability forum  
The childrens board  
Department of work and pensions welfare awareness forum  
CAB  
Advice Portsmouth  
Age UK  
Portsmouth City Council staff  
Credit union  
Portsmouth Foyer  
EC Roberts  
Job centre plus

### If you haven't consulted yet please list who you are going to consult with

### Please give examples of how you have or are going to consult with specific groups or communities e.g. meetings, surveys

The approach taken with the consultation was:

- The draft scheme, accompanying documents and questionnaire was published on Portsmouth City Council website
- Media release to advertise consultation of the scheme
- Article in flagship, housetalk and something for the weekend
- Article in the voluntary community sector monthly update
- Emailed stakeholders
- Weekly stands across Portsmouth to raise awareness of the consultation
- Attended various forum meetings
- Poster and flyers were issued to:
  - All housing offices (excluding Leigh Park and Wecock Farm)
  - All libraries
  - All schools
  - PCC departments
  - Benefit counters
- Letter sent to every working age customer in receipt of council tax benefit
- Facebook
- Twitter
- Article in Portsmouth City Council team brief
- Article on Portsmouth City Council internal website

## Step 4 - What's the impact?

**Is there an impact on some groups in the community? (think about race, gender, disability, age, gender, religion or belief, sexual orientation and other socially excluded communities or groups)**

### **Generic information that covers all equality strands (Optional)**

Taking account of the consultation with the whole population group, the main impact identified is within the working age population who are not classed as having a disability or limited capacity to work.

### **Ethnicity or race**

Data from the Census, 2001, showed that 5.3% of the City's population are of a Black and Minority Ethnic (BME) group. The largest group is Asian – 2.4% of the overall population.

ONS Experimental statistics estimated that by mid-2009 the BME community in Portsmouth had increased to 15.5% of the total population with Other White, Indian and Chinese communities comprising the largest ethnic groups.

From the analysis of the data on council tax benefit applicants (who have provided their ethnicity) from January 2010 to May 2012 shows the ethnic make up of council tax benefit claimants is mainly white British. The data below shows in the last two years there has been a slight increase in the black and minority ethnic (BME) claiming council tax benefit in Portsmouth.

Ethnicity	BME total	BME %	British total	British %
2010	707	14	4308	85.4
2011	716	15.3	3958	84.6
2012 (Jan-May)	347	15.4	1909	85.2

The percentage of BME residents (who have provided their ethnicity) who have applied for CTB in the last three years is proportional to the estimated total number of BME population in Portsmouth.

Moreover, no specific issues have been raised with regard to ethnicity or race in the consultation results.

Therefore, it is not envisaged that the current and future BME recipients of council tax support will be disproportionately negatively affected by the proposed council tax support scheme.

### **Gender including transgender**

According to mid-2011 population estimates by the ONS, the gender split in Portsmouth is roughly 50:50. There are 103,900 men and 101,600 women.

It is estimated that there are between 300,00-500,00 transpeople in the UK.

From the data held on council tax benefit claimants (person who makes the claim for benefit including



which person out of the couple makes the claim) they are made up of 36.15% male and 63.85% female. This shows that more females make the application for council tax benefit than males. However, it is unclear whether there will be a disproportionate negative impact of the proposed council tax local support scheme on working age women.

There is no local data on the number of transgender applicants of CTB.

No specific issues have been raised with regard to gender in the consultation results. It is not envisaged that the local council tax support scheme will have a negative impact due to gender.

## Age

According to mid-2011 population estimates by the ONS, there are 140,100 persons aged 16-64 and 27,600 persons aged 65+.

From the analysis of the data held on council tax benefit applicants shows that the estimate age make up of council tax benefit applicants is roughly in line with the national statistics.

There are approximately 8250 council tax benefit claimants who are classed as being a pensioner and 11750 who are classed as being of working age.

Working age classed as having a disability or limited capacity to work:  
Approximately 2400 council tax benefit claimants

Working age  
Approximately 9350 council tax benefit claimants.

Working age current and future applicants will be disproportionately negatively affected by the proposed council tax benefit support scheme in comparison with CTB applicants of pensionable age. However, it is the Government's decision to automatically protect successful claimants of pensionable age from the CTB changes. Therefore, the council has no discretion to offer an alternative that would be less discriminatory on the basis of age.

No specific issues have been raised with regard to age in the consultation results. It is not envisaged that the local council tax support scheme will have a negative impact due to age.

## Disability

### Learning disability

About 20 people in every thousand will have a learning disability. Applying this estimate to the local population, the national Learning Disabilities Observatory estimates that 4,235 people (across all age ranges) in Portsmouth have a learning disability.

In 2011/12, Portsmouth GPs recorded that they were aware of 720 adults aged 18+ years with a learning disability (0.34% of the registered population aged 18+ years).

### Physical disability

At 31 March 2011, 3,328 adults were registered with physical disabilities.

At 31 March 2011, the highest crude rates for people aged 18-64 years were in Charles Dickens (24 per 1,000 residents), Paulsgrove (21 per 1,000 residents) and Nelson (14 per 1,000 residents).

At 31 March 2010, 9,824 Blue Badges had been issued for people with a permanent disability affecting their walking.

### Visual impairment

At 31 March 2011, 949 adults were registered with visual impairment. At 31 March 2011, the highest crude prevalence rates for people aged 18-64 years were in Drayton and Farlington (8 per 1,000 residents), Nelson (6 per 1,000 residents) and Paulsgrove (5 per 1,000 residents).

#### Hearing impairment

At 31 March 2011, 1,164 adults were registered with hearing impairment. At 31 March 2011, the highest crude rates for people aged 18-64 years were in Charles Dickens and Paulsgrove (5 per 1,000 residents), and Baffins (3 per 1,000 residents).

#### Mental health

In 2010/11, about 1,860 people (0.9% of registered patients) were recorded by GPs as having severe mental illness.

In 2010/11, Adult Social Care provided services for mental health problems to 1,298 clients aged 18+ years.

We do know we have approximately 2400 (12%) working age council tax benefit claimants who will be classed as having a disability or limited capacity to work under the new council tax support scheme.

Under the Equality Act, s.149, the Council has a duty to have due regard to the need to eliminate unlawful discrimination and to advance the equality of opportunity between people with disabilities and people who do not have a disability. This includes meeting the needs of people with disabilities and it may need to involve treating people with disabilities more favourably than people who do not have a disability.

We have duly considered our duties under the Equality Act and we are proposing to treat disabled people more favourably in our council tax support scheme to mitigate disproportionately negative impact that people with disabilities would otherwise suffer. We recognise that disabled people suffer much bigger obstacles to gaining employment which would enable them to afford paying council tax.

Therefore, a provision within the scheme has been made to protect these customers from calculating the maximum council tax award against 80% of the net council tax liability (will remain 100% of the net council tax liability) and the increased income taper to 25% (will remain at 20% for these customers).

No specific issues have been raised with regard to disability in the consultation results. It is not envisaged that the local council tax support scheme will have a disproportionately negative impact due to disability.

#### **Religion or belief**

According to Census 2001 data, the biggest religion in Portsmouth is Christianity (with 68.1% of population being the followers) followed by 20% of the city's population stating they have no religion. 2.1% of the Portsmouth population are Muslims with Buddhists and Hindus comprising 0.4% of the city's population each.

We do not have any information with relation to the CTB applicant's religion or belief.

No specific issues have been raised with regard to religion or belief in the consultation results. It is not envisaged that the local council tax support scheme will have a negative impact due to religion or belief.

## Sexual orientation

It is estimated that between 5-7% of the UK population is lesbian, gay or bi-sexual. However, there is no hard data to support that as national census has never captured that information.

There is no evidence or feedback from the consultation that the local council tax support scheme will have a negative impact due to a person's sexual orientation. The Revenues and Benefits Service adhere to the equalities and diversity agenda and our service will provide good service to every council tax support customer, whatever their age, sexuality, gender, religion, belief or disability.

No specific issues have been raised with regard to sexual orientation in the consultation results. It is not envisaged that the local council tax support scheme will have a negative impact due to sexual orientation.

## Pregnancy and maternity

Unknown as currently no data held. However information will be held on numbers of babies born to claimants.

There are currently approximately 6465 council tax benefit claimants who have 1 or more children.

- Maintain support for families and lone parents

The scheme will continue to include some key incentives to help support families and lone parents.

These include:

- Disregarding child benefit and child maintenance payments from the household income when determining what council tax support should be awarded.
- Making an allowance for at least part of the cost of childcare for people who work.
- Awarding additional allowances and premiums to ensure the additional living expenses incurred by families are accounted for.

No specific issues have been raised with regard to pregnancy and maternity in the consultation results. It is not envisaged that the local council tax support scheme will have a negative impact due to pregnancy and maternity.

## Other socially excluded groups or communities e.g. carers, areas of deprivation, low literacy skills

From the comments made via the consultation by both residents and organisations the main area of concern is the added financial pressure for residents claiming council tax support who are on a low income.

However, it is proposed a limited financial hardship fund will be introduced to assist council tax support customers who are in financial need.

**Have you referred to the Joint Needs Assessment ([www.jsna.portsmouth.gov.uk](http://www.jsna.portsmouth.gov.uk)) to identify any associated health and well-being needs?**

Yes

No

**What are the health impacts, positive and / or negative? For example, is there a positive impact on enabling healthier lifestyles or promoting positive mental health? Could it prevent spread of infection or disease? Will it reduce any inequalities in health and well-being experienced by some localities, groups, ages etc? On the other hand, could it restrict opportunities for health and well-being?**

Vulnerable persons such as the elderly and the disabled (with a limited capacity to work) are both protected by the scheme & legislation.

**Health inequalities are strongly associated with deprivation and income inequalities in the city. Have you referred to Portsmouth's Tackling Poverty Needs Assessment and strategy (available on the JSNA website above), which identifies those groups or geographical areas that are vulnerable to poverty? Does this disproportionately impact on any of these groups negatively, and if so how? Are there any positive impacts?, if so what are they?**

Across the city, one in four children is living in poverty. Nearly one in five older people (60+) in Portsmouth are experiencing income deprivation.

Adults from Black and Minority Ethnic communities in Portsmouth have been identified as one of the groups most vulnerable to poverty.

Within the scheme it is legislated that pensioners will continue to receive the same level of council tax support as they currently receive under council tax benefit.

Provision is also made within the scheme to provide a level of protection against some of the changes for working age customers who are classed as having a disability or limited capacity for work.

For the remaining working age customers, there is provision to maintain the current allowances, premiums and disregards within the local council tax support scheme see introductory information for details.

It is also proposed a limited financial hardship fund will be introduced to assist council tax support customers who are in financial need.

**Step 5 - What are the differences?**

**Are any groups affected in a different way to others as a result of your policy, service, function, project or strategy?**

Legislation provides pensioners will continue to receive the same level as support as they did whilst receiving council tax benefit.

Portsmouth City Council have provided a provision to protect the claimants who will be classed as having a disability or limited capacity to work under the new council tax support scheme against two of the changes:

- Council tax support will be paid up to a maximum of 80% of the council tax liability - this will remain at 100% for these customers
- Change the excess income calculation from 20% to 25% - this will remain at 20% for these customers

**Does your policy, service, function, project or strategy either directly or indirectly discriminate?**

Yes  No

**If you are either directly or indirectly discriminating, how are you going to change this?**

We are indirectly discriminating against working age claimants who are not classed as having a disability or limited capacity to work.

The reason for this differential treatment of working age disabled people and people with limited capacity to work is that we recognise that people with disabilities face much bigger obstacles to finding employment than people who do not have a disability. Therefore, we are proposing to introduce protection to working age residents with disabilities and those with limited capacity to work from certain elements of the scheme in order to mitigate a potentially disproportionately negative impact on those residents.

However, there is provision to maintain the current allowances, premiums and disregards within the local council tax support scheme see introductory information for details.

## Step 6 - Make a recommendation based on steps 2 - 5

**If you are in a position to make a recommendation to change or introduce the policy, service, project or strategy clearly show how it was decided on**

The councils chosen scheme was selected as the best, given that it meets the dual requirements of a scheme, i.e. that it is the most socially responsible and it minimises the funding gap.

The scheme is designed to take account of Local Authority duties. Provision is made to protect disabled people by excluding them from specific reductions in support.

**What changes or benefits have been highlighted as a result of your consultation?**

From the comments made via the consultation by both residents and organisations the main area of concern is the added financial pressure for residents claiming council tax support who are on a low income.

However, it is proposed a limited financial hardship fund will be introduced to assist council tax support customers who are in financial need.

**If you are not in a position to go ahead what actions are you going to take?**

*(Please complete the fields below)*

**Action**

**Timescale**

**Responsible officer**

**How are you going to review the policy, service, project or strategy, how often and who will be responsible?**

Policy will be reviewed annually by Portsmouth City Council.

**Step 7 - Now just publish your results**

**This EIA has been approved by:** Ed Woodhouse - Head of Revenues and Benefits

**Contact number:** 023 9283 4902

**Date:** 20th November 2012

Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your full EIA.

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