

CABINET

15 DECEMBER 2015

LOCALISING SUPPORT FOR COUNCIL TAX

Portfolio Holder: Councillor Alan Jarrett – Leader of the Council
Councillor Rupert Turpin – Portfolio Holder for Business Management

Report from: Phil Watts – Chief Finance Officer

Author: Jon Poulson – Revenues & Benefits Manager

Summary

This report seeks members' approval of the adoption of a revised local council tax reduction scheme by Full Council for 2016/17.

1. Budget and Policy Framework

- 1.1 It is the Cabinet's responsibility to propose a budget to be agreed by Council. The scope of the localised Council Tax Reduction Scheme (CTRS) will have an impact on both the taxbase calculation and the budget requirement that underpin the budget proposal. The consequences of dealing with these issues will directly impact on the level of council tax. Approval of the CTRS is a matter for Full Council.
- 1.2 The Cabinet is asked to accept this as urgent to enable the outcome of consultation on the proposals to be reported to Members at the earliest opportunity given it has major budgetary implications.

2. Background

- 2.1 The current Medway scheme is available from the following link <http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=122&MIId=2973&Ver=4>
- 2.2 Any entitlement to a reduction is based on a means test, by taking into consideration a person's income and comparing this with any personal allowances, premiums and disregards to which they may be entitled.
- 2.3 For each financial year, the Council must consider whether to revise its scheme or to replace it with a replacement scheme. It must make any revision to its scheme, or any replacement scheme, no later than 31 January for the subsequent financial year.

- 2.4 Revisions to the CTRS or a replacement CTRS must be the subject of consultation.
- 2.5 On 15 August the Cabinet considered the cost of maintaining the current scheme for 2016/17 and the funding options considered included:
- Continuing to pass on the cuts in government funding to every one of working age who is entitled to a Council Tax Reduction
 - Increasing Council Tax for all Council tax payers
 - Using reserves to deal with the cut in government grant
 - Spending less on the services delivered
 - Making cuts to expenditure on social care
- 2.6 Cabinet agreed to the commencement of a twelve week consultation in relation to proposals to reduce the maximum CTRS discount from 75% to 65% (decision number 113/2015) and enhance the extended payments period from four to eight weeks (decision number 114/2015).

3. Advice and Analysis

3.1 Consultation Methodology

- 3.1.1 The consultation process began on 8th September and finished on 30th November 2015. The consultation comprised of the following elements:
- Letter and survey sent by post to 3,000 randomly selected council tax payers and CTR recipients
 - Online survey made available on the Medway website.
 - Email to Housing Associations, Welfare & Advice Organisations and Support Groups providing details of the consultation and a link to the online survey to comment and disseminate to other relevant stakeholders.
 - Posters and flyers at key council venues and outlets to promote the consultation.
 - Access to web survey on intranet for Medway Council Staff.
- 3.1.2 Following discussions at Business Support Overview and Scrutiny the targeted sample size for CTR recipients was increased by 2,560 households. This was to ensure that the direct impact on CTRS recipients can be measured and would provide a greater understanding of the different views held by stakeholders and should provide a sufficient sample size to explore the different responses to each question made by this specific stakeholder sub-set.
- 3.1.3 A copy of the survey questionnaire is at Appendix A
- 3.1.4 **Response Rate**
- 3.1.5 There were 920 responses received during the consultation period out of the 5,560 surveys sent. A more important measure is whether the response rate provides a representative sample of the population. This provides the ability to assess how closely the results match the 'true value' by using knowledge of the sample size and how often an answer is given to define a 'confidence'

level. For the purposes of this survey we can assess this against response from the general population and those from residents in receipt of CTRS.

3.1.6 There were 626 responses to the randomly selected residents across Medway out of a population of 263,925; this is sufficient to provide a representative sample of the residents' views on the CTRS proposals with a confidence interval of $\pm 3.9\%$. So for example if 47% of our sample picks an answer you can be 'sure' that if the entire population had been asked that between 43.1% (-3.9%) and 50.9% ($+3.9\%$) would have also picked that answer. At the end of the consultation period there were 294 respondents from CTR recipients out of the 20,106 households that are within the scheme. This provides a confidence interval of $\pm 5.7\%$. The 2011 Census population data has been used in this analysis as some demographic characteristics, such as ethnicity and disability, are not updated as part of the latest population estimates published by the Office for National Statistics.

3.1.7 **Weighting**

3.1.8 In addition to assessing the response of the sample as a representation of the overall population in Medway, it is also important to assess if there is any significant variance in views from residents with different characteristics, such as age, ethnicity and gender. Such groups are often over or under represented, making comparison difficult.

3.1.9 Weighting is applied to rebase slightly underrepresented or overrepresented demographic groups in line with the Medway population to ensure that it accurately reflects the profile of Medway. The weighting process assigns 'an adjustment weight' to each survey respondent. For example persons in an under-represented groups get a weight larger than 1, and those in over-represented groups get a weight smaller than 1. This helps to reduce sampling error further and to ensure responses from different groups of residents are identified when analysing the survey results.

3.1.10 To improve the accuracy of the consultation response rates the survey responses have been weighted against the 2011 census population figures for the Medway area based on the following categories:

- Gender (Male; Female)
- Age (Under 34; 35 to 54; 55 to 74; 75+)

3.1.11 Respondents from the CTR group were weighted based on 20,106 households in receipt which is approximately 60/40 split in favour of the working age recipients. To ensure that the responses received are representative of the Medway population all data has been weighted by age and gender. Those who had not answered the age and gender questions and those amongst the CTR group who had not stated if they receive a state pension or pension credit were excluded from the weighting.

3.1.12 This combined with the fact that not all respondents have answered each question means that the number of respondents for each question varies. Therefore the number of respondents (the base) for each question has been stated. Statistically significant differences based upon demographics have been included in the overview.

3.1.13 Results

3.1.14 Question 1 - Thinking about the proposals for the 2016-17 Council Tax Reduction Scheme which option should the Council choose to deal with the reduced funding from Government?

3.1.15 The most common choice selected by all respondents was to 'continue to pass on the government cuts to all those of working age who is entitled to a Council Tax Reduction' (53%, base 848).

- Of all respondents those aged 55 to 74 were more likely to state that the cuts should be passed on to those of working age (62%, base 199) compared to all respondents, 53%. There were no other statistically significant variations to the overall group based upon age.
- Those respondents from Black and Minority Ethnic (BME) groups were less likely to state that cuts should be passed on to those of working age 40% (base 59) compared to 55% non-BME respondents (base 762). BME respondents were more likely to state that the council should use reserves to deal with the cuts (34%, base 59) compared to 15% non-BME respondents (base 762).
- There were no statistically significant variations to the overall response by gender or long standing health problem/disability.

3.1.16 Those in receipt of Council Tax Reduction were more likely to favour passing on the cuts to working age recipients (62%, base 281) than the general population (49%, base 568). The next two most selected options were to 'use reserves to deal with the cut in government grant' (17%, base 848) and 'increase Council Tax for all Council Tax payers' (15%, base 848).

3.1.17 Question 1a - Do you think it is right to change the maximum amount of council tax reduction that may be awarded?

3.1.18 Those who selected that cuts should be passed on to all those of working age and receipt of Council Tax Reduction in Question 1 were then asked a further question. Respondents were asked whether they thought it was right that the maximum reduction available should reduce from 75% to 65%. The base for this question is 451 respondents.

3.1.19 Overall 58% of all respondents agreed that the maximum reduction should decrease. Respondents from the general population (67%, base 279) were more likely to state that they thought it was right to reduce the maximum level and less likely amongst respondents who were in receipt of Council Tax Reduction (43%, base 173). Those in receipt of Council Tax Reduction were equally as likely to state that they did not think it was right to decrease the maximum reduction (40%, base 173). A high proportion of respondents stated they did not know (17%, base 173). There are no statistically significant variations to the overall response based upon age, ethnicity, gender or long standing health problem/disability.

3.1.20 Question 2 - Do you think it is right that the earnings of an employed person should be attributed over the period they were earned?

3.1.21 Respondents were then asked about aligning the rules for assessing earnings from employment to Council Tax Reduction, with those used by the Department for Work and Pensions when assessing housing benefit. This change will mean that average weekly earnings will be accounted for over the period they were earned.

3.1.22 All respondents were asked whether they thought it was right that the earnings of an employed person should be attributable over the period in which they were earned; 63% (base 839), of all respondents thought that this should be the case. Those in receipt of Council Tax Reduction were less likely to think it was right (53%, base 285) compared to the general population (69%, base 553). Respondents who were in receipt of Council Tax Reduction were more likely to state that they 'don't know' (28%) compared to the general population (19%).

- Those aged under 34 were less likely to think it was right (54%, base 284), with 30% of this age group stating that they 'did not know'. Those aged 55 to 74 were more likely to think it was right (72%, base 199).
- There were no statistically significant variations to the overall response by ethnicity, gender or long standing health problem/disability.

3.1.23 Question 3 - Do you think it is right to extend the assistance available to people during their transition into work?

3.1.24 Respondents were then asked about payments when a Council Tax Reduction recipient starts work. Currently where a customer is in receipt of certain benefits for a period of 26 weeks or more and then begins work they are entitled to receive extended payments of council tax reduction, for a period of up to 4 weeks. The Council is proposing to extend the extra assistance to 8 weeks to help customers in the transition to work.

3.1.25 All respondents (base 851) were asked whether they thought it was right to extend the assistance available to people during their transition into work; 63% of all respondents thought that assistance should be extended. Those in receipt of Council Tax Reduction were more likely to think it was right to extend the assistance (75%, base 284) compared to the general population (57%, base 567).

- Those who stated that they had a long standing health problem or disability were more likely to think it was right to extend the assistance (70%, base 275) compared to both the overall respondents and those without a long term health problem or disability (59%, base 528).
- There were no statistically significant variations to the overall response by age, ethnicity or gender.

3.2 Autumn Spending Review

3.2.1 The previous report to cabinet on 15 August highlighted a pressure of £350,000 arising from welfare reforms to tax credits announced by the

Chancellor of the Exchequer in his Summer Budget statement. These measures have since been cancelled in the Autumn Spending Review.

3.2.2 The Chancellor of the Exchequer also announced in the Autumn Review that Councils would be given the flexibility to raise council tax in their area by up to 2% above the existing threshold for spend on adult social care. Were this to be introduced, the additional Council Tax raised would also reflect the impact of a £300,000 increase in the cost of the CTRS.

3.3 Diversity Impact Assessment

3.3.1 At the Council meeting on 22 January 2015 (decision 691b/2015) The Council instructed officers to carry out a new Diversity Impact Assessment (DIA) to determine the impact of the Local Council Tax Reduction Scheme alongside the scheme when it is next presented for approval in 2016.

3.3.2 Officers have already completed a DIA (attached at Appendix B) but it is under constant review and will continue to be up to and after the Council meeting on 21 January 2016.

3.3.3 As part of the DIA process a Mosaic profiling of CTRS cases has been undertaken. Initial results show an over representation in the group considered to be a municipal challenge (hard to help) – with 4 in 5 CTR claimants within this group being of working age and a higher than average number being single. A total of 2,143 households in Medway fall into this category while around 55% are in receipt of CTR alone.

3.3.4 The majority of municipal challenge CTR claimants are within three wards – River, Strood South and Chatham Central and although there is little variation in gender they are more likely to be from diverse backgrounds with a lower than average number from an English background.

3.3.5 Any inequality issues arising from the CTRS can be mitigated through the use of Medway's Council Tax Discretionary Relief (CTDR).

4. Risk management

Risk	Description	Action to avoid or mitigate risk
Forecast cost of scheme falls short of estimate	Likelihood D (Low) Impact 3 (Marginal) Claimants may have reduced benefits 'unnecessarily'	Use of data modelling tools and data analysis
Forecast cost of scheme excessive	Likelihood D (Low) Impact 2 (Critical)	Use of data modelling tools and data analysis
Effect on collection	Likelihood B (High) Impact 2 (Critical) Dependant on method of funding, but new scheme likely to produce small debts and debtors who have not had to pay before	Quick and efficient recovery processes

5. Financial and legal implications

- 5.1 The Council is under a legal duty under Schedule 1A to the Local Government Finance Act 1992 to consider each year whether to revise its council tax reduction scheme or to replace it with another scheme. Schedule 1A also provides that any revision to the scheme, or any replacement scheme, must be made no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 5.2 The cost of the recommended CTRS in 2016/17 including a 3.99% increase in council tax (1.99% 'annual' increase plus 2.00% levy for social care) is estimated at £13.926m.
- 5.3 Since the introduction of CTRS in 2013/14 the Council has awarded hardship relief of £18,605 under its Council Tax Discretionary Relief (CTDR) scheme. £70,000 was set aside in 2013/14 (this was included when calculating the collection rate in setting the 2013/14 council tax). Increasing the contribution expected is likely to lead to an increase in hardship cases although it is not possible to quantify the amount at this point in time.

6 Recommendation

- 6.1 That Cabinet recommend an amended Council Tax Reduction Scheme to Council for adoption on 21 January 2016 reducing the maximum discount from 75% to 65% and enhancing the extended payments period from four to eight weeks.

7 Suggested reasons for decisions

- 7.1 The amended scheme continues to balance the need for supporting those currently in receipt of CTRS and the ability of the Council to fund the scheme within the current budgetary constraints.
- 7.2 The majority of respondents to the consultation were in agreement with the amendments to the scheme.

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Background Papers

Additional comments, text from copies of letters and text from annotated forms received

<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Ild=15423&PlanId=238>

Appendices

Appendix A – Survey questionnaire

Appendix B – Diversity Impact Assessment

Council Tax Reduction Scheme 2016-17

Consultation Document

What is this consultation about?

The purpose of this consultation is to find out your views on Medway's Council Tax Reduction Scheme for 2016/17. Our intention is to seek the views and opinions of local residents using the following methods:

- an online option via the Council's website;
- paper surveys available upon request;
- a letter to a proportion of randomly selected Council Tax payers and Council Tax Reduction recipients; and
- targeted communication with local groups.

The Council's consultation period is ending on 30 November 2015.

Background

In April 2013, the Government abolished the national Council Tax Benefit scheme, which helped those people with low income to pay their Council Tax. In place of Council Tax Benefit each council had to introduce its own local Council Tax Reduction Scheme and agree it each year. The government also reduced the funding for the local Council Tax Reduction scheme in the first year by around 10% (£4m) and has continued to reduce funding annually ever since.

After a detailed consultation, the Council agreed to introduce a Council Tax Reduction Scheme in 2013/14 that was based on the old Council Tax Benefit scheme but required those of working age to make a minimum contribution towards their Council Tax to cover the £4m shortfall in government funding. Following further consultation the Council has kept the same arrangements in place since then.

Pensioners are protected from the changes and their Council Tax Reduction is calculated in the same way as it was under the Council Tax Benefit scheme. Pensioners are those who have reached state pension credit age and who do not receive Income Based Jobseeker's Allowance, Income Support or Income Related Employment and Support Allowance.

Since 2012, the Council has had to cut more than £43 million from its budget and is in the process of making further savings of £30m over the next 3 years. We want to make sure that we provide value for money for all our residents and we need your help to decide how we do this when delivering next year's Council Tax Reduction Scheme.

The current Council Tax Reduction Scheme can be found at www.medway.gov.uk/ctssurvey. Additional information on Medway's Council Tax Reduction Scheme can be found in the 'Frequently Asked Questions' on pages 3-4 of this consultation document.

What happens next?

Please complete this questionnaire online at www.medway.gov.uk/ctssurvey

Or complete and return the form as shown at the end of this document.

Feedback from this consultation will be considered by the Cabinet in December 2015.

(The Cabinet is one of the Council's councillor led decision making meetings; responsible for implementing the council's budget and policies)

It will also be incorporated into the 2016/17 Budget to be presented to Full Council. Any changes to the Council Tax Reduction Scheme following this consultation will start from 1 April 2016.

Council Tax Reduction Scheme: Frequently Asked Questions

What is Council Tax?

Council Tax is a local tax on domestic properties. It is set by the Council based on a property's valuation band. Each home is placed in one of eight valuation bands (A-H) based on its value at 1 April 1991. The Council is responsible for collecting Council Tax and this money helps pay for more than 140 local public services, including refuse collection, adult and social services, environmental health, education, highways and public transport. Some of the money collected is to help fund police, fire and rescue services in Medway.

What is Council Tax Reduction?

Council Tax Reduction is available to help people on low income to pay their Council Tax. Eligible residents will receive a reduction in their Council Tax bill. It is administered by councils using their own locally defined scheme. Medway's Scheme has been developed along the lines of the previous Council Tax Benefit Scheme. No money is paid to the

claimant. Instead, their Council Tax bill could be reduced by a percentage according to their personal circumstances.

Who receives Council Tax Reduction?

Anyone who is liable for Council Tax may apply. The amount of reduction awarded is based on the make-up of the household, the household income / savings and the Council Tax charge.

Who will be affected?

All current working age Council Tax Reduction claimants will be affected by any changes to the scheme for 2016/17 with the exception of war widow and war disablement pensioners who are treated as people of state pension credit age (see Who will not be affected below)

Who will not be affected?

People of state pension credit age will not be affected by any changes the Council makes. The Government has set out national rules about how Council Tax Reduction should be calculated for people of state pension credit age. New applications for Council Tax support from pensioners will be treated in the same way as existing claims.

How much will I have to pay?

Medway's Council Tax Reduction Scheme for 2015/16 limited the maximum amount of reduction a person of working age can receive, to 75% of the total Council Tax owed on the property. The outcome of this consultation will help the Council to decide whether or not any changes should be made to the scheme for 2016/17.

Our commitment to fairness and equality

As a public body, the Council has a specific responsibility to promote the social, economic and environmental wellbeing of the borough and its people. This is a responsibility that the Council takes very seriously. In performing this important role we are required to safeguard the welfare of the most vulnerable residents; ensure that public services are targeted to those who need them most and provide assistance to those who might otherwise be placed at risk. We are therefore committed to ensure that the Council's local Council Tax Reduction Scheme reflects our commitment to fairness and equality.

Proposals for the 2016/17 Council Tax Reduction Scheme

There are a number of ways the Council can deal with the shortfall in Government funding.

These are listed below, along with the Cabinet's view on each of them:

Continue to pass on the cuts in government funding to everyone of working age who is entitled to a Council Tax Reduction – The Council has done this in the three previous years by making everyone of working age contribute towards their Council Tax. The scheme was evaluated after its first full year of operation and was found to be operating well. The Council is proposing that the cuts in government funding continue to be passed on and that the scheme is changed to reflect the funding shortfall while providing an incentive for people to seek work where possible.

Increase Council Tax for all Council tax payers – The Council could increase Council Tax bills for everyone by up to 2%. However, the Council estimates the increase would need to be above the 2% threshold. If it were necessary to increase Council Tax bills by more than 2%, current Government practice means this would be subject to a binding referendum set by the Secretary of State.

Use reserves to deal with the cut in government grant – The Council could use its limited reserves to cover the shortfall in government funding. However, the Council does not think this is a long-term sustainable option because the majority of reserves are earmarked for other purposes with the modest balance needed for any urgent, one-off unavoidable expenditure.

Cuts to expenditure on social care – the Council could review what it spends on social care and make reductions to the budget available. However, social care services for adults and children will be required to take their share of the £30m funding shortfall and social care remains a demand led service supporting the vulnerable and the needy across our society whilst safeguarding the children of Medway. Children and adult services account for 72% of council spend and Medway, like all councils in the country, faces escalating costs as needs are addressed within society

Spend less on other services it delivers – The Council could review what it spends on other services and make reductions in those areas to cover the shortfall in government funding. However, the Council is already having to make savings in excess of £30 million over the next 3 years so it does not consider reducing spending even further on other services in order to cover the shortfall in government funding to be a viable option.

We need to make some choices around the funding of the Local Council Tax Reduction Scheme. So please tell us your views on the proposals set out in the following questions.

Consultation Questions

Q1. Thinking about the proposals for the 2016-17 Council Tax Reduction Scheme which option should the Council choose to deal with the reduced funding from Government? (PLEASE TICK ONE BOX ONLY)

- | | | |
|---|----------------------------|-------------------|
| Continue to pass on the cuts in government funding to everyone of <u>working age</u> who is entitled to a Council Tax Reduction | <input type="checkbox"/> 1 | GO TO Q1.a |
| Increase Council Tax for all Council tax payers | <input type="checkbox"/> 2 | GO TO Q2 |
| Use reserves to deal with the cut in government grant | <input type="checkbox"/> 3 | GO TO Q2 |
| Spend less on the services it delivers | <input type="checkbox"/> 4 | GO TO Q2 |
| Make cuts to expenditure on social care | <input type="checkbox"/> 5 | GO TO Q2 |

Q1.a. Currently, any entitlement to a reduction in council tax is based on a means test, by taking into consideration a customer's income and comparing this with any personal allowances, premiums and disregards to which they are entitled. Entitlement is assessed by taking into account a maximum of 75 per cent of a customer's council tax liability. We propose to amend this amount to an amount of 65 per cent of a customer's council tax liability.

Do you think it is right to change the maximum amount of council tax reduction that may be awarded? (PLEASE TICK ONE BOX ONLY)

Yes 1 No 2 Don't know 3

Q2. The Department for Work and Pensions has recently clarified the way in which earnings from employment should be used in the assessment of housing benefit. We want to align the rules for Council Tax Reduction so that the same assessment period is used in that we will take account of average weekly earnings over the period they were earned

Do you think it is right that the earnings of an employed person should be attributed over the period they were earned? (PLEASE TICK ONE BOX ONLY)

Yes ₁ No ₂ Don't know ₃

Q3. Currently where a customer is in receipt of certain benefits for a period of 26 weeks or more and then begins work they are entitled to receive extended payments of council tax reduction, for a period of up to 4 weeks. We propose to extend the extra assistance to 8 weeks to help customers in the transition to work.

Do you think it is right to extend the assistance available to people during their transition into work? (PLEASE TICK ONE BOX ONLY)

Yes ₁ No ₂ Don't know ₃

Equalities Monitoring

We collect this information to help us better understand the communities that we serve so that services and policies can be delivered to meet the needs of everybody. Please feel free to leave questions that you do not wish to answer. All of the information gathered in this questionnaire is confidential.

Q4. Do you receive a State Pension or Pension Credits? (PLEASE TICK ONE BOX ONLY)

Yes ₁ No ₂

Q5. Gender**Are you? (PLEASE TICK ONE BOX ONLY)**Male 1 Female 2 I prefer not to say 3**Q6. Age****How old are you? (PLEASE TICK ONE BOX ONLY)**

Under 16	<input type="checkbox"/> 01	45 to 54	<input type="checkbox"/> 05
16 to 24	<input type="checkbox"/> 02	55 to 64	<input type="checkbox"/> 06
25 to 34	<input type="checkbox"/> 03	65 to 74	<input type="checkbox"/> 07
35 to 44	<input type="checkbox"/> 04	75 and over	<input type="checkbox"/> 08
I prefer not to say	<input type="checkbox"/> 09		

Q7. Do you have any long-standing illness, disability or infirmity? Long-standing means anything that has lasted, or is expected to last, at least 12 months. (PLEASE TICK ONE BOX ONLY)

Yes 1 **GO TO Q8**

No 2 **GO TO Q10**

I prefer not to say 3 **GO TO Q10**

Q8. If yes, what is the nature of your health problem or disability? (PLEASE TICK ALL THAT APPLY)

Health Diagnosis	<input type="checkbox"/> 01	Physical Impairment	<input type="checkbox"/> 05
Hearing Impairment	<input type="checkbox"/> 02	Sight Impairment	<input type="checkbox"/> 06
Learning Disability	<input type="checkbox"/> 03	I prefer not to say	<input type="checkbox"/> 07
Mental Health	<input type="checkbox"/> 04	Other, please state	<input type="checkbox"/> 08

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Q9. Does your health problem or disability limit your activities in any way? (PLEASE TICK ONE BOX ONLY)

Yes, limited a little	<input type="checkbox"/> 01	No	<input type="checkbox"/> 03
Yes, limited a lot	<input type="checkbox"/> 02	I prefer not to say	<input type="checkbox"/> 04

Q10. What is your ethnic group? (PLEASE TICK ONE BOX ONLY)

White	English / Welsh / Scottish / Northern Irish/ British	<input type="checkbox"/> 1
	Irish	<input type="checkbox"/> 10
	Gypsy or Irish Traveller	<input type="checkbox"/> 11
	Any other White background, please specify below:	<input type="checkbox"/> 12
Mixed	White and Black Caribbean	<input type="checkbox"/> 13
	White and Black African	<input type="checkbox"/> 14
	White and Asian	<input type="checkbox"/> 15
	Any other Mixed/Multiple ethnic background, please specify below:	<input type="checkbox"/> 16
Black/Black British	African	<input type="checkbox"/> 3
	Caribbean	<input type="checkbox"/> 2
	Any other Black/African/Caribbean background, please specify below:	<input type="checkbox"/> 4
Asian/Asian British	Indian	<input type="checkbox"/> 5
	Pakistani	<input type="checkbox"/> 7
	Bangladeshi	<input type="checkbox"/> 6
	Chinese	<input type="checkbox"/> 8
	Any other Asian background, please specify below:	<input type="checkbox"/> 9
Other	Arab	<input type="checkbox"/> 17
	Any other ethnic group, please specify below:	<input type="checkbox"/> 18
	I prefer not to say	<input type="checkbox"/> 19

Diversity impact assessment

Appendix B

TITLE <i>Name/description of the issue being assessed</i>	Council Tax Reduction Scheme (CTRS)
DATE <i>Date the DIA is completed</i>	26 November 2015
LEAD OFFICER <i>Name of person responsible for carrying out the DIA.</i>	Jon Poulson

1 Summary description of the proposed change

- *What is the change to policy/service/new project that is being proposed?*
- *How does it compare with the current situation?*

The CTRS aims to help people on low incomes with payment of their council tax by allowing a reduction in the amount they pay. This reduction varies (up to a maximum of 75%) and is based on the make-up of the household, the household income/savings and the Council Tax charge. Customers on certain benefits for a period of 26 weeks or more can continue to receive the reduction for up to 4 weeks on return to work.

The changes proposed are to:

1. Reduce the maximum discount from 75% to 65%
2. Increase the extended payment period from four weeks to eight weeks

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

Mosaic, a customer profiling tool, has been used to understand the make up of current CTRS recipients. The Mosaic profile within the work age employed group showed a predominance of aspiring home makers, transient renters, families with children and social renters. Those working age claimants who are not in employment showed a predominance of the same groups with the exception of aspiring home makers who were replaced by students/young renters.

A consultation available to all Council Tax customers took place between 08.09.15 and 30.11.15. This consisted of:

- An online option via the Council's website
- Paper surveys available upon request from all Medway Libraries,

Diversity impact assessment

contact points and hubs

- A letter to a proportion of randomly selected council tax payers and council tax reduction recipients; and
- Targeted communication with local groups.

There were 920 responses received with one in three responses from current Council Tax Reduction recipients. To ensure that the responses are representative of the Medway population all data has been weighted by gender and age.

53% of all respondents selected to “continue to pass on the government cuts to all those of working age who is entitled to a Council Tax Reduction”. Of these 58% agreed that the maximum reduction should decrease.

The following exceptions were considered:

- Females (57%) were more likely to agree that the cuts should be passed on than males (49%). However, both of these responses are not statistically different from the overall response (53%).
- Those aged under 34 (48%) were less likely to state that the government cuts should be passed on than respondents from older age groups (aged over 55). However, the proportion of under 34 respondents selecting this option is not statistically different to the overall response (53%).
- BME groups were less likely to state that cuts should be passed on to those of working age (40%) compared to white respondents (55%). However, passing cuts on to those of working age was still the preferred option amongst BME groups.

63% of respondents thought that the extended payment period should be extended.

3 What is the likely impact of the proposed change?

Is it likely to :

- *Adversely impact on one or more of the protected characteristic groups?*
- *Advance equality of opportunity for one or more of the protected characteristic groups?*
- *Foster good relations between people who share a protected characteristic and those who don't?*

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	Yes	Yes	N/A

Diversity impact assessment

Disability	Yes	No	N/A
Gender reassignment	No	No	N/A
Marriage/civil partnership	No	No	N/A
Pregnancy/maternity	No	No	N/A
Race	Yes	Yes	N/A
Religion/belief	No	No	N/A
Sex	No	No	N/A
Sexual orientation	No	No	N/a
Other (eg low income groups)	Yes	Yes	N/A

4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

By increasing the extended payment period for council tax reductions to 8 weeks the Council will be providing increased support for those returning to work.

There is the potential for adverse impact on the following protected characteristics:

Age: Pensioners are protected from the changes as the Government has set out national rules about how Council tax Reduction should be calculated which means the changes proposed will not apply... However, young people may be adversely affected as they are more likely to be on lower incomes.

Disabled: The scheme is designed to help those in need whilst encouraging people into employment. However, some households may contain only those unable to work (disabled, carers etc) who therefore do not have the option of increasing their income to meet the additional council tax payments required under the amended CTRS.

Low income groups: By its very nature the CTRS is designed to protect low income groups, therefore any reduction in that protection will adversely affect them.

Race: Mosaic profiling of current CTRS recipients shows us that the

Diversity impact assessment

majority of working age CTRS recipients are within three wards – River, Strood South and Chatham Central and they are more likely to be from diverse backgrounds with a lower than average number from an English background.

Mosaic profiling of current CTRS recipients shows us that a higher than average number are single and in rented accommodation.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

The effects of the reduced discount can be mitigated by the Council's Council Tax Discretionary Relief scheme designed to assist those facing hardship as a result of the amendments. Claimants across all mosaic groups will have an equal opportunity to apply for this relief and can receive additional help of up to 100% of their bill. An award is based on an examination of their income and expenditure without any other criteria differentiating between claimants.

Enhancing extended payments from 4 weeks to 8 weeks will provide extra support to those people moving from benefits into work

Examples of other housing support that the Council provides to those on low income or seeking work include housing benefit and discretionary housing payments which are contributions towards rent.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Implement CTRS	Revenues & Benefits	01 April 2016
Review overarching impact of further welfare reforms	Revenues & Benefits	Ongoing
Monitor recovery action to identify any disproportionate increase arising from the change in discount level The number of CTRS cases being issued recovery notices will be compared to previous years and the number of CTDR applicants	Revenues & Benefits	Ongoing

Diversity impact assessment

and successful claimants will also be compared to previous years. Any detrimental effects can then be reconsidered for the 2017/18 scheme prior to which the CTDR scheme will be a mitigating factor.

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

Implement the changes and proceed with the action plan seeking Cabinet approval on the basis that the outcome of the consultation supports implementation.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email annamarie.lawrence@medway.gov.uk

C&A: phone 1031 email paul.clarke@medway.gov.uk

BSD: phone 2472 or 1490 email: corpipi@medway.gov.uk

PH: phone 2636 email: david.whiting@medway.gov.uk

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication