

**London Borough of Hackney  
Equality Impact Assessment Form**

**Title of this Equality Impact Assessment:**

The Hackney Council Tax Reduction Scheme 2020

**Purpose of this Equality Impact Assessment:**

To identify and report the potential equality impact of the Council Tax Reduction Scheme as revised from April 2020.

**Officer Responsible: *(to be completed by the report author)***

<b>Name :</b>	<b>Ext:</b>
<b>Directorate: Customer Services</b>	<b>Department/Division: Benefits and Housing Needs</b>

**Director:** Kay Brown

**Date:**

**Comment :**

## **STEP 1: DEFINING THE ISSUE**

### **1. Why are we amending the Council Tax Reduction Scheme?**

- 1.1. The initial Council Tax Reduction Scheme (CTRS) was adopted in April 2013 following the passage of The Local Government Finance Act 2012, which required local authorities in England to design and implement their own localised Council Tax Support Schemes. Provision was made to protect Pension Age residents from changes to their entitlement. Council Tax Reduction for this group continues to be assessed in accordance with national regulations which broadly mirror housing Benefit rules and prescribe no minimum payment.
- 1.2. The scheme remained unchanged, except for technical amendments required by changes in law, until April 2018 when the minimum payment was increased from 15% to 18%, and other changes were made to bring CTRS in line with Universal Credit and changes to other welfare benefits and to restore the value of applicable amounts which had been frozen at 2013 levels.
- 1.3. Since 2013, the effective level of funding the Council has received to support claimants has reduced significantly. CTRS is not funded on actual expenditure, instead the Council receives a fixed grant as part of the Revenue Support Grant (RSG). Since 2013, the RSG has been cut from £145.8m to £34.7m (2019/20). Over the same period expenditure on the CTRS has also been dropping, but not at the same speed, the predicted cost of CTRS for 2019/20 is £26.7m.
- 1.4. When the CTRS scheme was changed in 2018 the Council made a commitment to review the impact of the changes and in particular the increase in minimum payment. The purpose of the review was to allow the Council opportunity to evaluate the impact of the CTRS changes following the roll out of Universal Credit in the borough and in the context of ongoing austerity and welfare reform.
- 1.5. Collection rates do not seem to have been unduly influenced by the change in minimum contribution from 15% to 17% in 2018. 2017/18 and 2018/19 collection rates for working age Council Tax Reduction recipients were 86.6% and 86.9% respectively. However this falls significantly below the overall collection rate of 95% in each of those financial years.
- 1.6. Collection has been maintained by increased activity by the Revenues Service to identify and assist residents at the earliest opportunity so that payments are maintained. There has been a greater emphasis on making arrangements before court proceedings to avoid unnecessary costs and maintain monthly payment arrangements.
- 1.7. Modelling of the proposed changes indicates an additional cost to the Council of £469k for 2020/21. Whilst this is a direct cost to the Council the financial benefit to residents receiving CTR is significant and will put money into the pockets of the most disadvantaged.

### **2. What changes are being proposed?**

- 2.1. Council officers have regularly undertaken internal reviews of the CTRS using Capita's Council Tax modelling tool and commissioned Policy in Practice to model various scenarios for 2018.
- 2.2. Policy in Practice have been engaged to provide detailed modelling of four options for revising the Council Tax Reduction Scheme from 2020. The four

options are no change to the existing scheme (17% minimum contribution), a 15% minimum contribution, a 30% minimum contribution or basing maximum CTRS on 100% of the charge (no minimum contribution).

2.3. The modelling made some basic assumptions:

- An estimated council tax increase of 4% in 2020 and 2021.
- An agreed level of migration of claimants to Universal Credit of 12% for 2021/21 and 24% for 2021/22
- Known changes to welfare support rates, national minimum wage, tax allowances and proposed regulatory change.
- The modelling does not take into account economic or policy changes resulting from a change in government, nor the economic impacts of exiting the European Union.

2.4. The modelling was shaped by the understanding that ongoing reductions in Local Authority Finance require members to consider carefully the wider implication of any options that increase expenditure on the scheme. However members' considerations would be made in the context of ongoing austerity, welfare reform and roll out of Universal Credit in Hackney.

2.5. Based upon this premise, Policy in Practice identified some headline issues.

2.6. Having considered the alternative options the Council proposes that the following change to the scheme be made:

- A decrease in the minimum contribution which all working age CTRS claimants have to pay from 17% to **15%** of their Council Tax liability, regardless of income and circumstance.

### **3. Who are the main people that will be affected?**

3.1. There are currently around 30,600 households in Hackney receiving some level of support through the current CTRS.

3.2. Equalities data on CTRS recipients is extremely limited; we are able to derive the age, and, to a certain extent, disability of those getting assistance from the application process, but no record is made of marital/civil partnership status, sexual orientation, religion, gender reassignment or pregnancy. Some data is available on household gender but this is fragmented. There is an option for applicants to record their ethnicity, but so few complete the field, the data recorded is considered unreliable.

protected characteristics	Equalities data taken from the CTRS caseload (June 2019)			
	<b>Age</b>	No. of Working Age Households <b>2,1964</b>	No. of Pensioner households <b>8,704</b>	% of Working Age Households <b>71.62%</b>
<b>Disability</b> (Working Age Households only)	No. of disabled households <b>9,503</b>	No. of non-disabled households <b>12,461</b>	% of disabled households <b>43.3%</b>	% of non-disabled households <b>56.7%</b>

3.3. For these other groups, a more reliable indicator will be found within the Council's own shared evidence base.

### 3.4. *Ethnicity*

Hackney Ethnicity (2011 Census)	
White: English/Welsh/Scottish/Northern Irish/British	<b>36.2%</b>
White: Irish	<b>2.1%</b>
White: Gypsy or Irish Traveller	<b>0.2%</b>
White: Other White	<b>16.2%</b>
Mixed/multiple ethnic group: White and Black Caribbean	<b>2.0%</b>
Mixed/multiple ethnic group: White and Black African	<b>1.2%</b>
Mixed/multiple ethnic group: White and Asian	<b>1.2%</b>
Mixed/multiple ethnic group: Other Mixed	<b>2.0%</b>
Asian/Asian British: Indian	<b>3.1%</b>
Asian/Asian British: Pakistani	<b>0.8%</b>
Asian/Asian British: Bangladeshi	<b>2.5%</b>
Asian/Asian British: Chinese	<b>1.4%</b>
Asian/Asian British: Other Asian	<b>2.7%</b>
Black/African/Caribbean/Black British: African	<b>11.4%</b>
Black/African/Caribbean/Black British: Caribbean	<b>7.8%</b>
Black/African/Caribbean/Black British: Other Black	<b>3.9%</b>
Other ethnic group: Arab	<b>0.7%</b>
Other ethnic group: Any other ethnic group	<b>4.6%</b>

### 3.5. Religion

Religion and belief	Hackney	London	England
Christian	38.6%	48.4%	59.4%
Buddhist	1.2%	1.0%	0.5%
Hindu	0.6%	5.0%	1.5%
Jewish	6.3%	1.8%	0.5%
Muslim	14.1%	12.4%	5%
Sikh	0.8%	1.5%	0.8%
Other religion	0.5%	0.6%	0.4%
No religion	28.2%	20.7%	24.7%
Religion not stated	9.6%	8.5%	7.2%

### 3.6. Sexual Orientation

We do not have official Hackney level data for sexual orientation, but the Integrated Household Survey carried out by the Office for National Statistics for the year to October 2015 provided the following results for London and England.

	England	London
Heterosexual / Straight	93.5%	90.4%
Gay / Lesbian	1.2%	1.9%
Bisexual	0.6%	0.7%
Other	0.4%	0.4%
Don't know / Refused to say	4.4%	6.6%

3.7. The July 2016 GP patient survey indicated that, in Hackney there were comparatively high numbers of people who identify as gay or lesbian (5%), bisexual (1%), other (2%), a further 10% preferred not to say. These figures may under-represent the size of this population, given the problems involved in disclosure of sexual orientation.

3.8. **Gender re-assignment** Data on gender re-assignment is not available at a borough level, but a Home Office funded study for the Gender Identity Research and Education Society GIRES, estimated there were 300,000-500,000 transgender people in the UK. The study quotes from a 2007 report which estimates that 20 people per 100,000 of the UK population had sought medical care for gender variance – around 10,000 people, of which 8,000, had undergone transition. This equates to around 60 people in Hackney.

### 3.9. Non Binary

3.10. Non-binary, 'genderqueer', 'transsexual' and 'androgynous' are terms used to describe those who choose not to identify with a particular gender. The Practical Androgyny website estimates that around 0.4% of the UK population, 1 in 250 people in the UK is non-binary.

## STEP 2: ANALYSING THE ISSUES

#### **4. Equality Impacts**

##### **4.1. What positive impact could there be overall, on different equality groups, and on cohesion and good relations?**

4.2. One of the central drivers for amending the current Council Tax Reduction Scheme has been to address the impact of welfare reform and austerity on the poorest households in Hackney.

4.3. The CTRS is at its heart a means tested benefit: any award of financial support is calculated by comparing the needs of the household with the actual income received. Where there is a shortfall between the income and the established needs additional support is provided; a contribution is made in respect of the household Council Tax charge.

4.4. The proposed change does not alter the means test element and retains the principle that as income rises the support received from CTRS reduces proportionately. For larger families and those with greatest need the starting point of the means test is higher ensuring these households retain a higher level of income before the reduction in support applies.

(Percentage change in support over current scheme: +2.37% for single households, +2.52% for lone parent household, +2.93% for couple with children)

4.5. The proposed reduction in the Minimum Contribution to 15% applies to all working age households. The monetary benefit to applicants varies according to Council Tax Banding of the property occupied. Occupants of larger, higher banded properties benefiting marginally more than those in smaller, lower banded property. This will be a positive outcome for Hackney's larger families.

(Percentage change in support over current scheme: +2.73% for bands E-H, +2.32% for Band A)

4.6. Sex- As female applicants form a large proportion of the CTRS caseload changes to the scheme will benefit more women than men, particularly lone parents. This is however proportionate to the distribution in the caseload.

4.7. As the starting point for means testing is higher there is a positive impact for working households as they will retain entitlement for longer as their income increases. This change provides increased support as applicants transition from benefits to employment.

4.8. As this is a positive change across the whole scheme there is no indication that equality groups are impacted differently.

##### **4.9. What negative impact could there be overall, on different equality groups, and on cohesion and good relations?**

4.10. Modelling indicates that less than 1% of working age households currently receiving CTR would lose support entirely under the proposals. This is fewer than would lose support if the existing scheme were retained.

5. Other considerations – Council Tax data for some equality groups is limited, unreliable or not collected, it is therefore difficult to draw detailed conclusions

about the impact of the proposed change. As the proposed change is positive across the caseload as a whole it is likely that equality groups will benefit similarly.

- 5.1. **Age** – The changes to the current CTRS scheme only apply to working age households. Pensioner households are protected by legislation and are assessed under the Council Tax Reduction default scheme.
- 5.2. **Gender identity** – As no data is collected on gender identity for CTRS purposes the council is unable to model how this group might be affected. Proposed changes apply to all applicants irrespective of gender identity.
- 5.3. **Marriage/Civil partnerships** – No data regarding applicant’s marriage/civil partnership data is recorded as it is not relevant to the CTRS assessment. There is no evidence to indicate that this group is disproportionately represented in the CTRS Caseload. The council believes that the proposed changes will not have disproportionate impact based on a person’s marital status or involvement in a civil partnership as this is not considered or part of any assessment process.
- 5.4. **Sexual Orientation** – No data regarding applicant’s sexual orientation data is recorded as it is not relevant to the CTRS assessment. The council is unable to model how this group might be affected. There is no evidence to indicate that this group is disproportionately represented in the CTRS Caseload. The council believes that the proposed changes will not have disproportionate impact based on a person’s sexual orientation as this is not considered or part of any assessment process.
- 5.5. **Race/Ethnicity** – Whilst no data exists for ethnicity distribution within the CTRS caseload ONS data indicates that BME Hackney residents are more likely to be economically inactive than white British residents. However it is considered that there can be no direct correlation of this data to the CTRS caseload as there is no further breakdown of household composition to enable a reliable comparison to be made. The council believes that the proposed changes will not have a disproportionate impact based on a person’s race or ethnicity as this is not considered or part of any assessment process. The Council has other policies which seek to address inequality of financial/economic opportunity for BME residents.
- 5.6. **Religion** – There is no available data within council systems or through the census to indicate particular religions are disproportionately represented in the CTRS caseload. The council believes that the proposed changes will not have any disproportionate impact based on a person’s religion as this is not considered or part of any assessment process.
- 5.7. **Disability and carers** – Disabled households are disproportionately reflected within the CTRS caseload. However, modelling of the proposed changes indicates that recipients of DLA/PIP, ESA or Carers allowance benefit similarly to those on other out of work benefits. (Percentage change in support compared to current scheme between +2.32% and + 2.5%)

### STEP 3: REACHING YOUR DECISION

6. **Describe the recommended decision**
  - 6.1. It is recommended that Cabinet and full Council approve the proposed adjustments to the Council Tax Reduction Scheme.

## **STEP 4 DELIVERY – MAXIMISING BENEFITS AND MANAGING RISKS**

### **6. Equality and Cohesion Action Planning**

Please list specific actions which set out how you will address equality and cohesion issues identified by this assessment. For example,

- Steps/ actions you will take to enhance positive impacts identified in section 4 (a)
- Steps/ actions you will take to mitigate against the negative impacts identified in section 4 (b)
- Steps/ actions you will take to improve information and evidence about a specific client group, e.g. at a service level and/or at a Council level by informing the policy team (equality.diversity@hackney.gov.uk)

All actions should have been identified already and should be included in any action plan connected to the supporting documentation, such as the delegate powers report, saving template or business case.

No	Objective	Actions	Outcomes highlighting how these will be monitored	Timescales / Milestones	Lead Officer
1	Maximising resident income to support affected claimants	<p>Promote take up of welfare benefits and Additional support such as the Healthy Start programme vouchers and supplements.</p> <p>Money Advisor employed at Hackney Service Centre to work with clients impacted by Welfare Reform</p>	<p>Work is ongoing in this area</p> <p>Ongoing reports of client outcomes</p>	<p>Ongoing</p> <p>Annual report</p>	<p>Benefits and Housing needs</p> <p>Benefits and Housing needs</p>
2	Promote the move into employment	<p>Encourage the take-up of free childcare.</p> <p>Refer households to the Ways into work team for practical assistance</p> <p>Access to employment and opportunities delivery group</p>	<p>Working in partnership with the Ways into Work Team and the Economic and Community Development Board</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p> <p>Council wide initiative</p>
3	Provide additional assistance for those unable to pay	<p>Currently £100k set aside to provide additional assistance to the most vulnerable households and those facing additional hardship</p> <p>Develop an effective promotion campaign through children's centres, libraries, neighbourhood offices and community groups and online forums to raise awareness and increase take-up.</p> <p>Embed CTRS hardship fund and DHP in corporate anti poverty strategy</p>	<p>Expenditure to be monitored</p> <p>CTR Discretionary Awards actively considered for all DHP applications</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p>
4	Assist with other welfare reforms	<p>Giving claimants advice and discussing their housing options</p>	<p>Regular updates provided to Benefits and Housing needs</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p>

	<p>Help tenants to find alternative, more affordable accommodation</p> <p>Help tenants to apply for Discretionary Housing Payment to cover deposit and removal costs on a new property</p>	<p>management team.</p> <p>Activity related to the Homelessness Reduction Act through the Housing Needs Service. Monitored through HRA reporting to DCLG</p>	
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