

## Community and Equality Impact Assessment

As an authority, we have made a commitment to apply a systematic equalities and diversity screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have significant positive, negative or adverse impacts on the different groups in our community.

This process has been developed, together with **full guidance** to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

**About the service or policy development**

Name of service or policy	Replacement Council Tax Support scheme 2025/26
Lead Officer	James Johnston (Service Manager) & Donna Radley (Head of Welfare)
Contact Details	<a href="mailto:James.johnston@lbbd.gov.uk">James.johnston@lbbd.gov.uk</a> <a href="mailto:Donna.radley@lbbd.gov.uk">Donna.radley@lbbd.gov.uk</a>

Why is this service or policy development/review needed?
<p>The Welfare Reform Act in 2012 abolished Council Tax Benefit (CTB) from April 2013 and, in its place, support took the form of a local Council Tax Support Scheme (CTS). The Local Government Finance Act 2012 contains provisions for the setting up of local support schemes.</p> <p>The council must consider whether to revise or replace its CTS scheme each financial year, for working age recipients. However, it does not actually have to revise or replace its scheme and can choose to retain the scheme unchanged from the previous financial year.</p> <p>Pensioners are protected under the nationally prescribed pension age CTS scheme and must be able to receive up to a 100% reduction under the national scheme rules and this cannot be varied at a local level. Prescribed regulation changes to the pension age scheme must be applied.</p> <p>The current CTS scheme for 2024/25 replaced the previous means tested approach under the default scheme with an ‘income banded discount scheme’.</p> <p>The income banded discount scheme provides support based on bands of income and provides a percentage discount off the Council Tax bill (the CTS award) and helps residents on low incomes to pay their Council Tax. Under the current scheme, a working-age household (working age is anyone under pension age) liable for Council Tax could get up to 85% of the charge paid through the scheme, resulting in a minimum payment of 15% for all applicants, dependent upon their circumstances.</p> <p>The scheme that exists for Pension age recipients is a national scheme and this cannot be varied at a local level. The national Pension age scheme very much mirrors the former means tested national Council Tax Benefit (CTB) scheme.</p> <p>This EIA is required for the proposals to implement a replacement CTS scheme for the financial year 2025/26 for working age households.</p> <p>A scheme that provides a reduced level of support is being proposed.</p> <p>The Council has faced significant financial and operational challenges during 2023/24. The financial sustainability of the Local Government sector continues to be extremely challenging. There have been significant cuts over several years to the Revenue Support Grant from the Department for Levelling Up, Homes and Communities (DLUHC) and whilst headline core spending power has increased, in real terms, funding is still far below what it was over a decade ago.</p> <p>The Medium Term Financial Plan (MTFP) sets out a forecast budget gap of £8.8m for 2024/25 with a drawdown from reserves with a forecast gap of £11.69m into 2025/26.</p>

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Why is this service or policy development/review needed?

To help residents with the cost-of-living crisis the Council agreed to temporarily increase the level of support through the CTS scheme in 2023/24, subject to continued review based on demand and affordability, by reducing the minimum payment required from 25% to 15% to help its residents cope with this crisis. This level of support was retained in 2024/25 but consideration will need to be given to a reduction in support and cost for the remainder of the MTFS to ensure the Council has a sustainable budget.

The Council recognises the impact of Covid-19 and the cost of living crisis and this means any changes impacting residents may contribute further to this situation. Although inflation has reduced it is recognised that costs remain high and are affecting residents on a day to day basis. Any changes proposed to the CTS scheme will seek to balance savings proposals whilst protecting the most vulnerable, mitigating negative impacts as far as possible.

This paper sets out the equality impact assessment (EIA) of the proposed changes to the CTS scheme for 2025/26.

**Note this decision has not been taken.**

**This EIA analysis is based on a proposed draft CTS scheme to be considered by Cabinet.**

**There are a number of mitigations as set out in the report to support those who may be impacted.**

**The Strategy team has reviewed this EIA.**

### **1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).**

What impacts will this service or policy development have on communities?

Look at what you know. What does your research tell you?

Please state which data sources you have used for your research in your answer below

*Consider:*

- National & local data sets
- Complaints
- Consultation and service monitoring information
- Voluntary and Community Organisations
- The Equality Act places a specific duty on people with 'protected characteristics'. The table below details these groups and helps you to consider the impact on these groups.
- It is Council policy to consider the impact services and policy developments could have on residents who are socio-economically disadvantaged. There is space to consider the impact below.

#### **Overall borough wide demographics**

- **Local communities in general**

Barking & Dagenham is a diverse borough with significant levels of deprivation as outlined by the following demographic trends below.

- **Population & Households**

Barking & Dagenham currently has a total population of 218,900.

The population size has increased by 17.7% from around 185,900 in 2011. This is higher than the overall increase for England of 6.6% and the 2<sup>nd</sup> highest in greater London and demonstrates the growth in population in the borough. Nearby boroughs such as Havering saw growth of only 10.4%.

In 2021 Barking & Dagenham ranked 80<sup>th</sup> for total population in Local Authority areas moving up 15 places since 2011.

There are currently 73,900 households in the borough.

This is broken down as follows:

- 1 person in household 23.7%
- 2 people in household 22.5%
- 3 people in household 18.9%
- 4 or more people in household 34.9% (London average 24.1%)

Single family households make up 62.9% of the household composition, higher than the London average of 58%.

The average household size is 2.96 the 4<sup>th</sup> highest average in England & Wales.

Barking & Dagenham therefore has a higher proportion of larger households and a higher proportion of single family households than the London average.

The population is expected to grow another 42% to 309,000 by 2041.

- **Age**

Of this population currently 57,150 are aged under 16. This is the highest proportion in England and Wales.

Of this population currently 142,700 are aged 16 – 64, and 19,050 aged over 65.

The largest age group bracket is age 35 – 39 with 8.5% (18,606) of the borough.

The average age in the borough is 33. This is lower than the London average of 35.

Barking & Dagenham has a significantly higher age profile between 0-19 than the London average.

The age profile has seen a decrease of 1.7% in people aged 65 and over, with an increase of 20.8% of people aged 15-64. The age profile for children under 15 has also increased by 17.3%.

57,100 (26.1%) of residents were aged under 16 on Census day, the highest proportion in England & Wales.

This demonstrates the changing profiles of the age of the population in Barking & Dagenham.

- **Disability**

Currently 13.2% of the population is registered as disabled under the Equality Act.

Barking & Dagenham currently has 5,037 people of working age (16-64) claiming Disability Living Allowance & 11,115 claiming Personal Independence Payment.

29.8% of households have at least one person who identifies as disabled, the highest proportion in London.

The [B&D Joint Strategic Needs Assessment](#) highlight that people with a disability are at particular risk of disadvantage in all its forms, as they are more likely to be living on a low income, be unemployed or in unsuitable housing, putting their health at additional risk of further decline

(DWP Stat-Xplore – 04/06/2024)

(Census 2021)

- **Gender reassignment**

9 in 10 Barking & Dagenham residents' gender identity was the same as sex registered at birth (90.4%)

Of all English & Welsh local authorities, Barking & Dagenham had the:

- highest proportion of trans women (0.25%)
- 3rd highest proportion of trans men (0.24%)
- 5th highest proportion of people whose gender identity was different but no specific identity given (0.64%)
- 17th highest who did not answer the gender identity question (8.4%)

- **Marriage & civil partnership**

Barking & Dagenham currently has 42.8% of the population married or in a civil partnership, up from 42.1% in 2011. The number of people who were married increased and fell across England.

41.8% of the population were never married or registered in a civil partnership.

8.1% are divorced or in a dissolved civil partnership.

12.8% of households were lone parents with dependant children the highest proportion in England & Wales.

(Census 2021)

- **Pregnancy & maternity**

There are currently 64.2 births per 1000 women of childbearing age the highest in London.

Barking & Dagenham saw England's joint second largest % rise in the proportion of households including a couple with dependant children from 20.9% in 2011 to 24.1% in 2021.

There are 9,4000 (12.8%) lone parent households with dependent children, the highest proportion in England & Wales.

Teenage pregnancy rates are 16.1 per 1000 females aged 15-17.

(Census 2021)

(Borough data explorer)

- **Race and ethnicity**

The proportion of the borough population identifying as coming from black and minority ethnic backgrounds has increased from 19.1% to 50.5% between the 2001 and 2011 censuses, and is now at 69.1%, the 10<sup>th</sup> highest in the country.

In 2021 25.9% of residents identified their ethnic group as Asian, Asian British or Asian Welsh, up from 15.9% in 2011. This 9.9% increase was the largest increase among high level ethnic groups in this area.

44.9% of residents identified as white compared with 58.3% in 2011.

21.4% of residents identified as Black, Black British, Black Welsh, Caribbean of African compared to 20% in 2011.

Ethnic diversity has increased between 2011 and 2021 with the percentage of non-white British residents rising by 18.6% over the decade.

The most common language of residents whose main language is not English is Romanian (4.8%) followed by Bengali (3.1%).

2 in 5 residents were born outside of the UK.

Barking & Dagenham has become increasingly ethnically diverse in the last 10 years.

(Census 2021)

- **Religion**

45.4% of the population identify as Christian, down from 56% in 2011.

18.8% identify with no religion.

24.4% of residents identify as Muslim, up from 13.7% in 2011. This rise of 10.7% was the largest increase in religious groups in Barking & Dagenham.

These groups are the predominant religion in the borough with the next highest identifying as Hindu at 3%.

(Census 2021)

- **Sex/Gender**

Currently 51.3% of the borough's residents are female, and 48.7% are male. This is broken down by population:

- Male – 106,548
- Female – 112,202

(Census 2021)

- **Sexual orientation**

Nearly 9 in 10 Barking & Dagenham residents described their sexual orientation as Straight or Heterosexual (88.6%)

Of all English & Welsh local authorities, Barking & Dagenham had the:

- 4th highest proportion who described their sexual orientation as all other sexual orientations (0.07%)
- 23rd highest proportion who described their sexual orientation as Pansexual (0.38%)

- **Socio-economic disadvantage (deprivation in the borough)**

In April 2023 the updated poverty indicator tracker for Barking & Dagenham held the:

- 34<sup>th</sup> (worst) average rank (combining the 10 indicators of poverty) against all 309 English Local Authorities

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- 32<sup>nd</sup> highest unemployment rate
- 5<sup>th</sup> highest rate of Universal Credit claimants in employment (previously 5<sup>th</sup> in the 2021 census)
- 7<sup>th</sup> highest proportion of households claiming Housing Benefits
- 70<sup>th</sup> highest proportion of households living in fuel poverty
- 63<sup>rd</sup> highest proportion of children under 16 living in relative low income families.

This compared to April 2022:

- 18<sup>th</sup> (worst) average rank (combining the 10 indicators of poverty) against all 309 English Local Authorities
- 2<sup>nd</sup> highest unemployment rate
- 2<sup>nd</sup> highest rate of Universal Credit claimants in employment (previously 5<sup>th</sup> in the 2021 census)
- 5<sup>th</sup> highest proportion of households claiming Housing Benefits
- 17<sup>th</sup> highest proportion of households living in fuel poverty
- 34<sup>th</sup> highest proportion of children under 16 living in relative low income families.

This showed a:

- Falling unemployment rate
- Reduction in fuel poverty (data remains pre cost of living crisis)
- Reduction in children living in relative low-income families

Within London the borough has the highest rates of:

- Universal Credit claimants in employment

The 3<sup>rd</sup> highest rate of

- Children aged under 16 living in relative low income families.

The 4<sup>th</sup> highest rate of:

- Households living in fuel poverty
- Income Support claimants

Barking & Dagenham has dropped from the 18<sup>th</sup> lowest (worst) to 34<sup>th</sup> lowest (worst) combining the 10 indicators of poverty. This is the first time Barking & Dagenham has:

- Featured outside of the top 20 (worst) Local Authorities since February 2020
- Not been the most impoverished borough (3<sup>rd</sup>)



Although these poverty indicators have improved Barking & Dagenham remains a very impoverished borough.

The 2021 census also provided data on poverty indicators:

- 46,100 (62.4%) of households have at least one measure of deprivation.
- 46% of children are estimated to live in poverty the 3<sup>rd</sup> highest in England & Wales.
- The borough also had an economically inactive rate of 35.9%, higher than the London average of 33.8%.
- 7% of the population were providing unpaid care.
- 58.5% of residents are economically active in employment, lower than the London average of 61.4%.
- 16.1% were employed in professional occupations with 15.9% employed in elementary occupations.
- The largest socio-economic classification was lower managerial, administrative and professional occupations at 15.3%, lower than the London average of 20.6%.
- 11.4% of the population were engaged in part time work of 15 hours a week or less, higher than the London average of 10.7%.
- 22.7% of the population hold no formal qualifications, higher than the London average of 16.2%.
- The number of residents renting privately has increased by 412% since 2001.
- 18,100 (24.5%) of households rent from the Council, the 3<sup>rd</sup> highest in England & Wales.
- 17.8% of households are living in a property without enough bedrooms, the 2<sup>nd</sup> highest proportion in England & Wales.

Income (and debt) is the greatest determinant of health, in a positive way enabling people to afford factors that support healthy living (e.g. diet, physical activity, housing, etc.) and in a negative way driving poor health (e.g. mental health, unhealthy behaviours, etc.).

The socio-economic indicators in the borough highlight high levels of deprivation, poverty and issues with housing and present a challenging outlook for the Council.

### **Council Tax Support - Case load and demographics:**

Case load:

There are currently 15,367 live CTS cases:

- 10,893 working age (16-64) (70.88%)
- 4474 pension age (65+) (29.11%)

The CTS working age caseload is currently 7.63% of the working age population of the borough.

The CTS pension age caseload is currently 23.48% of the pension age population of the borough.

Case load breakdown by demographic types<sup>1</sup>:

The CTS case load can also be broken down by age and household type.

Age band	Barking & Dagenham population 2021	% of total population by age bracket	Council Tax Support claimants	% of total
0-9	35,536	16.25%	0	
10-19	33,328	15.24%	3	0.01%
20-29	28,435	13.00%	724	4.71%
30-39	36,691	16.77%	2656	17.28%
40-49	31,986	14.62%	3027	19.69%
50-59	25,140	11.49%	2802	18.23%
60 -69	14,536	6.65%	2589	16.84%
70-79	8,027	3.67%	2238	14.56%
80+	5,071	2.32%	1472	9.57%

Household type	No. of live CTS claims
Working Age - Non-Passported - Couple	447
Working Age - Non-Passported - Couple & 1 Child	312
Working Age - Non-Passported - Couple & 2 Child +	1089
Working Age - Non-Passported - Single	2577
Working Age - Non-Passported - Single & 1 Child	1364
Working Age - Non-Passported - Single & 2 Child +	2367
Working Age - Passported benefit	
All household types	2709

<sup>1</sup> Policy & Practice localised CTS Final Report

**CTS expenditure (cost):**

CTS expenditure for the financial year 2024/25 is currently £17,520,174

**CTS expenditure by age:**

Of this expenditure £11,790,449 (67.29%) is against working age claimants and £5,729,725 (32.71%) is against pension age claimants.

Working age claimants currently make up 65.10% of the population and account for 70.88% of the CTS caseload and 67.29% of the total CTS expenditure.

Pension age claimants currently make up 8.70% of the population and account for 29.11% of the CTS caseload and 32.71% of the total CTS expenditure.

**CTS case load by gender:**

The current case load is split as follows:

Male – 5,126 (33%)

Female – 10,387 (77%)

**CTS case load by ethnicity & race:**

The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by race or ethnicity.

**CTS case load by religion:**

The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by religion.

**CTS case load by sexual orientation:**

The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by sexual orientation.

**CTS case load by Gender reassignment:**

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The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by gender reassignment

### **CTS case load by Marriage and civil partnership:**

The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by marriage and civil partnership.

### **CTS case load by Pregnancy and maternity:**

The Council does not collect this information about this characteristic as it is not a mandatory requirement for the processing of CTS.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by pregnancy.

Maternity can only be identified by those claimants in receipt of a Maternity Allowance benefit from the DWP. This will not account for claimants on paid maternity leave, in receipt of other benefits, or neither.

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
<b>Local communities in general</b>					-
<b>Age</b>			X	<p>All working age claimants will be affected by the proposed replacement scheme.</p> <p>All working age claimants will see a reduction in their award and level of support as the proposed scheme reduces the % of the award across all the income bands 1-6.</p>	<p>It is not feasible to mitigate adverse impacts on the basis of age alone.</p> <p>The following mitigations are in place to support claimants adversely affected by the proposed changes:</p>

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		<p>Although the impacts may differ by age group the calculation of CTS is not related to a person's age for the working age scheme. As long as an applicant is of working age they will be affected.</p> <p>Differences in entitlement will be as a result of either the reduction in the % level of support in each band, or the increasing of the flat rate non-dependant charge from £7.50 to £10.</p> <p>No scheme changes are proposed for the pension age scheme which remains centrally prescribed.</p> <p>Pension age claimants are protected and will continue to receive full support, inclusive of outreach services.</p>	<ul style="list-style-type: none"> <li>• Resident consultation</li> </ul> <p>Consulting residents about the proposed changes and asking for their views on how to mitigate any impact.</p> <p>Public forums will be available to residents at various locations for face to face surgeries.</p> <ul style="list-style-type: none"> <li>• Council Tax Discretionary relief (CTDR)</li> </ul> <p>Maintaining a discretionary Council hardship fund open for applications from all residents and ensuring this is promoted so residents are aware of the scheme.</p> <p>Section 13A of the Local Government Finance act 1992).</p> <ul style="list-style-type: none"> <li>• Government funded hardship schemes and local welfare assistance</li> </ul> <p>Maintaining an open application process for all residents for the Household Support Fund (HSF) and any other government funded discretionary schemes to support the wider costs of living for vulnerable residents, helping to assist with financial support and therefore the payment and collection of Council Tax.</p>
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				<p>This is dependant upon HSF being extended beyond its current end date in September 2024 and therefore may not be an available mitigation in April 2025.</p> <ul style="list-style-type: none"> <li>• The Homes &amp; Money HUB &amp; Welfare Service</li> </ul> <p>Services supporting vulnerable residents to maximise their income including welfare benefit take up, advice and support on debts and budgeting</p> <ul style="list-style-type: none"> <li>• Applying the Council's debt management policy</li> </ul> <p>Ensuring the fair and ethical collection of Council Tax and assisting residents who are experiencing financial difficulty.</p>
<p><b>Disability</b></p>			<p>X All working age claimants with disabilities will be affected by the proposed replacement scheme.</p> <p>All working age claimants with disabilities will see a reduction in their award and level of support as the proposed scheme reduces the % of the award across all the income bands 1-6.</p> <p>Differences in entitlement will be as a result of the reduction in the % level of support.</p>	<p>It is not feasible to mitigate adverse impacts for claimants with disability on this basis alone</p> <p>The following mitigations are in place to support claimants adversely affected by the proposed changes:</p> <ul style="list-style-type: none"> <li>• Resident consultation</li> </ul>

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		<p>The proposed scheme will continue to disregard income received from qualifying disability benefits (DLA or PIP). This will continue to help protect disabled claimants.</p> <p>The proposed scheme will continue to disregard non-dependant deductions where a claimant or partner are in receipt of a qualifying benefit (DLA or PIP at the middle of higher rates) ensuring an increase in the non-dependant rate will not affect those claimants.</p> <p>There will therefore be no negative impact from the change to the flat rate non-dependant charge for claimants in receipt of qualifying disability benefits.</p> <p>Claimants not in receipt of qualifying disability benefits will be negatively affected by this change.</p> <p>No scheme changes are proposed for the pension age scheme which remains centrally prescribed.</p> <p>Pension age claimants in receipt of disability benefits, or without, are protected and will continue to receive full support, inclusive of outreach services.</p>	<p>Consulting residents about the proposed changes and asking for their views on how to mitigate any impact.</p> <p>Public forums will be available to residents at various locations for face to face surgeries.</p> <ul style="list-style-type: none"> <li>• Council Tax Discretionary relief (CTDR)</li> </ul> <p>Maintaining a discretionary Council hardship fund open for applications from all residents and ensuring this is promoted so residents are aware of the scheme.</p> <p>Section 13A of the Local Government Finance act 1992).</p> <ul style="list-style-type: none"> <li>• Government funded hardship schemes and local welfare assistance</li> </ul> <p>Maintaining an open application process for all residents for the Household Support Fund (HSF) and any other government funded discretionary schemes to support the wider costs of living for vulnerable residents, helping to assist with financial support and therefore the payment and collection of Council Tax.</p> <p>This is dependant upon HSF being extended</p>
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				<p>beyond its current end date in September 2024 and therefore may not be an available mitigation in April 2025.</p> <ul style="list-style-type: none"> <li>• The Homes &amp; Money HUB &amp; Welfare Service</li> </ul> <p>Services supporting vulnerable residents to maximise their income including welfare benefit take up, advice and support on debts and budgeting</p> <ul style="list-style-type: none"> <li>• Applying the Council's debt management policy</li> </ul> <p>Ensuring the fair and ethical collection of Council Tax and assisting residents who are experiencing financial difficulty.</p>
<b>Disability analysis<sup>2</sup>:</b>				
<b>Gender reassignment</b>		X	<p>There is no CTS data held for this specific category.</p> <p>The scheme will not treat people of different genders any differently.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people who are proposing to undergo, is undergoing, or has undergone a process (or part of a process) to re-assign their gender.</p>	<p>No impact.</p> <p>No mitigations are required.</p>

<sup>2</sup> Appendix 1 – Policy & Practice localised CTS Final Report



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<b>Marriage and civil partnership</b>		X	<p>There is no CTS data held for this specific category.</p> <p>The scheme will not treat people either married or in a civil partnership any differently.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people who are married or in a civil partnership.</p>	<p>No impact.</p> <p>No mitigations are required.</p>
<b>Pregnancy and maternity</b>		X	<p>There is no CTS data held for this specific category.</p> <p>Pregnancy does not affect the claimant's assessment of CTS unless there is a change in financial circumstances.</p> <p>The scheme will only treat people who are on maternity leave differently in so far as considering a change in their circumstances for income &amp; household with regards to the income band discount awarded.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on women who are pregnant or recently had a baby.</p>	<p>No impact.</p> <p>No mitigations are required.</p>
<b>Race (including Gypsies, Roma and Travellers)</b>		X	<p>There is no CTS data held for this specific category.</p> <p>There are ethnic inequalities in health, some of which are associated to economic deprivation.</p> <p>The scheme will not treat people of different ethnicity or race any differently.</p>	<p>No impact.</p> <p>No mitigations are required.</p>

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			<p>A claimant's entitlement to CTS is decided in accordance with set criteria such as recourse to public funds and immigration status.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people because of their race or ethnicity.</p>	
<b>Religion or belief</b>		X	<p>There is no CTS data held for this specific category.</p> <p>The scheme will not treat people of different religion any differently.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people because of their religion or belief.</p>	<p>No impact.</p> <p>No mitigations are required.</p>
<b>Sex</b>		X	<p>All working age claimants will be affected by the proposed replacement scheme.</p> <p>All working age claimants will see a reduction in their award and level of support as the proposed scheme reduces the % of the award across all the income bands 1-6.</p> <p>Although the impacts may differ by sex the calculation of CTS is not related to a person's gender for the working age scheme.</p> <p>Differences in entitlement will be as a result of either the reduction in the % level of support in each band, or the increasing of the flat rate non-dependant charge from £7.50 to £10.</p>	<p>The following mitigations are in place to support claimants adversely affected by the proposed changes:</p> <ul style="list-style-type: none"> <li>• Resident consultation</li> </ul> <p>Consulting residents about the proposed changes and asking for their views on how to mitigate any impact.</p> <p>Public forums will be available to residents at various locations for face to face surgeries.</p> <ul style="list-style-type: none"> <li>• Council Tax Discretionary relief (CTDR)</li> </ul>

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			<p>This information is recorded within a claimant's personal details.</p> <p>The case load is % male and % female for the lead claimant. Reductions in awards will disproportionately affect female claimants.</p> <p>Changes in the proposed scheme are not gender specific. The same proposed income threshold and discounts apply to all claimants.</p> <p>Childcare could be a potential barrier for a single parent looking to secure employment or increase their hours and may disproportionately affect woman. By disregarding the childcare element of UC the proposed scheme will continue to support claimants and this may proportionately benefit female claimants.</p> <p>Pension age claimants are protected and will continue to receive full support, inclusive of outreach services.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people because of their sex or gender.</p>	<p>Maintaining a discretionary Council hardship fund open for applications from all residents and ensuring this is promoted so residents are aware of the scheme.</p> <p>Section 13A of the Local Government Finance act 1992).</p> <ul style="list-style-type: none"> <li>• Government funded hardship schemes and local welfare assistance</li> </ul> <p>Maintaining an open application process for all residents for the Household Support Fund (HSF) and any other government funded discretionary schemes to support the wider costs of living for vulnerable residents, helping to assist with financial support and therefore the payment and collection of Council Tax.</p> <p>This is dependant upon HSF being extended beyond its current end date in September 2024 and therefore may not be an available mitigation in April 2025.</p> <ul style="list-style-type: none"> <li>• The Homes &amp; Money HUB &amp; Welfare Service</li> </ul> <p>Services supporting vulnerable residents to maximise their income including welfare benefit take up, advice and</p>
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					<p>support on debts and budgeting</p> <ul style="list-style-type: none"> <li>Applying the Council's debt management policy</li> </ul> <p>Ensuring the fair and ethical collection of Council Tax and assisting residents who are experiencing financial difficulty.</p>
<b>Sexual orientation</b>		X		<p>There is no CTS data held for this specific category.</p> <p>The proposed changes to the CTS scheme will not have a differential impact on people because of their sexual orientation.</p>	<p>No impact.</p> <p>No mitigations are required.</p>
<b>Socio-economic Disadvantage</b>			X	<p>All working age claimants will be affected by the proposed replacement scheme.</p> <p>All working age claimants will see a reduction in their award and level of support as the proposed scheme reduces the % of the award across all the income bands 1-6.</p> <p>Differences in entitlement will be as a result of either the reduction in the % level of support in each band, or the increasing of the flat rate non-dependant charge from £7.50 to £10.</p> <p>100% of households (working age) will see a negative impact.</p> <p>A total of 10,893 households will lose support.</p>	<p>It is not feasible to mitigate any potential adverse impacts on the basis of socio-economic disadvantage alone.</p> <p>The following mitigations are in place to support claimants adversely affected by the proposed changes:</p> <ul style="list-style-type: none"> <li>Resident consultation</li> </ul> <p>Consulting residents about the proposed changes and asking for their views on how to mitigate any impact.</p> <p>Public forums will be available to residents at</p>

**COMMUNITY AND EQUALITY IMPACT ASSESSMENT**

			<p>There are ..... households with a non-dependant deduction.</p> <p>..... households remain exempt from the charge due to receipt of disability benefits retaining the current protections..</p> <p>..... households will have higher deductions from an increase to the flat rate deduction.</p> <p>An increase in flat rate non-dependant deductions will affect all household types and economic status.</p> <p>The overall impact of the scheme change is negative as all claimants that are working age will lose support.</p> <p>No scheme changes are proposed for the pension age scheme which remains centrally prescribed.</p> <p>Pension age claimants are protected and will continue to receive full support, inclusive of outreach services.</p>	<p>various locations for face to face surgeries.</p> <ul style="list-style-type: none"> <li>• Council Tax Discretionary relief (CTDR)</li> </ul> <p>Maintaining a discretionary Council hardship fund open for applications from all residents and ensuring this is promoted so residents are aware of the scheme.</p> <p>Section 13A of the Local Government Finance act 1992).</p> <ul style="list-style-type: none"> <li>• Government funded hardship schemes and local welfare assistance</li> </ul> <p>Maintaining an open application process for all residents for the Household Support Fund (HSF) and any other government funded discretionary schemes to support the wider costs of living for vulnerable residents, helping to assist with financial support and therefore the payment and collection of Council Tax.</p> <p>This is dependant upon HSF being extended beyond its current end date in September 2024 and therefore may not be an available mitigation in April 2025.</p>
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## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

						<ul style="list-style-type: none"> <li>• The Homes &amp; Money HUB &amp; Welfare Service</li> </ul> <p>Services supporting vulnerable residents to maximise their income including welfare benefit take up, advice and support on debts and budgeting</p> <ul style="list-style-type: none"> <li>• Applying the Council's debt management policy</li> </ul> <p>Ensuring the fair and ethical collection of Council Tax and assisting residents who are experiencing financial difficulty.</p>
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The Council has undertaken both internal and external modelling on the impact of implementing the proposed replacement CTS scheme (Model 2) in 2025/26.

The Council have worked with a specialist provider 'EntitleTo' to model this impact. This modelling is based on a CTS scheme extract from May 2024.

The analysis provided in this EIA is based on internal modelling.

The CTS scheme varies based on demand. Any equality impact is based on modelling from a point in time which may vary at that point of implementation.

CTS is in the main targeted at low income households that are financially disadvantaged to support the payment of Council Tax and therefore any change to the scheme that proposes to reduce support will impact these households with all households losing support under the proposed Model 2.

Model 2 is a banded income discount scheme which takes into account all household income and household size (restricted to 2 children).

The scheme considers the total income of the household to calculate the level of Council Tax discount applied.

Model 2 proposes retaining all aspects of the current scheme<sup>3</sup> with uprating of the income banding table only. Income uprating accounts for increases in claimant income such as Benefit uprating.

Model 2 proposes the following income banding table:

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Band	Discount	Single (Weekly net income)	Couple (Weekly net income)	Single 1+ children addition	Single 2+ children addition	Couple 1+ children addition	Couple 2+ children addition
1	85%	£0 - £105	£0 - £175	£0 - £193	£0 - £313	£0 - £270	£0 - £388
2	70%	£100 - £156	£175 - £228	£193 - £249	£313- £374	£270 - £326	£388 - £453
3	55%	£156 - £189	£228 - £256	£249 - £288	£374 – £420	£326 - £367	£453 - £503
4	40%	£189 - £203	£256 - £288	£288 - £326	£420 - £462	£367 - £411	£503 - £552
5	25%	£203 - £226	£288 - £304	£326 - £349	£462 - £488	£411 - £422	£552 - £589
6	15%	£226 - £266	£304 - £325	£349 - £402	£488 - £553	£422 - £442	£589 - £641

Model 2 proposes a 5% cut to support for all the income bands (working age). This will result in a maximum award of 80%, a reduction of 5% on the current maximum of 85% and will apply to all bands 1-6.

A minimum payment of 20% would be required in all cases.

An increase in the flat rate non-dependant deduction amount from £7.50 to £10.00 is proposed for all adults in the property while maintaining the current exemptions for receipt of disability benefits. This will reflect increases in non-dependant income.

Current protections against non-dependant deductions for disabled households in receipt of Personal Independence Payments and Disability living Allowance (for care at the middle or higher rate) remain resulting in no deductions being applied for these households.

All other aspects of the scheme will remain the same as set out in point 2.4.<sup>4</sup> No further changes to the household income disregards or capital limit are proposed.

### **The level of the CTS award: Model 2**

Model 2 has been designed to reduce the overall level of support from the scheme by reducing the income band % (the CTS award) by 5% for all income bands.

Income band thresholds are designed to maintain the majority of applicants in the same income Band in comparison to the current scheme. This will ensure that applicants will remain in the same income band as currently, ensuring consistency in their award and avoiding drops between bands causing large reductions in support.

The following table(s) is Model 2 compared to Model 1 (retaining the current level of support compared to the current scheme).

<sup>33</sup> Cabinet paper July 2024 (point 2.4)

<sup>4</sup> Cabinet paper July 2024 (point 2.4)

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Group	Number of claimants	Percentage of band droppers	Down 1 band	Down 2 bands	Up 1 band	Up 2 bands	% of band changes
Single	2577	1.40%	36	0	10	0	0.39%
Single 1 child	1364	3.01%	41	0	18	0	1.32%
Single 2+ children	2367	2.28%	54	0	33	0	1.39%
Couple	447	10.74%	48	0	8	0	1.79%
Couple 1 child	312	10.58%	32	1	3	0	0.96%
Couple 2+ children	1089	2.94%	32	0	57	0	5.23%
Passport Benefit	2709	-	-	-	-	-	-
<b>Totals</b>	<b>10868</b>	<b>2.99%</b>	<b>243</b>	<b>1</b>	<b>129</b>	<b>0</b>	<b>1.58%</b>

This demonstrates that Model 2 retains a majority of claimants in the same income band. This helps to protect claimants from a larger drop in support.

Some claimants with protected characteristics will experience a drop in their income band due to changes applied within the scheme which will result in a reduced award and is noted as a negative outcome.

The average CTS award compared to the current scheme is projected as follows:

Group	Caseload count	Current scheme average CTS award	Model 2 average CTS award
All working age	10865	£20.80	£20.15
UC	7246	£20.55	£19.83
Legacy benefit	3619	£21.28	£20.80

The average CTS award by income band is projected as follows:

Income Band	Current scheme average CTS award	Model 2 average CTS award
Band 1	£22.52	£22.00
Band 2	£19.55	£18.80
Band 3	£15.86	£15.04
Band 4	£11.94	£10.91
Band 5	£7.49	£6.18
Band 6	£4.45	£3.07



## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Average awards can also be broken down by the type of Benefit received taking account of those applicants with Disability Benefits and barriers to work. This demonstrates that Model 2 will cut support to those with barriers to work or disability.

Group	Caseload count	Current scheme average CTS award	Model 2 average CTS award
Disability Living Allowance (DLA) & Personal Independence payment (PIP)	3845	£23.11	£22.74
Employment Support Allowance (ESA)	541	£20.64	£19.90
UC Limited capacity for work (UC-LCW)	743	£20.53	£19.70

The average decrease in the award is £1.68 per week.

- 250 claimants would experience a decrease in their award of up to £1.
- 8895 claimants would experience a decrease in their award of between £1 and £2.
- 1471 claimants would experience a decrease in their award of between £2 and £5.
- 189 claimants would lose more than £5 per week.

Model 2 reduces support for all applicants by reducing the % award for bands 1-6 and by moving some claimants into a lower band. As a consequence, Model 2 provides a lower value CTS award for all applicants, including those with protected characteristics.

### Households losing out

Of the 10,850 current claimants 100% would see a reduction in support. This is because the % award in each band (1-6) is being reduced by 5% affecting all claimants. Some claimants also drop between bands.

The breakdown of claimants who lose support under Model 2 compared to Model 1 is as follows:

Household Type	Number of claimants	Percentage of losers	Average weekly loss
Passported Benefit	2709	100%	-£1.68
Single	447	100%	-£2.00
Single 1 child	312	100%	-£1.86
Single 2+ children	1089	100%	-£1.64
Couple	2577	100%	-£1.63
Couple 1 child	1364	100%	-£1.57
Couple 2+ children	2367	100%	-£1.86

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Income Band	Number of claimants	Percentage of losers	Average weekly loss
Band 1	8451	100%	-£1.68
Band 2	772	100%	-£1.74
Band 3	752	100%	-£1.68
Band 4	507	100%	-£1.68
Band 5	181	100%	-£1.64
Band 6	178	100%	-£1.59

Barriers to work	Number of claimants	Percentage of losers	Average weekly loss
DLA/PIP claimant	3845	100%	-£1.51
ESA claimant	541	100%	-£1.91
UC-LCW claimant	743	100%	-£1.90

Although all cases with Disability Benefits will lose support the loss of support can be modelled to be less than the average loss across the whole caseload. However claimants with protected characteristics will lose support and is noted in this EIA.

### Increasing flat rate non-dependant deductions

Model 2 proposes an increase in non-dependant deductions from £7.50 per week to £10 per week.

There are currently 1566 non-dependant adults in the working age caseload. Cases with Disability Benefits are exempt from a deduction. 1566 cases currently have a non-dependant deduction applied across 1267 households. 1006 deductions are for 1 adult in the household and is the most common deduction.

The impact of increasing the non-dependant charge is as follows:

Total number of non-dependant deductions	Total number of claims with non-dependant deductions	Total number of claims with an increased NDD	NDD charge total under Model 1 (weekly)	NDD charge total under Model 2 (weekly)
1566	1267	1267	£11,748	£15,665

A majority of deductions are for households with one adult in the property. This leads to a £2.50 loss due to the increased charge.

Deductions are applied at a flat rate irrespective of any income held by the non-dependant. A majority of non-dependants will have some form of income and an increase in deduction is balanced against increases in their income and is considered balanced and reasonable.

Claimants in receipt of disability benefits are unaffected by the charge as they are exempt from deductions.

<b>COMMUNITY AND EQUALITY IMPACT ASSESSMENT</b>	
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**Overall impact analysis Model 2**

The overall impact of the reduction in support proposed by Model 2 is considered to balance the need to deliver financial savings as part of the MTFS and wider economic context while continuing to provide sufficient levels of support to applicants.

100% of the working age caseload will lose support. This treats all claimants the same and reduces support consistently. Protections against a change in income band have been applied by uprating the income band threshold to account for projected increases to claimant incomes. This mitigates against loss of support by ensuring claimants are not moved into lower bands, with a further reduction in support.

However as a consequence of this approach claimants with protected characteristics will see a reduction in support and will not be treated any differently. It is not currently possible within the design of the current scheme to specifically mitigate or exclude this cohort from a reduction in support.

The scheme continues to disregard Disability Benefits as income and also disregards elements of UC such as Carer Element of Limited Capacity for Work and therefore already has protections in place for vulnerable claimants.

The socio-economic demographic of the current CTS case load is very low income. 86% are placed into Band 1 with a maximum award.

Any reduction in support in the scheme will disproportionately affect the lowest income residents in the borough and is noted in the EIA.

<b>Any community issues identified for this location?</b>		X		No issues recognised	No impact
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## 2. Consultation.

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups.

If you have already undertaken some consultation, please include:

- Any potential problems or issues raised by the consultation
- What actions will be taken to mitigate these concerns

Prior to the implementation of any change to the CTS scheme the Council is required to consult with the residents of the borough. The guiding principles that have been established through case law for fair consultation are as follows:

- The consultation must be carried out at an early stage when the proposals are still at a formative stage.
- Sufficient information on the reasons for the decision must be provided to enable the consultees to carry out a reasonable consideration of the issues and to respond.
- Adequate time must be given for consideration and responses to be made.
- The results of the consultation must be properly taken into account in finalising any decision.

There is also a duty to consult with the major precept authorities who are statutory consultees.

The aims of any consultation should be to:

- Inform residents and help them understand the impact of the proposals.
- Confirm why the proposals are being made.
- Detail any alternative proposals.
- Give purposeful consideration to realistic alternative proposals presented.
- Obtain feedback on whether residents support the proposals.

The Council will be required to consult extensively on the proposals to change the CTS scheme due to a reduction in support for the scheme proposed that will negatively affect all working age applicants, including those with protected characteristics.

The consultation will be primarily web based through an online survey form and is proposed to run for a full 6 weeks to ensure sufficient time for residents to engage with the proposals.

The survey will inform residents of the proposals to change the scheme and ask residents and stakeholders their opinions and views on:

- Retaining the current level of support (Model 1)
- Reducing the level of support (Model 2) (recommended)
- Reducing the level of support (Model 3)
- Any other comments and views on the proposed changes

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups.

If you have already undertaken some consultation, please include:

- Any potential problems or issues raised by the consultation
- What actions will be taken to mitigate these concerns

The survey will be run through the Citizens Alliance website and will require promotion across the Council webpages, social media channels, E-newsletter, press releases & CTS award notification letters.

Current CTS claimants affected by the proposals will be contacted directly to explain possible changes to their award due to the changed scheme for 2025/26, to invite consultation and feedback on the proposed changes.

The consultation run for the CTS scheme change in 2024/25 found this to be a successful way to encourage engagement with the consultation.

Public workshops will be held at various sites throughout the borough to enable residents and stakeholders to engage with the proposals in person and these sessions will be widely promoted to ensure visibility and attendance.

Consideration will be given to the communication strategy for inclusion to ensure all residents have equal access and uptake given the links between exclusion in respect to communication given the link between exclusion and poor health (e.g. digital exclusion, non-English speakers, those engaged with community groups but not statutory authorities, etc.).

Direct engagement with voluntary partners and stakeholders will be required with the support of the relevant internal teams to ensure a broad section of these partners are engaged in the consultation process.

CTS scheme consultations historically have poor response rates from residents and the Council will need to ensure it widely promotes the consultation to ensure engagement in the proposals.

The outcome of the consultation will be reported to Cabinet and help to inform a final decision.

### 3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented?

*These actions should be developed using the information gathered in **Section 1 and 2** and should be picked up in your departmental/service business plans.*

Action	By when?	By who?
Impact of change monitoring by reviewing Council Tax collection rates and the number of CTS claims made and ongoing expenditure against the CTS scheme.	Ongoing	James Johnston
Regular monitoring based on performance frameworks	Ongoing	James Johnston

#### 4. Next steps

It is important the information gathered is used to inform any Council reports that are presented to Cabinet or appropriate committees. This will allow Members to be furnished with all the facts in relation to the impact their decisions will have on different equality groups and the wider community.

Take some time to summarise your findings below. This can then be added to your report template for sign off by the Strategy Team at the consultation stage of the report cycle.

##### Implications/ Customer Impact

CTS is in the main targeted at households that are financially disadvantaged to support the payment of Council Tax and therefore any proposed reduction in this core support provided will have a negative affect on households that are socio-economically disadvantaged.

Disabled residents are also more likely to be living in poverty with Joseph Rowntree Foundation demonstrating a poverty rate of 29% for those with disability, 9 percentage points higher than those without disability. This difference is even greater for those of working age with 35% in poverty against 18% respectively.

The proposed changes will have a negative impact on all working age adults as they will receive reduced CTS and be required to contribute more towards their Council Tax.

This is potentially exacerbated by any increase in Council Tax, which was increased by the maximum 4.99% in 2024/25 and is anticipated to be increased by the same amount into 2025/26 based on the current economic context.

The draft proposed replacement income banded discount CTS scheme for 2025/26 can be summarised to have the following overall equality impacts on residents of the borough.

- **Age** - Scheme changes will affect all working age claimants negatively but are not related to a person's age beyond the criteria to be of working age.
- **Disability** – All working age claimants in receipt of Disability Benefits, or with other disabilities will be negatively impacted by the proposed change. The EIA highlights negative impacts on this group.
- **Gender re-assignment** – No impact
- **Marriage and civil partnership** – No impact
- **Pregnancy and maternity** – No impact
- **Race (including Gypsies, Roma and Travellers)** – No impact
- **Religion or belief** – No impact
- **Sex** – Impacts may differ by sex (with female claimants disproportionately affected due to more claimants being female) but the calculation of CTS is not related to a person's gender.
- **Sexual orientation** – No impact
- **Socio-economic Disadvantage** – Scheme changes will affect all working age claimants negatively, including those of the lowest incomes. Reductions in support are applied to all income bands (1-6) and will therefore affect all income types and applicants within the scheme however those of the lowest incomes will see a greater impact from a loss of support. The EIA highlights negative impacts on these groups, especially those who fall to support within Band 1 (the lowest income band).

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Any disadvantage as set out above from the proposed changes is justified by the legitimate aim for the Council to ensure it has a sustainable and balanced budget so that the Council can continue to deliver both statutory and non-statutory services at a time of uncertain Government funding, challenging economic conditions with financial reserves no longer able to bridge the gap.

Due to the clear funding gap the Council has no choice but to consider a range of options to bridge this gap. Given this position the proposals are considered to be proportionate in light of the budgetary pressures, given the steps taken to ensure reductions to the support provided in the scheme are kept to a minimum to mitigate their impact on residents.

Mitigation actions have been considered with the Council recognising that households will be adversely affected by the proposed change however these are limited in scope. Alternatives to the proposals have been considered but will not deliver the cost avoidance required to help the Council ensure it has a balanced budget. On this basis transitional protections to limit the affect of the changes have not been considered.

The Discretionary Council Tax Relief (DCTR) fund was effectively used to mitigate the transition between schemes from 2023/24 to 2024/25 when some residents lost out due to the change in scheme. The scope of this mitigation will be dependant upon the level of Council funding available for the scheme. A statutory level of funding of £50,000 will significantly limit this as a mitigation. Current funding is £250,000.

This EIA demonstrates an overall negative impact of the proposed draft CTS scheme change for 2025/26 against equalities, diversity and the protected characteristics from the Equalities Act.

The Council has given due regard to equality needs contained within the Equality Act 2010. Reasonable adjustments to the proposed scheme have been made considering disadvantages suffered by residents with protected characteristics that are balanced against the requirement to make savings and support a balanced budget.

### 5. Sign off

The information contained in this template should be authorised by the relevant project sponsor or Divisional Director who will be responsible for the accuracy of the information now provided and delivery of actions detailed.

Name	Role (e.g. project sponsor, head of service)	Date
Donna Radley	Head of Welfare	01/07/2024