

Government Welfare Reforms
Option 2 Proposals/ Impact on Localised Council Tax Support from April 2017

Government Changes 2017/18	Proposal / Impact on LCTS
<p>From April 2017 the period for which a person can be absent from Great Britain and still receive Housing Benefit (HB) will be reduced to 4 weeks.</p>	<p>Change to be mirrored in LCTS scheme (so that Housing Benefit and LCTS schemes are in line, to help avoid unnecessary confusion). The current LCTS scheme allows 13 weeks absence, the proposed changes would allow only 4 weeks.</p> <p>Indicative Impact: Very small. Drawing on experience, it is estimated that on average, 30 claimants would be affected annually, losing an average 4 weeks' entitlement, at £18 per week.</p> <p>Estimated annual reduction in LCTS = £2.2K, of which around £300 would be attributable to the City Council.</p>
<p>From April 2017 the element of a Work Related Activity Component in the calculation of the current scheme will be removed for new Employment and Support Allowance (ESA) applicants.</p> <p>Affected claimants' ESA entitlement reduces by £29.05 per week.</p>	<p>Change to be mirrored in LCTS scheme (so that Housing Benefit and LCTS schemes are in line, to help avoid unnecessary confusion). The change would maintain affected claimants' LCTS entitlement at current levels – they would not experience any reduction. (Without the change, LCTS entitlement would actually increase.)</p> <p>Indicative Impact: Very small. Drawing on experience, it is estimated that around 16 cases would be affected by this change (avoiding extra LCTS awards estimated at around £300 per year per case).</p> <p>Estimated annual saving in LCTS = £4.8K, of which around £600 would be attributable to the City Council.</p>
<p>From April 2017 the number of dependent children within the calculation for housing benefit will be limited to a maximum of two for any new children born on or after 1 April 2017.</p>	<p>Change to be mirrored in LCTS scheme (so that Housing Benefit and LCTS schemes are in line, to help avoid unnecessary confusion).</p>

	<p>Indicative Impact: Unable to quantify the number of claimants who may be affected - unknown factor of how many additional children will be born into existing “two-children households” of working age Council Tax Support recipients from April 2017 onwards.</p> <p>That said, any impact of this reduction would be mitigated in part by a number of proposed exceptions including circumstances such as multiple births.</p> <p>Note that existing claimant households with more than two dependent children would be unaffected.</p>
<p>From April 2017 the entitlement to the Severe Disability Premium within the calculation for housing benefit will be removed, where another person is paid Universal Credit (Carers Element) to look after them.</p>	<p>Change to be mirrored in LCTS scheme (so that Housing Benefit and LCTS schemes are in line, to help avoid unnecessary confusion). The change would ensure that Housing Benefit and Universal Credit claimants are treated equitably. The change would maintain LCTS entitlement at current/pre-UC levels for affected claimants. (Without the change, LCTS entitlement would actually increase.)</p> <p>Indicative Impact: No firm information on likely numbers affected, although experience indicates that this would be no more than 10 or so (avoiding extra LCTS awards estimated at up to £640 per year per case).</p> <p>In effect, the change prevents the doubling up of an element of financial support being awarded where Universal Credit applies. It should be neutral therefore for most affected claimants.</p> <p>Estimated annual saving in LCTS = £6.4K, of which £800 would be attributable to the City Council.</p>

Note that currently, total caseload for LCTS is around 11,000, of which over 6,000 are of working age.



Lancaster City Council's Equality Impact Assessment
Council Tax Support Scheme 2017/18

Section 1: Details:

Service	Revenues & Benefits Shared Service Resources
Title and brief description (if required)	Council Tax Support Scheme
New or existing	Existing
Author/officer lead	Lead – Adrian Robinson (Head of Shared Service)
Date	28th November 2016

Does this affect staff, customers or other members of the public?

Yes

Section 2: Summary:

What is the purpose, aims and objectives?

The Government's focus on localisation and creating incentives for work underpinned the rationale to introduce a localised Council Tax Support ("LCTS") scheme.

The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year. The main aims of the changes proposed for the LCTS scheme for 2017/18 are to ensure equality and consistency, thereby saving additional confusion for claimants. The proposals for change match the measures introduced by the Government for Housing Benefit and Universal Credit, to encourage work and reduce the levels of benefit available.

Who is intended to benefit and how?

Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances.

For working age claimants, Councils can choose – through the design of their scheme – whether to alter awards in some way. This may help with equality and social responsibility, in terms of 'who pays' for public services.

In October 2016 a consultation exercise was undertaken, covering the proposed changes:-

- **Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks;**
- **Removing the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support Allowance applicants.**
- **Limiting the number of dependent children within the calculation for Council Tax Support to a maximum of two.**
- **Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them;**

Including the wider Government welfare reform changes in the Council's LCTS scheme makes it easier for customers to understand and ensures a consistent and more equitable approach across the different benefits customers may be receiving.

Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and DWP guidance.

Section 3: Assessing impact

Is there any potential or evidence that this will or could:		
• Affect people from any protected group differently to others?	Yes	No
• Discriminate unlawfully against any protected group?	Yes	No
• Affect the relations between protected groups and others?	Yes	No
• Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?	Yes	No
• Prevent the council from achieving the aims of its' Equality and Diversity Policy?	Yes	No

<p>The draft LCTS scheme for 2017 has been subject to a public consultation ending on 13 November 2016 covering a number of technical changes listed in this Equality Impact Assessment. The results form part of the Council Report recommending the final LCTS scheme for 2017/18. The consultation was open to everyone in the community.</p> <p>We have access to wider population statistics and can assess equality monitoring data available as part of the survey.</p>	
Age including older and younger people and children	<p>Positive re: pensioners - as they are protected from the changes by the Government. The elderly make up approx. 44% of the caseload.</p> <p>However, a small number of working age customers will face more difficulties under the new scheme. Working age claimants make up approx. 56% of the caseload.</p>
Disability	<p>The proposals would retain existing LCTS levels (preventing any increase) in the main and so this group would not be adversely affected by the proposed changes, and would not be not disadvantaged in comparison to other groups.</p>
Faith, religion or belief	<p>Neutral.</p>

Gender including marriage, pregnancy and maternity	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Gender reassignment	We do not anticipate this policy will have a particular equality impact on this protected group.
Race	Potentially – BME populations seem to be overly represented in unemployment figures and this may feed through into LCTS claims and entitlement.
Sexual orientation (Including Civic Partnerships)	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Rural communities	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
People on low incomes	The scheme relates predominantly to this group, but numbers affected by the specific proposals are expected to be very low.

Section 4: Next steps:

Do you need any more information/evidence e.g. statistics, consultation? If so, how do you plan to address this?

No further evidence required.

Consultation closed 13 November 2016. Results to be considered as part of the Council report submitted to full Council, meeting scheduled for 14 December 2016.

How have you taken/will you take the potential impact and evidence into account?

Through Council decision-making and options analysis.

To date working age claimants on low incomes continue to benefit from support covering up to 100% of their council tax liability, as is afforded to pensioners under national provisions. It is considered that in light of that, the small scale of these proposals, and the recent consultation, there is enough information to enable meaningful consideration in the decision making process. This Equality Impact Assessment forms part of the Council report to be presented to Member at full Council in December 2016.

How do you plan to monitor the impact and effectiveness of this change or decision?

If the proposals for change are implemented effective from 1 April 2017 customer feedback will be monitored to identify any adverse impacts. The reasons for applications to the Discretionary / Exceptional Hardship Funds will be analysed to establish if any group is experiencing inequitable treatment under the new LCTS scheme, to enable action to be taken.

For customers affected by these changes in the short term the council has an Exceptional Hardship Fund with an indicative value of £30K, available to assist vulnerable customers, experiencing difficulty in meeting their Council Tax liability.