



## LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

### INTRODUCING A LOCAL COUNCIL TAX SUPPORT SCHEME FOR APRIL 2013

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#### SCOPE OF PROPOSAL

**1. What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?**

As part of the 2010 spending review, the Government announced that it would localise support for Council Tax from April 2013 with an expectation that expenditure would be reduced by 10% from the same date. As well as the 10% savings previously outlined, any increase during the year of the number of awards made above the additional increase forecast by DCLG would have to be funded by the Council. Any new scheme must be in place by 31<sup>st</sup> January 2013.

The Department for Communities and Local Government (DCLG) have published 'Localising Support for Council Tax' Guidance setting out the principles that have to be adhered to in designing a new local scheme.

#### **1 (a) Organisation and Staffing**

The council currently administers the Council Tax Benefit scheme on behalf of central government. From April 2013 the department responsible for administering the scheme will take on the role of delivering the new local support scheme. Staff at present engaged in administering and delivering the current Council Tax Benefit scheme will assume responsibility for delivering the replacement scheme.

#### **1 (b) Services to the Community**

DCLG has made it clear that the new scheme must protect pensioners fully at the current rates of benefit and that full consideration needs to be given to disabled people and other vulnerable groups.

As outlined in the DCLG's Guidance ['Localising Support for Council Tax - Vulnerable people – key local authority duties'](#), which was published on 21 May 2012, the local scheme needs to pay due regard to the following duties:

- The Public Sector Equality Duty (*and The Equality Act 2010*): requiring local authorities to have clearly defined responsibilities in relation to, and awareness of, those in the most vulnerable situations. This means that a local authority must pay due regard and consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. Each of the eight options is considered in this Equality Analysis (EA).

- The duty to mitigate effects of child poverty (*The Child Poverty Act 2010*): understanding the characteristics of low income and disadvantaged families. The omission of child benefit income in the calculation of local Council Tax support goes some way to protecting children and again additional money from a discretionary fund could also help with this.
- The duty to prevent homelessness (The Housing Act 1996): Those households who find themselves homeless through no fault of their own and who are eligible and in priority need are owed the main homelessness duty.
- Armed Forces covenant: The current provision to fully disregard income received from the War Pension Scheme (£35,165 based on 2011/12 Subsidy expenditure) and Armed Forces Compensation scheme will remain in place in all of our proposed schemes.

While DCLG does not instruct local authorities what they must do in their schemes to be compliant with their duties, it requires authorities to consider the impact of their schemes on all protected characteristics, particularly on the most vulnerable and disadvantaged groups.

## PEOPLE AFFECTED

### 2. Which individuals and groups are likely to be affected by the activity?

#### 2 (a) Staff Individuals and Groups

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under the Community sections of the Equality Analysis.

#### 2 (b) Community Individuals and Groups (*including voluntary organisations*)

The new scheme requires us to identify cost savings to account for the reduced funding from central government. There are a number of options to be considered by Cabinet, and these will have a differential impact on the community dependant on the options adopted.

The profile of Council Tax payers will reflect the [Havering community profile](#). However, the profile of households in receipt of Council Tax support differs from the wider [Havering community profile](#). This is a consequence of the nature of the support scheme, which provides help for Council Tax payers whose financial circumstances are not adequate to cover the charge. Therefore those households with larger outgoings, such as disabled households or families with children, and those households who are not working or are in low paid employment will be overrepresented within the benefits

caseload. The profile of the current Council Tax Benefit caseload is detailed with section 3 (b).

We have identified 8 potential options for the design of the new scheme. A glossary of the terms used with the options can be found within Appendix C of the Localisation of Council Tax Support report to Cabinet 11 July 2012:

1. Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme (reverting to the default scheme)
2. Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction
3. Calculate CTB entitlement and then reduce every working age claimant's award by 18%
4. Maximum award would be restricted to an average band D award, increase benefits taper to 65%, premiums set at 2011 rates and increase non-dependant deductions
5. Maximum award would be restricted to an average band D award, Remove second adult rebate, increase benefits taper to 30% and increase non-dependant deductions
6. Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013
7. Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year
8. Restrict the maximum council tax support award to the top of band D, increase non-dependant deductions and increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013

A detailed analysis of the options is contained within the tables in section 5 (b), where we examine the potential impact of each option on people with protected characteristics.

## DATA AND INFORMATION

3. **What data/information do you have about the people with 'protected characteristics' (*age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation*) or other socio-economic disadvantage (*e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults*) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?**

### **3 (a) Staff**

Over 70% of Havering Council employees live locally so they are taxpayers and/or potential recipients of support under the current scheme. Staff members who are local residents are part of the Council Tax data breakdown in 3 (b).

### **3 (b) Community**

There are almost 100,000 Council tax payers in Havering. As of May 2012, the current full working age caseload totals 10,313 claimants of which 6,954 are non working & 3,359 are working claimants.

A breakdown of the ethnicity of current claimants is as follows:

White: British	81.7%
White: Irish	2.1%
White: Any Other	4.0%
Mixed: White & Black Caribbean	1.4%
Mixed: White & Black African	0.4%
Mixed: White and Asian	0.2%
Mixed: Any Other	0.5%
Asian/Asian British: Indian	1.4%
Asian/Asian British: Pakistani	0.6%
Asian/Asian British: Bangladeshi	0.5%
Asian/Asian British: Any Other	0.1%
Black/Black British: Caribbean	2.1%
Black/Black British: African	3.2%
Black/Black British: Any Other	0.4%
Any Other	0.4%
Asian/Other	0.4%
Chinese	0.1%
Other Ethnic Group	0.5%

An analysis has been undertaken of the number and claim type of those affected by each of the options 2-8 (option 1 has no impact on the community as the system will not change to that provided under the current Council Tax Benefit provisions). The Council Tax Benefit data extracted is detailed overleaf:

### Groups affected under Option 2

Claim Category	Total No. of affected Working Age claims	No. claims affected by Band		LA Saving/ Customer Loss £	Overall % Saving
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C D E F G	1756 387 85 18 7	£430K	2.3%
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A to C D E F G	1263 366 52 3 1	£276,012	1.5%
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C D E F G	1756 387 85 18 7	£827,428	4.4%
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C D E F G	3427 837 176 32 8	£1.8 million	9.8%
<b>Totals</b>	10313	A to C D E F G	7650 2137 430 79 17	£1.9million	10%

### Groups affected under Option 3

Claim Category	Total No. of affected Working Age claims	No. claims affected by Band		LA Saving/ Customer Loss £	Overall % Saving
<b>Disabled</b> (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C D E F G	1756 387 85 18 7	£430K	2.3%
<b>Lone Parents Child Under 5</b> (includes single claimants who have one or more children under 5 years)	1685	A to C D E F G	1263 366 52 3 1	£276,012	1.5%
<b>Working 16hrs+</b> (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C D E F G	1756 387 85 18 7	£827,428	4.4%
<b>Everyone Else</b> (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C D E F G	3427 837 176 32 8	£1.8 million	9.8%
<b>Totals</b>	10313	A to C D E F G	7650 2137 430 79 17	£1.9million	10%

#### Groups affected under Option 4

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
<b>1.Restriction to average Band D Benefit Award ( £20.57)</b>  <b>NB. Actual Band D Liability 2012/13 £28.94.</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,352  A £0.00 B £28,353 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2.Increase Non Dependant Deductions:</b> £0.00 to £0.00* £2.85 to £15.00 £5.70 to £20.00 £7.20 to £28.00 £8.60 to £35.00	1113	623	£479,636	3%
<b>3.Increase Tapers</b> (currently 20%)  (a) 65% (as HB)	All Working Age caseload 10313	1362	£838,760	4%
<b>Total for option 6 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

### Groups affected under Option 5

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
<b>1.Restriction to average Band D Benefit Award</b> <b>( £20.57)</b> <b>NB. Actual Band D Liability 2012/13 £28.94</b>	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,482 A £0.00 B £28,366 C £181,116 D £284,076 E £166,192 F £65,652 G £15,080	4%
<b>2. Increase Non dependant deductions:</b> £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£210,704	1%
<b>3.Increase Tapers</b> (currently 20%)  30%	All Working Age caseload  10313	550	£377,000	2%
<b>4. Reduce 2011 Premiums by:</b> <b>(a) 18%</b>	10313	1362	£664,508	3.5%
<b>Total for option 7 combinations when entered into CLG tool</b>			<b>£1.8 million</b>	<b>10%</b>



### Groups affected under Option 6

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
Second Homes	Discretionary discount between 10% and 50% Havering currently give 10%	Range of discretion to be between 0% and 50%.	716	£46,798 (10% discount)	<b>£46k if set at 0%</b>
Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% -100% and flexibility to reduce the period for which the discount applies	317	£177,794	<i>12-month period:</i> £0k if set at 100% £44k if set at 75% £87k if set at 50% £131k if set at 25% <b>£174k if set at 0%</b>
Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100% and flexibility to reduce the period for which the discount applies	5712	£1,293,903	<i>6-month period:</i> £0k if set at 100% £317k if set at 75% £634k if set at 50% £951k if set at 25% <b>£1,268k if set at 0%</b>
					£555k if set at 75% £793k if set at 50% £1,030k if set at 25% £1,268k if set at 0%

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection )
					<i>(assumed 75% occupied within 3 months so additional savings only generated by remaining 25%)</i>
Long term unoccupied and unfurnished (after expiry of 6 months class C exemption)	Discretionary discount between 0% and 50%  Havering currently give 0%	Discretion to charge an Empty Homes Premium of up to 50% (i.e. charge 150%) on properties unoccupied and unfurnished for more than 2 years.	464	None – no discount awarded	<b>£295k if set at 150%*</b>
Mortgagees in Possession - Class L	100% with no time limit	Class L to be abolished	78	£42,207	<b>£41k</b>
<b>Total additional revenue</b>					<b>£1.824k</b>

### **Groups affected under Option 7:**

Please note the second table, Option 7a, reflects the current scheme for comparison. Option 7b below is a variation of Option 7 making a saving of only £1 million but can be used in combination with elements from other options.

<b>Option 7 - 1.27% increase. Covers the £1.9m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability</b> Proposed Council Tax Amounts to raise additional £1.9m (gross & rounded up)										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

<b>Option 7a- no increase. The 10% reduction in Council Tax Support (£1.8m) would have to be met from elsewhere e.g. reserves</b> Current Council Tax Amounts										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£834.39	£1,001.27	£1,168.14	£1,335.02	£1,501.90	£1,835.66	£2,169.41	£2,503.17	£3,003.80	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147,323,840.79

<b>Option 7b - 0.74% increase. Covers £1.0m of the £1.8m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability</b> Proposed Council Tax Amounts to raise additional £1.0m (gross & rounded down)										
Band	@	A	B	C	D	E	F	G	H	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

## **Groups affected under option 8**

### **Option 8 Case Studies**

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
Band A No non dependant deduction	£12.00	£624.00
CTB Reduction	£0.00 No Change	£0.00 No Change

b) Lone Parent, Income £236.87, 1 child, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul style="list-style-type: none"> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£11.40	£592.80

c) Working Couple, Income £151.85, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul style="list-style-type: none"> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£7.64	£397.28

d) Lone Parent, Income Support, no non dependants, Band F.

	Weekly CTB	Annual CTB
Current Assessment	£41.58	£2162.16
<ul style="list-style-type: none"> <li>Band F(Restricted to Band D)</li> <li>No non dependants</li> </ul>	£28.94	£1504.88
CTB Reduction	£12.64	£657.28

e) Lone Parent, Income Support, 1 non dependant (gross income £316.00 to £394.00 per week, Band F

	Weekly CTB	Annual CTB
Current assessment	£34.38	£1787.76

<ul style="list-style-type: none"> <li>• Band F (Restricted to Band D)</li> <li>• Increased non dependant deduction £7.20 to £15.00</li> </ul>	£13.94	£724.88
CTB Reduction	£20.44	£1062.88

Examples a) to c) show only the impact of the non dependant changes. Such cases are unaffected by the restriction to Band D.

Example d) shows the impact of a restriction to Band D upon a Band F property banding, while example e) shows the impact of such a restriction when there is also a non dependant living in the household.

Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

We will be undertaking an extensive consultation of Havering residents to canvas their views on the final design of the Local Council Tax Support Scheme. As part of this process we will ask responders to complete a Corporate Equal Opportunities Monitoring form that will assist in informing Cabinet of the wider impact when they come to ratify the scheme.

## CONSULTATION

### **4. If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?**

The Council will be required to consult on its proposed scheme with the public and preceptors. Staff who live within the borough will be targeted through an internal consultation. Any new scheme must be in place by 31<sup>st</sup> January 2013.

Once Cabinet have approved the draft final scheme, a consultation document will be prepared that will allow residents to comment on the draft final scheme. This will include case studies to help residents make informed decisions. Part of this consultation document will be monitoring through the completion of the Corporate Equal Opportunities Monitoring Form to identify the characteristics of the respondents.

We are also looking at whether it would be more cost effective to engage an external organisation to undertake the consultation on behalf of the Council and to collate and analyse responses.

#### **4 (a) Staff**

We will be attending staff meetings across the Council during the consultation process to advise staff members of the introduction of the Local Council Tax Support scheme and other potential changes to Council Tax, and how they will impact on their work

areas. These meetings will include an opportunity to comment on the design of the scheme.

Those staff members who are local residents will also be invited to participate in the wider community consultation process.

#### **4 (b) Community**

The questionnaire will be drafted in partnership with the Communications team to ensure that it is understandable and accessible, ensuring clarity for residents. Translation and Interpreting Services (TIS) will be available to residents upon request.

The consultation process has initially been planned as an online exercise whereby residents will be able to take part by visiting the Havering website. Consideration is also being given to alternative/additional methods of consultation such as telephone sampling, face to face interviews with a sample of residents and paper copies of the consultation document available in customer facing areas.

During the consultation process we will also meet with representatives from Havering community groups, social landlords and voluntary organisations to separately canvas their thoughts on the options put forward for consultation.

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

### **LIKELY IMPACT**

#### **5. Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?**

##### **5 (a) Staff**

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under 5 (b).

##### **5 (b) Community**

To undertake an analysis on the impact on the protected characteristics and sub-groups, we have first examined the community data we currently hold. For example for option 2 (see tables overleaf), disabled people contributed 23% of the total saving, but

are only 17.5% of the overall population. Therefore this has been recorded as having a higher impact on this group than would have been expected from the community profile. For the same option, 20% of the savings come from working age claimants. Based on the lower youth employment rates, this is more likely to represent older households (30-64) who make up 46% of the population and therefore there is no impact related to age.

In the case of the Council Tax Benefit (CTB) data, we have looked at how the savings from each option are distributed between disabled households, working households, lone parent households and others and then compared the distribution within [Haverling's community profile](#). Where a client group are identified as contributing a higher percentage of the savings than their proportion within the community this is recorded as an adverse impact.

Some of the protected characteristics that we know are more likely to be adversely affected are as follows:

**Age** – We have identified the number of working households affected. Youth unemployment is at a higher rate than that of the general population, therefore the more working households impacted the older the profile of applicants affected.

**Disability** – Disabled households are those where a state disability related benefit is in payment. We recognise that disabled people are historically disadvantaged and face greater barriers when accessing (information about) services and therefore consider disabled households to be more vulnerable than other households.

**Gender** - The data extracted shows the number of lone parent households affected; as lone parents are predominantly female the impact on women is considered to be disproportionately higher than the impact on men.

**Socio-economic disadvantage** – The Council Tax Benefit scheme is a means tested benefit available to households on a low income. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women).

**Other protected characteristics** - Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

Where we currently do not hold quantitative data, we have used wider empirical evidence available from sources such as the Department for Communities and Local Government<sup>1</sup>. For example, for option 5, 30% of the savings are derived from increased non-dependant deductions. Empirical evidence suggests that culturally BME families are more likely to have larger households containing older working children. As

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<sup>1</sup> For example see: <http://www.communities.gov.uk/documents/housing/pdf/138814.pdf>

Havering has a BME population of 11% it is likely that they will be disproportionately impacted by this measure (+19%).

In the case of Council Tax data, the savings are distributed by households and property size and second properties. Using empirical evidence as to the characteristics of larger households we have extrapolated that there is a disproportionate impact on households more likely to live in larger properties and/or have larger households.

The impact of each of the options on the protected characteristics is highlighted in the table overleaf. When considering the impact, the tables highlight effects that are a consequence of the change from the **current** Council Tax and/or Council Tax Benefit scheme. Historic differential impacts on the protected groups that are inherent in the current Council Tax and Council Tax Benefit arrangements have not been addressed.



**Table: Impact of proposed Council Tax Options on protected characteristics and sub-groups**

Protected characteristics	Option 1
	Option 1: Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. In effect the new Local Council Tax Support scheme duplicates the current Council Tax Benefit scheme.
<b>Age</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Disability</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Gender</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Gender reassignment/identity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Marriage and Civil Partnership</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Pregnancy and maternity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Race/ethnicity</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Religion or belief</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Sexual orientation</b>	There is no adverse impact as a consequence of this change to the benefit scheme
<b>Socio-economic Groups</b>	There is no adverse impact as a consequence of this change to the benefit scheme

If this is the agreed option a separate EA will be undertaken to assess the impact on potential organisational changes and staffing restructures

Protected characteristics	Option 2
	<p>Option 2: Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction. Council Tax properties in bands A to H are all subject to 20% liability reduction for working age claimants prior to the calculation of any entitlement to support. Pensioners are protected and the level of support calculated using 100% liability. Local Council Tax Support is calculated in the same way as the current CTB scheme except for the liability reduction.</p>
<b>Age</b>	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).
<b>Disability</b>	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend to reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affected by this option.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.

Protected characteristics	Option 3
	<p>Option 3: Calculate CTB entitlement and then reduce every working age claimant's award by 18%.</p> <p>The savings required will be achieved by reducing the amount of support the household is entitled to under the Local Council Tax Support scheme by an agreed percentage after the benefit calculation has been made.</p>
<b>Age</b>	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).
<b>Disability</b>	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend to reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affected by this option.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.

Protected characteristics	Option 4
	<p>Option 4: Maximum award would be restricted to an average B and D award.  Increase benefits taper to 65%. Premiums set at 2011 rates.  Increase non-dependant deductions as follows:  £0.00 to £00.00 *  £2.85 to £15.00  £5.70 to £20.00  £7.20 to £28.00  £8.60 to £35.00  Remove second adult rebate.</p> <p>A more complex calculation is required for this option as changes have been made to the actual support calculation. The income taper (the amount of earned income taken into account) is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%.</p>
<b>Age</b>	Both young and older people are potentially disproportionately impacted by this option, but for different reasons; Older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them on a non-commercial basis to offset household costs (second adults, carers). Young people are more likely to be non-dependants and therefore will be expected to make a greater contribution to the Council Tax, although they have earning levels below other working groups.
<b>Disability</b>	Some disabled households might be negatively impacted because due to their type/level of disability they require larger properties that fall within E to H, while their level of support is restricted to B and D levels.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	As with option 2, BME communities that have a cultural tradition for living in multi-generational households are more likely to be

	negatively impacted by this option as they tend to reside in larger (higher banded) properties and/or with older working non-dependants within the household.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	Very high non-dependant increases will penalise a very small group of older working age claimants (such as claimants with adult children in the household) who would disproportionately lose any Council Tax support, including those receiving Income Support or Job Seekers Allowance.

Protected characteristics	Option 5
	<p>Option 5: Maximum award would be restricted to an average B and D award.</p> <p>Remove second adult rebate.</p> <p>Increase benefits taper to 30%.</p> <p>Increase non-dependant deductions:</p> <p>£00.0 to £00.0</p> <p>£2.85 to £6.00</p> <p>£5.70 to £9.00</p> <p>£7.20 to £15.00</p> <p>£8.60 to £20.00</p> <p>Reduce premiums by 18%.</p> <p>In work claimants will receive less support because the taper applies to the earned income (although the taper is less than that proposed in option 4). It will be easier to collect the Council Tax from claimants in work</p>
<b>Age</b>	As with option 4, both young and old are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely or to have other adults living with them on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people
<b>Disability</b>	As with option 4, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	As with option 4, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household.
<b>Religion or belief</b>	There is no evidence available to indicate that sexual orientation is a factor impacted by this option

<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people

Protected characteristics	Option 6
	<p>Option 6: Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013.</p> <p>The Local Government Finance Act, expected to receive royal assent in November 2012, will allow local authorities to reduce the level of support.</p> <p>This option has no impact on claimants. It also has no impact on the majority of taxpayers with one home. It could assist bring properties into use and occupation in line with new homes agenda.</p>
<b>Age</b>	Older households are more likely to be affected by this option. However, households that have additional property targeted under these measures are proportionally likely to be more prosperous older households.
<b>Disability</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.



Protected characteristics	Option 7
	Option 7: Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year. Local authorities could choose to manage the reduction using flexibility over Council Tax. However, significant increases in Council Tax could trigger a referendum, which would have its own considerations.
<b>Age</b>	With reference to the Havering Population Profile, over 60% of residents (16-64 years old) are of working age. This means that working age residents are more likely to be disproportionately affected. A further 18% of the population aged 65 year and above will be affected by this option. The remaining population is made up of children.
<b>Disability</b>	Disabled people including older people with long-term illnesses will be affected by this option but low income disabled and/or older people in receipt of council tax support would have their entitlement recalculated to take account of the increase in council tax.
<b>Gender</b>	Whilst everyone will be affected, women are more likely to be affected by this option not only because they make up 52% of the Havering population but also because they are more likely to be part-time workers, lone parents and carers. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.
<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.
<b>Pregnancy and maternity</b>	Women are more likely to be affected by this option not only because they may be out of work due to pregnancy or maternity. Evidence also suggests that women are more likely to be lone parents. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.
<b>Race/ethnicity</b>	Although everyone will be affected by this option, benefits evidence shows that white and black minority ethnic claimants are more likely to be affected. However, because they are entitled to benefit, their entitlement will be recalculated to take account of the increase in council tax.
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.
<b>Socio-economic Groups</b>	Whilst everyone will be affected by this option, it is recognised that certain groups will be more disadvantaged than others,

	<p>particularly disabled people, lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women). However, those groups who are more likely to be already in receipt of benefit, therefore, their entitlement will be recalculated to take account of the increase in council tax.</p>
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Protected characteristics	Option 8
	<p>Option 8: Restrict the maximum council tax support award to the top of band D, £28.94.</p> <p>Increase non-dependant deductions from:</p> <p>£00.0 to £00.0*</p> <p>£2.85 to £6.00</p> <p>£5.70 to £9.00</p> <p>£7.20 to £15.00</p> <p>£8.60 to £20.00</p> <p>Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows:</p> <p>Remove the second homes discount completely (currently 10%).</p> <p>Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months.</p> <p>Removing the Class C exemption (unoccupied and unfurnished) completely.</p> <p>Taking the savings from the abolition of Class L (mortgagees in possession).</p> <p>This uses a combination of restricting the maximum council tax support to a weekly band D charge of £28.94, non dependant deductions and reductions in property exemptions.</p> <p>All claimants (no more than 15 households in total) residing in properties banded E, F and G are likely to be affected by restricting benefit to B and D Claimants. In total, a very small number, 123 claimants will be affected by this option when compared to the working age benefit caseload of 10,313.</p>
<b>Age</b>	<p>As with option 4 and 5, both young and older people are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them (e.g. carers) on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people</p>
<b>Disability</b>	<p>As with option 4 and 5, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.</p>
<b>Gender</b>	<p>There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.</p>

<b>Gender reassignment/identity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Marriage and Civil Partnership</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Pregnancy and maternity</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Race/ethnicity</b>	As with option 4 and 5, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household
<b>Religion or belief</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Sexual orientation</b>	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
<b>Socio-economic Groups</b>	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people.

**6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?**

**6 (a) Vulnerable children**

Households with vulnerable children are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

**6 (b) Vulnerable adults**

As with vulnerable children, households with vulnerable adults are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

**PREVENTING DISCRIMINATION**

**7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?**

**7 (a) Staff**

Please refer to 7 (b).

**7 (b) Community**

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Although some households will be adversely impacted in comparison to current arrangements by some of the proposed changes, the options have been designed to minimise both the number of households affected and the financial impact on these households.

Certain options will be the subject of consultation with the Greater London Council and inform our final decision and new scheme. The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

The implementation of the new scheme will be complemented by the launch of a hardship fund for short term support for vulnerable families. Affected households will also be actively supported to move into work and other options will be explored, including support for possible relocation where appropriate.

## **PROMOTING EQUALITY**

### **8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?**

#### **8 (a) Staff**

Please refer to 8 (b).

#### **8 (b) Community**

The new scheme will promote social inclusion and community cohesion by providing financial support to vulnerable and economically disadvantaged groups such as older residents, residents with disabilities, lone parents and families on low incomes.

## **SPECIFIC NEEDS**

### **9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?**

#### **9 (a) Staff**

Please refer to 9 (b).

#### **9 (b) Community**

Details of the new scheme will be widely publicised to seek to maximise take up by those households entitled to support under the new Local Council Tax Support arrangements. Details of how the scheme will work, including how to access hardship support, will be published on the Havering website and shared with local community organisations.

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information

documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Existing networks will be used to promote the information amongst hard to reach groups.

As already outlined in 7(b), it is intended that the new scheme will incorporate a hardship fund to support vulnerable families who are adversely affected by the changes.

## **MONITORING AND REVIEW**

### **10. Once implemented, how often do you intend to monitor the actual impact of the activity?**

#### **10 (a) Staff**

Please refer to 10 (b)

#### **10 (b) Community**

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

Formal monitoring and review arrangements will be incorporated within the design of the new scheme.

Individual households will have access to formal appeal and review arrangements should they have complaints or concerns about the assessment criteria and method used to identify the Council Tax support they need.

Performance and quality checking systems will be core to the design of the scheme. The performance data collated, including satisfaction surveys and community profile monitoring will form part of regular reporting arrangements to senior management and members.

## **SIGN OFF AND PUBLICATION**

### **11. When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.**

**HEAD OF SERVICE**

**Name:**

**Date:**

**Signature:**