

## Initial Equality Impact Assessment Form

<b>Title of policy, practice, service or function being assessed</b>	Local Council Tax Support Scheme – initial EIA
<b>Officers conducting initial assessment</b>	Peter Lisewski, Revenues Services Manager Paul Radcliffe, Benefits Manager Giles Dann, Policy & ED Manager Reviewed with Emma Hagger/Cara Marshall CAB, and supported with data from Capita
<b>Date of assessment</b>	September 2012
<b>Reason for assessment</b>	New policy required as a result of Government Welfare Reforms

### Purpose, aims and objectives of the policy, practice, service or function under impact assessment

In the Spending Review 2010, the Government announced its intention to localise support for Council Tax from 1<sup>st</sup> April 2013. The abolition of Council Tax Benefit (CTB) forms part of a wider programme of reforms contained within the Welfare Reform Act 2012. Under the proposals, 10% less funding will be available to local authorities for local schemes, compared to the existing nationally designed scheme.

The Local Government Finance Bill provides the framework for localising support for Council Tax and imposes a duty on billing local authorities to develop their own Council Tax Support Scheme by 31<sup>st</sup> January 2013 (for implementation on 1<sup>st</sup> April 2013). If a local scheme is not developed by then, the Government will impose a default national scheme, broadly equivalent to the current Council Tax Benefit scheme.

Billing authorities have discretion to design their own local schemes to replace the national Council Tax Benefit Scheme. However, the Government has given an undertaking that pensioners will be no worse off with the ending of CTB and its replacement by a new scheme. Therefore, new local scheme rules will only apply to people of working age – people of pensionable age are exempt from the changes.

People currently claiming CTB include: those in low paid or part time work, those claiming other state benefits because they are out of work or are unable to work due to ill health, people with caring responsibilities and pensioners on low incomes.

We currently estimate that the total bill for Council Tax Benefit awarded to the District Council's residents in 2012/13 will be in the region of £3.9m. A 10% cut in funding from Government will therefore amount to approximately £390,000.

An important consideration is the amount of CTB currently awarded to different claimant groups. This is summarised as follows:-

Group	Current CTB	Approx. number of claimants	% of amount	% of claimants
Pensioners	£2.2m	2,400	57.2	55.4
Working Age - *Passported Claims	£1.0m	1,030	25.7	23.8
Working Age - **Non-Passported Claims	£0.7m	900	17.1	20.8
Total	£3.9m	4,330	100.0	100.0

# *those who receive a primary benefits awarded directly by DWP e.g. Income Support, JSA and Pension Credit and entitled to CTB award equal to 100% of their Council Tax bill without further means testing.*

\*\* *claimants subject to a means test by the District Council to determine their CTB award, but may still*

*receive 100% support (but not automatically entitled to receive other benefits).*

(It should also be noted that as the qualifying age for state pension increases, the number of claimants affected is likely to increase).

This demonstrates that the Dales has a proportionately high number of pensioners. If the reduction on Government funding is to be fully met by reducing benefit for working age claimants, an overall average reduction in benefit of 24% would be necessary for all working age claimants.

In addition to localising Council Tax support, the Government has confirmed its intention to amend legislation to allow billing authorities to change Council Tax discounts and exemptions in respect of second homes and empty properties, potentially increasing the level of income from Council Tax on these properties. Whilst separate to the Local Council Tax Support Scheme, these new powers potentially provide the opportunity to help reduce the impact of CTB changes on claimants.

In addition to protecting pensioners, Government has identified the following principles below for developing a new scheme:

- The protection of vulnerable groups should be determined locally
- Improving incentives to work

The Council is considering a number of options for its local Council Tax Support scheme. These have been informed through discussions with other Derbyshire authorities and can be summarised as follows:

**Option 1** Reduce benefit for working age claimants by a fixed percentage to achieve all of the required 10% savings. No other changes to scheme criteria

**Option 2** In addition to a percentage reduction of entitlement (as per option 1), amend aspects of the existing Council Tax Benefit to reduce awards to certain claimant groups including e.g. removing second adult rebate, reducing capital limits, cap the amount to a particular band, include child benefit and maintenance payments as income, limit backdating to 3 months.

**Option 3** Adopt the Government default scheme. This could potentially be achieved by: increasing the level of Council Tax; increasing Council Tax income from second homes and empty properties; achieve savings from elsewhere within the Council's budget or (in the short term) from Council reserves

**Option 4** Reduce benefit for working age claimants by around 10% and meet the remainder of the savings through generating additional income from changes to Council Tax exemptions and second homes that the government is introducing. No other changes to scheme criteria.

A further option has also been considered:

**Option 5** Protecting people with disabilities as well as pensioners from any reduction in support. No other changes to scheme criteria

N.B. It should be noted that (in addition to the default scheme) Options 1, 3 and 5 would retain existing calculation rules set by Government allowing specific income to be disregarded, which favour people with disabilities and with children. For the disabled this will include Disability Living Allowance, income related versions of Employment Support Allowance, Job Seekers Allowance and Income Support, and will extend to DLA benefits payable for mobility issues. For households with dependent children the existing rules provide for a full disregard of any Child Benefit and maintenance payments for dependents. This arrangement allows for the income types concerned to be ignored for the purposes of calculating entitlement to benefit or the level of assistance granted under the local scheme. These arrangements are to be retained.

Consideration is also being given to increasing the extended payment period from 4 to 8 weeks for unemployed claimants who start work. This recognises the financial impact of this change in circumstances on a household's ability to afford bills and will help low income households to manage their budgets and incentivise work.

Potential impacts of these options are considered within this EIA, drawing on modelling data provided by Capita, commissioned by the District Council to assist with the development of a new scheme (see Annex 1). Some specific examples of the effect of each option on individual claimants are also included (see Annex 2).

In considering its options, the Council does not wish to add to the complexity of the current CTB scheme and wishes to develop a scheme which is as fair as possible (within the parameters laid down) and reflects the needs of local residents, particularly the most vulnerable groups.

The District Council is committed to carrying out a comprehensive consultation exercise to help understand the impact of the Council's preferred option and inform the final scheme. Consultation is currently taking place with major precepting authorities and a programme of public consultation will take place during the period September to November (this will include writing to all working age claimants encouraging them to take part in the consultation and notifying all households in the Dales of the consultation via dalesMATTERS). This will allow sufficient time for proper consideration and analysis of issues raised during the consultation and will help inform the final full EIA, including any appropriate improvement/mitigating actions, prior to the Council's decision to adopt a local scheme in January 2013.

The final scheme (and EIA) will be reviewed on an annual basis.

**Are there any other organisations involved in its implementation?**

*Other partners\contractors\agencies involved in delivery*

- Capita – providing modelling data and advising on equalities and consultation issues

**Main customer groups (beneficiaries) / stakeholders**

**Customer Groups:**

- Working age CTB claimants
- Council Tax payers
- Future claimants e.g. residents who become unemployed
- Pensioners (although protected, will need to be re-assured)

**Other stakeholders:**

- Major Precepting authorities (DCC, Police and DF&RS)
- DALC / Parish and Town Councils
- Advice agencies / Voluntary and Community support organisations e.g. CAB, Age Concern, CVS, RAD, DCC Connexions
- Housing organisations e.g. Dales Housing, RSLs
- Community / residents groups in the Dales
- Countywide and local networks e.g. 50+ Forums, DCIL, BME, LGBT
- Residents on low incomes
- Second Home owners, private landlords, owners of empty properties
- Recipients of local services

**Which other District Council departments are affected by the policy, practice, service or function? Do any of the objectives support or hinder another activity?**

Customer Contact – receiving and passing on an anticipated increase in enquiries from working age claimants and (potentially) worried pensioners

Housing – Potential increase in homelessness approaches associated with cumulative programme of welfare reforms

Organisational Development – communication of the changes / re-assuring those not affected and assisting with consultation process

**Assessing relevance to the public sector Equality Duty**

The general Equality Duty has three aims which require the District Council to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between all persons i.e.
  - removing or minimising disadvantages suffered by protected groups;

The first two aims of the Equality Duty are particularly relevant:

Eliminating discrimination: the final criteria used for the adopted local scheme must ensure there is no potential for discrimination against any protected group, including indirect discrimination (where a policy or practice applied to everyone inadvertently disadvantages a particular group).

Advancing equality of opportunity: The existing CTB scheme and proposed default scheme include built in elements to help protect the most vulnerable, which are considered within

<ul style="list-style-type: none"> <li>- taking steps to meet the needs of people from protected groups where these are different from the needs of other people</li> <li>- encouraging people from protected groups to participate in public life or other activities where participation is disproportionately low;</li> <li>• foster good relations between all persons i.e. tackling prejudice and promoting understanding between people from different groups.</li> </ul> <p>Which aims of the Equality Duty is the policy, practice, service or function relevant to?</p>	<p>the options</p> <p>Particular consideration needs to be given to the needs of disabled people</p> <p>The consultation plan aims to engage with representatives of those affected by the changes to encourage input from under represented groups.</p> <p>The District Council aims to develop a scheme which is transparent and as fair as possible within the parameters laid down.</p>
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**What evidence is already available or needed to help establish the impact of the policy, practice, service or function on protected groups? (Include consideration of relevant data and research available locally and nationally; monitoring information; performance information; previous consultation and engagement e.g. residents' surveys, satisfaction surveys, focus groups; access to services data; complements and complaints; previous equality assessments. When considering gaps, think about any additional monitoring arrangements needed and the need for further consultation).**

<b>Information / Data</b>	<b>When and how collected</b>	<b>Source</b>	<b>What it tells you</b>	<b>Gaps</b>
CTS Modelling Data of options + scenarios modelled for each option	August 2012 using DDDC Council Tax Benefit Database / existing caseload data	Capita	<p>The data provides an indication of the affects of different options on different claimant groups with regard to age, disability and household make-up / family circumstances. Summary data is attached as Annex 1 and scenarios for each option attached as Annex 2.</p> <p>Race - Limited data available from voluntary equality monitoring therefore not included. Race not relevant to calculation of CTB.</p> <p>Data on Sexual orientation, Gender reassignment and Religion or Belief not collected as again not relevant to calculation of CTB.</p> <p>Married couples and Civil partnerships treated equally within current calculation.</p> <p>Equality monitoring questions to be included within consultation.</p>	/
DWP data on passported claimants	Due July 2012	DWP	Will determine how many passported households have a disability premium payable within their benefit, helping inform the Council's decision making on a local scheme and anticipate the consequences financially post April 2013.	Updated data awaited from DWP
Consultation results Sept – Nov 2012 to help assess impact of proposals	Consultation Plan agreed August 2012	DDDC	Consultation results to be considered within final EIA and will help understand the impact of the District Council's preferred option on different groups	Available End November 2012
Derbyshire Dales Equalities profile (available National and local data)	2011 Census data on age and gender	ONS	Proportion of 65+ well above regional and national averages (22.2% versus 17.1% for the region and 16.3% England) and is forecast to increase further. Non working age population increased from 18.9% (2001) to 26.7% (2011). Lower proportion of younger people (9.8% 15-24) compared to regional (13.3%) and national position (13.1%). There remains a slightly higher proportion of resident females than males (similar regionally and nationally).	Information on equalities groups to be further updated by 2011 census and data from LSP partners when available
	2010	Annual Population	24.4% of the working age population were disabled or had a work limiting disability which is above the regional (21.8%) and national	

	2007 based on 2001 census data, partner information and stakeholder interviews	Survey, ONS Greenfield Consultancy on behalf of DD&HP LSP	average (20.1%)  Proportion of White British above regional and national averages (98% versus 91% and 87% respectively). Similar levels of disability to regional and national levels (18%) and increasing incidence with age. Higher proportion of residents with Christian beliefs (79% versus 72% regionally and nationally).  Equalities Profile identified older people and people with disabilities as priority groups for the Dales.	
Unemployment figures /	July 2012	ONS / compiled by DCC	Whilst unemployment remains lowest in Derbyshire (1.7%) the unemployment rate for under 25 year olds is twice the working age average (3.3%). At 6.7% Matlock St Giles has the highest rate. 25% of unemployed people are under the age of 25.	N/A
Index of Multiple Deprivation	2010	DCLG	In terms of overall deprivation, the majority of the Dales falls within the 50% least deprived nationally. Matlock Hurst Farm (Lower Super Output Area) within Matlock St Giles ward is within the 20% most deprived areas nationally. This area is within the 10% most deprived in terms of overall income deprivation and within the 20% most deprived nationally with regard to children living in income deprived households.  Regarding barriers to housing and services, which includes housing affordability, homelessness and overcrowding, and access to key local services e.g. shops, post offices and GPs, 16 of Derbyshire's 35 Lower Super Output Areas within the worst 20% nationally are in the Derbyshire Dales	
Localising Council Tax EIA	Jan 2012, compiled by Government	DCLG  Family Resources Survey 2009/10	Identified need to protect low income pensioners who <i>'unlike most other groups cannot be expected to seek paid employment to increase their income'</i> . Identifies potential impacts for people with disabilities and caring responsibilities. DCLG state that the policy is not anticipated to disproportionately affect any particular gender or ethnicity.  National survey indicating that: <ul style="list-style-type: none"> <li>• 48% of working age CTB recipients may have at least one adult or child who is disabled</li> <li>• 18% of working age CTB recipients reported caring responsibilities</li> </ul> N.B. Does not consider potential cumulative impact of welfare reforms	N/A

Local Government Finance Bill: Localising support for Council Tax – Updated Impact Assessment	June 2012, compiled by Government	DCLG	<p>Equality impact dependent on schemes adopted at local level according to local situation. Suggests that <i>'Authorities may wish to protect vulnerable groups such as carers or the disabled from reduction in support' and 'preserve as far as possible the incentive to enter work'</i></p> <p>Using the scenario of a proportional cut across all working age claimants (similar to Option 1), also identifies the effect on benefit entitlement when a household qualifies for Working Tax Credits which is most pronounced for lone parents.</p> <p>N.B. Does not consider potential cumulative impact of welfare reforms</p>	N/A
Fair Society, Healthy lives – Strategic Review of Health Inequalities in England post 2010	February 2010, commissioned by SoS for Health	Marmot Review 2010	'Having enough money to lead a healthy life is central to reducing health inequalities. Commission on Social Determinants of Health showed poverty and low living standards are powerful determinants of ill health and health inequality'	/
Child Poverty Needs Assessment	November 2011	Derbyshire Children and Young People's Trust / DCC	Whilst below both national (21.3%) and regional (16.9%) levels, 10.5% of Dales children live in poverty (number of children living in families in receipt of either out of work benefits or tax credits where income is less than 60% of median income) (HMRC 2009 figures). Whilst overall numbers are relatively small, pockets of poverty are identified including Matlock Hurst Farm where 46.8% of children under 16 are classed as living in poverty.	/
Data on number of second homes / empty properties	2012	DDDC Council Tax database	The current number of second homes and empty properties within the district.	No demographic data held (not required within collection). Consultation to include equalities monitoring questions.

N.B. Local Government Finance Bill – sets out parameters for designing scheme and how it should be consulted on.

**N.B. –SEE ANNEX 1 & 2 FOR SUPPORTING DATA AND SCENARIOS**

<b>Option 1</b>					
Reduce benefit for working age claimants by a fixed percentage to achieve all of the required 10% savings. No other changes to scheme criteria.					
<b>Protected Groups</b>	<b>Positive effects</b>	<b>Negative effects</b>	<b>No effect</b>	<b>Don't know</b>	<b>Actions</b>
<b>Age</b>	People of pensionable age protected from the changes (55.4% of current claimants)	All working age claimants will be affected and see a reduction of up to 24% in the help they receive towards their Council Tax bill		Could negatively affect younger people facing other financial pressures and not able to find work?	
<b>People with Disabilities</b>	Retains calculation rules on disregarded income within existing CTB scheme which favour people with disabilities				
<b>Racial / Minority Ethnic Groups</b>	/	/	No differential impact anticipated		
<b>Gender</b>	Disregarded income includes child benefit & maintenance which is claimed by more females than males				
<b>Pregnancy &amp; Maternity</b>	Retains calculation rules on disregarded income within existing CTB scheme which favour people with children				
<b>Marriage &amp; Civil Partnership</b>	/	/	No differential impact anticipated		
<b>Sexual Orientation</b>	/	/	No differential impact anticipated		
<b>Religion or belief</b>	/	/	No differential impact anticipated		
<b>Trans people / gender reassignment</b>	/	/	No differential impact anticipated		
<b>Other Groups e.g. access for people in rural areas, those experiencing deprivation or health inequalities</b>		Residents with the least means will have to pay Council Tax for the first time		Reducing the household budget for low income people could potentially increase health inequalities?	

**Option 2**

Amend aspects of existing Council Tax Benefit scheme reducing awards to certain claimant groups e.g. removing second adult rebate, reducing capital limits, cap the amount to a particular band, include child benefit and maintenance payments as income, limit backdating to 3 months.

<b>Protected Groups</b>	<b>Positive effects</b>	<b>Negative effects</b>	<b>No effect</b>	<b>Don't know</b>	<b>Actions</b>
<b>Age</b>	People of pensionable age protected (55.4% of current claimants)	All working age claimants will be affected and required to pay towards their Council Tax		Could negatively affect younger people facing other financial pressures & not able to find work?	
<b>People with Disabilities</b>		Limiting backdating could disproportionately effect people requiring long hospital stays, with mental health difficulties or unable to make a claim within a shortened timeframe for other reasons and could lead to challenge (could also impact on carer)			
<b>Racial / Minority Ethnic Groups</b>	/	/	No differential impact anticipated		
<b>Gender</b>		Could affect more females than males if income from child benefit & maintenance payments no longer disregarded		Potential impact from removing Second Adult Rebate on second low income adult	
<b>Pregnancy &amp; Maternity</b>		Potential disproportionate impact for those with children if income from child benefit and maintenance payments no longer disregarded. Capping particular bands could also disproportionately affect families who require larger properties			
<b>Marriage &amp; Civil Partnership</b>	/	/	No differential impact anticipated		
<b>Sexual Orientation</b>	/	/	No differential impact anticipated		
<b>Religion or belief</b>	/	/	No differential impact anticipated		
<b>Trans people / Gender reassignment</b>	/	/	No differential impact anticipated		
<b>Other Groups e.g. access for people in rural areas, those experiencing deprivation or health inequalities</b>		Applying full range of changes results in an inconsistent impact and particularly impacts on families, including those with disabled children		Reducing household budget for low income people could potentially increase health inequalities? Although numbers relatively small, also important not to overlook needs of children in poverty living in rural areas	

**Option 3**

Adopt the Government's default scheme.

<b>Protected Groups</b>	<b>Positive effects</b>	<b>Negative effects</b>	<b>No effect</b>	<b>Don't know</b>	<b>Actions</b>
<b>Age</b>	Retains favourable Capital allowance calculation within current scheme (55.4% of current claimants)		No differential impact anticipated		
<b>People with Disabilities</b>	Retains calculation criteria concerning disregarded income favouring people with disabilities		No differential impact anticipated		
<b>Racial / Minority Ethnic Groups</b>	/	/	No differential impact anticipated		
<b>Gender</b>	Disregarded income includes child benefit & maintenance which is claimed by more females than males				
<b>Pregnancy &amp; Maternity</b>	Retains calculation criteria concerning disregarded income favouring people with children				
<b>Marriage &amp; Civil Partnership</b>	/	/	No differential impact anticipated		
<b>Sexual Orientation</b>	/	/	No differential impact anticipated		
<b>Religion or belief</b>	/	/	No differential impact anticipated		
<b>Trans people / Gender reassignment</b>	/	/	No differential impact anticipated		
<b>Other Groups e.g. access for people in rural areas, those experiencing deprivation or health inequalities</b>		All Council Tax payers (regardless of age) would potentially be affected as Council would need to make up full 10% shortfall. Equality impacts would depend on how this income was derived e.g. reduction in service levels.			

**Option 4**

Reduce benefit for working age claimants by around 10% and meet the remainder of the savings through generating additional income from changes to Council Tax exemptions and second homes that the government is introducing. No other changes to scheme criteria.

<b>Protected Groups</b>	<b>Positive effects</b>	<b>Negative effects</b>	<b>No effect</b>	<b>Don't know</b>	<b>Actions</b>
<b>Age</b>	People of pensionable age protected from the changes (55.4% of current claimants)	All working age claimants will be affected and see a reduction of up to 10% in the help they receive towards their Council Tax bill but reduces burden by sharing with Council Tax payers		Could negatively affect younger people facing other financial pressures and not able to find work (but to lesser extent)	
<b>People with Disabilities</b>	Retains calculation rules on disregarded income within existing CTB scheme which favour people with disabilities				
<b>Racial / Minority Ethnic Groups</b>	/	/	No differential impact anticipated		
<b>Gender</b>	Disregarded income includes child benefit & maintenance which is claimed by more females than males?				
<b>Pregnancy &amp; Maternity</b>	Retains calculation rules on disregarded income within existing CTB scheme which favour people with children				
<b>Marriage &amp; Civil Partnership</b>	/	/	No differential impact anticipated		
<b>Sexual Orientation</b>	/	/	No differential impact anticipated		
<b>Religion or belief</b>	/	/	No differential impact anticipated		
<b>Trans people / Gender reassignment</b>	/	/	No differential impact anticipated		
<b>Other Groups e.g. access for people in rural areas, those experiencing deprivation or health inequalities</b>		Residents with least means will pay Council Tax for first time. Council Tax payers required to make up part of shortfall. Consultation to include equalities monitoring questions to help assess impact		Reducing the household budget for low income people could potentially increase health inequalities? (but less risk with this option)	

**Option 5**

Protecting people with disabilities as well as pensioners from any reduction in support. No other changes to scheme criteria.

<b>Protected Groups</b>	<b>Positive effects</b>	<b>Negative effects</b>	<b>No effect</b>	<b>Don't know</b>	<b>Actions</b>
<b>Age</b>	People of pensionable age protected from the changes (55.4% of current claimants)	All working age claimants will be affected and see a reduction of up to 30% in the help they receive towards their Council Tax bill		Could negatively affect younger people facing other financial pressures and not able to find work?	
<b>People with Disabilities</b>	People with a disability and carers protected from the changes (18.6% of current claimants)				
<b>Racial / Minority Ethnic Groups</b>	/	/	No differential impact anticipated		
<b>Gender</b>	Disregarded income includes child benefit & maintenance which is claimed by more females than males?				
<b>Pregnancy &amp; Maternity</b>	Retains calculation rules on disregarded income within existing CTB scheme which favour people with children				
<b>Marriage &amp; Civil Partnership</b>	/	/	No differential impact anticipated		
<b>Sexual Orientation</b>	/	/	No differential impact anticipated		
<b>Religion or belief</b>	/	/	No differential impact anticipated		
<b>Trans people / Gender reassignment</b>	/	/	No differential impact anticipated		
<b>Other Groups e.g. access for people in rural areas, those experiencing deprivation or health inequalities</b>		Residents with least means will pay Council Tax for first time.		Reducing the household budget for low income people could potentially increase health inequalities? Although numbers relatively small, also important not to overlook needs of children in poverty living in rural areas	

<b>Outsourced services</b>	
If your policy, practice, service or function is partly or wholly provided by external organisations/agencies, please list any arrangements to ensure that they promote equality and diversity (Include this in your improvement plan)	Are council policies built into contractual or service agreements? N/A
<b>Relations between different protected groups</b>	
Does your assessment show that a policy, practice , service or function may amount to potential adverse impact between different protected groups? If yes please explain how the improvement plan is going to tackle this issue	Any adverse differential impacts should be addressed Potential disproportionate impacts with Option 2 Option 3 would require savings to be made elsewhere e.g. through a reduction in other services which could have other equality impacts Option 5 would increase burden for other low income groups

<b>If an existing policy, practice, service or function, has it achieved its intended outcomes for the customer groups / stakeholders identified? If not, are there any equalities issues for protected groups?</b>	
N.B. If nothing additional to answers to key questions move on.  Currently under the nationally designed scheme, CTB claimants with the least means do not have to pay any Council Tax as they receive the maximum benefit and are therefore 'protected'. This will only apply to people of pensionable age under Government proposals.	
<b>If a new policy, practice, service or function, what factors <u>could</u> effect its intended outcomes from being achieved and are there any equalities issues for protected groups?</b>	
N.B. If nothing additional to answers to key questions move on.  Vulnerable people making payments for the first time Cumulative impacts of wider Welfare Reforms being introduced by Government	
<b>Can you think of any intentional or unintentional factors that could contribute to negative or differential impact?</b>	
N.B. If nothing additional to answers to key questions move on.  Potential increase in recovery work for the District Council (from people currently not required to pay) Potential increase in homelessness approaches to the Council resulting from the package of welfare reforms increasing call on Council services Potential increase in household debt increasing need for locally available support and advice Potential increase in hardship cases made to the Council Potential increase in support services from VCS organisations already stretched Worry and anxiety amongst claimants struggling to make payments	

***Summarise the key issues resulting from this initial equality impact assessment and any measures identified to minimise or remove any adverse impact and promote equality of opportunity?***

With the exception of the Government imposed default scheme, the remaining options all require working age claimants to pay something towards their Council Tax bill from 1 April next year. This negative effect is unavoidable given the Government requirement for a 10% saving in funding for local Council Tax support unless the District Council and precepting authorities can find contributions year on year to fund the default scheme. The Council's own financial assessments together with the views precepting authorities will help establish whether this is a realistic option. It should be recognised that any savings or increase in fees and charges necessary to fund this option could potentially result in equality impacts for Council Tax payers which would need to be understood.

Options 1 and 4 seek to mirror criteria with the existing CTB scheme, retaining favourable treatment of income for vulnerable groups such as the disabled and people with children. Option 4 would reduce the overall level of impact on vulnerable groups (any potential negative impacts on protected groups associated with generating additional income from changes to Council Tax discounts and exemptions would need to be considered using the consultation results).

Elements of Option 2 e.g. limiting backdating could potentially discriminate against people with disabilities / long standing illness, and other aspects e.g. no longer disregarding child benefit and maintenance payments could disproportionately affect people with children.

Option 5 ensures maximum protection of people with disabilities, including carers. However, a 30% reduction would have significant implications for other claimant groups e.g. people on low incomes with dependent children which, although are not a specific protected group in equalities terms, are considered vulnerable.

With regard to identifying actions to mitigate / reduce impacts (where possible), this will depend on the preferred option identified by Council and will be considered in the final EIA of the proposed scheme following consultation. Although insufficient information is available at this stage, another important consideration is the cumulative impact of different Welfare Reforms on different groups e.g. rule changes relating to under occupation of social housing, Benefit Cap and Universal Credit. Work will take place over the next few months to try to better understand the impact of these changes on household budgets. This will include consideration of the potential impacts on younger people considering the current economic climate. The key action at this stage is therefore to establish a working group of appropriate District Council officers and partner agencies, including CAB, Dales Housing and other relevant bodies to progress this work.

***From the information gathered above, does the policy, practice, service or function discriminate (either directly or indirectly) against any protected groups? Explain why?***

This EIA provides an initial assessment of the different options identified for consideration. Consultation on a preferred scheme is required to fully assess the impact on different people which will help inform the final scheme prior to adoption.

Based on the points raised above and subject to consultation responses, (with the exception of the default option) the potential for adverse, disproportionate impacts on protected groups is minimised with Option 4 which affords some protection in the form of favourable treatment regarding income received by disabled people and other groups considered vulnerable. Option 5 extends protection for the disabled but has implications for other claimant groups.

***Do you think this policy, practice, service or function should proceed to full EIA? Explain why***

*The full EIA process includes a stakeholder day to gain views on any key issues and the preparation of an action plan to address them.*

Yes – a stakeholder day has been included within the agreed Consultation Plan to help inform the final EIA along with the results of wider consultation.

**PLEASE FORWARD THE COMPLETED FORM TO THE DISTRICT COUNCIL'S LEAD EQUALITIES OFFICER**

Signed     Peter Lisewski     (Completing Officers) Signed     Giles Dann     (Equalities Lead Officer)

Signed     Paul Radcliffe

**Annex 1 – Summary of the potential financial impact on claimants of the options considered (impact taking account of disregarded income shown in Annex 2)**

**Option 1 - Reduce assistance by 24% for all Working Age households**

<u>Claimant Group</u>	<u>No of Claims</u>	<u>Current CTB costs</u>	<u>Option 1 costs</u>	<u>Saving</u>	<u>Average Annual Loss in Benefit</u>	<u>Average Weekly Loss in Benefit</u>
<b><u>Non-Passported Claims</u></b>						
Working Age - Child Under 5	82	£67,797.54	£51,526.20	£16,271.34	£198.43	£3.81
Working Age - Disability	132	£117,114.90	£89,007.56	£28,107.34	£212.93	£4.08
Working Age - Disabled Child Premium	32	£23,654.78	£17,977.64	£5,677.14	£177.41	£3.40
Working Age - Family Premium	25	£16,151.16	£12,274.92	£3,876.24	£155.05	£2.97
Working Age - Family Premium - 1 Child	153	£99,633.01	£75,721.29	£23,911.72	£156.29	£3.00
Working Age - Family Premium - 2 Child	85	£66,243.32	£50,345.01	£15,898.31	£187.04	£3.59
Working Age - Family Premium - 3 Child	32	£30,405.86	£23,108.49	£7,297.37	£228.04	£4.37
Working Age - Family Premium - 4 Child	6	£6,821.81	£5,184.58	£1,637.23	£272.87	£5.23
Working Age - Family Premium - 5 and Above	1	£1,209.64	£919.33	£290.31	£290.31	£5.57
Working Age - Lone Parent Child Under 5	63	£37,458.14	£28,468.20	£8,989.94	£142.70	£2.74
Working Age - Other	88	£66,486.01	£51,300.58	£15,185.43	£172.56	£3.31
Working Age - Severe Disability	34	£28,620.09	£21,751.29	£6,868.80	£202.02	£3.87
Working Age - War Pensioners	2	£1,947.14	£1,479.83	£467.31	£233.66	£4.48
Working Age - Working	160	£100,203.57	£76,614.75	£23,588.82	£147.43	£2.83
<b><u>Passported Claims</u></b>						
Working Age - Child Under 5	47	£55,833.25	£42,433.29	£13,399.96	£285.11	£5.47
Working Age - Disability	94	£102,040.20	£77,550.57	£24,489.63	£260.53	£5.00
Working Age - Disabled Child Premium	19	£20,078.40	£15,259.58	£4,818.82	£253.62	£4.86
Working Age - Family Premium	24	£22,982.40	£17,466.65	£5,515.75	£229.82	£4.41
Working Age - Family Premium - 1 Child	98	£95,453.20	£72,544.55	£22,908.65	£233.76	£4.48
Working Age - Family Premium - 2 Child	62	£66,217.00	£50,324.98	£15,892.02	£256.32	£4.92
Working Age - Family Premium - 3 Child	21	£22,211.67	£16,880.89	£5,330.78	£253.85	£4.87
Working Age - Family Premium - 4 Child	6	£6,314.56	£4,799.06	£1,515.50	£252.58	£4.84
Working Age - Family Premium - 5 and Above	5	£5,384.14	£4,091.95	£1,292.19	£258.44	£4.96
Working Age - Lone Parent Child Under 5	122	£115,780.83	£87,993.60	£27,787.23	£227.76	£4.37
Working Age - Other	478	£431,143.37	£327,752.89	£103,390.48	£216.30	£4.15
Working Age - Severe Disability	45	£38,840.01	£29,518.45	£9,321.56	£207.15	£3.97
Working Age - Working	3	£2,697.18	£2,049.85	£647.33	£215.78	£4.14
<b>Total cases</b>	<b>1919</b>	<b>£1,648,723.18</b>	<b>£1,254,345.98</b>	<b>£394,377.20</b>		

**Option 2** - Amend aspects of the existing Council Tax Benefit to reduce awards to certain claimant groups including e.g. removing second adult rebate, reducing capital limits, cap the amount to a particular band, include child benefit and maintenance payments as income, limit backdating to 3 months

Due to the large number of possible combinations within this option, it is not possible to provide definitive information on the costs of implementing option 2.

**Option 3 - Default scheme**

<b><u>Claimant Group</u></b>	<b><u>No of Claims</u></b>	<b><u>Current CTB costs</u></b>	<b><u>Option 3 costs</u></b>	<b><u>Saving</u></b>	<b><u>Average Annual Loss in Benefit</u></b>	<b><u>Average Weekly Loss in Benefit</u></b>
<b><u>Non-Passported Claims</u></b>						
Working Age - Child Under 5	82	£67,797.54	£67,797.54	£0.00	£0.00	£0.00
Working Age - Disability	132	£117,114.90	£117,114.90	£0.00	£0.00	£0.00
Working Age - Disabled Child Premium	32	£23,654.78	£23,654.78	£0.00	£0.00	£0.00
Working Age - Family Premium	25	£16,151.16	£16,151.16	£0.00	£0.00	£0.00
Working Age - Family Premium - 1 Child	153	£99,633.01	£99,633.01	£0.00	£0.00	£0.00
Working Age - Family Premium - 2 Child	85	£66,243.32	£66,243.32	£0.00	£0.00	£0.00
Working Age - Family Premium - 3 Child	32	£30,405.86	£30,405.86	£0.00	£0.00	£0.00
Working Age - Family Premium - 4 Child	6	£6,821.81	£6,821.81	£0.00	£0.00	£0.00
Working Age - Family Premium - 5 and Above	1	£1,209.64	£1,209.64	£0.00	£0.00	£0.00
Working Age - Lone Parent Child Under 5	63	£37,458.14	£37,458.14	£0.00	£0.00	£0.00
Working Age - Other	88	£66,486.01	£66,486.01	£0.00	£0.00	£0.00
Working Age - Severe Disability	34	£28,620.09	£28,620.09	£0.00	£0.00	£0.00
Working Age - War Pensioners	2	£1,947.14	£1,947.14	£0.00	£0.00	£0.00
Working Age - Working	160	£100,203.57	£100,203.57	£0.00	£0.00	£0.00
<b><u>Passported Claims</u></b>						
Working Age - Child Under 5	47	£55,833.25	£55,833.25	£0.00	£0.00	£0.00
Working Age - Disability	94	£102,040.20	£102,040.20	£0.00	£0.00	£0.00
Working Age - Disabled Child Premium	19	£20,078.40	£20,078.40	£0.00	£0.00	£0.00
Working Age - Family Premium	24	£22,982.40	£22,982.40	£0.00	£0.00	£0.00
Working Age - Family Premium - 1 Child	98	£95,453.20	£95,453.20	£0.00	£0.00	£0.00
Working Age - Family Premium - 2 Child	62	£66,217.00	£66,217.00	£0.00	£0.00	£0.00
Working Age - Family Premium - 3 Child	21	£22,211.67	£22,211.67	£0.00	£0.00	£0.00
Working Age - Family Premium - 4 Child	6	£6,314.56	£6,314.56	£0.00	£0.00	£0.00
Working Age - Family Premium - 5 and Above	5	£5,384.14	£5,384.14	£0.00	£0.00	£0.00
Working Age - Lone Parent Child Under 5	122	£115,780.83	£115,780.83	£0.00	£0.00	£0.00
Working Age - Other	478	£431,143.37	£431,143.37	£0.00	£0.00	£0.00
Working Age - Severe Disability	45	£38,840.01	£38,840.01	£0.00	£0.00	£0.00
Working Age - Working	3	£2,697.18	£2,697.18	£0.00	£0.00	£0.00
<b>Total cases</b>	<b>1919</b>	<b>£1,648,723.18</b>	<b>£1,648,723.18</b>	<b>£0.00</b>		

**Option 4 - Reduce assistance by 10% for all Working Age households**

<b><u>Claimant Group</u></b>	<b><u>No of Claims</u></b>	<b><u>Current CTB costs</u></b>	<b><u>Option 4 costs</u></b>	<b><u>Saving</u></b>	<b><u>Average Annual Loss in Benefit</u></b>	<b><u>Average Weekly Loss in Benefit</u></b>
<b><u>Non-Passported Claims</u></b>						
Working Age - Child Under 5	82	£67,797.54	£61,017.83	£6,779.71	£82.68	£1.59
Working Age - Disability	132	£117,114.90	£105,403.62	£11,711.28	£88.72	£1.70
Working Age - Disabled Child Premium	32	£23,654.78	£21,289.33	£2,365.45	£73.92	£1.42
Working Age - Family Premium	25	£16,151.16	£14,536.05	£1,615.11	£64.60	£1.24
Working Age - Family Premium - 1 Child	153	£99,633.01	£89,669.72	£9,963.29	£65.12	£1.25
Working Age - Family Premium - 2 Child	85	£66,243.32	£59,619.06	£6,624.26	£77.93	£1.49
Working Age - Family Premium - 3 Child	32	£30,405.86	£27,365.32	£3,040.54	£95.02	£1.82
Working Age - Family Premium - 4 Child	6	£6,821.81	£6,139.63	£682.18	£113.70	£2.18
Working Age - Family Premium - 5 and Above	1	£1,209.64	£1,088.68	£120.96	£120.96	£2.32
Working Age - Lone Parent Child Under 5	63	£37,458.14	£33,712.30	£3,745.84	£59.46	£1.14
Working Age - Other	88	£66,486.01	£60,158.87	£6,327.14	£71.90	£1.38
Working Age - Severe Disability	34	£28,620.09	£25,758.12	£2,861.97	£84.18	£1.61
Working Age - War Pensioners	2	£1,947.14	£1,752.43	£194.71	£97.36	£1.87
Working Age - Working	160	£100,203.57	£90,365.83	£9,837.74	£61.49	£1.18
<b><u>Passported Claims</u></b>						
Working Age - Child Under 5	47	£55,833.25	£50,250.01	£5,583.24	£118.79	£2.28
Working Age - Disability	94	£102,040.20	£91,836.34	£10,203.86	£108.55	£2.08
Working Age - Disabled Child Premium	19	£20,078.40	£18,070.56	£2,007.84	£105.68	£2.03
Working Age - Family Premium	24	£22,982.40	£20,684.21	£2,298.19	£95.76	£1.84
Working Age - Family Premium - 1 Child	98	£95,453.20	£85,908.00	£9,545.20	£97.40	£1.87
Working Age - Family Premium - 2 Child	62	£66,217.00	£59,595.40	£6,621.60	£106.80	£2.05
Working Age - Family Premium - 3 Child	21	£22,211.67	£19,990.56	£2,221.11	£105.77	£2.03
Working Age - Family Premium - 4 Child	6	£6,314.56	£5,683.11	£631.45	£105.24	£2.02
Working Age - Family Premium - 5 and Above	5	£5,384.14	£4,845.72	£538.42	£107.68	£2.07
Working Age - Lone Parent Child Under 5	122	£115,780.83	£104,202.87	£11,577.96	£94.90	£1.82
Working Age - Other	478	£431,143.37	£388,064.99	£43,078.38	£90.12	£1.73
Working Age - Severe Disability	45	£38,840.01	£34,956.17	£3,883.84	£86.31	£1.66
Working Age - Working	3	£2,697.18	£2,427.46	£269.72	£89.91	£1.72
<b>Total cases</b>	<b>1919</b>	<b>£1,648,723.18</b>	<b>£1,484,392.19</b>	<b>£164,330.99</b>		

**Option 5 - Protect disabled claimants and reduce assistance by 30% to all other Working Age households**

<b><u>Claimant Group</u></b>	<b><u>No of Claims</u></b>	<b><u>Current CTB costs</u></b>	<b><u>Option 4 costs</u></b>	<b><u>Saving</u></b>	<b><u>Average Annual Loss in Benefit</u></b>	<b><u>Average Weekly Loss in Benefit</u></b>
<b><u>Non-Passported Claims</u></b>						
Working Age - Child Under 5	82	£67,797.54	£47,458.40	£20,339.14	£248.04	£4.76
Working Age - Disability	132	£117,114.90	£117,114.90	£0.00	£0.00	£0.00
Working Age - Disabled Child Premium	32	£23,654.78	£23,654.78	£0.00	£0.00	£0.00
Working Age - Family Premium	25	£16,151.16	£11,305.84	£4,845.32	£193.81	£3.72
Working Age - Family Premium - 1 Child	153	£99,633.01	£69,743.29	£29,889.72	£195.36	£3.75
Working Age - Family Premium - 2 Child	85	£66,243.32	£46,370.44	£19,872.88	£233.80	£4.48
Working Age - Family Premium - 3 Child	32	£30,405.86	£21,284.15	£9,121.71	£285.05	£5.47
Working Age - Family Premium - 4 Child	6	£6,821.81	£4,775.27	£2,046.54	£341.09	£6.54
Working Age - Family Premium - 5 and Above	1	£1,209.64	£846.75	£362.89	£362.89	£6.96
Working Age - Lone Parent Child Under 5	63	£37,458.14	£26,220.79	£11,237.35	£178.37	£3.42
Working Age - Other	88	£66,486.01	£47,504.25	£18,981.76	£215.70	£4.14
Working Age - Severe Disability	34	£28,620.09	£28,620.09	£0.00	£0.00	£0.00
Working Age - War Pensioners	2	£1,947.14	£1,363.00	£584.14	£292.07	£5.60
Working Age - Working	160	£100,203.57	£70,734.31	£29,469.26	£184.18	£3.53
<b><u>Passported Claims</u></b>						
Working Age - Child Under 5	47	£55,833.25	£39,083.38	£16,749.87	£356.38	£6.83
Working Age - Disability	94	£102,040.20	£102,040.20	£0.00	£0.00	£0.00
Working Age - Disabled Child Premium	19	£20,078.40	£20,078.40	£0.00	£0.00	£0.00
Working Age - Family Premium	24	£22,982.40	£16,087.69	£6,894.71	£287.28	£5.51
Working Age - Family Premium - 1 Child	98	£95,453.20	£66,817.35	£28,635.85	£292.20	£5.60
Working Age - Family Premium - 2 Child	62	£66,217.00	£46,351.98	£19,865.02	£320.40	£6.14
Working Age - Family Premium - 3 Child	21	£22,211.67	£15,548.21	£6,663.46	£317.31	£6.09
Working Age - Family Premium - 4 Child	6	£6,314.56	£4,420.19	£1,894.37	£315.73	£6.06
Working Age - Family Premium - 5 and Above	5	£5,384.14	£3,768.90	£1,615.24	£323.05	£6.20
Working Age - Lone Parent Child Under 5	122	£115,780.83	£81,046.77	£34,734.06	£284.71	£5.46
Working Age - Other	478	£431,143.37	£301,905.69	£129,237.68	£270.37	£5.19
Working Age - Severe Disability	45	£38,840.01	£38,840.01	£0.00	£0.00	£0.00
Working Age - Working	3	£2,697.18	£1,888.02	£809.16	£269.72	£5.17
<b>Total cases</b>	<b>1919</b>	<b>£1,648,723.18</b>	<b>£1,254,873.05</b>	<b>£393,850.13</b>		

## **Annex 2 - Individual case studies on each of the options considered**

### **Option 1**

Make all of the 10% saving by reducing benefit awards for working age claimants by a percentage based on the Derbyshire Dales demographic (caseload split between pensioner and working age) would mean a 24% reduction in assistance for Working Age residents.

Mr B claims Council Tax Benefit with his partner and two children. The weekly family income includes contribution based Job Seekers Allowance, Child Tax Credit and Child Benefit totalling £186.18 of which Child Benefit £33.70 is disregarded for Council Tax purposes.

They currently receive Council Tax Benefit of £26.77 per week with the annual Council Tax liability being £1395.96 or £26.77 per week.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £26.77
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- Total disregarded weekly income = £33.70

#### **New Council Tax Support Scheme:**

- Weekly charge: £26.77
- Local Council Tax Support= £20.35
- The family now have £6.42 to pay per week or £334.76 per annum (equivalent to 3.5% of their total income).
- The Council continues to disregard Child Benefit income of £33.70

Mr C is a married disabled claimant and receives Disability Living Allowance (higher care rate) £77.45 in addition to his Incapacity Benefit of £99.15. His wife works for 10 hours and earns £90 per week of which £20 is disregarded. Of this weekly income all of the DLA £77.45 is fully disregarded for Council Tax purposes.

He qualifies for a disability premium under the current Council Tax Benefit scheme because of his entitlement to DLA.

He currently receives Council Tax Benefit of £23.96 per week residing in a band C property.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £23.96
- Amount to pay: £2.81 per week or £146.52 per annum (equivalent to 1.1% of their total income).
- Total disregarded weekly income = £97.45

#### **New Council Tax Support Scheme:**

- Weekly charge: 26.77
- Local Council Tax Support = £18.21
- Mr C now has £8.56 to pay per week or £446.34 per annum (equivalent to 3.2% of their total weekly income).
- The Council continues to disregard weekly income of £97.45

## **Option 2**

Proposes changing technical aspects of the current statutory scheme to reduce awards for certain claimant groups. In addition to a percentage reduction of entitlement (as per option 1) additional savings could be achieved by changing several key elements of the current statutory Council Tax Benefit scheme that protect claimant's income and capital and also affect the way in which non-dependents are treated.

Examples of such changes include making the rules relating to the treatment of certain common income types less favourable. The maximum capital limit governing eligibility could also be reduced to £8,000 from £16,000. Income types like Child Benefit and maintenance payments would also no longer attract a full income disregard. Finally working age claimants could only ever receive backdating to a maximum of 3 months in line with pensioner claims.

The following example illustrates the effect of changing the treatment of Child Benefit and maintenance income by removing the income disregard so that this income is included within the means test governing the calculation of entitlement.

Mr & Mrs D live with their 2 children (twins aged 12 years) and receive Council Tax Benefit of £26.77 per week against a council tax liability of £1395.96 per year.

The weekly family income includes Job Seekers Allowance £71.00, Child Tax Credits of £55.00, Child Benefit £33.70 and Mrs D receives maintenance of £40.00 per week from a former partner. Mrs D also works in a self employed capacity but receives a low income as she has only just commenced trading.

Under the existing Council Tax Benefit scheme the child benefit and maintenance of £73.70 is fully disregarded and so does not affect their entitlement.

### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £26.77
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- Total disregarded weekly income = £73.70

### **New Council Tax Support Scheme:**

- Weekly charge: £26.77
- Local Council Tax Support = £12.03
- Mr C now has £14.74 to pay per week or £768.59 per annum (equivalent to 7.4% of their total income).

The reduction in the level of assistance directly results from the decision to no longer disregard the Child Benefit and maintenance income totalling £73.70 per week.

### Option 3

Implement the default scheme – i.e. carry forward the current Council Tax Benefit Scheme and continue to calculate entitlement to Local Scheme assistance with the same underlying rules.

Mr & Mrs E receive a range of Department for Work & Pension benefits and allowances because they are classed as disabled. Their weekly income includes Employment Support Allowance of £105.05 and Disability Living Allowance of £77.45 for both of them and no one receives carers allowance for them

The weekly DLA payments are ignored for the purposes of the calculation of their entitlement.

They currently receive Council Tax Benefit of £26.77 per week with the annual Council Tax charge of £1395.96.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £26.77
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- Total disregarded weekly income = £77.45

#### **New Council Tax Support Scheme:**

- Weekly charge: £26.77
- Local Council Tax Support: £26.77
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- The Council continues to disregard weekly income of £77.45

Ms F is a lone parent in receipt of Income Support and also receives Child Benefit for her three children and is entitled to a 25% reduction on her Council Tax as a Single Person Discount. Her revised liability is £ 1046.97 per annum on which her assistance is calculated.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £20.08
- Council Tax Benefit: £20.08
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- The claimant is not subject to a means test because they receive Income Support

#### **New Council Tax Support Scheme:**

- Weekly charge: £20.08
- Local Council Tax Support: £20.08
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).

Although the Default Scheme provided by Option 3 preserves the level of assistance provided by the statutory Council Tax Benefits Scheme the District Council would have to then find 10% savings from other budgets which could result in services throughout the Authority being reduced or cut. The Default Scheme will also store up financial pressures for the second year of the Local Support Scheme which might result in a less generous outcome for all working age claimants.

#### **Option 4**

Apply a 10% cut to all benefit awards to working age claimants. Meet the remainder from other budgets – i.e. from increased income from changes to Council Tax exemptions and / or local funding.

Mrs G claims Council Tax Benefit as a Lone Parent in receipt of weekly income that includes a War Disablement Pension £96.81, Child Tax Credits of £162.39 and Child Benefit of £47.10 for her three children (aged 13, 15 and 16 years).

The Child Benefit and War Disablement Pension totalling £143.91 is fully disregarded in the assessment of her entitlement.

Her weekly Council Tax liability is £20.08 which includes a 25% Single Person Discount reduction leaving her annual bill to be £1046.97.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £20.08
- Council Tax Benefit: £20.08
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of their total income).
- Total disregarded weekly income = £143.91

#### **New Council Tax Support Scheme:**

- Weekly charge: £20.08
- Local Council Tax Support: £18.07
- Amount to pay: £2.01 per week or £104.81 per annum (equivalent to 0.7% of their total income).

Although the District Council continues to disregard weekly income of £143.91 the 10% reduction in the award results in the claimant having a proportion of her liability to pay. The hardship to this household is mitigated by the decision to retain favourable income disregards.

Mr & Mrs H claim Council Tax Benefit based on a weekly family income that includes Job Seekers Allowance of £71.70, Child Tax Credit of £105.00 and Child Benefit of £33.70 for their two children. Mrs H also works 15 hours a week earning £110.00 and has a £10 disregard on these earnings.

Child Benefit of £33.70 together with an earnings disregard of £10 per week is disregarded in the calculation of the entitlement.

#### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £23.34
- Amount to pay: £3.43 per week or £178.85 per annum (equivalent to 1.1% of their total income).
- Total disregarded weekly income = £43.70

#### **New Council Tax Support Scheme:**

- Weekly charge: £26.77
- Local Council Tax Support: £21.01
- Amount to pay: £5.76 per week or £300.34 per annum (equivalent to 1.8% of their total income).

Although the District Council continues to disregard weekly income of £43.70 the 10% reduction in the award results in the claimant having a proportion of her liability to pay. The hardship to this household is mitigated by the decision to retain favourable income disregards.

## **Option 5**

Apply protection to disabled claimants as a vulnerable category.

Couple reside in a Band C property in Ashbourne and as well as £116.15 income from self employed work receive Incapacity Benefit payable at the long term rate of £99.15 giving a total income of £215.30 per week. This provides for a disability premium payable within the Council Tax Benefit.

They currently receive Council Tax Benefit of £18.65 per week with the annual Council Tax charge of £1395.96 or £26.77 per week.

### **Current Council Tax Benefit Scheme**

- Weekly charge: £26.77
- Council Tax Benefit: £18.65
- Amount to pay: £8.12 per week or £423.40 per annum (equivalent to 3.8% of their total income).
- The District Council disregards £20 of the income derived from self employed work

### **New Council Tax Support Scheme:**

- Weekly charge: £26.77
- Local Council Tax Support = £18.65
- Amount to pay: £8.12 per week or £423.40 per annum (equivalent to 3.8% of their total income).

Claimant retains existing entitlement to CTB under the Local Scheme.

Ms I is a lone parent with 3 dependent children (16, 14 and 7 years old) and claims Council Tax Benefit based on her weekly income of Income Support and Child benefit totalling £283.37 per week.

Her weekly Council Tax liability is £20.08 which includes a 25% Single Person Discount reduction leaving her annual bill to be £1046.97.

### **Current Council Tax Benefit Scheme**

- Weekly charge: £20.08
- Council Tax Benefit: £20.08
- Amount to pay: £0 per week or £0 per annum (equivalent to 0% of her total income).
- The claimant is not subject to a means test because they receive Income Support

### **New Council Tax Support Scheme:**

- Weekly charge: £20.08
- Local Council Tax Support = £14.06
- Amount to pay: £6.02 per week or £313.90 per annum (equivalent to 2.1% of her total income).

The decision to protect 'disabled households results in the 10% reduction falling on all other working age households which in real terms results in a 30% reduction in the level of assistance.