

## Bristol City Council Equality Impact Assessment Form



(Please refer to the Equality Impact Assessment guidance when completing this form)

Name of proposal	Council Tax Reduction scheme for 2018/19
Directorate and Service Area	Neighbourhoods, Benefits Service
Name of Lead Officer	Patsy Mellor

### Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

#### 1.1 What is the proposal?

We are reviewing our Council Tax Reduction (CTR) scheme for 2018/19 in line with the cabinet decision of 4<sup>th</sup> July 2016 that the existing scheme is reviewed for 2018/19 and that options are put forward for consideration.

CTR is a means-tested discount that provides support with council tax costs to low income households across Bristol.

Under s13A(2) of the Local Government Finance Act 1992, each billing authority must make a scheme stipulating reductions in the council tax payable by those it considers are in financial need or by those within classes of people it considers are, in general, in financial need.

For those of pension age the amount of CTR support is calculated with reference to nationally prescribed regulations\*.

\*The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2285).

This means pensioners are protected from any local changes.

These same regulations prescribe which people of working age must not be included in a local scheme (regulations 12 & 13) and some general requirements for all schemes (Schedules 7 & 8).

Our present caseload is approximately 64% working age and 36% pension age.

At present, the scheme provides similar levels of support to those of working age compared to those of pension age and up to 100% discount is available for those on the lowest incomes.

In our assumption in modelling scheme options, council tax is projected to rise by approximately 9.8% by 2018/19 with reference to 2016/17 levels (assuming an annual increase in Council tax of 1.99% and an annual Adult Social Care Precept of 3%). It is to be noted that no decisions have been reached regarding council tax amounts for 2018/19.

Any increase in council tax means a similar increase in the amount of funding for CTR if the existing scheme were to be retained, maintaining current levels of support to working age households.

Options were taken to Executive Board for approval and it was decided that the council would not be consulting on the current scheme as an option due to the council's current financial position. However, the consultation states the reason for doing this and gives consultees the ability to propose any alternative scheme as they see fit.

The following three options have been selected for public consultation:-

**Option 1:** Maintain the current scheme structure but introduce a minimum payment of 25% for all working age households. This will cost £34.5million in 2018/19. Households who get CTR would pay on average £5.71 a week more than they would if the existing scheme was maintained.

**Option 2:** Maintain the current scheme structure but introduce a minimum payment of 7.5% for all working age households in 2018/19 and increasing this gradually over a number of years (subject to consultation for each year). Households who get CTR would have to pay on average £1.73 a week more than they would if the existing scheme was maintained. This will increase to £12.03 by 2021/22 if the minimum payment is increased gradually to 50%.

**Option 3:** Develop a simplified, banded scheme for working age households that is based on non-benefits income and earnings only. A percentage discount will be given according to which income band a household was in. Households with a very low income or getting benefits such as Income Support or Jobseeker's Allowance would get a 75% discount. This means that all households are required to make a minimum payment of 25% in the same way as for option one. Households who get CTR would have to pay on average £5.47 a week more than they would if the existing scheme was maintained.

All three options involve those of working age on the lowest income making a contribution towards their council tax of up to 25% in 2018/19 whereas under the current scheme they may not have had to make any contribution.

Many working age households will also be subject to reductions in their incomes as a result of benefit changes (e.g. the overall benefit cap and under-occupation charge) and a general four year freeze on most benefits and tax credits.

Workload, complaints and increased footfall at Citizen Services will impact staff.

The changes to processing of awards are unlikely to reduce staff numbers in the immediate future.

Protection from reductions in funding for households who cannot pay can be met through defining 'vulnerable' groups or including a discretionary fund to make up shortfalls between council tax and CTR.

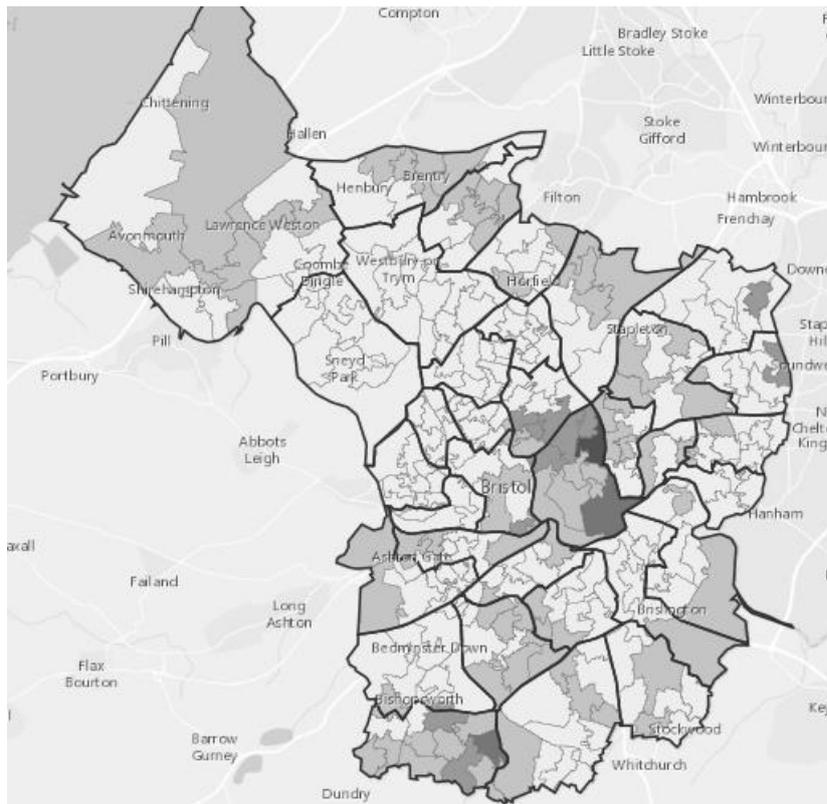
## **Step 2: What information do we have?**

Decisions must be evidence-based and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

## 2.1 What data or evidence is there which tells us who is, or could be affected?

Our existing CTR claim database provides accurate data as of June 2016 on the geographical location, household income, age, disability (if specific benefits such as Disability Living Allowance (DLA) or Personal Independence Payments (PIP) are in payment), and sex of the claimant, partner and dependants.

**Map 1:** This map shows the distribution of our current working age CTR caseload – the darker the shade of grey, the more working age recipients (ward boundaries shown in black).



The areas most impacted by the proposal are generally more deprived areas of the city and are mainly located in the centre or on the periphery.

## 2.2 Who is missing? Are there any gaps in the data?

Our existing CTR claim database does not hold data on religious belief/lack of belief, sexual orientation, marriage/civil partnerships, pregnancy/maternity, gender reassignment or disability (unless a disability related benefit is in payment).

Some limited data is held on ethnicity but this is of poor quality due to the low response rates to equality questions asked on the CTR application form.

We do hold geographical location data for our current CTR claim database and we have been able to use census and other data to help fill the gaps in CTR data.

The assumption has been made on a very local level at least that some protected characteristics will be evenly distributed across income groups within areas where there is no specific CTR information (for example, race, religion and belief).

### **2.3 How have we involved, or will we involve, communities and groups that could be affected?**

Any changes to the scheme are subject to a 12-week public and Voluntary and Community Sector (VCS) consultation. The public consultation runs from 3<sup>rd</sup> July to 24<sup>th</sup> September 2017 and a specific event will be held for the VCS. We will also make specific approaches to organisations and fora that represent households with protected characteristics.

We have developed our approach to consultation with the council's consultation team and will seek the views of equality groups through community groups and organisations: The Bristol Disability Forum, LGBT Bristol, Bristol Women's Voice, The Multifaith Forum and BME Voice. These groups have been contacted to advise that the consultation will take place from 3<sup>rd</sup> July 2017 and VOSCUR have also been contacted so that they can publicise it through their networks. Other partners and stakeholders (such as Registered Social Landlords and Advice Agencies) have also been contacted about the consultation.

In addition, members representing all wards were invited to attend workshops on the proposals in March 2017. This included representation from some of the most affected wards as well as members of the various scrutiny commissions. Further briefing sessions are also planned throughout the consultation period and during the development of a final scheme.

### **Step 3: Who might the proposal impact?**

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

### **3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?**

Yes, those working age people on low incomes who currently pay no council tax because they receive 100% CTR will now be asked to pay at least a minimum fixed percentage of their liability.

If those with a particular protected characteristic are overrepresented within the low-income working age group then any change to the scheme is likely to have an adverse impact upon this group.

It is important to bear in mind that not every low-income household of working age will be affected by any changes because not every person in this group will have a council tax liability.

Changes to the local CTR scheme may affect those with protected characteristics who are liable for council tax in the following ways:-

#### **1. Age**

The age profile of all households receiving CTR is shown below. Those households who are treated as being 'pensioners' are not affected by the proposal and will include the over 65 households and some of the 55 to 64 households:-

Applicant age	Households
Under 25	1,298
25 to 34	5,665
35 to 44	6,398
45 to 54	6,845
55 to 64	5,491
Over 65	12,368

Changes made to our local CTR scheme can only affect those of 'working age' as defined by legislation – those of 'pension age' will remain unaffected by any local changes.

Because our working age scheme will no longer provide current levels of support after 2017/18, then there will inevitably be differences between the support allowed for pensioner and working age cases. There is an exemption in the Equality Act\* which exempts us from the differential treatment of those of pension age by the CTR regulations.

\*Equality Act 2010 Schedule 22(1) in relation to part 3 'Services and Public Functions' (CTR is a 'Public Function')

There is no exemption\*, however, in terms of the locally defined part of our scheme for those of working age.

\*Schedule 18 of the Equality Act 2010 that would apply to the Public Sector Equality Duty in part 11.

It is not currently proposed that any changes to our CTR scheme treat any applicant differently due to age within the working age group.

Certain students are already excluded from CTR by our local regulations\* and it is likely that these will predominantly be younger people (note that many students will already be exempt from council tax).

\*Part 2(24) of our local scheme 'Classes of persons excluded from this scheme: students'

The exclusion of this group would already have been covered by the EqIA relating to the creation of our local scheme in 2013.

## 2. Disability

2011 Census data shows that 13% of the Bristol population aged between 16 and 64 have a disability.

Our local CTR working age scheme of 24,584 households has 7,923 household for which DLA or PIP are in payment and 8,448 households where a disability premium exists\*

Using the higher figure of 8,448 as the more accurate, just over 34% of our working age caseload has a disability.

This shows that disability is overrepresented by at least 100% within the CTR scheme working age caseload and therefore disproportionately impacted by the proposal to move away from the current scheme.

\*An award of DLA or PIP is not always required to receive the various disability premiums however if we move to a banded scheme or change the scheme significantly then it is likely we would need to use the incomes DLA or PIP (or the Support Component of ESA) as indicators of disability.

## 3. Gender reassignment

We do not hold any data on gender reassignment however there is no reason to suppose that this protected characteristic would be differently distributed across income bands or across the working age CTR caseload as a whole compared to the wider population.

**4. Marriage and civil partnerships** (note this group is not covered by the Public Sector Equality Duty)

We do not hold any data on marriage and civil partnerships however there is no reason to suppose that this protected characteristic would be differently distributed across income bands or across the working age CTR caseload as a whole compared to the wider population.

**5. Pregnancy and maternity**

We do not hold any data on pregnancy and maternity however it would be reasonable to assume that this protected characteristic may be overrepresented in our current working age caseload due to the high number of families with children and particularly of female lone parents (see point 8).

**6. Race** (note the protected characteristic of race includes colour, nationality and ethnic or national origins)\*

\*Equality Act 2010, part 2(1)(9)

Census data from 2011 carries information on the ethnicity of Bristol's residents as shown in table 1 below.

This shows 16% being Black and Minority Ethnic (BME) and 5.1% being white (other than UK or Ireland).

It is likely that the majority of the 5.1% white group is comprised of European nationals as this correlates with table 2 that shows 4.6% with a European (non-UK) country of birth and Office of National Statistics) ONS data showing 4.7% of Bristol's population hold an EU passport.

**Table 1: Ethnic Group (KS201EW)**

All Usual Residents	Count	428234	
White; English/Welsh/Scottish/Northern Irish/British	%	77.9	
White; Irish	%	0.9	
White; Gypsy or Irish Traveller	%	0.1	
White; Other White	%	5.1	<b>5.1%</b>
Mixed/Multiple Ethnic Groups; White and Black Caribbean	%	1.7	
Mixed/Multiple Ethnic Groups; White and Black African	%	0.4	
Mixed/Multiple Ethnic Groups; White and Asian	%	0.8	
Mixed/Multiple Ethnic Groups; Other Mixed	%	0.7	
Asian/Asian British; Indian	%	1.5	
Asian/Asian British; Pakistani	%	1.6	
Asian/Asian British; Bangladeshi	%	0.5	
Asian/Asian British; Chinese	%	0.9	
Asian/Asian British; Other Asian	%	1	
Black/African/Caribbean/Black British; African	%	2.8	
Black/African/Caribbean/Black British; Caribbean	%	1.6	
Black/African/Caribbean/Black British; Other Black	%	1.6	

Other Ethnic Group; Arab	%	0.3	
Other Ethnic Group; Any Other Ethnic Group	%	0.6	<b>16%</b>

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&e=62&g=6388788&i=1001x1003x1032x1004&m=0&r=1&s=1491218170352&enc=1&dsFamilyId=2477>

**Table 2: Country of Birth (KS204EW)**

All Usual Residents	Count	428234
England	%	81.3
Northern Ireland	%	0.4
Scotland	%	1.1
Wales	%	2.4
Ireland	%	0.7
Other EU; Member Countries	%	<b>2.1</b>
Other EU; Accession Countries	%	<b>2.5</b>
Other Countries	%	9.5

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&e=62&g=6388788&i=1001x1003x1032x1004&m=0&r=1&s=1491218170352&enc=1&dsFamilyId=2478>

The CTR caseload is estimated to contain 25% of those from BME communities\* a group which is overrepresented by 56% within the caseload when compared to the population of Bristol as a whole where the proportion is 16%. Approximately 13% of council tax payers receive CTR under the working age scheme.

The proposed reductions in support are likely to affect BME citizens disproportionately. Many of those wards that are most affected by the proposal also have more households with a member of a BME community (especially those central wards and those to the inner east of the city).

There is also considerable variability on a more local level as current census data (2011) shows, the highest BME percentage within a Lower Layer Super Output Area (LSOA) in Bristol is 80% and the lowest is 1%.

Data for CTR caseload regarding European nationals is not available and this area is further complicated by the fact that many European nationals will be excluded by CTR regulations from receiving any support; an exclusion which is exempted by the Equality Act 2010 as explained below.

The part of the prescribed CTR regulations\* that affect both those of working age and pension age requires us to exclude certain persons from CTR because they are either 'persons subject to immigration control' or 'persons treated as not being in Great Britain'.

\* (part 2(12)&(13) of SI 2012/2885 and incorporated into our local scheme as part 5 (21)&(22).

It is highly likely that European nationals and BME individuals are overrepresented within those excluded from CTR. In addition, the vast majority of those excluded will not be British citizens.

There is an exemption in the Equality Act\* which exempts us from the differential treatment of those excluded by the CTR regulations.

\* Equality Act 2010 Schedule 22(1) in relation to part 3 'Services and Public Functions' (CTR is a 'Public Function')

## 7. Religion and belief (including a lack of religion/belief)

We do not hold any data on religion and belief for our CTR caseload.

Data from the Office for National Statistics\* shows the three largest groups in Bristol to be Christian 47%, no religion 37%, and Muslim 5%

\*Percentage column added – remaining data from ONS as of Mar 2011

**Table 3. Religion (QS208EW)**

All Usual Residents	428234	
Christian	200254	47%
Buddhist	2549	1%
Hindu	2712	1%
Jewish	777	<1%
Muslim	22016	5%
Sikh	2133	<1%
Other Religion	2793	1%
No Religion	160218	37%
Religion Not Stated	34782	8%

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=7&b=6275035&c=bristol&d=13&g=6388788&i=1001x1003x1032x1006&k=religion&m=0&r=1&s=1491217259290&enc=1&domainId=61&dsFamilyId=2579>

By LSOA we see the considerable variation for the top three groups by 2011 Census data as follows:

Christian	20% to 99%
No religion	15% to 58%
Muslim	0% to 16%

<http://profiles.bristol.gov.uk/IAS/dataviews/report?reportId=766&viewId=746&geoReportId=3593&geoId=408&geoSubsetId>

The three maps below, maps 2-4 show the distribution within Bristol of these three largest groups within the protected characteristic of 'religion and belief'.

Comparing these with map 1 (distribution of CTR) suggests a correlation between areas with high proportion of Muslim residents and high CTR demand (central areas) but also high demand in some peripheral areas where there are high proportions of Christians or those with no religion.

Whilst it is clear that CTR will affect areas with different proportions of the groups that make up the protected characteristic of 'religion and belief', it is unclear without further research whether any one group will be disproportionately affected.

To do this, we would need to compare the overall percentages of these three groups across Bristol with those within the CTR scheme

**Map 2:** Distribution of % Christian residents of Bristol from 2011 Census data (the darker the colour the greater the value).



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**Map 3:** Distribution of % 'no religion' residents of Bristol From 2011 Census data (the darker the greater the value)



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**Map 4:** Distribution of % Muslim residents of Bristol From 2011 Census data (the darker the colour the greater the value)



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<http://profiles.bristol.gov.uk/IAS/dataviews/report?reportId=1347&viewId=746&geoReportId=5421&geold=590&geoSubsetId>

## 8. Sex

Whilst the split between claims for single people of working age without children is roughly equal (6,412 men and 5,058 women), women make up over 95% of single parent households in our current caseload (this is higher than the national average of 86% in 2016)\*.

\*source Office of National Statistics.

Single parents make up 8,504 of the households currently receiving CTR and the majority of those receiving CTR based on an award for Income Support. Overall single female households make up 54% of the CTR caseload and a further 5,000 females will be receiving CTR a member of a couple.

Therefore, women on low incomes would be disproportionately affected by any changes to the working age CTR scheme.

## 9. Sexual orientation

We do not hold any data on sexual orientation however there is no reason to suppose that this protected characteristic would be differently distributed across the working age CTR caseload as a whole compared to the wider population.

### Summary

The move away from the current scheme will affect those of working age.

Any change is likely to disproportionately affect three main groups with protected characteristics as follows (ranked in order of the percentage of our CTR caseload affected):-

Women (in particular lone parents), those from black and minority ethnic backgrounds, and the disabled.

All of the above are currently disproportionately represented in our current caseload as follows:-

1. Single females make up 54% of our caseload and 74% of households claiming CTR include at least one female
2. Those with a disability make up 34% of our caseload but 13% of working age households in Bristol
3. Those from a BME background make up 25% of the working age CTR caseload but 16% of all households in Bristol

### 3.2 Can these impacts be mitigated or justified? If so, how?

#### Justification:

On the basis of overall cost savings.

Continuing the current CTR scheme may be unaffordable since the cost of the scheme is projected to rise to £41.8 million by 2018/19.

We are currently the only core city to fund a working age scheme that provides up to 100% of a household's council tax liability. Other Core Cities have a provision for a minimum amount of council tax to be paid.

Changes to the scheme could generate savings of £7.3 million (gross) if a minimum payment of 25% was introduced for all working age households. This saving is reduced to £4.2million once the projected impact on council tax collection rates and the cost of a discretionary scheme are taken into account.

**Mitigation:**

Timely communication well in advance of the change would give affected citizens time to prepare and budget for increased payments of council tax.

Section 13A(1)(c) of part 1 of the Local Government Finance Act 1992 gives a billing authority the discretion to reduce (or further reduce if CTR has already been awarded) the amount of Council tax which a person is liable to pay as it sees fit (this includes the power to reduce an amount to nil).

Our present scheme Part 3(11) requires an application to be made for a reduction under 13A(1)(c). Once an application has been made, we could consider each case of hardship on its own merits. Within the consultation we have included the cost of a fund that households can apply to if they are unable to make the minimum payment without causing them severe financial hardship.

Compared to the current scheme no benefits would be created for people with protected characteristics. We could, however, choose to protect certain 'vulnerable' groups of working age persons from a minimum payment of council tax and maintain the level of discount that the current scheme would have given.

If we protected all those in receipt of disability benefits (DLA and PIP) for example – this would not guarantee that everyone who had a protected characteristic by virtue of disability was protected but everyone we defined as 'vulnerable' would have this protected characteristic.

Similarly, we could decide to protect lone parents with children under a certain age because women are overrepresented within this group.

Questions about automatic protection for some groups and a discretionary fund are included in our public consultation.

**3.3 Does the proposal create any benefits for people with protected characteristics?**

No benefits would be created for people with protected characteristics.

**3.4 Can they be maximised? If so, how?**

Not applicable.

#### Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

#### 4.1 How has the equality impact assessment informed or changed the proposal?

There will be a negative effect from 2018/19 when the scheme no longer provides the same levels of support as it does currently. This is unavoidable because some protected characteristics are disproportionately represented in the overall group of those of working age with low incomes.

The discretion to reduce council tax liability given by s13A should ensure that there is a remedy for cases where severe hardship is likely to result.

When we move away from the current scheme we could consider developing (and publicising) our s13A(1)(c) council tax discount discretion in a similar way to our current Discretionary Housing Payment scheme which seeks to mitigate (for those in receipt of Housing Benefit or the Housing Costs Element of Universal Credit) cases of severe hardship resulting from welfare reform.

#### 4.2 What actions have been identified going forward?

Timescales: Key decisions:-

- Public consultation period (3<sup>rd</sup> July 2017 to 24<sup>th</sup> September 2017) (stage 1)
- DLT and SLT approval to go to cabinet with final scheme (12<sup>th</sup> September 2017) (stage 2)
- Cabinet approval to go to full council for final scheme (31<sup>st</sup> October 2017) (stage 2)
- Full Council (14<sup>th</sup> November 2017 or 19<sup>th</sup> December 2017) (stage 2)
- Scheme agreement deadline (31<sup>st</sup> January 2018)

#### 4.3 How will the impact of your proposal and actions be measured moving forward?

The CTR scheme is subject to an annual review and may be amended if required (subject to prescribed consultation periods and deadlines being met).

Service Director Sign-Off: 	Equalities Officer Sign Off: Wanda Knight
Date: 17 <sup>th</sup> July 2017	Date: 17 <sup>th</sup> July 2017